

# SB 90 Application for Seismic Safety Extension

Office of  
Statewide Health Planning and Development **osbpd**



**Facilities Development Division**  
The Building Department for California's Hospitals



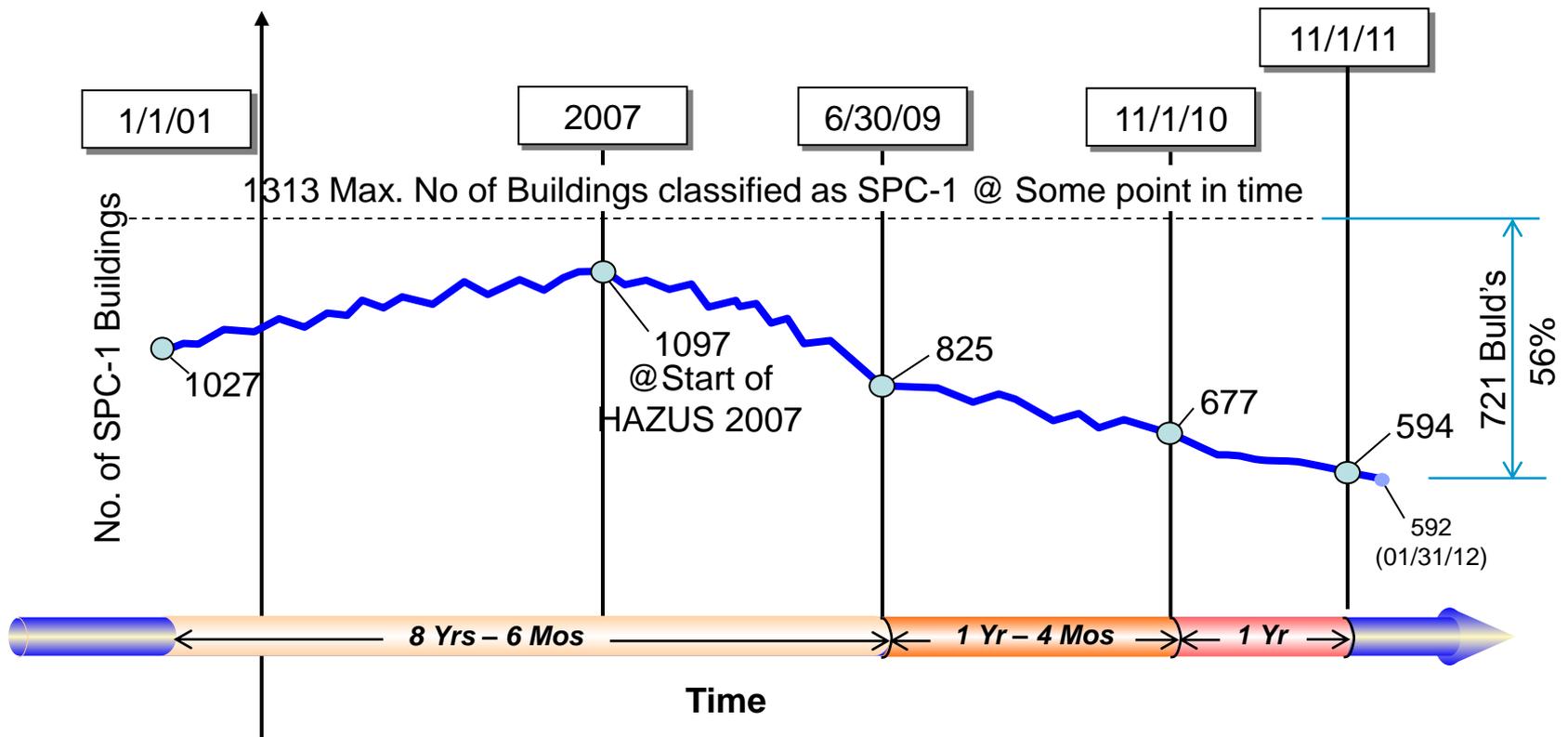


# Agenda

- Background of the SB 90 Extension
- Administrative Requirements
- Determining Eligibility for an Extension
  - Seismic Risk
  - Community Access to Essential Hospital Services
  - Financial Hardship
- Maintaining SB 90 Extensions
- Questions & Answers



# Background of the SB 90 Extension





# Seismic Safety Compliance Approach

- Factors Affecting Hospital's Re-assessment of Seismic Safety Compliance Approach
  - Economic downturn and future economic uncertainty
  - Limited access to capital
  - Healthcare reform
  - Changes in reimbursement rates
  - New compliance strategies available through legislative and regulation changes



## SB 90 Overview

- SB 90 authorizes OSHPD to:
  - Grant hospitals an extension of up to seven years beyond the 2013 deadline to retrofit, replace, or remove acute-care services from SPC-1 hospital buildings
- The length of the extension is determined by OSHPD
  - Not to exceed the time necessary to reasonably complete the construction project
- Does not change the 2030 deadline



## SB 90 Overview

- The extension may be adjusted under some circumstances
- Any extension or extension adjustment cannot exceed the January 1, 2020 deadline
- Applications will not be processed until SB 90 becomes effective
  - Submittals will be date-stamped but not opened
  - If SB 90 does not become effective, applications will be returned unopened at the hospital's request, or destroyed





## Statutory Deadlines for SB 90

- Application by March 31, 2012
- HAZUS Assessment deemed ready for review no later than September 30, 2012
- Construction Documents deemed ready for review no later than January 1, 2015
- Obtain a Building Permit no later than July 1, 2018



## Technical Basis for an Extension

- SB 90 requires OSHPD to consider three factors in determination of eligibility for an extension and the length of the extension
  - Structural integrity, based on the HAZUS score of the SPC-1 building
  - Community Access to Essential Hospital Services
  - Financial Hardship



# **APPLYING FOR A SB90 SEISMIC EXTENSION**



# Applying for a SB 90 Seismic Extension

- Eligibility for an extension
- Required Information
  - Application and Letter of Intent
  - Facility Information and need for an extension
  - Schedule
  - Documentation for community access to essential hospital services and financial hardship



## Eligibility

- SB 90 Seismic Extensions are granted on a single building basis
  - Must be SPC-1
  - Must have received an extension to the January 1, 2008, deadline for both the structural and nonstructural requirements
- If a facility has multiple SPC-1 buildings applying for an extension, they must apply separately, but coordination of the different applications will be checked



# Application Process

- Each application submittal must contain the following items:
  1. An application for extension (form)
  2. A letter of intent
  3. A facility site plan
  4. A chart or a bar graph schedule
  5. Information on the type of use/occupancy of the SPC-1 building
  6. A narrative describing how the hospital intends to meet the requested deadline and why an extension is necessary.
  7. Documentation demonstrating community access to essential hospital services and/or financial hardship (optional)



# Application for Extension / Delay in Compliance

[http://www.oshpd.ca.gov/fdd/Forms/eSPForms/OSH-FDD-384Application%20for%20Extension'%20Delay%20in%20Compliance\\_11111.pdf](http://www.oshpd.ca.gov/fdd/Forms/eSPForms/OSH-FDD-384Application%20for%20Extension'%20Delay%20in%20Compliance_11111.pdf)



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Search



This Site  California

[Home](#) [Building/Safety](#) [Financing](#) [Healthcare Workforce](#) [Data & Reports](#) [Press Room](#) [Health Care Reform](#)

[Project Status](#) | [Seismic Retrofit Program](#) | [Facility Loan Insurance](#) | [Seismic Compliance](#)

## FDD LINKS

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- [What's New?](#)
- [Plan Review](#)
- [Construction Observation and Building Permits](#)
- [Inspection Services Program](#)
- [Pre-Approvals](#)
- [e-Services Portal](#)
- [Seismic Compliance](#)

[Home](#) → [fdd](#) → [seismic compliance](#) → **SB1953**

## Facilities Development Division (FDD) Seismic Retrofit Program – SB1953

**Senate Bill 1953 (SB 1953)** was introduced on February 25, 1994. It was signed into law on September 21, 1994 and filed by the Secretary of State on September 22, 1994. The bill was an amendment to and furtherance of the [Alfred E. Alquist Hospital Seismic Safety Act of 1983](#) (Alquist Act). SB 1953 (Chapter 740, 1994), is now chaptered into statute in Sections 130000 through 130070 of the Alfred E. Alquist Hospital Facilities Seismic Safety Act, and part of the California Health and Safety Code. The regulations developed as a result of this statute are deemed to be emergency regulations and became effective upon approval by the California Building Standards Commission and filing with the Secretary of State on March 18, 1998.

The Facilities Development Division has formed the Seismic Retrofit Program Unit. This group, headed by Chris Tokas, S.E., is comprised of structural engineers and an engineering geologist, reviews and approves the seismic evaluation reports and compliance plans as they are submitted to OSHPD. [An overview of SB1953 is available through the following link.](#)

## Related Information

- [Recent Information about SB 306](#) **NEW**
- [Application for Seismic Evaluation Report and/or Compliance Plan Review and/or NPC/SPC Upgrade](#)
- [Application for Extension / Delay in Compliance](#) ←
- [SB 1953 FAQ's](#)



# Application for Extension / Delay in Compliance



## OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

FACILITIES DEVELOPMENT DIVISION – [www.oshpd.ca.gov/fdd](http://www.oshpd.ca.gov/fdd)

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## Application for Extension / Delay in Compliance

<b>A</b>	<b>Facility Information:</b>			<b>OFFICE USE ONLY</b>																	
	Facility ID #:	Name of Facility:																			
	Street Address:	Phone:																			
		Fax:																			
	City:	County:	Zip:																		
	<b>Applicant Information:</b>			<b>OSHPD RECEIPT STAMP</b>																	
Print Name:	Title:																				
Sign	<table border="1"> <tr> <td rowspan="3" style="vertical-align: top;"><b>C</b></td> <td colspan="4"><b>Basis for Delay Request:</b></td> </tr> <tr> <td><input checked="" type="checkbox"/> H &amp; S Code 130060 (SB 90)</td> <td colspan="2"></td> <td><input type="checkbox"/> H &amp; S Code 130063 (SB 499 SDC D &amp; F Item 7)</td> </tr> <tr> <td><input type="checkbox"/> H &amp; S Code 130063 (SB 499 SDC D Item 2)</td> <td colspan="2"></td> <td><input type="checkbox"/> H &amp; S Code 130060(f) (SB 1661)</td> </tr> <tr> <td><input type="checkbox"/> H &amp; S Code 130063 (SB 499 HAZUS SPC 1)</td> <td colspan="2"></td> <td><input type="checkbox"/> H &amp; S Code 130064 (SB 608)</td> </tr> </table>				<b>C</b>	<b>Basis for Delay Request:</b>				<input checked="" type="checkbox"/> H & S Code 130060 (SB 90)			<input type="checkbox"/> H & S Code 130063 (SB 499 SDC D & F Item 7)	<input type="checkbox"/> H & S Code 130063 (SB 499 SDC D Item 2)			<input type="checkbox"/> H & S Code 130060(f) (SB 1661)	<input type="checkbox"/> H & S Code 130063 (SB 499 HAZUS SPC 1)			<input type="checkbox"/> H & S Code 130064 (SB 608)
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<input type="checkbox"/> H & S Code 130063 (SB 499 HAZUS SPC 1)			<input type="checkbox"/> H & S Code 130064 (SB 608)																		
Who																					
Add																					
	<b>D</b> Indicate the Building Name and Building Number (as previously assigned by OSHPD) that you are requesting extension for:																				
	Building Number: _____ Building Name: _____																				
	<b>E</b> Enclosed with this application are the following documents: <input type="checkbox"/> Extension Request																				



## Application for Extension

- Standard application form for seismic extension
  - Application for Extension / Delay in Compliance  
OSH-FD-384
- One SPC-1 building per application



- An nonrefundable application fee of \$250 is required for each application
  - Invoiced when SB 90 becomes effective
- The applicant is billed for actual cost of engineering and architectural review and verification of the extension documents
- Costs paid for these services are nonrefundable



## Letter of Intent

- The letter of intent must state the intentions of the hospital for the SPC-1 building
  - Rebuild services in a new building
  - Replace services in a complying building
  - Retrofit the building to SPC-2 or SPC-5
    - VSI utilizing HAZUS, or traditional retrofit
  - Remove all general acute care beds and services from the building (reduction in services)



## Letter of Intent

- There must be some construction activity planned for or associated with the SPC-1 building (Main Building Project)
- Must have a direct correlation between the Main Building Project and the Related Project
  - site preparation projects, demolition projects, and projects to move existing services or prepare spaces to accommodate or facilitate the Main Building Project

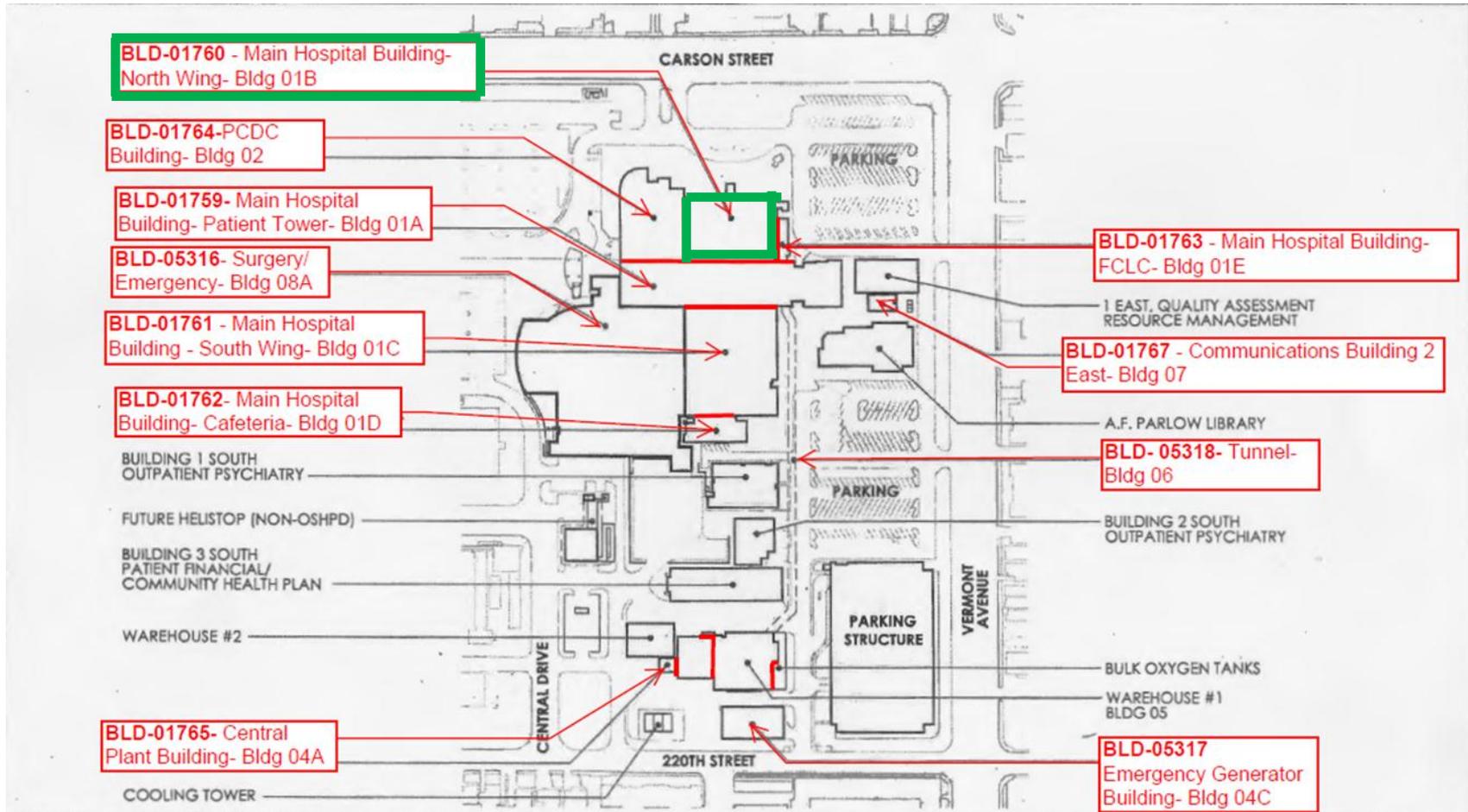


## Facility Site Plan

- The facility site plan must identify the SPC-1 hospital building for which the extension is being requested
  - Building name
  - OSHPD assigned building number
- The site plan must include the entire facility, so that campus-wide issues such as exiting can be assessed



# Facility Site Plan





## Schedule

- The schedule is the focus of the application
  - Establishes the viability and necessity of the extension
- Chart or a bar graph format
- The schedule must show that:
  - Interim milestones will be met
  - Construction will be complete by the end of the extension



- The schedule must also:
  - Describe the amount of time necessary to complete the design, review, and construction in order to achieve the targeted building resolution stipulated in the letter of intent
  - Indicate all major milestones required for the implementation of the construction plan (statutory deadlines and project milestones)



- If the work consists of a Main Building Project and Related Projects, the hospital must provide:
  - Milestone and construction timeline events for the Main Building and Related Projects
  - Description of the required scope of Related Projects and their influence on the critical path milestones for the Main Building Project



## Schedule

- Depending on the mitigation strategy, submittal of plans and issuance of the building permit may be required to occur before the mandatory deadlines for these activities
  - Buildings with a 5 year extension (to 2018) will need to obtain a building permit prior to the statutory deadline of July 1, 2018
  - A replacement building with a construction duration longer than 18 months



## Showing Continuous Progress

- Schedule must show continuing progress towards compliance (no gaps or “filler” tasks)
- Examples of credible tasks
  - Feasibility and Utilization studies
  - Programming
  - Accessing capital
- Examples of “filler” tasks
  - Code research
  - Construction document refresh



## Unacceptable Schedules

- A schedule will not be accepted if:
  - It shows the statutory deadlines are not met
  - It shows an extension longer than necessary to reasonably complete the construction project
    - A VSI that requires two columns to be strengthened should not take 7 years
  - Schedules that contain periods of inactivity



## Schedule - Major Milestones

- Collapse Probability Assessment (HAZUS)
- Schematic Design, Design Development, and Construction Document phases (including phased plan review activities if applicable)
- Submittal of Construction Documents to OSHPD
- OSHPD review period
- Building permit and start of construction
- Major construction milestones, when applicable
- Construction completion



## Schedule – Phased/Incremental Projects

- If the project will utilize phased review, it should be included in the schedule
  - Follow the phased review white paper
    - [http://oshpd.ca.gov/FDD/Plan\\_Review/Documents/PPR\\_White\\_Paper\\_final\\_08-19-08.pdf](http://oshpd.ca.gov/FDD/Plan_Review/Documents/PPR_White_Paper_final_08-19-08.pdf)
- Incremental Projects
  - For each increment, include design, review, and construction activity start and end dates
  - Construction of all increments must be complete by the seismic extension deadline



## Schedule - Make-Ready Projects

- If make-ready projects are required to support the construction project that achieves the targeted building resolution, they should be included in the schedule
  - Temporary Relocations
  - Demolition
- Include design, review, and construction activity start and end dates



## Narrative Description

- The narrative description and supporting documentation must at a minimum describe:
  - The building for which the extension is requested
  - The length of the deadline extension requested
  - How the hospital intends to meet the requested deadline
  - Why the requested extension is necessary
  - Information on the type of use/occupancy of the SPC-1 building by listing the type of services currently delivered in the building



## Length of Deadline Extension Requested

- The length of the extension request must reflect the complexity of the work required to achieve the targeted building resolution
  - Building replacement may take the maximum permitted extension
  - A straightforward voluntary seismic improvement would be expected to be completed in less time
- In no event shall the extension request exceed seven years or the amount of time reasonably required to complete the construction



## Why is the extension necessary?

- The narrative establishes why a deadline extension is necessary
  - Physical or operational constraints that require phasing the work over time
  - Potential disruption to community access to essential hospital services
  - Financial constraints
  - Completion of other work at the hospital that will permit the targeted building resolution to proceed
  - Unforeseen circumstances in the past that have delayed compliance



## Establishing Intent to Meet Deadline

- How will the project be funded/financed?
- When will the financing be obtained and funds for the project be available?
- Obtaining board/corporate approvals
- Obtaining necessary local approvals



## Type of use/occupancy of SPC-1 Building

- Provide data on the use and occupancy of the SPC-1 building for which the extension is requested
  - Number and type of licensed beds and patient care services
    - Staffed, unstaffed, or in suspense?
  - Diagnostic or treatment services offered in the building
  - Other types of services such as utilities, medical records, administration, etc.



## Other Information

- Hospitals must include documentation demonstrating community access to essential hospital services and/or demonstrating the hospital owner's financial hardship to meet the seismic safety milestones if either of these elements form the basis of the extension request
- Detailed discussion of the submittal requirements is covered in the *Technical Basis for a Seismic Deadline Extension* portion of the presentation



# **TECHNICAL BASIS FOR A SEISMIC DEADLINE EXTENSION**



## Statutory Requirement - SB 90 Extensions

- To evaluate public safety and determine whether to grant an extension of the deadline, OSHPD must consider:
  - The structural integrity of the hospital's SPC-1 buildings based on its Hazards US scores (Risk-Based Extension)
  - Community access to essential hospital services, if applicable, and
  - The hospital owner's financial capacity to meet the deadline, if applicable



## Maximum Permitted Extension

- The maximum permitted extension for a hospital building is the greater extension time allowed based on consideration of:
  - Structural integrity of the building
  - Access to essential hospital services
  - Financial Hardship
- The approved extension will not exceed 7 years or the time reasonably required to complete the construction, whichever is less.



Technical Basis for a Seismic Deadline Extension

# **STRUCTURAL INTEGRITY**



## Structural Integrity

- SB 90 requires that the structural integrity component of the extension request be based on a Collapse Probability Assessment (HAZUS score) of the SPC-1 building
- The Structural Integrity extension considers HAZUS score plus occupancy to determine risk



## HAZUS Deadline

- No later than September 30, 2012, the Hospital Owner must submit an application and required documents ready for review seeking collapse probability assessment for its SPC-1 building



## Ready for Review – HAZUS (1)

- A “ready for review” Collapse Probability Assessment includes all of the following:
  - A complete seismic evaluation of the building, that includes the following elements:
    - A description of the building, including photographs of the building, and sketches of the lateral force resisting system;
    - The "General Sets of Evaluation Statements" from Chapter 6, Appendix; 3, California Administrative Code



## Ready for Review – HAZUS (2)

- A “ready for review” Collapse Probability Assessment includes all of the following:
  - A complete seismic evaluation of the building, that includes the following elements:
    - A synopsis of the investigation and supporting calculations that were made.
    - A list of the deficiencies requiring remediation to change statement responses from false to true.
    - The SPC for the building, with comments on the relative importance of the deficiencies.



## Ready for Review – HAZUS (3)

- A “ready for review” Collapse Probability Assessment includes all of the following:
  - A supplemental evaluation report prepared by a California registered structural engineer that identifies the existence or absence of the building structural Lateral Force Resisting System (LFRS) properties and Significant Structural Deficiencies



## Ready for Review – HAZUS (4)

- A “ready for review” Collapse Probability Assessment includes all of the following:
  - The supplemental evaluation report shall include:
    - Existing construction drawings or reconstructed as-built drawings relating to the existence or absence of the Significant Structural Deficiencies
    - Calculations, where required, for review and acceptance by the Office, unless they are included in the complete structural evaluation
    - Building height and number of stories above and below the seismic base



## Ready for Review – HAZUS (5)

- A “ready for review” Collapse Probability Assessment includes all of the following:
  - For SPC-1 buildings where the potential for surface fault rupture and surface displacement at the building site is present, a supplemental geologic hazards report prepared by a California registered engineering geologist/seismologist



## Ready for Review – HAZUS (6)

- The Collapse Probability Assessment should include computer models and/or calculations if used in the evaluation or the Supplemental evaluation report
  - Multi-story structures
  - Elimination of significant structural irregularities through analysis



## Risk-Based Extension

- The Risk-Based Extension is on the SPC-1 Hospital Building Risk, P

$$P = H \times E$$

where:

- H = The value of the collapse probability in percent, as determined by HAZUS
- E = Exposure factor based on the presence of Basic and Supplemental Services



## Exposure Factor

- The Exposure Factor is based on the presence of Basic and Supplemental Services
  - Defined in Part 2, Title 24, Section 1224.3
- Where a building contains more than one Basic and/or Supplementary Service space, the largest value of E shall apply.



## Exposure Factor

- $E = 0.5$  where the building houses only storage spaces, central sterile supply spaces, and/or utility plant spaces.
- $E = 0.7$  where the building houses only clinical laboratory, pharmaceutical, dietetic, and/or support services spaces, or nonpatient care building which is contiguous to and provides egress or structural support to an acute care hospital building(s).
- $E = 1.0$  where the building houses any other Basic and/or Supplementary Service spaces.



## Maximum Risk-Based Extension

- The Maximum Risk-Based Extension is determined by the seismic risk coefficient,  $P$ :
  - Where  $P \leq 3.0\%$ , the Risk-Based Extension for the building shall not exceed 7 years
  - Where  $P > 3.0\%$  but  $P \leq 5.0\%$ , the Risk-Based Extension for the building shall not exceed 5 years
  - Where  $P > 5.0\%$ , the Risk-Based Extension for the building shall not exceed 2 years.



## Buildings on Active Faults

- Regardless of the seismic coefficient,  $P$ , the Risk-Based Extension for any building straddling an Active Fault shall not exceed 2 years



Technical Basis for a Seismic Deadline Extension

# **COMMUNITY ACCESS TO ESSENTIAL HOSPITAL SERVICES**



## Community Access

- The potential effect of closure of the hospital building on community access to essential hospital services may be considered, if desired by the Hospital Owner
  - Required for an SB 90 Extension only when it forms the basis for the extension request
- A building at a hospital defined as a Critical Community Provider is eligible for a Maximum Permitted Extension of up to 7 years.



## Demonstrating Community Access

- If the hospital wishes to be eligible for Critical Community Provider status, they must provide a narrative description and supporting documentation demonstrating community access to essential hospital services



## Community Access Data

- The data utilized to determine community access to essential hospital services shall be based on the hospital's most current fiscal reporting information filed with the Office or on the hospital's fiscal reporting information filed with the Office for any of the most current three years



## Critical Community Provider

- To be designated a Critical Community Provider, the Hospital must meet at least one of five criteria:
  - State or Federal Certification
  - Uninsured/Underinsured Populations
  - Specialized Medical Care
  - Critical Healthcare Provider for the Community
  - Tertiary or Specialty Hospital



## State or Federal Certification

- Certified as a Sole Community Hospital, Critical Access Hospital, or Rural Referral Center by the Department of Health and Human Service Centers for Medicare & Medicaid Services at the time of application for an extension, or
- Designated as a Disproportionate Share Hospital.
  - Meets the eligibility requirements of the Welfare and Institutions Code, Section 14105.98 for at least two years during the five most current years prior to application for an extension



## Uninsured/Underinsured Populations

- The hospital meets or exceeds all of the following minimum thresholds:
  - 10% Medicaid Discharges
  - 10% Medicaid Emergency Department visits
  - 10% Uninsured Emergency Department visits
  - Inpatient Occupancy rate of the hospital general acute licensed beds greater than 50%



# Specialized Medical Care

- The hospital is a critical service provider of any of the following specialized medical care within its service area
  - Trauma Center as defined by CCR – Title 22, Division 9, Section 100248
  - Children’s Hospital as defined by the Welfare and Institutions Code, Section 10727
  - Burn Unit as defined by CCR – Title 22, Division 5, Section 70421
  - Emergency department provides 10% or more of the total Emergency Treatment Stations
  - A hospital in which its service area has an average number of patient beds/1000 population below 1.5



## Critical Healthcare Provider for the Community

- The hospital provides more than 20 % of the licensed acute care beds in the hospitals service area



## Tertiary or Specialty Hospital

- A tertiary or specialty hospital dedicated to specific sub-specialty care with volumes in excess of 50% of total annual discharges within the county in which the hospital is located
- Specific sub-specialty care examples:
  - Transplants
  - Orthopedics
  - Cancer Center



## Hospital Service Area

- “Hospital Service Area” is defined as the total geographic area comprised by the sum of all patient origin regions that significantly contribute to the inpatient population of the subject hospital
- Two conditions must be satisfied when determining the Hospital service Area (must satisfy both)



## Hospital Service Area

- Both conditions listed must be satisfied:
  - The number of regions considered shall include all the regions with a relative hospital ratio of inpatient discharges per region greater than 5% of the total hospital inpatient discharges.
  - The number of regions considered shall include all the regions with a hospital ratio of inpatient discharges per region that cumulatively account for at least 70% of the total hospital patient discharges.



## Service Area Definitions

- “Relative hospital ratio of inpatient discharges per region”
  - The number of hospital patients discharged in a region by the subject hospital in relation to the total hospital patients discharged for the same region by all hospitals.
- “Hospital ratio of inpatient discharges per region”
  - The number of hospital patients discharged in a region by the subject hospital in relation to the total patients discharged by the subject hospital

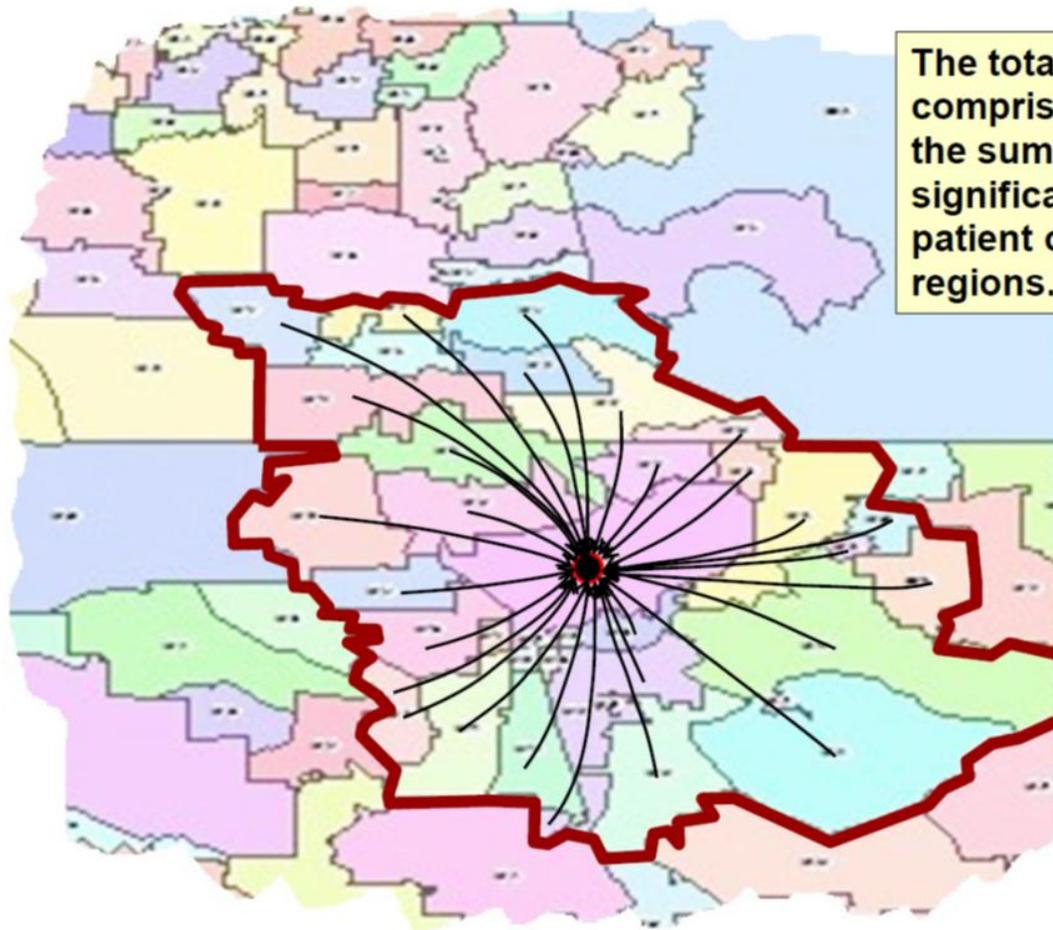


## Determining Hospital Service Area

- Hospital Service Area (HSA) is based on:
  - Patient Origin Data
  - Geographic region
  - Zip Code Area



# Hospital Service Area



The total area comprised by the sum of all significant patient origin regions.

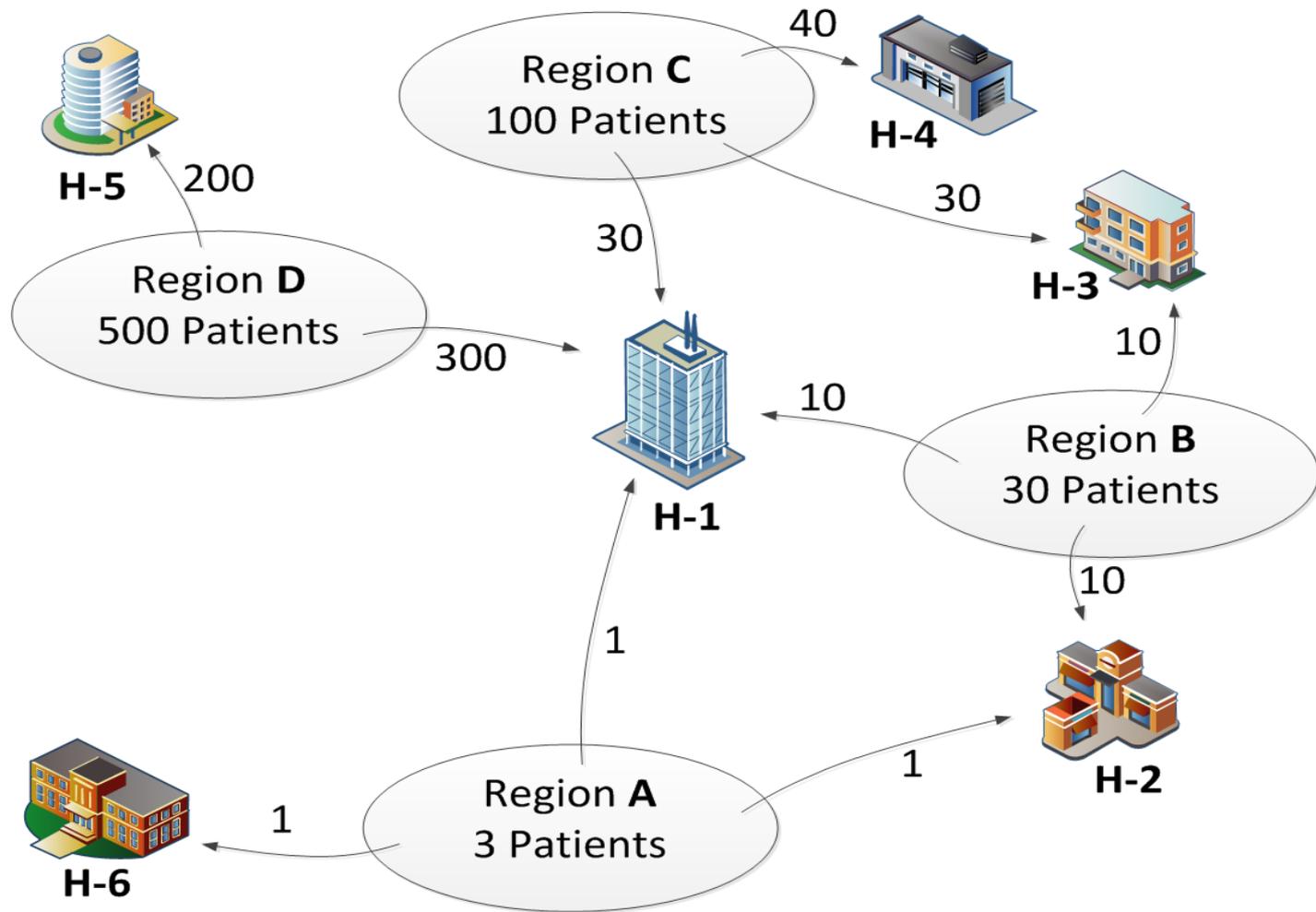


# Hospital Service Area





# Hospital Service Area





# Hospital Service Area

## Concept illustration

Region	Absolute Ratio	
	$Pop\_D_x$	$\frac{Pop\_D_x}{\sum Pop\_D_x}$
	(1)	(2)
A	1	0.29%
B	10	2.93%
C	30	8.80%
D	300	87.98%
<b>SUM</b>	<b>341</b>	<b>100.00%</b>



# Hospital Service Area

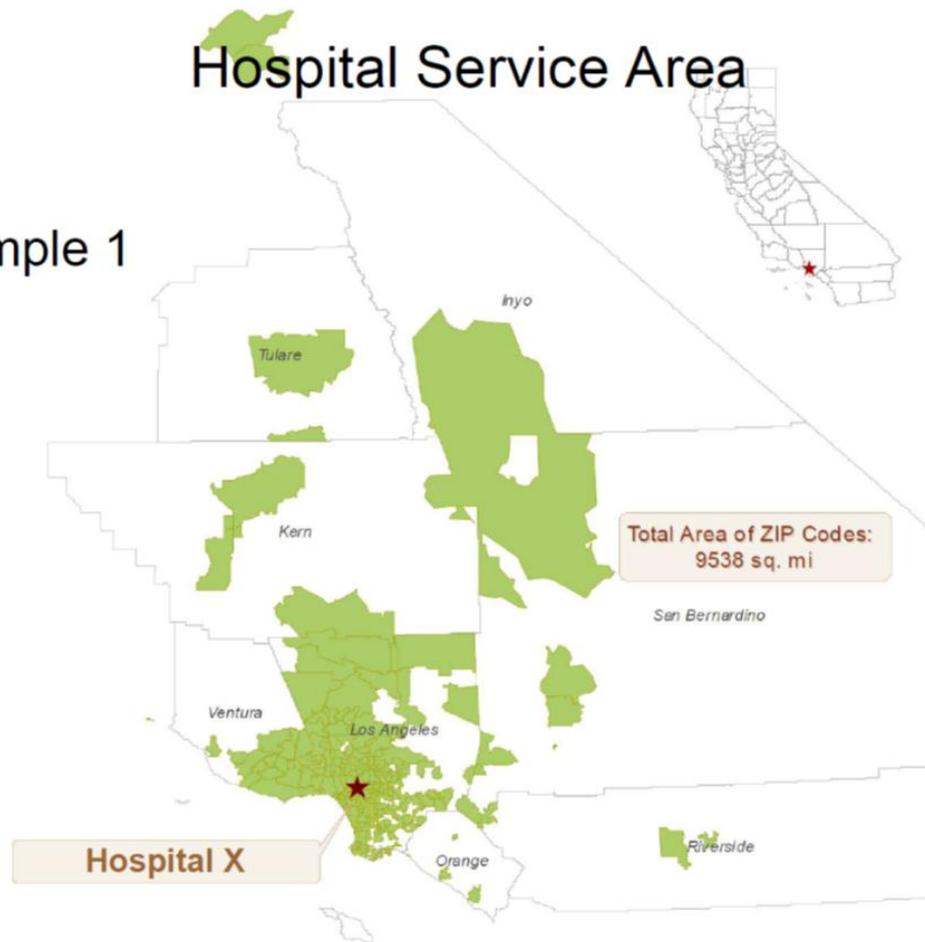
## Concept illustration

Region	Absolute Ratio		Relative Ratio	
	Pop_D <sub>x</sub> (1)	$\frac{Pop\_D_x}{\sum Pop\_D_x}$ (2)	Pop_D (3)	$\frac{Pop\_D_x}{Pop\_D}$ (4)
A	1	0.29%	3	33.33%
B	10	2.93%	30	33.33%
C	30	8.80%	100	30.00%
D	300	87.98%	500	60.00%
<b>SUM</b>	<b>341</b>	<b>100.00%</b>	<b>633</b>	



# Hospital Service Area

Example 1

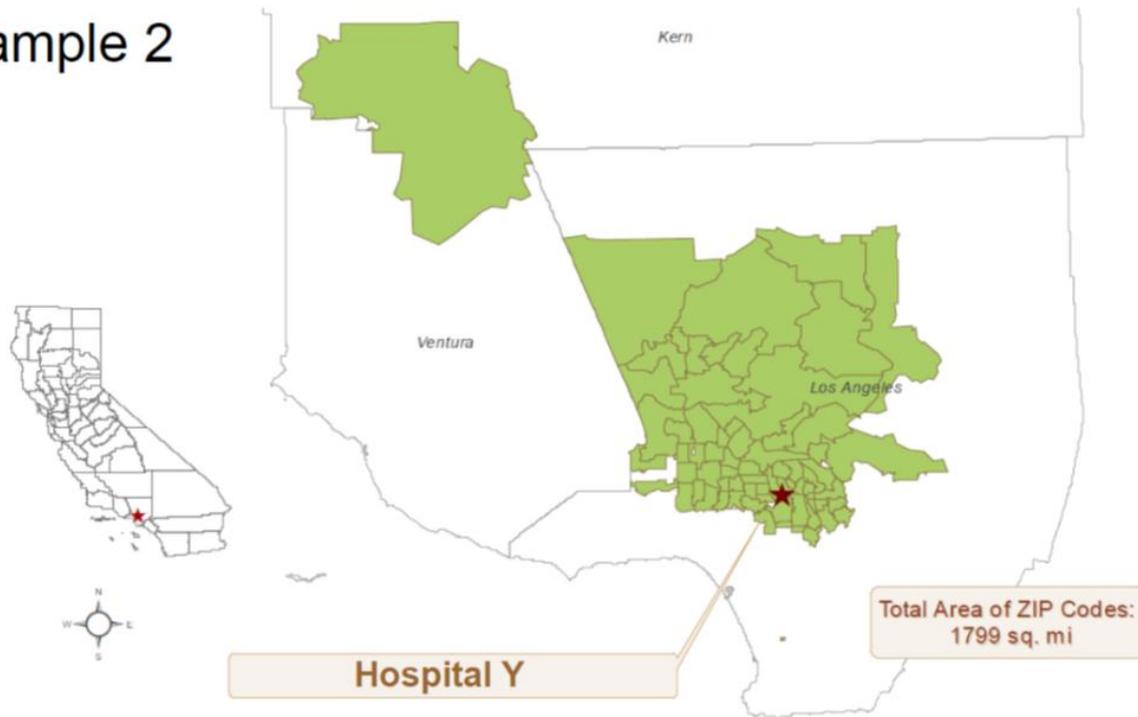




# Hospital Service Area

## Hospital Service Area

Example 2

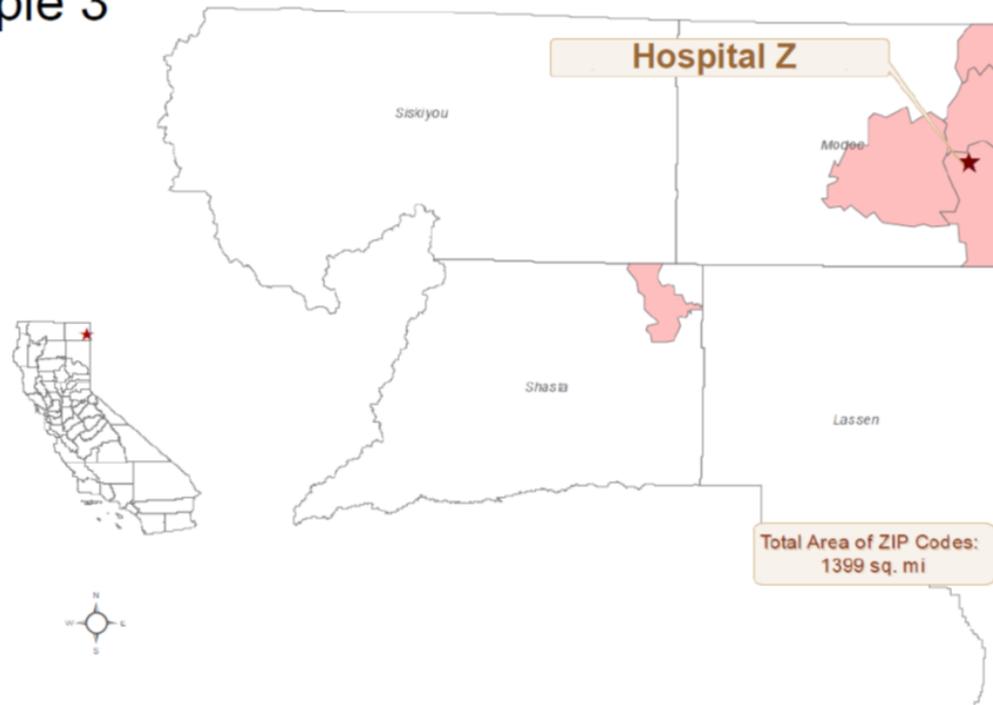




# Hospital Service Area

## Hospital Service Area

Example 3





Technical Basis for a Seismic Deadline Extension

# **FINANCIAL HARDSHIP**



## Financial Hardship

- The effects of financial hardship may be considered, if desired by the Hospital Owner
  - Required for an SB 90 Extension only when it forms the basis for the extension request
- Evaluation of financial hardship is determined on a hospital-by-hospital basis
- A building at a hospital that meets the financial hardship criteria is eligible for a Maximum Permitted Extension of up to seven years



## Financial Data

- The data utilized to determine financial hardship shall be based on the hospital owner’s most current fiscal reporting information filed with the Office, or
- The hospital owner’s fiscal reporting information filed with the Office for any of the most current three years
- Exception
  - For Financial Performance, fiscal data is for the five years prior to application for an extension



## Determination of Financial Hardship

- A hospital may be determined to have financial hardship if it meets at least one of the following:
  - Financial performance criteria
  - Bond rating criteria
  - For public hospitals, failure of a bond measure



## Financial Performance Criteria

- The hospital meets all of the following thresholds:
  - Negative operating margin for the hospital for at least two years during the five years prior to application for an extension.
  - Days Cash-on-Hand less than 60.
  - Current Ratio less than 1.5



# Bond Rating Criteria

- The hospital has a bond rating listed in the following table:

<b>Credit Risk</b>	<b>Moody's</b>	<b>Standard and Poor's</b>	<b>Fitch Ratings</b>
Medium	Baa	BBB	BBB
Lower Medium	Ba	BB	BB
Lower Grade	B	B	B
Poor Grade	Caa	CCC	CCC
Speculative	Ca	CC	CC
No Payments / Bankruptcy	C	D	C
In Default	C	D	D



## Public Hospitals

- For public hospitals, voters rejected the most recent bond issue specifically related to seismic compliance construction work at the facility



# **EXTENSION REVIEW AND APPROVAL**



## Intake Process

- Application package is triaged for completeness when SB 90 becomes effective
  - An incomplete application package may not establish eligibility for the SB 90 Extension
- Once the application is deemed complete, OSHPD may grant an Administrative Extension to the January 1, 2013 deadline to allow for review of the application materials



## Administrative Extension

- An Administrative Extension allows hospitals to remain in compliance with the seismic safety deadlines while their SB 90 Extension request is reviewed
- The length of the Administrative Extension will be determined by the Office on a case-by-case basis
- The Administrative Extension shall not exceed two years



## Extension Review

- The application for extension is not acted upon until the Collapse Probability Assessment has been accepted and reviewed
- The application, narrative, schedule, and supporting documents (Critical Service Provider, Financial Hardship) may be reviewed prior to approval of the Collapse Probability Assessment, but the extension cannot be granted



## Granting the Extension

- No decision on the extension can be made until the application is complete and the Collapse Probability Assessment has been completed
- OSHPD will notify the Hospital of the action on the extension request



# **MAINTAINING THE EXTENSION COMPLIANCE MILESTONES**



## Maintaining the SB 90 Extension

- In order to maintain the SB 90 Extension, the Hospital must adhere to the schedule approved with the SB 90 Extension application
- In addition, there are statutory deadlines that must be met for submittal of construction documents for review, obtaining a building permit, and completion of construction
  - Building specific schedules may require submittals earlier than the statutory date



## Construction Document Submittal

- No later than January 1, 2015, the Hospital Owner must submit construction documents ready for review
  - The construction documents must consistent with the letter of intent and the schedule submitted in the application for extension
  - The construction documents shall be accompanied by a financial capacity report that demonstrates the hospital owner's financial ability to implement the construction plans submitted



## Ready for Review

- The construction documents must be consistent with the letter of intent and the schedule submitted in the application for extension
- Projects for other work on the specific SPC-1 building or the hospital campus that are not consistent with the letter of intent and the schedule submitted in the application for extension may not be used for purposes of establishing compliance with the milestone.



## Ready for Review

- Provided it is consistent with the letter intent and schedule, a “ready to review” project may include:
  - First final submittal of a new project
  - First final submittal of a major increment of an incremented project
  - A PPR submittal (prepared in accordance with the Phased Review White Paper)
  - “Make ready work”, provided the work is specific to the SPC-1 building or its replacement, or there is a direct correlation to the building for which the extension was requested



## Financial Capacity Report

- The financial capacity report shall demonstrate the hospital owner's financial ability to implement the construction plans submitted pursuant to this subsection.
  - Report must indicate the source of funding for the project and evidence that the funding has been obtained or is obtainable in a timeframe that permits the work to proceed on schedule



## Active Projects

- Any “active” project ( a project where plans were accepted for OSHPD review prior to the submitted application for extension) may satisfy the milestone requirements, provided the project is identified in the application for extension
- Evidence of financial capacity to complete the “active” project by the compliance deadline must be submitted at the time of application for the extension



# Building Permit

- No later than July 1, 2018, the Hospital Owner must receive a building permit
  - The building permit must be consistent with the letter of intent and the schedule submitted in the application for extension
  - Examples:
    - Building permit for project that achieves the targeted building resolution stipulated in the letter of intent
    - Building permit for a major increment of an incremental project that achieves the targeted building resolution stipulated in the letter of intent



## Project Completion

- All construction must be completed by the date stipulated in the approved extension schedule
  - Certificate of occupancy (new building or space that was vacated and is now re-occupied)
  - Construction final (other cases)
- Need not have completed the Department of Public Health licensing process



## Evidence of Compliance

- A hospital may demonstrate that it has complied with the requirements of their compliance schedule if they received confirmation of compliance from the Office by the end of their extension date



# **EXTENSION ADJUSTMENTS AND REVOCAATION**



## Extension Adjustments

- A hospital may request an extension adjustment necessary to complete the construction for the building
- In order for this request to be considered, the hospital owner shall notify the Office in writing as soon as practicable, but in no event later than six months after the hospital owner discovered the change of circumstances



## Extension Adjustments

- The request shall include at a minimum all of the following:
  - The name and OSHPD assigned number for the hospital building requiring the extension adjustment.
  - The length/duration of the additional extension time adjustment
    - The total extension including the adjustment shall not exceed the amount of time reasonably required to complete construction or January 1, 2020, whichever is less



## Extension Adjustments

- The request shall include at a minimum all of the following:
  - A narrative description and data supporting the discovered change of circumstances in completing the construction
  - An amended bar graph schedule



## Extension Revocation/Termination

- An extension may be revoked or terminated based on the following:
  - The Office determines that any information submitted pursuant to the extension request was falsified; or
  - The hospital failed to meet a milestone set forth in the approved extension schedule; or
  - Where the work of construction is abandoned or suspended for a period of at least six months



# Extension Revocation/Termination

- Abandoned Construction
  - The extension may be retained if the hospital demonstrates in a publicly available document that the abandonment or suspension was caused by factors beyond its control.



## Dispute Resolution/Appeals Process

- Dispute resolutions and appeals are handled through the Hospital Building Safety Board (Article 5, Chapter 7, Part 1 of Title 24)



## Summary

- SB 90 allows OSHPD to grant seismic compliance extensions of up to 7 years, based on seismic risk, community access to healthcare, and financial hardship
- The extension cannot exceed the time required to reasonably perform the work
- Applications cannot be reviewed until SB 90 becomes effective
  - Applications will be reviewed in the order received



**Questions?**