

osbpd



# Office of Statewide Health Planning & Development



FACILITIES  
DEVELOPMENT  
DIVISION

## REPORT TO THE LEGISLATURE

PLAN REVIEW  
PROCESSING TIME  
FY 2007/08

SB 1838  
(CHAPTER 693,  
STATUTES OF 2006)

MARCH 2009

# REPORT TO THE LEGISLATURE

**Plan Review Processing Time  
FY 2007/08**

**SB 1838  
(Chapter 693, Statutes of 2006)**



**Arnold Schwarzenegger, Governor  
State of California**

**Kimberly Belshé, Secretary  
Health and Human Services Agency**

**David M. Carlisle, M.D., Ph.D., Director  
Office of Statewide Health Planning and Development**

**Report to the Legislature  
SB 1838 (Chapter 693, Statutes of 2006)**

**Office of Statewide Health Planning and Development  
Facilities Development Division**

**Plan Review Processing Time  
Fiscal Year 2007/2008**

**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 all hospital and skilled nursing facility construction projects in California. As mandated by Senate Bill 1838 (Chapter 693, Statutes of 2006), OSHPD is submitting to the Legislature an assessment of the Office's plan review processing time for fiscal year 2007/2008.

**Summary**

The report includes information regarding OSHPD's plan review processing goals and its success in meeting these goals. For all documents reviewed in fiscal year 2007/2008, OSHPD met the established plan review processing goals on 92% of the reviews. The report also includes project custody comparison data, which identifies the amount of time 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. Finally, there is an analysis of the relatively new plan review exemption process for projects with a construction cost of \$50,000 or less.

**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 and ends on the date that OSHPD returns the submittal either approved for construction or requiring code deficiency corrections. For small and medium size construction projects, which are typically remodel and renovation work not requiring structural alterations, the turnaround goal is 60 calendar 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 calendar days for each backcheck review. The turnaround goal is also 30 calendar days for the review of post approval documents such as change orders.

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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 goal is 90 calendar days for the initial review, 40 calendar days for each backcheck, and 30 calendar 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 92% of the reviews. Reviews exceeded 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 2007/2008**

<b>Project Category</b>	<b>First Review Within 60 days</b>	<b>Backcheck Within 30 days</b>	<b>Post Approval Within 30 days</b>
<b>Small and Medium Projects</b>	91%	96%	98%
	<b>First Review Within 90 days</b>	<b>Backcheck Within 40 days</b>	<b>Post Approval Within 30 days</b>
<b>Large Projects (Over \$20m)</b>	86%	86%	97%

Figures 1 and 2 on the following page provide a comparison, by project category, of the percentage of reviews meeting the plan review turnaround goals in the last four fiscal years. For small and medium projects, Figure 1 shows that the percentage of first reviews and backcheck reviews meeting the turnaround goals had been dropping slightly in recent years, but has improved significantly for fiscal year 2007/2008. Figure 2 shows that for large projects, the percentage of first review and backcheck reviews meeting the turnaround goals has been steadily increasing and again has improved for fiscal year 2007/2008.

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Figure 1  
Percentage of Reviews Meeting Plan Review Turnaround Goals by Fiscal Year  
Small and Medium Projects

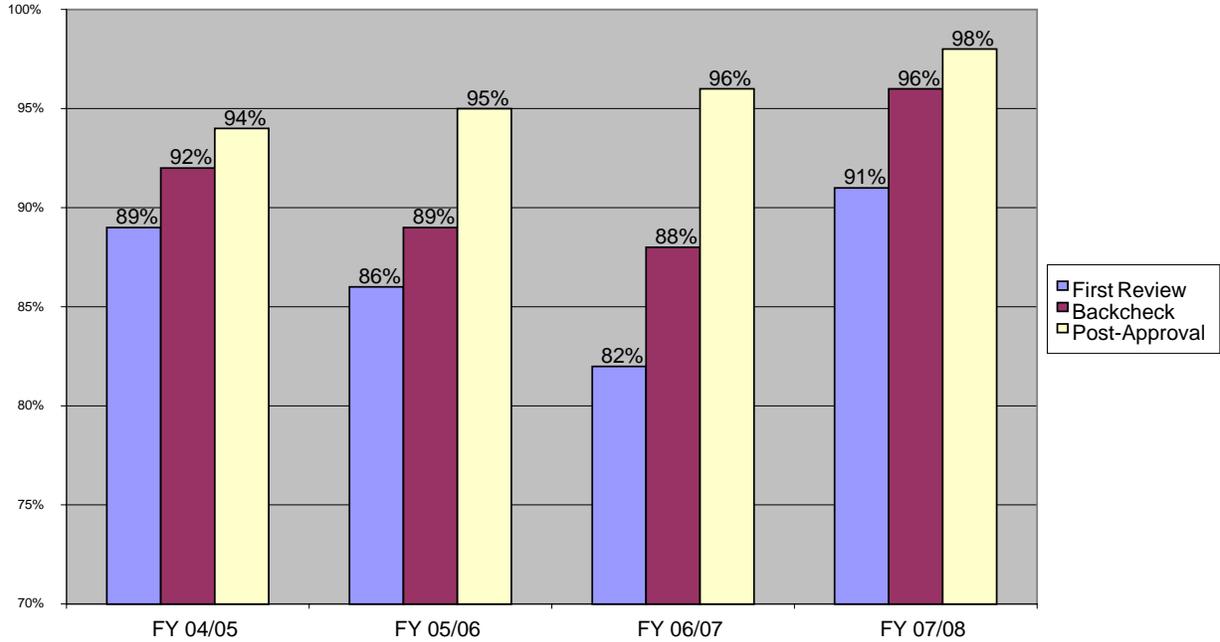
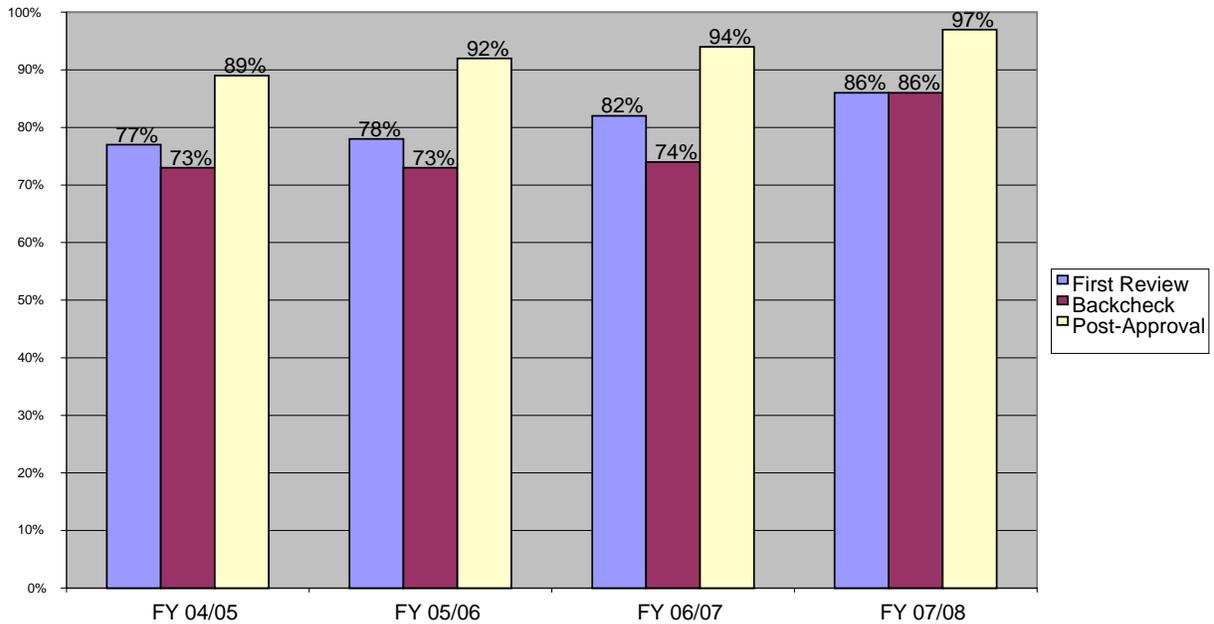


Figure 2  
Percentage of Reviews Meeting Plan Review Turnaround Goals by Fiscal Year  
Large Projects



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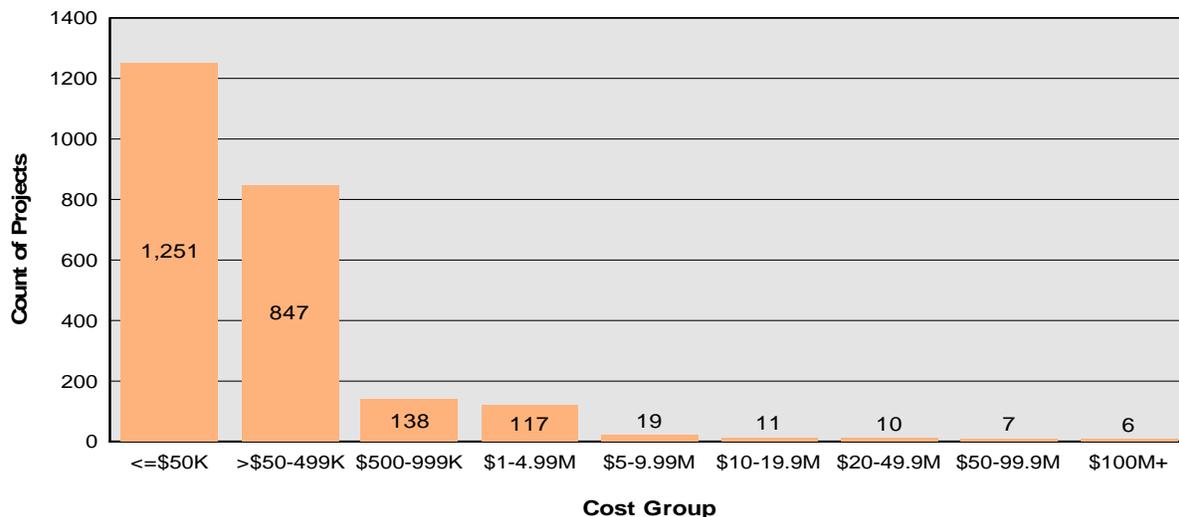
**Project Submission Options**

Large projects are submitted to OSHPD either as a single, completed submission, or in increments as allowed by the California Building Standards Administrative Code. For incremental submissions, 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. The incremental process is typically used on projects with a construction cost greater than \$20 million.

**Project Approval and Construction Cost**

In fiscal year 2007/2008, OSHPD began the year with 740 projects in plan review and received 3,090 projects during the year. A total of 495 projects were cancelled by health facilities or closed by OSHPD due to inactivity. On June 30, 2007, 929 projects remained under review. Plan review and field staff approved 2,406 projects. Figure 3 shows a breakdown of the 2,406 projects in seven construction cost groups, ranging from projects costing \$50,000 and less to projects costing \$100 million and more. This figure includes both standard projects and incremental projects in which the final increment was approved in fiscal year 2007/2008.

**Figure 3  
Number of Approved Projects by Cost Group  
Fiscal Year 2007/2008**



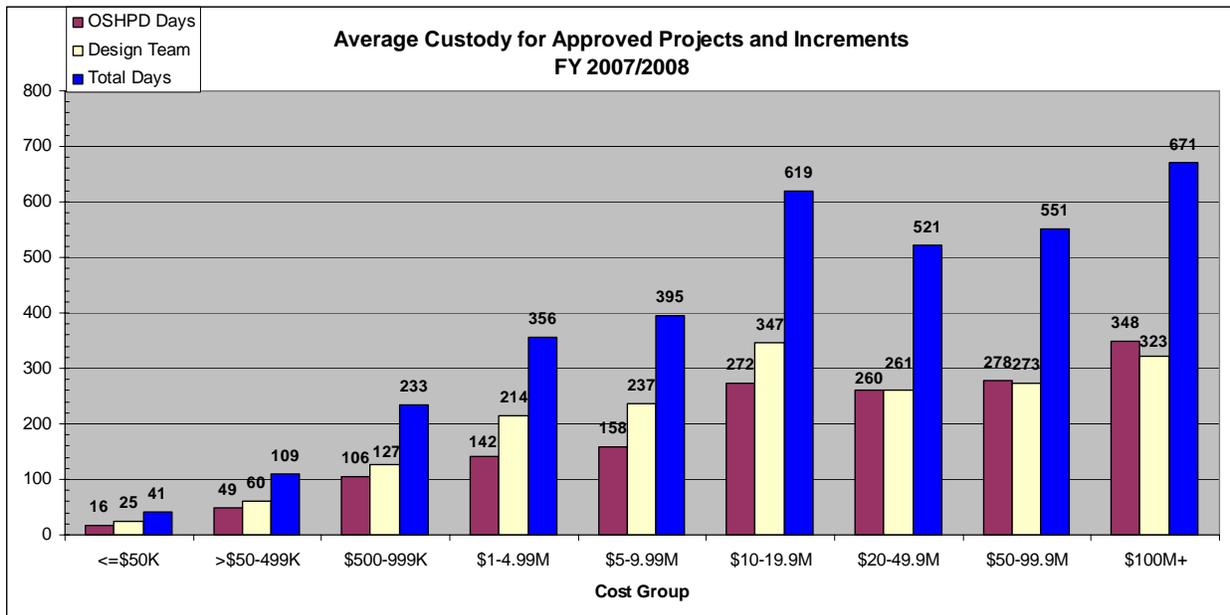
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**Total Review Time and Project Custody**

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 while 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. Examples of code deficiencies that are identified during plan review may include: undersized structural elements (beams, columns, or braces) due to errors in design calculations; failure to provide code-required fire protection due to errors in fire alarm and fire sprinkler design; and failure to provide adequate exit corridors. In an effort to increase awareness of building code requirements and mitigate the potential for design errors, OSHPD has participated in training opportunities for the hospital design community.

Figure 4 shows a graphic representation, by construction cost group, the average custody for projects approved in fiscal year 2007/2008. The average custody data also includes project increments approved during fiscal year 2007/2008. 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 any Approved Increments  
Fiscal Year 2007/2008**



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**Construction Cost**

Table 2 indicates the trend in volume of work submitted to OSHPD as a function of the total construction cost of projects received. As Table 2 shows, between 2003 and 2007 the volume of work submitted for review has fluctuated between \$1.5 billion and \$2.7 billion. However, there has been a sharp, significant increase in fiscal year 2007/2008 to \$8.2 billion. This increase is largely a result of submission of many large projects to comply with the submission deadlines for SB 1953 (seismic strengthening requirements). The impact of the increased workload will be seen in the turnaround goal percentages for fiscal years 2008/2009 and 2009/2010.

**Table 2  
Value of Construction Projects Received by OSHPD**

Fiscal Year	Project Cost
2003-04	\$2.5 billion
2004-05	\$1.5 billion
2005-06	\$2.7 billion
2006-07	\$1.9 billion
2007-08	\$8.2 billion

**Review Time for Projects Over \$20 million**

Table 3 shows a list of projects greater than \$20 million in construction cost that received a first approval for the entire project in fiscal year 2007/2008 and projects that received approval of the first increment in fiscal year 2007/2008. Total time is the sum of the design professional's time and OSHPD's time.

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**Table 3  
Time to First Approval – Projects Over \$20 Million in Construction Cost  
Project or First Increment Approved in Fiscal Year 2007/2008**

Facility	Project Scope	Construction Cost	Total Time First Approval (months)	OSHPD Time First Approval (months)
Kaiser Foundation Hospital Santa Rosa	North Wing Expansion	\$71,100,000	15	8.1
California Center for Healthcare	Foundation, Structure and Building Envelope	\$40,400,000	14.9	7.5
Sutter General Hospital Sacramento	8-Story Tower - W&C Foundation & Structure	\$120,000,000	25	14.3
Presbyterian Intercommunity Hospital	New 5-Story Tower - Structural Shoring	\$102,825,000	19	6.2
Mercy San Juan Hospital	Interior Renovation	\$24,214,000	20	9.4
Scripps Mercy Hospital	Central Plant Replacement	\$27,222,000	18.7	8.5
Lompoc Healthcare District	Replacement Hospital	\$32,500,000	16.5	9.5
Sutter General Hospital Sacramento	Renovations	\$52,140,000	26.5	14.6
Temecula Medical Center	New Acute Care Hospital	\$40,000,000	17.2	9.8
Kaiser Foundation Hospital South Sacramento	Hospital Addition	\$70,367,000	24.5	7.2
St. Joseph Hospital Eureka	Northeast Building Addition	\$68,381,000	26.5	16.5
Lodi Memorial Hospital	South Wing Addition	\$69,302,000	18	11
Mercy San Juan Hospital Sacramento	New Patient Tower and Renovation	\$58,500,000	19.2	8.6
John Muir Medical Center	Expansion and Remodel	\$265,614,000	15.6	7.5
Huntington Memorial Hospital	New ER Dept. and 4 Story Tower	\$35,000,000	16.3	10
Scripps Mercy Hospital San Diego	ER Dept. Expansion and Remodel	\$20,897,000	18.3	7.8
Hoag Memorial Hospital Presbyterian	Ancillary Building Remodel	\$32,100,000	18.66	11.4
Kaiser Foundation Hospital Ontario	New Inpatient Tower and Diagnostic & Treatment	\$168,800,000	12	8.3
Kaiser Foundation Hospital Ontario	Central Plant Expansion	\$23,341,000	13.5	6.9
Loma Linda University Hospital – East Campus	24 bed Rehab. Hospital Grading / Foundation	\$22,000,000	10	7.2
UCSD/La Jolla Hospital	4-Story addition Sitework and Foundation	\$90,000,000	8.1	3.6
Palomar Medical Center West Campus	New Central Plant Underground Utilities	\$42,000,000	8	3.4
Glendale Adventist	New Acute Care Tower Demo/Shoring/Sitework	\$24,700,000	11.7	6.9
Methodist Hospital of Southern California	North Tower Addition	\$77,946,000	21	14.8
Average		\$65,810,000	17.2	9.1

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**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.

For projects that were approved to proceed under this exemption during fiscal year 2007/2008 there was an average time saving of 27 calendar days to plan approval. As shown in Table 4, for projects with an estimated construction cost of \$50,000 or less that were approved during fiscal year 2007/2008, the average total time to plan approval was 41 calendar days. Within the same cost category, projects reviewed using the standard OSHPD plan review process took an average of 45 days to receive plan approval; while projects reviewed using the SB 1838 process took an average of only 18 calendar days - a difference of 27 calendar days. Furthermore, the use of this process has allowed OSHPD staff to be redirected to other plan reviews, improving the plan review turnaround time for larger projects.

In fiscal year 2007/2008, there were 1,251 approved projects that were potentially eligible for the SB 1838 exemption process, but only 212 projects (17%) were actually submitted under the exemption process. The explanation for why this process has not been used more often is speculative, but may be due to the availability of other OSHPD procedures that accelerate the approval process such as over-the-counter plan reviews, field plan reviews, expedited plan reviews and other exemption procedures for maintenance projects.

In efforts to expand the use of the SB 1838 exemption process, OSHPD has amended the eligibility criteria to include a wider range of projects. OSHPD has also implemented a procedure to inform the architectural and engineering community about the SB 1838 plan review exemption program and its advantages. The OSHPD newsletter, a SB 1838 pamphlet, and the OSHPD website have also been used to inform design professionals and the healthcare community about the advantages of the SB 1838 plan review exemption process.

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**Table 4  
Approved Projects \$50,000 or Less  
Fiscal Year 2007/2008**

	<b>SB 1838 Submissions</b>	<b>Non SB 1838 Submissions</b>	<b>All Projects \$50,000 or Less</b>
<b>Plan Review Submissions</b>	<b>212</b>	<b>1039</b>	<b>1,251</b>
<b>Percentage of All Projects \$50,000 or Less</b>	<b>17%</b>	<b>83%</b>	—
<b>Average Number of Days to Approval</b>	<b>18</b>	<b>45</b>	<b>41</b>