

**INITIAL STATEMENT OF REASONS  
FOR  
PROPOSED BUILDING STANDARDS  
OF THE  
OFFICE OF STATEWIDE HEALTH PLANNING & DEVELOPMENT  
  
REGARDING THE CALIFORNIA ADMINISTRATIVE CODE,  
CALIFORNIA CODE OF REGULATIONS, TITLE 24, PART 1, CHAPTER 6 & 7  
  
HOSPITAL SEISMIC COMPLIANCE**

The Administrative Procedure Act (APA) requires that an Initial Statement of Reasons be available to the public upon request when rulemaking action is being undertaken. The following information required by the APA pertains to this particular rulemaking action:

Senate Bill (SB) 90 (Chapter 19, Statute 2011) authorizes the Office of Statewide Health Planning and Development (OSHPD) to grant general acute care hospitals an extension of up to seven years to the January 1, 2013, deadline to retrofit or replace Structural Performance Category-1 (SPC-1) if specific milestones and criteria are met. This statute also authorizes OSHPD to establish a fee to be charged to hospital owners applying for an extension that will cover the costs incurred by the Office for maintaining reports and for review and verification of extension request documents. The proposed regulations will implement the hospital seismic safety provisions of SB 90.

General acute care hospitals that have received an extension to the January 1, 2008, deadline to January 1, 2013, for both structural and nonstructural requirements may be eligible to request an additional extension of up to seven years (to January 1, 2020) pursuant to SB 90. The proposed regulations include the milestones and criteria that a hospital must comply with for the extension and the fee requirements for extension requests. Among the 202 general acute care hospitals, there are 600 SPC-1 hospital buildings which could essentially be eligible to receive a deadline extension. Hospitals, however, may choose the alternative of not requesting an extension but continue the seismic safety compliance plan that is currently in progress for their SPC-1 hospital building(s).

The first milestone set forth by SB 90 is March 31, 2012. By this date hospital owners must submit to OSHPD a letter of intent stating whether it intends to rebuild, replace, or retrofit the building, or remove all general acute care beds and services from the building, and indicate the amount of time necessary to complete the construction.

**STATEMENT OF SPECIFIC PURPOSE AND RATIONALE:**

**California Administrative Code  
Title 24, Part 1, Chapter 6**

**Section 1.2** – New definitions are added to define concepts used in the determination of community access to healthcare services.

**Section 1.4.5.1.2** - The exception has been revised to conform with the requirements of SB 90, which allows all buildings to be evaluated using the collapse probability procedures, regardless of structure type and proximity to a fault. The restriction on reclassification of buildings where there is a potential for surface fault rupture and surface displacement at the building site remains. Provisions for notification of hospitals by the Office of potential eligibility for reclassification of their SPC-1 buildings are relocated from 1.4.5.1.2.2.

**Section 1.4.5.1.2.1, Section 1.4.5.2.2** – To improve the organization and clarity of Chapter 6, the procedures for determining collapse probability in Section 1.4.5.1.2.1 and 1.4.5.1.2.2 have been moved to a new Section 1.8, editorial change. Substantive revisions of the collapse probability procedures are identified in the Statement of reasons for Section 1.8.

**Section 1.4.5.2.1** – Editorial, section renumbered from 1.4.5.1.2.3.

**Section 1.4.5.2.2** – Editorial, section renumbered from 1.4.5.1.2.4.

**Section 1.5.2, Item 8** – This section contains the regulations that implement of the SB 90 extension request process.

- 8.1(a)** This section describes the initial submittal requirements for an extension application, due no later than March 31, 2012. The submittal deadline is established in statute. Required information includes an application, site plan, schedule for mitigating the SPC-1 building (retrofit or replacement), information demonstrating impacts on community access to healthcare services or financial hardship (if applicable), and narrative describing information on the building use.
- 8.1(b)** This section describes the deadline for submittal of a collapse probability assessment. The deadline is established in statute.
- 8.1(c)** This section describes the deadline for submittal of construction documents implementing the plan described in Section 1.5.2, Item 8(a). The deadline is established in statute.
- 8.1(d)** This section describes the deadline for obtaining a building permit implementing the plan described in Section 1.5.2, Item 8(a). The deadline is established in statute.
- 8.2** This section allows the hospital to demonstrate compliance with the provisions of their SB 90 extension by referring to documentation received from OSHPD.
- 8.3** This section describes the different conditions considered in the determination of a compliance extension. Section 8.3.1 describes the maximum permitted extension. The maximum extension and the limitation of the extension to that period of time needed to complete the work are established in statute. Section 8.3.2 describes criteria for granting an administrative extension to allow OSHPD time to review the extension application. The need for an administrative extension is driven by the deadline for the submittal of the collapse hazard assessment, which is only three months before the January 1, 2013 compliance deadline. Without an administrative extension, hospitals might be forced to close due to insufficient time to perform the collapse hazard assessment.
- 8.4** This section describes the procedures for determining risk-based extensions. The procedures consider the probability that the building may collapse in strong ground shaking, weighted by the nature and importance of the services provided in the building. This information is used to determine the seismic risk coefficient,  $P$ , which is the product of the collapse probability and an exposure factor. The exposure factor considers the risk to occupants (number of individuals occupying the space), and the importance of the space to immediate patient safety. The length of the risk-based extension is determined the value of  $P$ . If  $P$  is less than 3%, the maximum risk-based extension is seven years. If  $P$  is greater than 5%, the maximum risk-based extension is two years. If  $P$  is between 3% and 5% %, the maximum risk-based extension is five years. The methodology and extension criteria were developed in consultation with the Hospital Building Safety Board.
- 8.5** This section describes the procedures for considering the potential effect of closure of the hospital building on community access to essential hospital services. The methodology for determining potential impacts on access to care is based on the existing process used to evaluate extensions to the January 1, 2008 deadline for diminished healthcare capacity. It considers the types of specialty services provided, the hospitals' contribution to overall healthcare capacity in the hospital service area, and the role the hospital plays in providing care for uninsured/underinsured populations. Buildings at hospitals defined as critical community providers are eligible for a maximum permitted extension of up to seven years.
- 8.6** This section describes the procedures for evaluating financial hardship. The methodology for determining financial hardship is based on the existing process used to evaluate extensions under SB 306 (Chapter 642, Statutes of 2007). The financial performance and creditworthiness of the hospital, which impact their ability to access funds for capital projects, are considered. Buildings at hospitals that meet the criteria for financial hardship are eligible for a maximum permitted extension of up to seven years.
- 8.7** This section provides procedures for extension adjustments, should circumstances require it over the life of the project.

**Section 1.8** – This section contains the collapse probability assessment procedures, relocated from Section 1.4.5.1.2.1 and Section 1.4.5.1.2.2. The changes are editorial (renumbering) except as noted. The requirement in Section 1.4.5.1.2.2 Item 1 that set a deadline for application for reclassification is repealed. The timeframes in SB 90 take precedence.

**Section 1.8.2, Item 2** - Evaluation of adjacent buildings, URM (Unreinforced Masonry) wall thickness and URM parapets have been added to the items that must be covered in the supplemental evaluation report. The inclusion of criteria for adjacent buildings permits consideration of the potential for pounding between adjacent structures during an earthquake. URM bearing wall structures are now permitted to use the collapse probability procedures, since statute requires all SB 90 extension requests include a collapse probability assessment. A requirement that the supplemental evaluation report be accompanied by drawings has been added. This will expedite the review of the extension application, by providing information needed to assess the building configuration.

**Section 1.8.2, Item 5** - For buildings at sites where surface fault rupture is possible, a supplemental geologic hazards report is required to allow evaluation of the condition. This information will allow review of the severity of the condition.

**Section 5.4** – In the original seismic evaluation procedures, URM bearing wall buildings were automatically placed in SPC-1. The language is amended to permit the use of the collapse probability assessment procedures to determine the structural performance category.

**Section 5.4.3** – This section adds an evaluation statement needed to assess URM bearing wall buildings. The source of the evaluation statement is FEMA 178, the source document of the current seismic evaluation procedures.

**Section 10.1.6** - This section adds an evaluation statement needed to assess the safety of parapet conditions in URM bearing wall buildings. A provision has been added to credit the beneficial effects of concrete beams, if present.

**Appendix, General Sets of Evaluation Statements:**

Evaluation statements for vertical systems resisting lateral forces. Adds the language to the evaluation statements need to implement the change proposed for Section 5.4.3.

**Appendix H to Chapter 6, HAZUS AEBM Regulations:**

Table A6.1 Significant Structural Deficiency Matrix

Table A6 -- 4 ALPHA 1 and ALPHA 2, Modal Factors

Table A6-7 – Elastic Damping

TableA-6-9 – Interstory Drift Ratio – Median Complete Structural Damage

Table A6-12 – Collapse Factor

Revisions to these tables are necessary to incorporate URM bearing wall buildings into the collapse probability assessment procedures. The values are based on the HAZUS Advanced Engineering Building Module developed by FEMA.

**Title 24, Part 1, Chapter 7**

**Section 7-133 (i)** – This section establishes a nonrefundable fee to be charged by OSHPD to hospital owners requesting an extension to the 2013 deadline. The fee will total the actual costs that are incurred by OSHPD for the review and verification of extension documents. This fee is being established pursuant to the mandate of SB 90 (Chapter 19, Statute 2011).

**TECHNICAL, THEORETICAL, AND EMPIRICAL STUDY, REPORT, OR SIMILAR DOCUMENTS:**

(Government Code Section 11346.2(b)(2) requires an identification of each technical, theoretical, and empirical study, report, or similar document, if any, upon which the agency relies in proposing the regulation(s).)

FEMA 178, *NEHRP Handbook for Seismic Evaluation of Existing Buildings*, Federal Emergency Management Agency

HAZUS-MH 2.0, *Multi-hazard Loss Estimation Methodology*, Federal Emergency Management Agency

### **CONSIDERATION OF REASONABLE ALTERNATIVES**

(Government Code Section 11346.2(b)(3)(A) requires a description of reasonable alternatives to the regulation and the agency's reason for rejecting those alternatives. In the case of a regulation that would mandate the use of specific technologies or equipment or prescribe specific action or procedures, the imposition of performance standards shall be considered as an alternate)

The proposed regulations implement the statutory requirements of SB 90 (Chapter 19, Statute 2011). There are no alternatives to these regulations.

### **REASONABLE ALTERNATIVES THE AGENCY HAS IDENTIFIED THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS.**

(Government Code Section 11346.2(b)(3)(B) requires a description of any reasonable alternatives that have been identified or that have otherwise been identified and brought to the attention of the agency that would lessen any adverse impact on small business. Include facts, evidence, documents, testimony, or other evidence upon which the agency relies to support an initial determination that the action will not have a significant adverse impact on business.)

These regulations will not have an adverse impact on small businesses; therefore there are no alternatives to be identified.

### **FACTS, EVIDENCE, DOCUMENTS, TESTIMONY, OR OTHER EVIDENCE OF NO SIGNIFICANT ADVERSE IMPACT ON BUSINESS.**

(Government Code Section 11346.2(B)(4) requires the facts, evidence, documents, testimony, or other evidence on which the agency relies in to support an initial determination that the action will not have a significant adverse economic impact on business)

The proposed regulations will have no significant adverse impact on business. There would be an economic impact to those hospitals that receive an extension since it would allow hospitals to continue to provide services and jobs to the community. The estimate of savings to hospitals, however, is indeterminable since each hospital will have a variety of strategies for compliance with seismic safety requirements. These regulations will allow deferral of some of the seismic compliance costs since they allow hospitals to tailor their seismic compliance plans to facilitate the impact of health care reform and the current economic situation.

### **DUPLICATION OR CONFLICTS WITH FEDERAL REGULATIONS**

(Government Code Section 11346.2(b)(5) requires a department, board, or commission within the Environmental Protection Agency, the Resources Agency, or the Office of the State Fire Marshal to describe its efforts, in connection with a proposed rulemaking action, to avoid unnecessary duplication or conflicts with federal regulations contained in the Code of Federal Regulations addressing the same issues. These agencies may adopt regulations different from these federal regulations upon a finding of one or more of the following justifications: (A) The differing state regulations are authorized by law and/or (B) The cost of differing state regulations is justified by the benefit to human health, public safety, public welfare, or the environment. It is not the intent of this paragraph to require the agency to artificially construct alternatives or to justify why it has not identified alternatives)

These are regulations implement California law only and do not conflict with federal regulations.