Date: March 2, 2018

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager

Subject: AB 2591 (O’Donnell) Community Hospital: Seismic Safety

Introduction
As part of the 2018 Legislative Session, the City of Long Beach is sponsoring AB 2591 (O’Donnell). AB 2591 seeks to extend the State’s seismic safety compliance deadline of January 1, 2020 to provide the City with additional time to develop a long-term plan for Long Beach Community Hospital (Community Hospital). For more information on AB 2591, please see the attached letter of support and legislative language.

Background
Since 1911, the City of Long Beach (City) has owned the land and the buildings at Community Hospital, which is located at 1720 Termino Avenue. This location has served as a fully-licensed general acute care hospital since 1924. Since 2011, Long Beach Memorial Medical Center (MemorialCare) has operated the facility as Community Medical Center Long Beach, a 158-bed general acute care hospital and psychiatric service facility. Community Hospital serves Long Beach and its surrounding communities, with individuals from the 90804 and 90815 zip codes being in the highest served areas.

As a general acute care hospital, Community Hospital offers 24-hour inpatient care in addition to the eight basic services that all State licensed hospitals must offer. Services provided include: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. Community Hospital is unique in that it is one of only two acute psychiatric hospitals in Long Beach.

In 1983, the Alfred E. Alquist Hospital Seismic Safety Act (Act) was enacted requiring that hospital buildings built after 1973 in California comply with seismic safety standards. The Act directed the California Office of Statewide Health Planning and Development (OSHPD) to regulate these standards. In 1994, the Act was further amended to ensure that all hospital facility buildings were retrofitted to reach seismic safety compliance by January 1, 2008. However, the deadline was extended to January 1, 2013 for those facilities that would suffer diminished capacity of healthcare services to the community if they did not meet the 2008 deadline. This deadline has subsequently been extended for various hospitals throughout the State located in the Counties of Sacramento, San Mateo, and Santa Barbara, as well as the cities of San Jose, and Willits. Most recently, the Cities of Tehachapi and Los Angeles (in Tarzana) were authorized to apply for an extension through 2022.
March 2, 2018
State Legislative Committee Members
Page 2

Problem
While the MemorialCare successfully applied for extension beyond the 2008, and 2013 deadlines, a seismic study identified a larger than anticipated active fault under the acute care facility. This active fault line was confirmed by OSPHD. The fault line was known in 2011 when MemorialCare acquired its operator license. However, in October of 2017, MemorialCare notified the City of its plans to close the hospital no later than June 30, 2019.

Unless Community Hospital can meet the State’s seismic compliance, the hospital would no longer be able to offer general acute care services, though, it could still offer psychiatric services since psychiatric services are not considered general acute care services, subject to the State’s seismic safety requirements. On November 14, 2017, during a City Council Study Session, Long Beach residents made it clear they would like to see the doors of the general acute care hospital remain open.

The current acute and psychiatric care licenses at the hospital expire on April 28, 2018. In an effort to keep Community Hospital open in the short-term, Mayor Garcia and the Long Beach City Council have formally requested MemorialCare to renew both licenses for the period of April 29, 2018 to April 28, 2019.

Solution
AB 2591 seeks to extend the compliance deadline for Community Hospital, inclusive of the eight basic services and psychiatric care. The purpose is to enable acute and psychiatric care services at Community Hospital to continue while a long-term solution for seismic compliance is developed. The City is in active conversations with new operators that could potentially provide acute and psychiatric care services to keep the facility operational, if there is an extension.

Next Steps
AB 2591 is currently a work in progress. It is still a “spot bill,” and will need to be amended within the next 30 days to include substantive extension language. The bill will be heard first in the Assembly Health Committee, at a date to be determined.

For more information, please contact Diana Tang, Manager of Government Affairs at (562) 570-6506.

cc: Charles Parkin, City Attorney
Laura Doud, City Auditor
Douglas Haubert, City Prosecutor
Monique De La Garza, City Clerk
Tom Modica, Assistant City Manager
Kevin Jackson, Deputy City Manager
John Keisler, Director of Economic Development
Kelly Colopy, Director of Health and Human Services
Michael Duree, Fire Chief
Robert Luna, Chief of Police
Rebecca Jimenez, Assistant to the City Manager
Diana Tang, Manager of Government Affairs
DiMare, Brown, Hicks, & Kessler, LLC
March 1, 2018

The Honorable Patrick O’Donnell
California State Assembly
State Capitol, Room 2196
Sacramento, CA 95814

RE: Support for AB 2591 (O’Donnell): Acute Care Hospitals: Seismic Safety

Dear Assemblyman O’Donnell:

On behalf of the City of Long Beach, thank you for introducing Assembly Bill 2591 (O’Donnell). Long Beach looks forward to working with you to extend the deadline for meeting State seismic compliance requirements for existing hospital operations, inclusive of the eight basic services and psychiatric care at Community Hospital of Long Beach (Community Hospital). The City is requesting this extension to enable acute and psychiatric care to continue while a long-term solution for seismic compliance at this hospital is identified and implemented.

Community Hospital is a 158-licensed bed, general acute care and psychiatric care hospital located at 1720 Termino Avenue in Long Beach. The facility is a valued component of our City’s urban and suburban fabric. Long Beach understands that to be a hospital in California means to have a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, inclusive of eight basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy and dietary services. Community Hospital currently meets these basic requirements and provides psychiatric care services.

As you know, Long Beach residents have made it clear they would like to see the doors of Community Hospital remain open. Likewise, the City is highly interested in identifying a viable solution that allows us to maintain co-located acute and psychiatric care facility in Long Beach while also meeting State seismic requirements for hospitals.

Given these reasons, the City of Long Beach is proud to sponsor and support AB 2591 (O’Donnell).

Sincerely,

[Signature]

Mayor Robert Garcia
City of Long Beach

CC: The Honorable Anthony Rendon, State Assembly
The Honorable Steven Bradford, State Senate, 35th District
The Honorable Ricardo Lara, State Senate, 38th District
The Honorable Janet Nguyen, State Senate, 34th District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O’Donnell, State Assembly, 79th District
California Assembly Committee on Health
An act to amend Section 130060 of the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

AB 2591, as introduced, O'Donnell. Acute care hospitals: seismic safety.


Existing law provides that, after January 1, 2008, a general acute care hospital building that is determined to be a potential risk of collapse or to pose significant loss of life in the event of seismic activity be used only for nonacute care hospital purposes, except that the office may grant a specified extension under prescribed circumstances.

This bill would make technical, nonsubstantive changes to these provisions.


The people of the State of California do enact as follows:

SECTION 1. Section 130060 of the Health and Safety Code is amended to read:
130060. (a) (1) After January 1, 2008, a general acute care hospital building that is determined to be a potential risk of collapse or pose significant loss of life shall only be used for nonacute care hospital purposes, unless an extension of this deadline has been granted and either of the following occurs before the end of the extension:

(A) A replacement building has been constructed and a certificate of occupancy has been granted by the office for the replacement building.

(B) A retrofit has been performed on the building and a construction final has been obtained by the office.

(2) An extension of the deadline may be granted by the office upon a demonstration by the owner that compliance will result in a loss of health care capacity that may not be provided by other general acute care hospitals within a reasonable proximity. In its request for an extension of the deadline, a hospital shall state why the hospital is unable to comply with the January 1, 2008, deadline requirement.

(3) Prior to granting an extension of the January 1, 2008, deadline pursuant to this section, the office shall do all of the following:

(A) Provide public notice of a hospital’s request for an extension of the deadline. The notice, at a minimum, shall be posted on the office’s Internet Web site, and shall include the facility’s name and identification number, the status of the request, and the beginning and ending dates of the comment period, and period. The notice shall advise the public of the opportunity to submit public comments pursuant to subparagraph (C). The office shall also provide notice of all requests for the deadline extension directly to interested parties upon request of the interested parties.

(B) Provide copies of extension requests to interested parties within 10 working days to allow interested parties to review and provide comment within the 45-day comment period. The copies shall include those records that are available to the public pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(C) Allow the public to submit written comments on the extension proposal for a period of not less than 45 days from the date of the public notice.
(b) (1) It is the intent of the Legislature, in enacting this
subdivision, to facilitate the process of having more hospital
buildings in substantial compliance with this chapter and to take
nonconforming general acute care hospital inpatient buildings out
of service more quickly.
(2) The functional contiguous grouping of hospital buildings of
a general acute care hospital, each of which provides, as the
primary source, one or more of the hospital's eight basic services
as specified in subdivision (a) of Section 1250, may receive a
five-year extension of the January 1, 2008, deadline specified in
subdivision (a) of this section pursuant to this subdivision for both
structural and nonstructural requirements. A functional contiguous
grouping refers to buildings containing one or more basic hospital
services that are either attached or connected in a way that is
acceptable to the State Department of Health Care Services. These
buildings may be either on the existing site or a new site.
(3) To receive the five-year extension, a single building
containing all of the basic services or at least one building within
the contiguous grouping of hospital buildings shall have obtained
a building permit prior to 1973 and this building shall be evaluated
and classified as a nonconforming, Structural Performance
Category-1 (SPC-1) building. The classification shall be submitted
to and accepted by the Office of Statewide Health Planning and
Development. The identified hospital building shall be exempt
from the requirement in subdivision (a) until January 1, 2013, if
the hospital agrees that the basic service or services that were
provided in that building shall be provided, on or before January
1, 2013, as follows:
(A) Moved into an existing conforming Structural Performance
Category-3 (SPC-3), Structural Performance Category-4 (SPC-4),
or Structural Performance Category-5 (SPC-5) and Non-Structural
Performance Category-4 (NPC-4) or Non-Structural Performance
Category-5 (NPC-5) building.
(B) Relocated to a newly built compliant SPC-5 and NPC-4 or
NPC-5 building.
(C) Continued in the building building, if the building is
retrofitted to an SPC-5 and NPC-4 or NPC-5 building.
(4) A five-year extension is also provided to a post-1973
building if the hospital owner informs the Office of Statewide
Health Planning and Development that the building is classified
as SPC-1, SPC-3, or SPC-4 and will be closed to general acute
care inpatient service use by January 1, 2013. The basic services
in the building shall be relocated into an SPC-5 and NPC-4 or
NPC-5 building by January 1, 2013.
(5) SPC-1 buildings, other than the building identified in
paragraph (3) or (4), in the contiguous grouping of hospital
buildings shall also be exempt from the requirement in subdivision
(a) until January 1, 2013. However, on or before January 1, 2013,
at a minimum, each of these buildings shall be retrofitted to an
SPC-2 and NPC-3 building, or no longer be used for general acute
care hospital inpatient services.
(c) On or before March 1, 2001, the office shall establish a
schedule of interim work progress deadlines that hospitals shall
be required to meet to be eligible for the extension specified in
subdivision (b). To receive this extension, the hospital building or
buildings shall meet the year 2002 nonstructural requirements.
(d) A hospital building that is eligible for an extension pursuant
to this section shall meet the January 1, 2030, nonstructural and
structural deadline requirements if the building is to be used for
general acute care inpatient services after January 1, 2030.
(e) Upon compliance with subdivision (b), the hospital shall be
issued a written notice of compliance by the office. The office
shall send a written notice of violation to hospital owners that fail
to comply with this section. The office shall make copies of these notices available on its Internet Web site.
(f) (1) A hospital that has received an extension of the January
1, 2008, deadline pursuant to subdivision (a) or (b) may request
an additional extension of up to two years for a hospital building
that it owns or operates and that meets the criteria specified in
paragraph (2), (3), or (5).
(2) The office may grant the additional extension if the hospital
building subject to the extension meets all of the following criteria:
(A) The hospital building is under construction at the time of
the request for extension under this subdivision and the purpose
of the construction is to meet the requirements of subdivision (a)
to allow the use of the building as a general acute care hospital
building after the extension deadline granted by the office pursuant
to subdivision (a) or (b).
(B) The hospital building plans were submitted to the office
and were deemed ready for review by the office at least four years
prior to the applicable deadline for the building. The hospital shall indicate, upon submission of its plans, the SPC-1 building or buildings that will be retrofitted or replaced to meet the requirements of this section as a result of the project.

(C) The hospital received a building permit for the construction described in subparagraph (A) at least two years prior to the applicable deadline for the building.

(D) The hospital submitted a construction timeline at least two years prior to the applicable deadline for the building demonstrating the hospital’s intent to meet the applicable deadline. The timeline shall include all of the following:

(i) The projected construction start date.
(ii) The projected construction completion date.
(iii) Identification of the contractor.

(E) The hospital is making reasonable progress toward meeting the timeline set forth in subparagraph (D), but factors beyond the hospital’s control make it impossible for the hospital to meet the deadline.

(3) The office may grant the additional extension if the hospital building subject to the extension meets all of the following criteria:

(A) The hospital building is owned by a health care district that has, as owner, received the extension of the January 1, 2008, deadline, but where the hospital is operated by an unaffiliated third-party lessee pursuant to a facility lease that extends at least through December 31, 2009. The district shall file a declaration with the office with a request for an extension stating that, as of the date of the filing, the district has lacked, and continues to lack, unrestricted access to the subject hospital building for seismic planning purposes during the term of the lease, and that the district is under contract with the county to maintain hospital services when the hospital comes under district control. The office shall not grant the extension if an unaffiliated third-party lessee will operate the hospital beyond December 31, 2010.

(B) The hospital building plans were submitted to the office and were deemed ready for review by the office at least four years prior to the applicable deadline for the building. The hospital shall indicate, upon submission of its plans, the SPC-1 building or buildings that will be retrofitted or replaced to meet the requirements of this section as a result of the project.
(C) The hospital received a building permit for the construction described in subparagraph (B) by December 31, 2011.

(D) The hospital submitted, by December 31, 2011, a construction timeline for the building demonstrating the hospital’s intent and ability to meet the deadline of December 31, 2014. The timeline shall include all of the following:

(i) The projected construction start date.

(ii) The projected construction completion date.

(iii) Identification of the contractor.

(E) The hospital building is under construction at the time of the request for the extension, the purpose of the construction is to meet the requirements of subdivision (a) to allow the use of the building as a general acute care hospital building after the extension deadline granted by the office pursuant to subdivision (a) or (b), and the hospital is making reasonable progress toward meeting the timeline set forth in subparagraph (D).

(F) The hospital granted an extension pursuant to this paragraph shall submit an additional status report to the office, equivalent to that required by subdivision (c) of Section 130061, no later than June 30, 2013.

(4) An extension granted pursuant to paragraph (3) shall be applicable only to the health care district applicant and its affiliated hospital while the hospital is operated by the district or an entity under the control of the district.

(5) The office may grant the additional extension if the hospital building subject to the extension meets all of the following criteria:

(A) The hospital owner submitted to the office, prior to June 30, 2009, a request for review using current computer modeling utilized by the office and based upon software developed by the Federal Emergency Management Agency (FEMA), referred to as Hazards US, and the building was deemed SPC-1 after that review.

(B) The hospital building plans for the building are submitted to the office and deemed ready for review by the office prior to July 1, 2010. The hospital shall indicate, upon submission of its plans, the SPC-1 building or buildings that shall be retrofitted or replaced to meet the requirements of this section as a result of the project.

(C) The hospital receives a building permit from the office for the construction described in subparagraph (B) prior to January 1, 2012.
(D) The hospital submits, prior to January 1, 2012, a
collection timeline for the building demonstrating the hospital’s
intent and ability to meet the applicable deadline. The timeline
shall include all of the following:

(i) The projected construction start date.

(ii) The projected construction completion date.

(iii) Identification of the contractor.

(E) The hospital building is under construction at the time of
the request for the extension, the purpose of the construction is to
meet the requirements of subdivision (a) to allow the use of the
building as a general acute care hospital building after the extension
deadline granted by the office pursuant to subdivision (a) or (b),
and the hospital is making reasonable progress toward meeting
the timeline set forth in subparagraph (D).

(F) The hospital owner completes construction such that the
hospital meets all criteria to enable the office to issue a certificate
of occupancy by the applicable deadline for the building.

(6) A hospital located in the County of Sacramento, San Mateo,
or Santa Barbara or the City of San Jose or the City of Willits that
has received an additional extension pursuant to paragraph (2) or
(5) may request an additional extension until September 1, 2015,
to obtain either a certificate of occupancy from the office for a
replacement building, or a construction final from the office for a
building on which a retrofit has been performed.

(7) A hospital denied an extension pursuant to this subdivision
may appeal the denial to the Hospital Building Safety Board.

(8) The office may revoke an extension granted pursuant to this
subdivision for—any a hospital building where the work of
construction is abandoned or suspended for a period of at least one
year, unless the hospital demonstrates in a public document that
the abandonment or suspension was caused by factors beyond its
control.

(g) (1) Notwithstanding subdivisions (a), (b), (c), and (f), and
Sections 130061.5 and 130064, a hospital that has received an
extension of the January 1, 2008, deadline pursuant to subdivision
(a) or (b) also may request an additional extension of up to seven
years for a hospital building that it owns or operates. The office
may grant the extension subject to the hospital meeting the
milestones set forth in paragraph (2).
(2) The hospital building subject to the extension shall meet all of the following milestones, unless the hospital building is reclassified as SPC-2 or higher as a result of its Hazards US score:

(A) The hospital owner submits to the office, no later than September 30, 2012, 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 the amount of time necessary to complete the construction.

(B) The hospital owner submits to the office, no later than September 30, 2012, a schedule detailing why the requested extension is necessary, and specifically how the hospital intends to meet the requested deadline.

(C) The hospital owner submits to the office, no later than September 30, 2012, an application ready for review seeking structural reassessment of each of its SPC-1 buildings using current computer modeling based upon software developed by FEMA, referred to as Hazards US.

(D) The hospital owner submits to the office, no later than January 1, 2015, plans ready for review consistent with the letter of intent submitted pursuant to subparagraph (A) and the schedule submitted pursuant to subparagraph (B).

(E) The hospital owner submits a financial report to the office at the time the plans are submitted pursuant to subparagraph (D). The report shall demonstrate the hospital owner's financial capacity to implement the construction plans submitted pursuant to subparagraph (D).

(F) The hospital owner receives a building permit consistent with the letter of intent submitted pursuant to subparagraph (A) and the schedule submitted pursuant to subparagraph (B), no later than July 1, 2018.

(3) To evaluate public safety and determine whether to grant an extension of the deadline, the office shall consider the structural integrity of the hospital's SPC-1 buildings based on its Hazards US scores, community access to essential hospital services, and the hospital owner's financial capacity to meet the deadline as determined by either a bond rating of BBB or below or the financial report on the hospital owner's financial capacity submitted pursuant to subparagraph (E) of paragraph (2). The criteria contained in this paragraph shall be considered by the office in its determination of
the length of an extension or whether an extension should be granted. granted and the length of the extension.

(4) The extension or subsequent adjustments granted pursuant to this subdivision may not exceed the amount of time that is reasonably necessary to complete the construction specified in paragraph (2).

(5) If the circumstances underlying the request for extension submitted to the office pursuant to paragraph (2) change, the hospital owner shall notify the office as soon as practicable, but in no event later than six months after the hospital owner discovered the change of circumstances. The office may adjust the length of the extension granted pursuant to paragraphs (2) and (3) as necessary, but in no event longer than the period specified in paragraph (1).

(6) A hospital denied an extension pursuant to this subdivision may appeal the denial to the Hospital Building Safety Board.

(7) The office may revoke an extension granted pursuant to this subdivision for any a hospital building when it is determined that any information submitted pursuant to this section was falsified, or if the hospital failed to meet a milestone set forth in paragraph (2), or where the work of construction is abandoned or suspended for a period of at least six months, unless the hospital demonstrates in a publicly available document that the abandonment or suspension was caused by factors beyond its control.

(8) Regulatory submissions made by the office to the California Building Standards Commission to implement this section shall be deemed to be emergency regulations and shall be adopted as emergency regulations.

(9) The hospital owner that applies for an extension pursuant to this subdivision shall pay the office an additional fee, to be determined by the office, sufficient to cover the additional reasonable costs incurred by the office for maintaining the additional reporting requirements established under this section, including, but not limited to, the costs of reviewing and verifying the extension documentation submitted pursuant to this subdivision. This additional fee shall not include any cost for review of the plans or other duties related to receiving a building or occupancy permit.

(10) This subdivision shall become operative on the date that the State Department of Health Care Services receives all necessary
federal approvals for a 2011–12 fiscal year hospital quality
assurance fee program that includes three hundred twenty million
dollars ($320,000,000) in fee revenue to pay for health care
coverage for children, which is made available as a result of the
legislative enactment of a 2011–12 fiscal year hospital quality
assurance fee program.

(h) A critical access hospital located in the City of Tehachapi
may submit a seismic safety extension application pursuant to
subdivision (g), notwithstanding deadlines in that subdivision that
are earlier than the effective date of the act that added this
subdivision. The submitted application shall include a timetable
as required pursuant to subdivision (g).

(i) (1) A hospital located in the Tarzana neighborhood of the
City of Los Angeles that has received extensions pursuant to
subdivisions (b) and (g) may request an additional extension for
a single building until October 1, 2022, in order to obtain a
certificate of occupancy from the office for a replacement building.

(2) The hospital owner seeking the extension shall submit a
written request that includes a timeline specifying how the hospital
intends to meet the new deadline, including the construction
document submission dates. The following timeline shall be met
for construction document submissions:

(A) No later than January 1, 2018, the hospital owner shall
submit construction documents, deemed ready for review, related
to the first final review of the second increment with information
including the building core and shell of the hospital. Failure to
submit the construction documents by January 1, 2018, shall result
in the assessment of a fine of five thousand dollars ($5,000) per
calendar day until the documents are submitted.

(B) No later than March 1, 2018, the hospital owner shall submit
construction documents, deemed ready for review, related to the
first final review of the first increment with information including
the structural foundation, frame, and underslab utilities of the
hospital. Failure to submit the construction documents by March
1, 2018, shall result in the assessment of a fine of five thousand
dollars ($5,000) per calendar day until the documents are
submitted.

(C) No later than September 1, 2018, the hospital owner shall
submit construction documents, deemed ready for review, related
to the first final review of the third increment with information on
the build-out of the hospital. Failure to submit the construction
documents by September 1, 2018, shall result in the assessment
of a fine of five thousand dollars ($5,000) per calendar day until
the documents are submitted.
(D) No later than November 1, 2018, the hospital owner shall
submit construction documents, deemed ready for review, related
to the final review of the fourth increment with information
on the seismic support and anchorage of the hospital. Failure to
submit the construction documents by November 1, 2018, shall
result in the assessment of a fine of five thousand dollars ($5,000)
per calendar day until the documents are submitted.
(E) The hospital owner may submit a written request to the
office seeking an extension of the deadlines set forth in
subparagraphs (A), (B), (C), and (D). The written request shall
state with specificity the reason for the request and how the reason
preventing compliance with the deadlines was outside of the control
of the hospital owner. After review of the request for extension,
the office may grant the request for a period of time not to exceed
30 calendar days. If the office grants the request for an extension,
no fine shall accrue or be imposed during the extension period.
(3) Notwithstanding any other law, any fines assessed pursuant
to paragraph (2) shall be deposited into the General Fund following
a determination on appeal, if any. A hospital assessed a fine
pursuant to this subdivision may appeal the assessment to the
Hospital Building Safety Board, provided the hospital posts the
funds for any fines to be held by the office pending the resolution
of the appeal.
(4) The office shall not issue a certificate of occupancy for the
single replacement building until such time as all assessed fines
accrued pursuant to paragraph (2) have been paid in full, or, if an
appeal is pending, have been posted subject to resolution of an
appeal. Fines deposited by the hospital pursuant to paragraph (3)
shall be considered paid in full for purposes of issuing a certificate
of occupancy pursuant to this paragraph. This paragraph is in
addition to, and is not intended to supersede, any other
requirements that must be met by the hospital for issuance by the
office of a certificate of occupancy.