



**RON ROBERTS**  
SUPERVISOR, FOURTH DISTRICT  
SAN DIEGO COUNTY BOARD OF SUPERVISORS

**AGENDA ITEM**

**DATE:** April 6, 2004  
**TO:** Board of Supervisors  
**SUBJECT:** SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District: All)

**SUMMARY:**

**Overview**

California hospitals supported the higher earthquake standards enacted by SB 1953 (Statutes of 1994) if the mandate was financed. Careful and rational implementation of those provisions will significantly increase the margin of safety in earthquakes. However, it is necessary to extend the timeline for compliance with SB 1953. Without any extensions to the timeline the continued operation of many of our local hospitals will be uncertain due to the enormous cost of complying with the law within the timeframe. The absence of extensions will impact the safety net and restrict providers' collective ability to provide health care.

**Recommendation(s)**

**SUPERVISOR ROBERTS:**

1. Direct the Chief Administrative Officer to draft a letter to the Governor for the Chairwoman's signature requesting an extended timeline to comply with the seismic safety building standards for hospitals.
2. Direct the County's Sacramento Representatives to support legislation that would provide hospitals an extension for complying with seismic safety building standards.

**Fiscal Impact**

None by this action.

**BACKGROUND:**

In 1994, after several southern California hospitals experienced disruptions in vital services and major building damage from the Northridge earthquake, the Legislature enacted the Hospital Seismic Safety Act [SB 1953 (Alquist), Chapter 740, Statutes of 1994]. SB 1953 strengthened the 1973 Hospital Facilities Seismic Safety Act (HFSSA) by requiring all acute care hospitals to take steps to ensure uninterrupted hospital operations following a major earthquake, and established two deadlines for compliance:

**SUBJECT: SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District: All)**

- First, by January 1, 2008, all hospital buildings that pose a significant risk of collapse or loss of life in an earthquake must be retrofitted to withstand a major earthquake, or be taken out of service for acute care.
- Second, by January 1, 2030, all inpatient hospital buildings must be in substantial compliance with HFSSA standards.

These requirements apply to all general acute care hospitals and structures in the state. The standards applicable to a given hospital building will depend on whether or not it is located in a high seismic risk area. Hospitals may comply by retrofitting, rebuilding, relocating or closing their facilities.

Provisions of the Act require oversight of hospital construction by the Office of Statewide Health Planning and Development (OSHPD) and a 16-member appointed Hospital Building Safety Board. Whenever any construction or alteration of any hospital is being performed contrary to the provisions of this Act, OSHPD may order the construction or alteration stopped by written notice. OSHPD may also order the vacating of any building or structure found to have been in violation of adopted regulations, and the order could require that use of any such building or structure be discontinued until the violation is remedied.

According to the California Seismic Safety Commission, only 32% of California's hospitals met the HFSSA standards in 1990. The California Hospital Association estimated costs of \$10 billion to comply with the 2008 requirements, and another \$14 billion for full compliance by 2030. The \$24 billion total cost exceeds the current assessed value of all hospital property in the state.

In San Diego County hospitals must spend an estimated \$1.2 billion dollars to bring facilities into compliance with earthquake safety requirements. More than half must be spent in the next five years. Many hospitals will face major financial challenges in meeting these requirements. Their financial situation is already precarious, with downgrades in bond ratings, lower Medicare reimbursement rates, and the rising cost of health care. More than one-third of acute care hospitals -- primarily large, urban, public, and nonprofit hospitals -- now operate at a loss. The issue of hospital seismic compliance obviously has potential for major impact on the quality and availability of acute inpatient care in California.

In 2000, SB 1801 (Speier), sponsored by the California Healthcare Association (CHA), was enacted, effective January 1, 2001, to give general acute care hospitals more flexibility to comply with seismic safety requirements. Current law gives hospitals five additional years to comply with the January 1, 2008, deadline for certain seismic requirements, provided hospitals use that time to rebuild facilities and bring them to a higher level of seismic safety than is required by current law. SB 1801 will only benefit a small percentage of hospitals.

Since the passage of SB 1953 more information has been gained as to the significant patient care and financial impacts that will result from implementation. These unfunded mandates, while critical to the health and well-being of all Californians, come at a time when the state's health

**SUBJECT:** SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District:  
All)

care system is already facing extreme economic and operational pressures. Some of these economic pressures include reductions in reimbursement, delayed or denied payments, statewide nursing shortage, increasing numbers of uninsured patients and surging growth in the state's population. While I recognize the importance of California's hospital facilities being brought to current building standards, meeting the Hospital Facilities Seismic Safety Act by 2008 will place undue hardship and economic pressure on hospitals. Our healthcare system already faces significant economic pressures. Therefore it is critical to seek an extension to the deadlines created in SB 1953.

I urge your support.

Respectfully submitted,

RON ROBERTS  
Supervisor, Fourth District

**SUBJECT:** SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District: All)

**AGENDA ITEM INFORMATION SHEET**

**CONCURRENCE(S)**

- |   |                              |                              |
|---|------------------------------|------------------------------|
| <b>COUNTY COUNSEL REVIEW</b>                                  | <input type="checkbox"/> Yes |                              |
| Written Disclosure per County Charter Section 1000.1 Required | <input type="checkbox"/> Yes | <input type="checkbox"/> No  |
| <b>GROUP/AGENCY FINANCE DIRECTOR</b>                          | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| <b>CHIEF FINANCIAL OFFICER</b>                                | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| Requires Four Votes   | <input type="checkbox"/> Yes | <input type="checkbox"/> No  |
| <b>GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR</b>           | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| <b>COUNTY TECHNOLOGY OFFICE</b>                               | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| <b>DEPARTMENT OF HUMAN RESOURCES</b>                          | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |

**Other Concurrence(s):**

**ORIGINATING DEPARTMENT:** District Four

**CONTACT PERSON(S):**

Anthony Orlando

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**AUTHORIZED REPRESENTATIVE:**

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**SUBJECT:** SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District:  
All)

**AGENDA ITEM INFORMATION SHEET**  
(continued)

**PREVIOUS RELEVANT BOARD ACTIONS:**

**BOARD POLICIES APPLICABLE:**

**BOARD POLICY STATEMENTS:**

**CONTRACT NUMBER(S):**

**SUBJECT:** SEISMIC SAFETY BUILDING STANDARDS FOR HOSPITALS (District: All)

**FISCAL IMPACT STATEMENT**

**DEPARTMENT:**

**PROGRAM:**

**PROPOSAL:**

	(a)	(b)	(c)	FUTURE YEARS ESTIMATED BUDGET OF PROPOSAL IF ADOPTED	
	Budgeted Amount For Proposal	Proposed Change in Budgeted Amount	Proposed Revised Current Year Budget (a+b)	(d) 1st Subsequent Year	(e) 2nd Subsequent Year
Direct Cost					
Revenue/Other Offset					
<b>NET GENERAL FUND COST</b>					
Staff Years					

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Sources of Revenue/Other Offset for Proposed Change and Subsequent Years:

**Space-Related Impacts:** Will this proposal result in any additional space requirements?  Yes  N/A

**Support/Other Departmental Impacts:**  Yes  N/A

**Remarks:**  Yes  N/A