Facilities Development Division

Report to the Legislature

Plan Review Processing Time FY 2006/07

SB 1838 (Chapter 693, Statutes of 2006)

April 2008
Introduction

The Office of Statewide Health Planning and Development’s (OSHPD) Facilities Development Division (FDD) reviews and approves construction documents and issues building permits for hospital and skilled nursing facility construction projects in California. As mandated by Senate Bill (SB) 1838 (Perata & Florez) Chapter 693, Statutes of 2006, OSHPD is submitting to the Legislature an assessment of the Office’s plan review processing time for fiscal year 2006/2007.

Summary

The report includes information regarding OSHPD’s plan review processing goals and its success in meeting these goals. For fiscal year 2006/2007, OSHPD met the established plan review processing goals on for all documents 86% of its reviews. The report also includes project custody comparison data, which identifies the amount of time that OSHPD has a project for review versus the amount of time the health facility design team (architects and engineers retained by the hospital owner) has a project to correct code deficiencies. Project custody impacts the total plan review time spent on a project.

Plan Review Processing Goals

Delays during plan review can significantly increase construction costs for health facilities. In 1997, OSHPD established processing goals for plan review turnaround time. Plan review turnaround time starts on the date the construction document submittal is received by OSHPD to the date OSHPD returns the submittal either approved for construction or requiring code deficiencies corrections. For small and medium size construction projects, which are typically remodel and renovation work not requiring structural alterations, the turnaround goal is 60 days for the initial submittal review. If code deficiencies are found, OSHPD returns the construction documents to the health facility’s design team for correction and resubmittal. Upon return of the corrected documents, OSHPD performs subsequent reviews, known as backchecks. The turnaround goal is 30 days for each backcheck review. The turnaround goal is 30 days for post-approval documents such as change orders.

For large construction projects, the turnaround goals vary based on construction cost. Large projects include the construction of new buildings, additions to existing buildings, structural alteration projects, and seismic retrofit projects. Generally, the turnaround
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goal is 90 days for the initial review, 40 days for each backcheck, and 30 days for post-approval documents. Many large projects (over $20 million) utilize negotiated review schedules with review target dates customized to meet the project requirements. Table 1 shows turnaround time goals by project category. Overall, OSHPD met the goals on 86% of the reviews. Reviews exceed the turnaround goals due to the following factors:

At times during the year, OSHPD receives a higher number of projects to review than at other times. It would be inefficient to staff the review function to always be prepared for peak times.

The duration of the OSHPD review time is relative to the quality of the drawings submitted by the hospital design teams. Poorly designed or incomplete submittals require higher review efforts, which may cause the reviews to extend beyond the turnaround goals.

TABLE 1
Percentage of Reviews Meeting Plan Review Turnaround Goals
Fiscal Year 2006/2007

<table>
<thead>
<tr>
<th>Project Category</th>
<th>First Review Within 60 days</th>
<th>Backcheck Within 30 days</th>
<th>Post-Approval Within 30 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small and Medium Projects</td>
<td>82.3%</td>
<td>87.8%</td>
<td>96.2%</td>
</tr>
<tr>
<td>Large Projects</td>
<td>82.1%</td>
<td>74.4%</td>
<td>93.1%</td>
</tr>
</tbody>
</table>

Figures 1 and 2 provide a comparison, by project category, of the percentage of reviews meeting the plan review turnaround goals in the last four fiscal years. For large projects, Figure 1 shows the percentage of reviews meeting the goal has steadily increased. As shown in Figure 2, the focus on large projects has resulted in some reductions in turnaround percentages in first reviews and backchecks of small and medium projects, while turnaround percentages of post-approval documents for these projects have improved.
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Figure 1
Percentage of Reviews Meeting Plan Review Turnaround Goals by Fiscal Year
Small and Medium Projects

Figure 2
Percentage of Reviews Meeting Plan Review Turnaround Goals by Fiscal Year
Large Projects
A significant number of reviews are completed sooner than the turnaround goals. For small and medium projects:

- 42% of First reviews were completed in 45 days or less,
- 45% of Backcheck reviews were completed in 15 days or less, and
- 72% of Post-approval document reviews were completed in 15 days less.

For large projects:

- 53% of First reviews were completed in 75 days or less,
- 42% of Backcheck reviews were completed in 25 days or less, and
- 68% of Post-approval document reviews were completed in 15 days less.

Project Approval and Construction Cost

In fiscal year 2006/2007, OSHPD began the year with 753 projects in plan review and received 2,590 projects during the year. A total of 380 projects were cancelled by health facilities or closed by OSHPD due to inactivity. On June 30, 2007, 740 projects remained under review. Plan review and field staff approved 2,223 projects. Figure 3 shows a breakdown of the 2,223 projects into seven construction cost groups, ranging from projects costing $50,000 and under to projects of $100 million or more.

![Figure 3](image-url)

*Figure 3*

Number of Approved Projects by Cost Group

Fiscal Year 2006/2007
Total Review Time and Project Custody

The total review time leading to project approval includes the number of days OSHPD has custody of the plans while performing plan review and the number of days the health facility’s design team has custody of the plans, making corrections. A factor that often adds significantly to the total time to project approval is the number of days the design team takes to correct code deficiencies and resubmit the plans to OSHPD. The design team must make the corrections and resubmit the plans to OSHPD within six months of receipt, pursuant to the California Building Standards Administrative Code. OSHPD has participated in training opportunities for the hospital design community to increase awareness of building code requirements that will help reduce the number of corrections needed to be made to submitted plans.

Figure 4 shows a graphic representation, by construction cost group, the average custody for projects and increments approved in fiscal year 2006/2007. Overall, OSHPD had custody of the projects for less than half of the total review time. Factors that contributed to the health facility design team’s custody include workload scheduling of the design team staff and the number and severity of code deficiencies requiring correction.
Figure 4
Average Custody for Approved Projects and Increments
Fiscal Year 2006/2007
Figure 5 shows custody of projects in plan review on July 18, 2007. Of the 924 projects in plan review, OSHPD had only 385 in their custody.

**Figure 5**

![Project Custody for Projects Under Review on 7/18/2007](image)

**Review Time for Incremental Projects**

Large projects are often submitted to OSHPD in increments as allowed by the California Building Standards Administrative Code. Each increment represents a complete phase of construction, such as foundations; structural framing; and architectural, mechanical, and electrical work. For each increment, OSHPD reviews and approves the construction documents and issues a building permit. Construction is allowed to commence with the approval of the first increment, prior to completion of the design and plan review of the total project. The incremental process has the potential of reducing construction cost and reducing total review time compared to the standard review process. For each increment, OSHPD assigns a plan review target date for the initial review and each subsequent backcheck. Incremental target dates are based on an approval date that is mutually agreed upon by OSHPD, the facility owner, and the facility design professionals. Project custody has a significant impact on meeting these target dates. The incremental process is typically used on projects with a construction cost greater than $20 million. Table 2 shows a list of projects greater than $20 million in
construction cost that received a first approval for the first increment or the entire project in fiscal year 2006/2007. Total time is the sum of the design professional’s time and OSHPD’s time.

### Table 2

**Time to First Approval – Projects Over $20 Million in Construction Cost**  
*Project or First Increment Approved in Fiscal Year 2006/2007*

<table>
<thead>
<tr>
<th>Facility</th>
<th>Project Scope</th>
<th>Construction Cost</th>
<th>Total Time First Approval (months)</th>
<th>OSHPD Time First Approval (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission Hospital Regional Medical Center</td>
<td>New Acute Care Tower</td>
<td>$36,000,000</td>
<td>30</td>
<td>13.5</td>
</tr>
<tr>
<td>Los Angeles County Martin Luther King Jr. /Drew Medical Center</td>
<td>Structural and Non-Structural Seismic Retrofit</td>
<td>$28,330,000</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>Grossmont Hospital</td>
<td>Addition</td>
<td>$29,350,000</td>
<td>48</td>
<td>11</td>
</tr>
<tr>
<td>Hanford Community Medical Center</td>
<td>Replacement Hospital</td>
<td>$42,750,000</td>
<td>46</td>
<td>16.5</td>
</tr>
<tr>
<td>St. Joseph’s Medical Center of Stockton</td>
<td>Women and Children Pavilion</td>
<td>$40,000,000</td>
<td>32</td>
<td>14</td>
</tr>
<tr>
<td>Enloe Medical Center</td>
<td>New Patient Tower</td>
<td>$64,000,000</td>
<td>24</td>
<td>15</td>
</tr>
<tr>
<td>Eisenhower Memorial Hospital</td>
<td>Emergency Department Expansion</td>
<td>$21,000,000</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Eisenhower Memorial Hospital</td>
<td>Annenberg Patient Care Pavilion</td>
<td>$100,000,000</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>Sutter Roseville Medical Center</td>
<td>Acute Rehabilitation</td>
<td>$40,000,000</td>
<td>17</td>
<td>10.5</td>
</tr>
<tr>
<td>Kaiser Foundation Hospital</td>
<td>Emergency Department Radiology Addition</td>
<td>$27,900,000</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Ridgecrest Regional Hospital</td>
<td>Expansion</td>
<td>$27,000,000</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Earl and Lorraine Miller Children’s Hospital</td>
<td>Pediatric Addition</td>
<td>$59,000,000</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Sutter General Hospital</td>
<td>New Medical Office Building and Energy Center</td>
<td>$56,000,000</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>California Pacific Medical Center – Davies Campus</td>
<td>North Tower Renovation</td>
<td>$35,000,000</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>25</td>
<td>11</td>
</tr>
</tbody>
</table>

**Projects Exempt from Plan Review Process**

SB 1838 authorized OSHPD to exempt from its plan review process construction or alteration projects for hospitals, skilled nursing facilities, and intermediate care facilities with estimated construction costs of $50,000 or less, if specified criteria are met. These projects are not exempt from the construction observation and inspection process and
must comply with all code requirements. Code compliance is verified in the field. On January 1, 2007, the bill became effective and OSHPD implemented the plan review exemption with the specified criteria.

Projects that have been approved to proceed under this exemption are generally progressing well. For fiscal year 2006/2007, the average total time to plan approval was 44 days for projects with an estimated construction cost of $50,000 or less reviewed using the standard OSHPD plan review process. The average total time to permit was five days for projects submitted under the SB 1838 exemption process.

Facility owners have the option of submitting projects under the plan review exemption process or using the standard OSHPD plan review process. In the first 6 months of 2007, 675 projects were potentially eligible for exemption. However, only 100 projects (15%) were submitted under the exemption process. There is not enough data to precisely determine the amount of review effort OSHPD has saved by this process, but it is estimated to be approximately 2% of plan review capacity which OSHPD was able to direct to other plan review efforts. Facility owners on average save over five weeks in permitting time when projects are submitted under the SB 1838 exemption process.

OSHPD will be amending the criteria to increase the number of projects eligible for the exemption process. In addition, OSHPD recently implemented a procedure to inform architects that submit projects that could qualify for the SB 1838 plan review exemption about the advantages of the program. The OSHPD newsletter and website will be used to inform design professionals and the healthcare community about the advantages of the SB 1838 plan review exemption process.

**Construction Cost**

Table 3 indicates the construction cost of projects received in the past five fiscal years.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>$2.8 billion</td>
</tr>
<tr>
<td>2003-04</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>2004-05</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>2005-06</td>
<td>$2.7 billion</td>
</tr>
<tr>
<td>2006-07</td>
<td>$1.9 billion</td>
</tr>
</tbody>
</table>