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SB-1447 Hospitals: seismic compliance: Children's Hospital Los Angeles. (2023-2024)



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Senate Bill No. 1447

CHAPTER 896

An act to amend Section 130065 of, and to add Section 130069.1 to, the Health and Safety Code, relating to hospitals.

[Approved by Governor September 28, 2024. Filed with Secretary of State September 28, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1447, Durazo. Hospitals: seismic compliance: Children's Hospital Los Angeles.

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, by January 1, 2030, owners of all acute care inpatient hospitals to either seismically retrofit all acute care inpatient hospitals, or demolish, replace, or change to nonacute care use all hospital buildings not in substantial compliance with regulations and standards developed by the department in accordance with the act, as specified.

This bill would authorize the Children's Hospital Los Angeles to seek approval from the Department of Health Care Access and Information for an extension to the January 1, 2030, compliance deadline described above by up to 3 years. The bill would authorize the hospital to submit a seismic compliance plan, as specified, and, if necessary, a Nonstructural Performance Category-5 evaluation report in order to seek an extension. The bill would also require the hospital and department to identify least 2 major milestones relating to the seismic compliance plan that will be used as the basis for determining whether a hospital is making adequate progress towards meeting the hospital's seismic compliance deadline. The bill would subject the submitted seismic compliance plan to departmental review for reasonableness and require the hospital seeking the extension to submit any documentation requested by the department to assist its review. The bill would require the department to approve or deny a seismic compliance plan and any extension to the seismic compliance deadline within 120 days. The bill would also authorize the department to adjust the approved extension of time, the milestones agreed upon, or both, as necessary to deal with contractor, labor, or material delays, acts of God, governmental entitlements, or other circumstances beyond the hospital's control.

The bill would impose a fine of \$5,000 per calendar day for the hospital's failure to comply with a revised construction schedule or to meet any major milestone established by the department until the requirements or milestones, respectively, are met. The bill would also generally prohibit these hospitals from being issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the hospital's seismic compliance, as determined by the department. The bill would require the department to implement the above-described provisions by regulation, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. The Legislature finds and declares all of the following:

- (a) The Children's Hospital Los Angeles is an integral part of providing health care to the children of the County of Los Angeles, including the City of Los Angeles.
- (b) The Children's Hospital Los Angeles is critically important in providing health care services to children who are Medi-Cal beneficiaries, with more than 60 percent of the hospital's inpatient days provided to Medi-Cal beneficiaries.
- (c) The Children's Hospital Los Angeles is the state's largest provider of services to California Children's Services Program patients. More than 50 percent of the hospital's inpatient days are provided to children who are eligible for the California Children's Services Program and who are the most severely ill and highly complex clinical patients.
- (d) The Children's Hospital Los Angeles provides care for the most medically complex patients from throughout the City of Los Angeles and the State of California.
- (e) The Children's Hospital Los Angeles is also a primary teaching facility with the third largest Children's Hospitals Graduate Medical Education program nationally that trains pediatric physicians, pediatric nurses, and other critical health care professionals.
- (f) The Children's Hospital Los Angeles is one of the largest pediatric research institutions nationally with more than 350 funded scientists who have dedicated their professional careers to the development of new treatments and new cures for pediatric illnesses.
- (g) The hospital faces low reimbursement levels and the cost of compliance by the deadline of 2030 would present substantial hardship to the Children's Hospital Los Angeles.
- (h) An extension is needed from the current seismic standard deadline of 2030 to avoid putting at risk over 400 critically needed hospital beds in Los Angeles for treating children at risk. This represents a significant percentage of the total number of beds available in Los Angeles and, without an extension, would greatly reduce the availability of inpatient care for children in the County of Los Angeles.
- (i) An extension of the seismic safety standard deadline for the Children's Hospital Los Angeles is critically important to the provision of health care for children in the City of Los Angeles, the County of Los Angeles, and beyond.
- SEC. 2. Section 130065 of the Health and Safety Code is amended to read:
- **130065.** (a) In accordance with the compliance schedule approved by the department, but in any case no later than January 1, 2030, owners of all acute care inpatient hospitals shall either:
 - (1) Demolish, replace, or change to nonacute care use all hospital buildings not in substantial compliance with the regulations and standards developed by the department pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act and this act.
 - (2) Seismically retrofit all acute care inpatient hospital buildings so that they are in substantial compliance with the regulations and standards developed by the department pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act and this act.
- (b) Notwithstanding subdivision (a), if a hospital's seismic compliance plan, developed pursuant to subdivisions (b) and (d) of Section 130065.1, or pursuant to Section 130069.1, and approved by the department, substantiates the need for a delay of up to three years or, at most, five years beyond January 1, 2030, the owner of that general acute care hospital shall, by the deadline authorized in the approved extension, do either of the following:
 - (1) Demolish, replace, or change to nonacute care use all hospital buildings not in substantial compliance with the regulations and standards developed by the department pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 and this act.
 - (2) Seismically retrofit all acute care inpatient hospital buildings so that they are in substantial compliance with the regulations and standards developed by the department pursuant to the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 and this act.
- (c) Upon compliance with this section, the hospital shall be issued a written notice of compliance by the department. The department shall send a written notice of violation to hospital owners that fail to comply with this section.
- **SEC. 3.** Section 130069.1 is added to the Health and Safety Code, to read:

- **130069.1.** (a) Notwithstanding any other law, the Children's Hospital Los Angeles, referenced in subdivision (c) of Section 10727 of the Welfare and Institutions Code, may seek an extension to the January 1, 2030, seismic compliance deadline outlined in Section 130065, of up to three years, to no later than January 1, 2033, with the submission and department approval of a seismic compliance plan, and a Nonstructural Performance Category-5 evaluation report, if necessary. The department may authorize this extension as necessary if the hospital experiences issues with contractor, labor, or material delays; acts of God; governmental entitlements; or with other circumstances beyond the hospital's control that prevent it from meeting the January 1, 2030, deadline.
- (b) If the Children's Hospital Los Angeles includes a building that is not anticipated to be in full compliance with the seismic safety regulations or standards described in Section 130065 on the date this section becomes effective, the hospital may submit both of the following items to the Department of Health Care Access and Information by the dates specified to seek an extension:
 - (1) A Nonstructural Performance Category-5 evaluation report for each noncompliant building, if necessary, as outlined in Article 11 of Chapter 6 of Title 24 of the California Code of Regulations, by no later than January 1, 2025.
 - (2) The hospital's seismic compliance plan, as outlined in Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California Code of Regulations and related regulations, by no later than January 1, 2026. The seismic compliance plan shall outline steps, including milestones, to achieve compliance with seismic safety standards at the earliest reasonable date, but no later than January 1, 2033. The hospital and the department shall identify at least two major milestones relating to the seismic compliance plan that will be used as the basis for determining whether the hospital is making adequate progress towards meeting the hospital's seismic compliance deadline. The seismic compliance plan is subject to department review.
- (c) The department shall approve or deny the hospital's seismic compliance plan and any extension to the seismic compliance deadline within 120 days.
- (d) If the seismic compliance plan includes a compliance schedule that is extended beyond the January 1, 2030, seismic compliance deadline established in Section 130065, the hospital shall submit any documentation requested by the department to assist the department in its review of the compliance schedule.
- (e) If the department determines the compliance schedule is unreasonable based on the information submitted, the department shall notify the hospital and provide the department's rationale for its determination. The hospital shall be given the opportunity to address the identified concerns or to provide additional information to substantiate the compliance schedule.
- (f) The duration of an extension granted by the department pursuant to this section shall not exceed the maximums permitted by this section and the department shall not grant an extension that exceeds the amount of time needed by the hospital to come into compliance. The department may grant an adjustment to an extension of time approved pursuant to this section, the milestones agreed upon pursuant to this section, or both, as necessary to deal with contractor, labor, or material delays; acts of God; governmental entitlements; or other external forces beyond the hospital's control.
- (g) If the hospital fails to meet any milestone or the seismic compliance deadline approved in the compliance plan approved pursuant to this section, it shall not be issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the hospital's seismic compliance, as determined by the department. On a case-by-case basis, the department may determine if a building permit unrelated to seismic compliance may be considered for approval.
- (h) Failure to comply with the revised construction schedule or meet any major milestones established by the department and the hospital shall result in the assessment of a fine of five thousand dollars (\$5,000) per calendar day until the requirements or milestones, respectively, are met.
- (i) Notwithstanding any other provision of this chapter, the hospital shall comply with requirements for a seismic compliance plan in accordance with Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California Code of Regulations and related regulations.
- (j) This section does not extend any deadlines for Structural Performance Category-1 buildings to achieve the structural integrity to no longer pose a potential risk of collapse or pose a significant risk of loss of life.
- (k) Pursuant to Section 130065.15, the department shall include the name and location of the hospital and the projected final compliance date approved by the department.
- (I) The department shall adopt regulations and standards, or revise existing regulations and standards, or both, to extend the deadlines for meeting the structural performance and nonstructural performance requirements pursuant to Section 130065 and this section. Regulatory submissions made by the department to the California Building Standards Commission pursuant to this section shall be deemed to be emergency regulations and shall be adopted as such. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare.

SEC. 4. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the City of Los Angeles and the County of Los Angeles with regard to the availability of hospital beds designated for children and the high demand for services to children who are Medi-Cal beneficiaries and children eligible for the California Children's Services Program, as described in Section 1 of this act.