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Submitted Department: County Manager's Office

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Reviewed and Approved by County Counsel

Yes  No

Reviewed and Approved by County Manager

Yes  No  N/A

## Assembly Bill 1527

### Asm. Ting, District 19, Seton Medical Center: seismic safety

Version Date:

New Bill  Amended Bill  Gut & Amend

Introduced in the California State Assembly, February 19, 2021

#### Summary

AB 1529 (Ting) would authorize the Office of Statewide Health Planning and Development (OSHPD) to grant Seton Medical Center in Daly City a waiver of up to one year to comply with state law regarding seismic retrofit requirements. The waiver would require timely progress reports and would allow OSHPD to revoke the waiver if necessary.

#### Background/Analysis

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 (Act) establishes a program of seismic safety building standards for hospitals constructed after March 7, 1973. This program is overseen by the OSHPD. A violation of any provision of the Act is a misdemeanor.

Seton Medical Center in Daly City has gone through years of uncertainty from bankruptcy to ownership changes. Roughly 27,000 people in southern San Francisco and northern San Mateo County rely on its emergency services. About 80 percent of those are MediCal and Medicare patients. Additionally, Seton Medical Center is also the largest employer in Daly City with 1,500 employees.

#### Challenge

After bankruptcy and multiple ownership changes threatened the future of Seton Medical Center, the sale of Seton Medical Center to Advanced Healthcare Management Corporation (AHMC) was conditionally approved by Attorney

Recommended Position

Sponsor  Support  
 Support if Amended  Oppose  
 Other & Describe

Assembly Member Phil Ting's office has asked for support for this measure.

General Xavier Becerra in August 2020. Under California law, any proposed sale of a non-profit health facility to a for-profit corporation must be approved by the Attorney General, who must determine whether the transaction is in the public interest and if it would impact the accessibility of health care services to the affected community. Along with conditions that AHMC continue to operate Seton Medical Center for at least 5.5 years, completely cover the cost of care for people who earn at or less than 250% of the federal poverty level, strengthen their charity care policy, and increase community benefits, AHMC must also maintain seismic compliance at Seton Medical Center.

Seton Medical Center's structures have been classified according to SB 1953 (Chapter 740, 1994) describing the seismic compliance categories of both the structural and nonstructural elements of the building. The structural compliance categorizations of the hospital's buildings are below:

- Two of the hospital's buildings pose a risk of collapse and danger to the public and require seismically compliant upgrades. The hospital has developed a master plan to meet seismic compliance.
- The hospital has five buildings that may experience structural damage which does not significantly jeopardize life but may not be repairable or functional following strong ground motion. Buildings

in this category will have been constructed or reconstructed under a building permit obtained through OSHPD. These buildings may be used to January 1, 2030, and beyond.

- The hospital has one building in compliance with the structural provisions of the Act. Buildings in this category will have been constructed, or reconstructed, under a building permit obtained through OSHPD and may be used for inpatient services through and beyond January 1, 2030.

Seton Medical Center currently has a July 1, 2022 deadline to meet certain seismic retrofit requirements. Given the ownership changes and the ongoing COVID-19 pandemic, Seton Medical Center is behind on complying with the existing seismic retrofit requirements. AHMC believes they need an additional six months to comply with the deadline.

### **Solution/Recommended Proposal**

AB 1527 would authorize OSHPD to grant Seton Medical Center a waiver of up to one year to comply with seismic retrofit requirements if both of the following occur:

- Seton Medical Center submits, and OSHPD accepts, a plan by January 15, 2022 that proposes compliance with the Act.
- Seton Medical Center reports quarterly to OSHPD on its progress starting on April 1, 2022 and ending on April 1, 2023.

OSHPD would be authorized to revoke the waiver if Seton Medical Center fails to report progress that is sufficient to complete the plan.

### **Departments Impacted & Why**

None. Seton Medical Center operates independently from the County. Seton Medical Center provides important healthcare services to about 27,000 residents in southern San Francisco and northern San Mateo County.

### **Fiscal Impact**

The County has expended a total of \$34,562,170 in Measure K funding for a seismic retrofit of the hospital to-date. However, there is no direct fiscal impact to the County as a result of the Board's support of this measure.

### **Support**

Advanced Healthcare Management Corporation Healthcare is sponsoring this measure.

### **Opposition**

There is no known opposition.

### **Status**

3/11/21—Referred to the Assembly Health Committee

4/20/21—Set for hearing in the Assembly Health Committee