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SB-1119 Hospitals: seismic compliance. (2023-2024)



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CALIFORNIA LEGISLATURE — 2023–2024 REGULAR SESSION

**SENATE BILL** NO. 1119

> **Introduced by Senator Newman** (Coauthors: Senators Stern and Umberg) (Coauthor: Assembly Member Quirk-Silva)

> > February 13, 2024

An act to add Section 130068.5 to the Health and Safety Code, relating to hospitals, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1119, Newman. Hospitals: seismic compliance.

Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, establishes a program of seismic safety building standards for certain hospitals. Existing law requires hospitals that are seeking an extension for their buildings to submit an application to the Department of Health Care Access and Information by April 1, 2019, subject to certain exceptions. Existing law requires that final seismic compliance be achieved by July 1, 2022, if the compliance is based on a replacement or retrofit plan, or by January 1, 2025, if the compliance is based on a rebuild plan. Notwithstanding the above provisions, existing law authorizes the department to waive the requirements of the act for the O'Connor Hospital and Santa Clara Valley Medical Center in the City of San Jose if the hospital or medical center submits a plan for compliance by a specified date, and the department accepts the plan based on it being feasible to complete and promoting public safety. Existing law requires, if the department accepts the plan, the hospital or medical center to report to the department on its progress to timely complete the plan by specified dates. Existing law imposes penalties to a hospital that fails to meet its deadline.

This bill would additionally authorize the department to waive the requirements of the act for Providence St. Joseph Hospital and Providence Eureka General Hospital in the City of Eureka, Providence St. Jude Medical Center in the City of Fullerton, and Providence Cedars-Sinai Tarzana Medical Center in the City of Tarzana. The bill would specify additional dates for the hospital or medical center to report to the department on its progress, would authorize the department to grant no more time than is necessary for the hospital to fully comply with the standards, and would impose a fine of \$5,000 per calendar day if the hospital fails to comply with specified requirements or demonstrate adequate progress, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 130068.5 is added to the Health and Safety Code, to read:

- **130068.5.** (a) Notwithstanding any other law, including, but not limited to, Sections 130060 and 130061, the department may waive the requirements of this chapter, in whole or in part, for Providence St. Joseph Hospital and Providence Eureka General Hospital in the City of Eureka, Providence St. Jude Medical Center in the City of Fullerton, and Providence Cedars-Sinai Tarzana Medical Center in the City of Tarzana, if both of the following occur:
  - (1) (A) The hospital or medical center submits to the department, within 30 days following the effective date of this statute, a plan for compliance with the applicable seismic safety standards of this chapter, and the regulations promulgated pursuant to this chapter.
    - (B) For the Providence St. Joseph Hospital in the City of Eureka, Original Hospital and Central Plant (BLD-00535), the plan shall provide for compliance on or before January 1, 2027.
    - (C) For Providence Eureka General Hospital in the City of Eureka, Original Hospital (BLD-00523), 1950 Addition Building (BLD-00524), 1955 Addition Building (BLD-00525), 1957 Addition Center Building (BLD-00526), and 1957 Addition West Side Building (BLD-02651), the plan shall provide for compliance on or before January 1, 2027.
    - (D) For Providence St. Jude Medical Center in the City of Fullerton, Main Building, Canopies, and Boiler Room (BLD-02424), Basement Expansion (BLD-02833) and West Building (BLD-02425), the plan shall provide for compliance on or before January 1, 2027.
    - (E) For Providence Cedars-Sinai Tarzana Medical Center Patient Tower (BLD-00170), the plan shall provide for compliance on or before January 1, 2026.
  - (2) The department accepts the plan submitted by the hospital or medical center based on it being feasible to complete and promoting public safety. The department shall not unreasonably reject the plan, unreasonably impose conditions on the acceptance of the plan, or unreasonably withhold or delay acceptance or rejection of the plan. The department may grant no more time than is necessary for the hospital to fully comply with the seismic safety standards pursuant to this chapter.
- (b) If the department accepts the hospital's or medical center's plan pursuant to subdivision (a), the hospital or medical center shall report to the department, in the manner required by the department, on its progress to timely complete its plan, on or before all of the following dates:
  - (1) January 1, 2025.
  - (2) April 1, 2025.
  - (3) July 1, 2025.
  - (4) October 1, 2025.
  - (5) January 1, 2026.
  - (6) April 1, 2026.
  - (7) July 1, 2026.
  - (8) October 1, 2026.
  - (9) January 1, 2027.
- (c) The department may revoke its waiver of the requirements of this chapter, in whole or in part, if Providence St. Joseph Hospital, Providence Eureka General Hospital, Providence St. Jude Medical Center, or Providence Cedars-Sinai Tarzana Medical Center fails to timely report progress that the department reasonably deems is sufficient to complete their respective plans if both of the following are true:

- (1) The lack of timely reporting, lack of reasonable progress, or both, is not due to unforeseen circumstances outside the control of the hospital owner.
- (2) If the office intends to revoke the waiver, or any part of the waiver, the department provides at least 90 days' written notice to the hospital owner prior to the effective date of the revocation and, during the notice period, the department provides the hospital owner a reasonable opportunity to cure the noncompliance that forms the basis of the intended revocation.
- (d) (1) (A) A hospital with a waiver approved under this section shall be subject to penalties for failure to meet milestones expressed in its compliance plan or any requirement of this section. Failure to comply with the requirements of this section or to meet any milestone agreed upon to demonstrate adequate progress based on the compliance plan pursuant to subdivision (a), shall result in the assessment of a fine of five thousand dollars (\$5,000) per calendar day until the requirements or milestones are met.
  - (B) The hospital owner shall bear the responsibility of paying any penalties.
  - (2) If the hospital owner fails to pay the assessed penalty amount within 30 days of the initial notice of penalties from the department, the department shall collect legal interest of 10 percent and the costs associated with recovery of any arrears.
  - (3) Upon a failure by the hospital owner to make a payment to the department within 60 days of notice of penalties, the department shall apply Section 1.4.5.1.2.1 of the California Administrative Code and withhold any building permits except maintenance and emergency repairs.
  - (4) Upon a failure by the hospital owner to make a payment 90 days after the notice of penalties, the department shall collect the full amount due, including costs and interest, either under the authority of Chapter 4.3 (commencing with Section 16580) of Part 2 of Division 4 of Title 2 of the Government Code or by withholding the amount from any general fund appropriations.
- (e) The provisions of this section shall be retroactively applied so that there is no period of noncompliance if the passage of the act that added this section overlaps with the reporting requirements set forth elsewhere in this article.
- **SEC. 2.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the inability of hospital owners to meet the statutory deadlines for hospital seismic upgrades at the aforementioned hospitals due to unforeseen circumstances outside the hospital owner's control, and to avoid the imposition of statutory fines that would have a significant fiscal impact on the hospital owner's ability to ensure continued access to care in critical communities, this measure needs to become effective at the earliest possible date.