



**POLICY INTENT NOTICE**

**PIN: 80**

**SUBJECT**

Seismic Compliance Plan, and AB 869 Delays Beyond 2030 Deadline.

**Effective: 03/04/2025**



**PURPOSE**

This Policy Intent Notice (PIN) outlines the policy for implementing the seismic compliance delay provisions of Assembly Bill 869 (Chapter 801).

**BACKGROUND**

Assembly Bill 869 (Chapter 801) amends Health and Safety Code Section 130065, and adds Sections 130065.1, 130065.15, 130078.5, and 130078.6, which authorizes the Department of Health Care Access and Information (HCAI) to grant a general acute care hospital a delay of up to three years beyond the January 1, 2030 deadline for seismic compliance for hospital buildings, provided they meet specified criteria. The delay deadline applies to both Structural Performance Category (SPC), and Non-Structural Performance Category (NPC) requirements.

The bill also authorizes HCAI to delay the deadline for SPC and NPC seismic compliance by up to an additional two years, with a maximum deadline of January 1, 2035, as necessary, for hospitals that continue to face financial distress or need to deal with contractor, labor, or material delays, acts of God, government entitlements, or other circumstances beyond the hospital’s control.

This seismic compliance provision of the bill became effective on January 1, 2025. Following the passage of AB 869, proposed regulations were incorporated into the 2024 Triennial Code adoption cycle. Title 24, California Code of Regulations, Part 1 of the California Administrative Code, effective as of March 29, 2025. This PIN also provides reference to the Part 1 regulations adopted from AB 869.

**POLICY**

This HCAI policy outlines the implementation of the regulations for seismic compliance delay as required by Assembly Bill 869. To implement the “delay in seismic compliance:”, henceforth referred to as “delay”, a streamlined seismic compliance plan application has been introduced and is described in this PIN. The compliance plan requirements have been in the Hospital Seismic Safety Act (HSSA) and the regulations for a long time, the first deadline dating back to the end of 2001, with mandatory updating since then. The information required in the seismic compliance plan has not changed, however, the process of submittal gradually changed from paper to electronic over the years. With this PIN, a further improvement to the seismic compliance plan is implemented though an automated and interactive application portal. The rollout of this automated seismic compliance plan is done in conjunction with the AB 869 delay application, since the delay to the 2030 deadline requires close

monitoring of the seismic compliance progress. Tracking of progress is now centralized through the seismic compliance plan application.

Although the submission and updating of seismic compliance plans has long been a requirement, AB 869—and the regulations established under it—mandates that all general acute care facilities shall submit a compliance plan by January 1, 2026. However, not all facilities are required or eligible to apply for an extension. The 2030 compliant facilities are not required to submit a compliance plan application. Hospitals seeking a delay shall submit a seismic compliance plan and a delay application to HCAI no later than January 1, 2026. In summary, the “delay application” states the amount of delay time needed beyond January 1, 2030, and the “compliance plan application” details the scope and design and construction schedule for each building in the facility.

The compliance plan shall be in accordance with Section 1.4 and the delay application shall be per Section 1.5.2 Item 2.3 of Chapter 6 of Title 24 of the 2025 California Administrative Code. The compliance plan and AB 869 delay application together shall outline the necessary steps and milestones to achieve seismic safety compliance at the earliest reasonable date but no later than January 1, 2033.

If a delay is approved, the additional time is valid for the entire facility provided that the approved schedule for each building is reasonably achieved over the course of the compliance plan timeline.

#### Eligible Hospital Category Definitions

**Small Hospital** – A facility with 50 or fewer licensed beds. Bed count is the total number of licensed beds, not general acute care specific beds.

**Rural Hospital** – Means a “rural general acute care hospital” as set forth in subdivision (a) of Section 1250 of the Health and Safety Code or a hospital located in a rural or frontier medical study service area (MSSA), as defined by the California Healthcare Workforce Policy Commission.

**Health Care District Hospital** – A hospital authorized pursuant to Division 23 of the Health and Safety Code.

**Distressed Hospital Loan Program (DHLP) Recipient** – A hospital that received a loan pursuant to Chapter 4 (commencing with Section 129380) of Part 6 of Division 107 of the Health and Safety Code. This may also include a future program recipient, should the Legislature appropriate additional state funding to the program and extend the date identified in Section 129387.

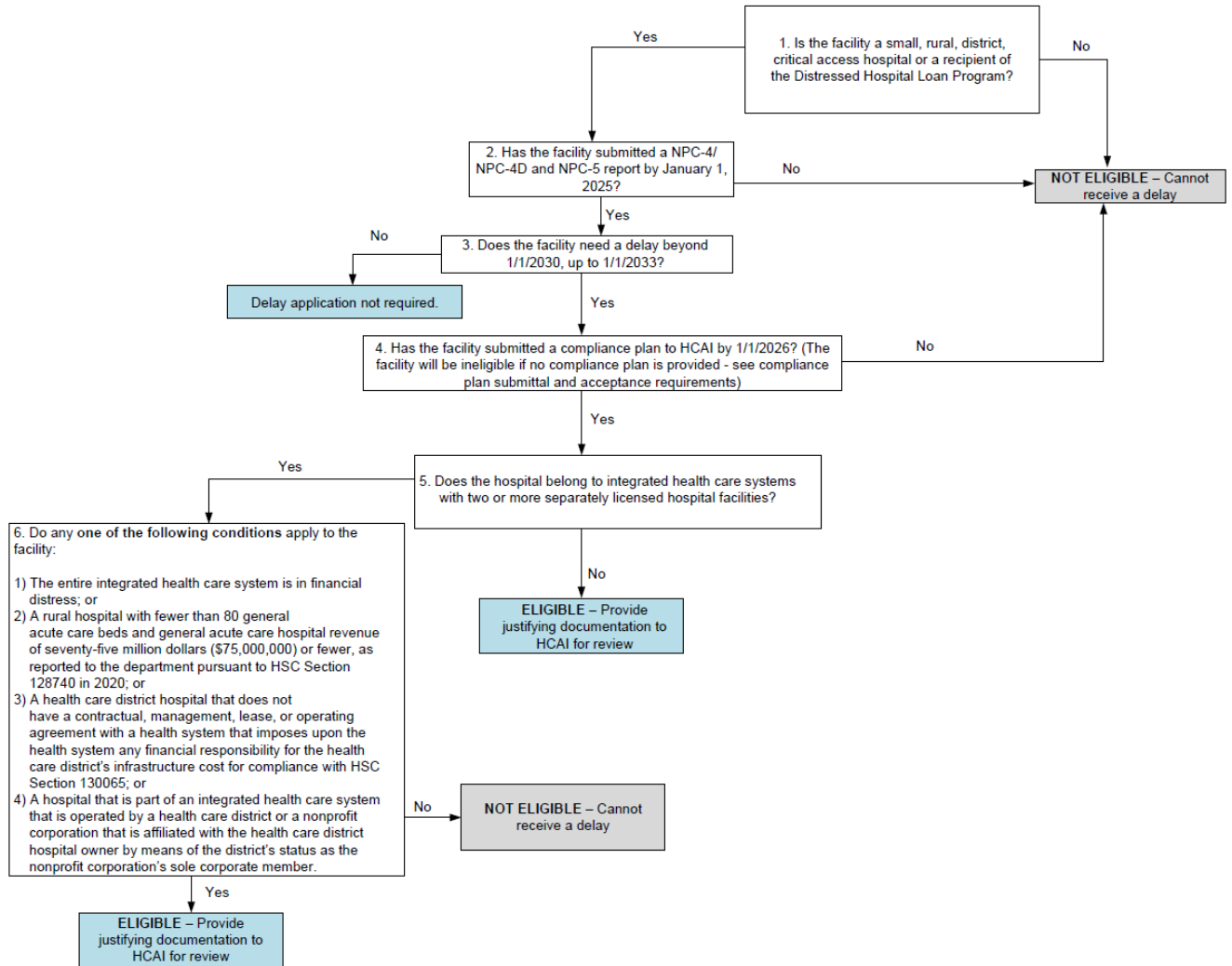
**Critical Access Hospital** – A hospital designated by the State Department of Public Health as a critical access hospital and certified as such by the Secretary of the United States Department of Health and Human Services under the federal Medicare Rural Hospital Flexibility Program.

Eligibility Criteria for AB 869 Delay

All of the following criteria shall be met to be eligible for a delay:

1. The facility must be classified as a small, rural, district, critical access hospital or a DHLP recipient, and have submitted NPC-4 / NPC-4D and NPC-5 evaluation reports for all hospital buildings by January 1, 2025.
2. The facility must need a delay beyond the January 1, 2030 deadline, for up to a maximum of 3 years.
3. The facility shall submit a seismic compliance plan to HCAI by January 1, 2026.
4. A facility that belongs to an integrated health care system with two or more separately licensed hospital facilities shall meet at least one of the following conditions:
  - a. The entire integrated health care system is in financial distress; or
  - b. A rural hospital with fewer than 80 general acute care beds and general acute care hospital revenue of seventy-five million dollars (\$75,000,000) or fewer, as reported to the Department pursuant to HSC Section 128740 in 2020; or
  - c. A health care district hospital that does not have a contractual, management, lease, or operating agreement with a health system that imposes upon the health system any financial responsibility for the health care district's infrastructure cost for compliance with HSC Section 130065; or
  - d. A hospital that is part of an integrated health care system that is operated by a health care district or a nonprofit corporation that is affiliated with the health care district hospital owner by means of the district's status as the nonprofit corporation's sole corporate member.

The following flow chart illustrates the eligibility path to apply for a delay.



Eligible facilities requesting a delay shall submit a Delay Application and a Seismic Compliance Plan Application by January 1, 2026.

**Seismic Compliance Delay (AB 869) Application**

Seismic compliance delay (AB 869) applications are projects which are submitted to HCAI’s Seismic Compliance Unit via the [eServices Portal \(eSP\)](#). For step-by-step instructions on how to submit a delay application see [User Guide 13A Applications for Seismic Delays for AB 869](#).

The Department will review submittals within 120 days, and comment, approve or deny the hospital’s seismic compliance plan and related delay request. The 120-day approval period will restart each time the facility resubmits the compliance plan for backcheck. “Approved”, “Denied” and “HCAI commented/remarked” applications will be posted on the HCAI website, including reasons for denial or details of comments.

Each participating hospital shall submit a delay application with the following information:

- a) The requested delay deadline, not beyond 1/1/2033. The requested delay date shall align with the proposed completion date outlined in the seismic compliance plan.
- b) The delay application shall include a brief narrative explaining the need for additional time and detailing the efforts toward compliance.
- c) Provide a management, lease, or operating agreement to identify the entity with financial responsibility for the facility's infrastructure cost as it relates to seismic compliance.
- d) If the requested eligibility criteria is due to the entire integrated health care system being in financial distress, then supporting documents which demonstrate financial distress are required to be submitted. The facility shall submit updated financial status reports and related documents on February 1st and August 1st of each year for re-evaluation under the same application. If the facility is no longer in financial distress, the timeline shall be revised to address remaining seismic compliance work in a timely manner.

HCAI's methodology for determining financial distress includes but is not limited to factors such as the hospital's prior and projected performance on financial metrics, including the amount of cash on hand, and whether the hospital has, or is projected to experience, negative operating margins. Hospitals applying for a delay under this financial distress eligibility shall provide the department with financial information, in a format determined by the Department, demonstrating the hospital's financial hardship.

The documents required for submission include, but are not limited to: a narrative description of the current financial condition and the primary driver of ongoing financial hardship. Additionally, a turnaround plan shall be provided, outlining initiatives and strategies to establish a path toward a sustainable facility, which should include a two-year cash flow projection.

In addition to the narrative description of financial distress and turnaround plan, in order to evaluate the hospitals' level of financial distress, the following financial ratios using the most recent internally prepared year-to-date financial statements will be considered

- a) Days Cash on Hand =  $\frac{\text{unrestricted cash and cash equivalents as of such date}}{((\text{operating expenses as of the twelve-month period ending on such date} - \text{non-cash charges of the twelve-month period ending on such date}) / 365)}$
- b) Current Ratio =  $\frac{\text{current assets}}{\text{current liabilities}}$
- c) Operating Margin =  $\frac{\text{net income for such period}}{\text{total revenue for such period}}$
- d) Net Cash Runway =  $\frac{\text{cash balance as of such date}}{\text{monthly average operating loss (excluding depreciation and non-cash expenses) for twelve-month period ending on such date}}$
- e) Debt Service Coverage Ratio =  $\frac{\text{net income available for debt Service as of the twelve-month period ending on such date}}{\text{debt service as of the twelve-month period ending on such date}}$

Hospitals shall provide the most recent internally prepared year-to-date financial statements in addition to the most recent audited financial statements. Please be aware

the internally prepared financial statements need to be aligned with the cash flow projection included in the submitted turnaround plan.

- e) If the requested eligibility criteria is “a rural hospital, with fewer than 80 beds, and less than \$75,000,000 revenue in 2020”, financial statements shall be provided. Facility specific year 2020 financial reports are available on the [HCAI website](#). If there is a discrepancy in the financials displayed on the HCAI website, please provide justifying documentation.

The revenue may be calculated using net total revenue and other operating revenue in annual audited financial statements and shall be compared to \$75,000,000 limit.

*Additional 2-year Delay:* Under AB 869, an additional delay, up to January 1, 2035, may be granted when factors beyond the hospital's control make it impossible for the hospital to meet the deadline. Factors beyond the hospital's control include, financial distress, supply chain interruptions (contractor, labor, or material delays), acts of God (fire, earthquake, extended periods of severe weather etc.), government entitlements, and other circumstances beyond the hospital's control.

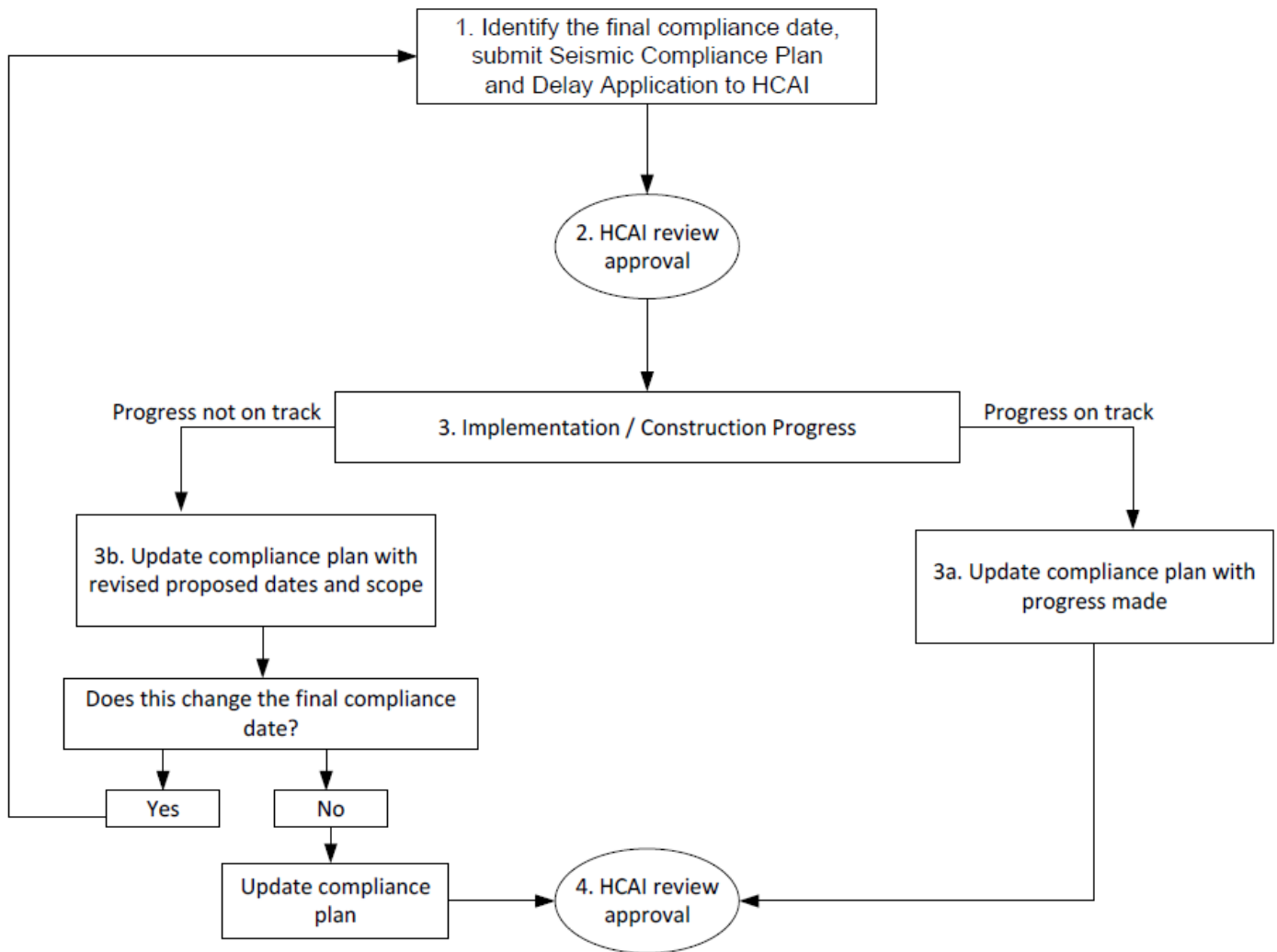
Consideration for the additional up to two-years delay will depend on the future status of the facility and the compliance progress achieved. Therefore, this additional up to two-year delay will not be considered before January 1<sup>st</sup>, 2030. Applications may be submitted after January 1<sup>st</sup>, 2030 with related justifying documentation. To establish factors beyond the hospital's control, each hospital shall provide the following:

- a) A description of the factors beyond their control which are delaying construction, and their influence on meeting the critical milestones for the project,
- b) A revised seismic compliance plan, updating the existing application, indicating the length of delay needed to complete the project.

### Seismic Compliance Plan Application

Seismic compliance plans outline the details for how each building in the facility will achieve seismic compliance by the proposed completion date. The information includes types of compliance solutions, such as retrofitting a building or removing acute care services, with associated timelines and related project numbers, if any, for each building. A hospital requesting a delay shall submit their seismic compliance plan by January 1, 2026.

The following flow chart illustrates the process for submitting and updating seismic compliance plan and delay applications.



Seismic compliance plan applications are projects which are submitted to HCAI via the [eServices Portal \(eSP\)](#). For step-by-step instructions on how to submit a seismic compliance plan application see [User Guide 21 Application for Seismic Compliance Plan Review](#).

Each 2030 non-compliant hospital shall submit a seismic compliance plan with the following information:

- a) The facility ID which pre-populates the list of the general acute care (GAC) building(s) at the facility, including OSHPD building names and building numbers, and corresponding SPC and NPC ratings. For each of these buildings provide the proposed method of compliance from the following list:
  - i. Building is already compliant (SPC 3, SPC 4, SPC 4D, or SPC 5 and NPC 5)
  - ii. Building will be demolished
  - iii. Relocate services to another existing compliant building
  - iv. Replace services to a new building

- v. SPC retrofit
  - vi. NPC retrofit
  - vii. SPC and NPC retrofit
- b) A brief narrative describing the proposed method of compliance for each building.
- c) A list of HCAI project number(s) related to the method of compliance (if known) for each building.
- d) A project plan which outlines the construction schedule in detail, and identifies relevant milestones and critical milestones for each building.
- i. At least one milestone is required per building, with a maximum of 10 milestones allowed.
  - ii. Several milestones across multiple buildings should be identified as critical milestones. Critical milestones are intended to show progress throughout the facility. 10 critical milestones are required per facility. Please see the example in Appendix A of this document. Milestones should be spaced evenly throughout the life of the compliance schedule.
- e) The following is a list of acceptable milestone types:
- i. Compliant Building
  - ii. Material Testing Report Submittal
  - iii. Evaluation Report Submittal
  - iv. Construction Project Submittal
  - v. Permit Issuance
  - vi. Construction Commencement
  - vii. Construction Milestone
  - viii. Construction Final
- f) A brief narrative description for each milestone (if applicable).
- g) The proposed completion date for each milestone.
- h) The milestone status at the time of submission. The status of the milestones shall be updated at least once a year.
- i. Completed
  - ii. In Progress
  - iii. Not Started
- i) A list of OSHPD project number(s) related to the milestones (if known).

Accepted or denied seismic compliance plans will be posted on the HCAI website. If denied, HCAI will notify the facility regarding the reasons for denial. If approved, the seismic compliance plan shall be updated on an annual basis as milestones are achieved, or any time there are changes to the HCAI accepted seismic compliance plan.



### NPC Deadlines for facilities with AB 869 delay

In order to comply with the Non-Structural Performance Requirements of the California Administrative Code (CAC), Chapter 6, Section 1.5.2, a building permit shall be obtained prior to March 1, 2028. Please note that there is one year of time allowed between the plan approval and the start of construction, with an optional extension of one additional year provided there is justification (CAC, Chapter 7, Section 7-129 c).

The design and permitting phase deadlines will remain the same, but the delay will increase the timeline allowed for construction. The NPC 4/4D/5 final construction deadline shall not exceed the requested delay deadline in the delay application. The following lists the deadlines for NPC compliance as per the California Administrative Code, Chapter 6, Section 1.5.2:

- By January 1, 2024, the hospital owner shall submit a complete nonstructural evaluation up to NPC 4 or 4D and NPC 5, for each building (for all general acute care hospitals).
- By January 1, 2025, the hospital owner shall submit a complete nonstructural evaluation up to NPC 4 or 4D and NPC 5, for each building (for all general acute care hospitals seeking delay).
- By March 1, 2026, the hospital owner shall submit construction documents for NPC 4 or 4D and NPC 5 compliance that are deemed ready for review for each building that will continue to provide acute care services beyond January 1, 2030.
- By March 1, 2028, the hospital owner shall obtain a building permit to begin construction for NPC 4 or 4D and NPC 5 compliance of each building that the owner intends to use as a general acute care hospital building after January 1, 2030. Hospitals not meeting the January 1, 2028, deadline shall not be issued a building permit for any noncompliant building except those required for seismic compliance, maintenance, and emergency repairs.
- After March 1, 2028, buildings with an NPC rating less than 4, all remodels/renovations, or other construction work, shall include anchorage and/or bracing of all equipment and services within the boundary of the scope of work that is not in compliance with NPC 4 or NPC 4D

### Small and Rural Hospital Relief Program Changes in AB 869

AB 869 has also expanded eligibility requirements for the Small and Rural Hospital Relief Program (SRHRP). Eligibility for the SRHRP program will now include any Distressed Hospital Loan Program recipient and any Health Care District hospital that seeks delay under Section 1.5.2 Item 3, beyond the January 1, 2030 deadline. These hospitals are now able to apply for SRHRP grants under this change. Please see Section 1.9.2 Grant Requirements in Appendix B for more information.

### Adjustments to Schedules and Accountability Measures for Seismic Compliance Plan Violations

The Department may grant an adjustment as necessary to deal with contractor, labor, material delays, with acts of God, or with governmental entitlements, experienced by the hospital. The hospital shall submit the reason for the delay along with substantiating documents, a revised construction schedule, and new milestones consistent with the adjustment. Requests for adjustments shall be made with the Department as soon as the reasons for delay are known, but no less than 30 calendar days before any upcoming delay schedule or construction milestone dates.

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Failure to comply with the construction schedule or meet any critical milestone established by the Department and the hospital shall result in the assessment of a fine of five thousand dollars (\$5,000) per calendar day per facility until the requirements or milestones, respectively, are met. These fines apply to critical milestones (10 per facility) and do not extend to regular milestones, which may exceed 100 if, for example, 15 buildings are involved.

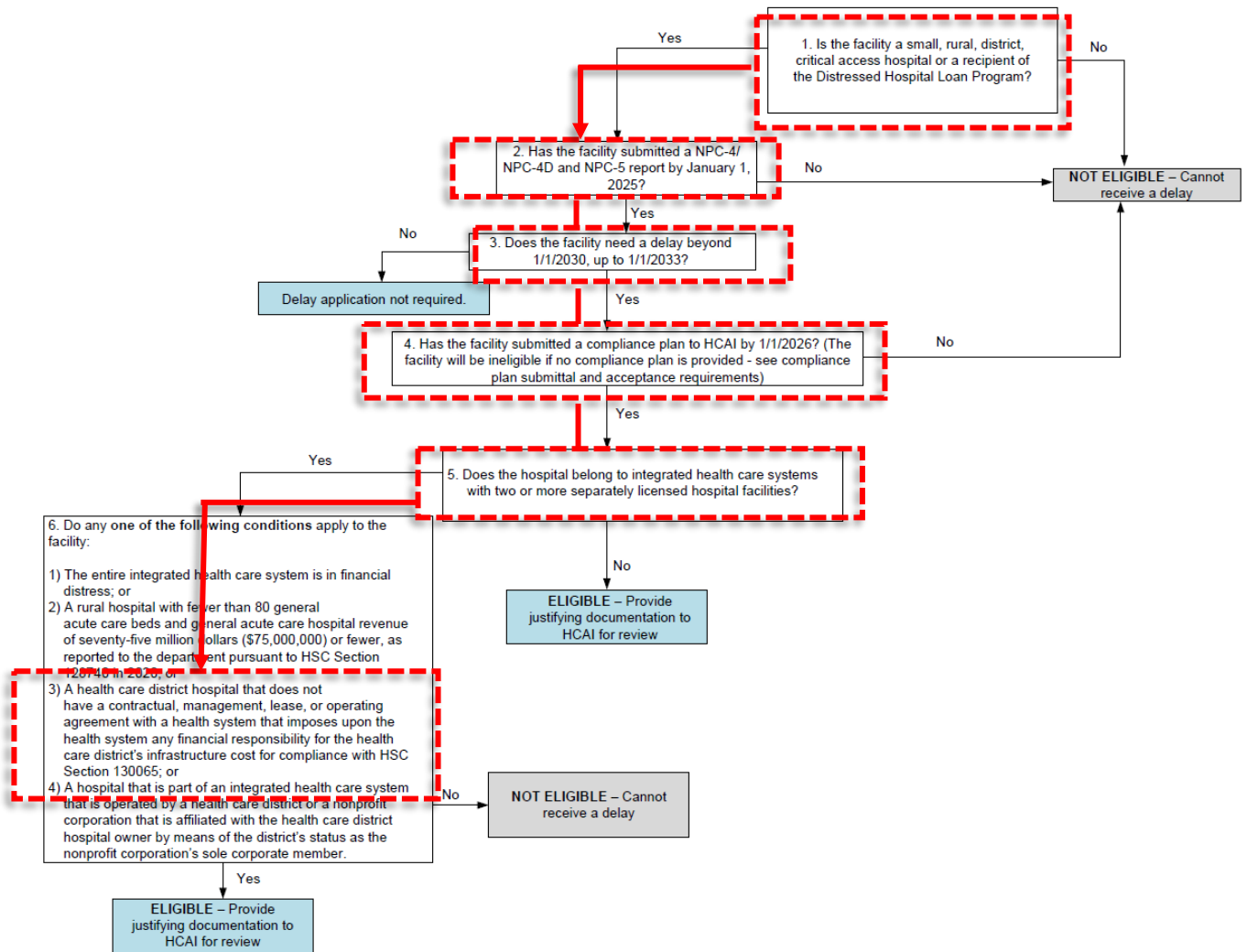
Hospitals that fail to meet any milestone or seismic compliance deadline approved in its compliance plan shall not be issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the subject hospital's seismic compliance, as determined by HCAI.

Original signed	03/04/2025
Chris Tokas, Deputy Director	Date

**APPENDIX A**

**Example Facility Application Steps for Seismic Compliance Plan and Delay:**

In our example we are going to look at a fictitious rural district hospital with 100 general acute care beds. The hospital is managed and operated by a nationwide health system, but the district is financially responsible for the hospital’s infrastructure costs. At this time the hospital facility is not in financial distress, but if the seismic compliance project costs become excessive, it is possible that the facility will suffer financial distress. Currently, the facility does not know the extent of retrofit work required for each building to meet the seismic compliance requirements of NPC 4, or NPC 4D and NPC 5 and SPC 4D upgrade.



**Step 1 - Determining Eligibility**

We will use the above flow-chart to determine eligibility. The hospital must meet the following five criteria.

1. The hospital is defined as a small, rural, district, critical access hospital or a recipient of the Distressed Hospital Loan Program. This hospital is designated as a both a rural hospital, and a district hospital, so it meets Eligibility Criteria 1.
2. The hospital must have submitted an NPC 5 evaluation report by 1/1/2025. Please note that NPC 5 requires submittal of all NPC reports including NPC 4 or NPC 4D. This facility submitted their NPC 4/4D and NPC 5 evaluation report (including water rationing plan) as of 1/1/2025, so it meets Eligibility Criteria 2.
3. The hospital shall submit a seismic compliance plan to HCAI no later than 1/1/2026. This facility plans to submit their seismic compliance plan to HCAI by 1/1/2026, so it meets Eligibility Criteria 3.
4. The hospital belongs to an integrated health care system with two or more separately licensed hospital facilities. This facility belongs to a nationwide integrated health care system, so it meets Eligibility Criteria 4.
5. The hospital shall be a district hospital that does not have a contractual, management, lease, or operating agreement with a health system that imposes upon the health system any financial responsibility for the hospital's seismic compliance infrastructure costs. This facility is a district hospital that does not impose any financial responsibility for its seismic compliance infrastructure costs on its operating health care system, so it meets Eligibility Criteria 4.

Based on the eligibility criteria outlined above, and in the flow-chart, our example hospital meets the eligibility requirements and may request a delay. Now, the next step is to investigate the current building inventory and seismic compliance status of the facility.

Step 2 - Identifying the current status of each hospital building

The next step would be to identify what the current NPC and SPC ratings are, and what seismic compliance projects have already been submitted to HCAI. Submittals may include NPC or SPC evaluations or upgrades, material testing programs and results, etc.

**BLD-00001**: Currently NPC 2 / SPC 2

The facility did not submit an NPC or SPC evaluation as of 01/01/2025, and the hospital is undecided on what they would like to do to reach compliance. Initial thought for this building is to remove general acute care services.

**BLD-00002**: Currently NPC 2 / SPC 2

The facility submitted an NPC 4D evaluation as of 01/01/2025, but they did not submit an SPC 4D evaluation.

**BLD-00003**: Currently NPC 4 / SPC 5

This building is already SPC 5 compliant, and the facility submitted an NPC 5 evaluation (including water rationing plan) as of 01/01/2025, which applies to all buildings.

Step 3 - Determining the method(s) of compliance and preparing a Seismic Compliance Plan for each building

The next step would be to consult with a design professional to master plan the hospitals approach to meeting the seismic compliance requirements for each building.

**BLD-00001:** Currently NPC 2 / SPC 2 → Goal is Removal of Acute Care Services (RACS) and convert to OSHPD 1R

The facility, with the help of the design professional, decides to submit a removal of acute care services (RACS) project to HCAI to move general acute care (GAC) services from BLD-00001 to BLD-00003.

The facility should submit a compliance plan stating the intended method of compliance.

Building No.	Building Name	Current SPC / NPC Rating	Compliance Type	Narrative	Related Project Numbers
BLD-00001	Main Hospital	NPC 2 / SPC 2	Relocate services to existing compliant building	RACS to BLD-00003	Sxxxxxx-0

The facility should submit a seismic compliance plan with the following milestones,

- The dates for submitting construction documents to the HCAI region for utility separation, etc., and relocation of services,
- The date for obtaining an HCAI building permit,
- A rough construction schedule for completion of RACS work, including start and end dates.

Building No.	Milestone Type	Description	Critical Milestone	Completion Date	Status	Related Project Numbers
BLD-00001	Construction Project Submittal	RACS	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00001	Permit Issuance	RACS	Yes	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00001	Construction Commencement	RACS	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00001	Construction Milestone	RACS 10% Complete	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00001	Construction Milestone	RACS 30% Complete	No	xx/xx/xxxx	Completed	Sxxxxxx-0

BLD-00001	Construction Milestone	RACS 75% Complete	No	xx/xx/xxxx	Completed	Sxxxxxxx-0
BLD-00001	Construction Final	RACS 100% Complete	Yes	xx/xx/xxxx	In Progress	Sxxxxxxx-0

**BLD-00002:** Currently NPC 2 / SPC 2 → Goal is NPC 5 / SPC 4D

An NPC 4D evaluation was submitted and approved, but no construction drawings were submitted to HCAI for NPC 4D upgrade. The facility decides to submit NPC 4D and NPC 5 construction drawings and an SPC 4D evaluation and upgrade project to HCAI.

The facility should submit a compliance plan stating the intended method of compliance.

Building No.	Building Name	Current SPC / NPC Rating	Compliance Type	Narrative	Related Project Numbers
BLD-00002	Tower Addition	NPC 2 / SPC 2	SPC and NPC Retrofit	Upgrade to NPC 4D, NPC 5, and SPC 4D	Sxxxxxxx-0

The facility should submit a seismic compliance plan with the following milestones,

**NPC 4D:**

- The dates for submitting construction documents to the HCAI region for an NPC 4D Upgrade.
- A rough construction schedule for completion of NPC 4D Upgrade work, including start and end dates.

**SPC 4D:**

- The dates for submitting an SPC 4D evaluation, Material Testing and Conditions Assessment Program (MTCAP) evaluation, and Geotech evaluation to HCAI’s Seismic Compliance Unit (SCU).
- The dates for submitting construction documents for the approved MTCAP to the HCAI region.
- The dates for submitting the Material Testing and Conditions Assessment Results (MTCAR) to the SCU.
- The dates for submitting construction documents to the HCAI region for an SPC 4D Upgrade.
- A rough construction schedule for completion of SPC 4D work, including start and end dates.

**NPC 5:**

- The dates for submitting construction documents to the HCAI region for an NPC 5 Upgrade.
- A rough construction schedule for completion of NPC 5 Upgrade work, including start and end dates.

Building No.	Milestone Type	Description	Critical Milestone	Completion Date	Status	Related Project Numbers
BLD-00002	Construction Project Submittal	NPC 4D	No	xx/xx/xxxx	In Progress	Sxxxxxx-0
BLD-00002	Permit Issuance	NPC 4D	Yes	xx/xx/xxxx	Not Started	Sxxxxxx-0
BLD-00002	Construction Final	NPC 4D	Yes	xx/xx/xxxx	Not Started	Sxxxxxx-0
BLD-00002	Construction Project Submittal	SPC 4D	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00002	Permit Issuance	SPC 4D	Yes	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00002	Construction Milestone	SPC 4D 60% Complete	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00002	Construction Final	SPC 4D	Yes	xx/xx/xxxx	In Progress	Sxxxxxx-0
BLD-00002	Construction Project Submittal	NPC 5	No	xx/xx/xxxx	Not Started	Sxxxxxx-0
BLD-00002	Permit Issuance	NPC 5	Yes	xx/xx/xxxx	Not Started	Sxxxxxx-0
BLD-00002	Construction Final	NPC 5	Yes	xx/xx/xxxx	Not Started	Sxxxxxx-0

**BLD-00003:** Currently NPC 4 / SPC 5 → Goal is NPC 5 / SPC 5

This building is already SPC 5 compliant. An NPC 5 evaluation (with water rationing plan) was submitted and approved for the whole facility, but no construction drawings were submitted to HCAI for NPC 5 upgrade. The facility decides to submit an NPC 5 Upgrade to HCAI to achieve compliance.

The facility should submit a compliance plan stating the intended method of compliance.

Building No.	Building Name	Current SPC / NPC Rating	Compliance Type	Narrative	Related Project Numbers
BLD-00003	Tower Addition	NPC 4 / SPC 5	NPC Retrofit	Upgrade to NPC 5	Sxxxxxx-0

The facility should submit a seismic compliance plan with the following:

**NPC 5:**

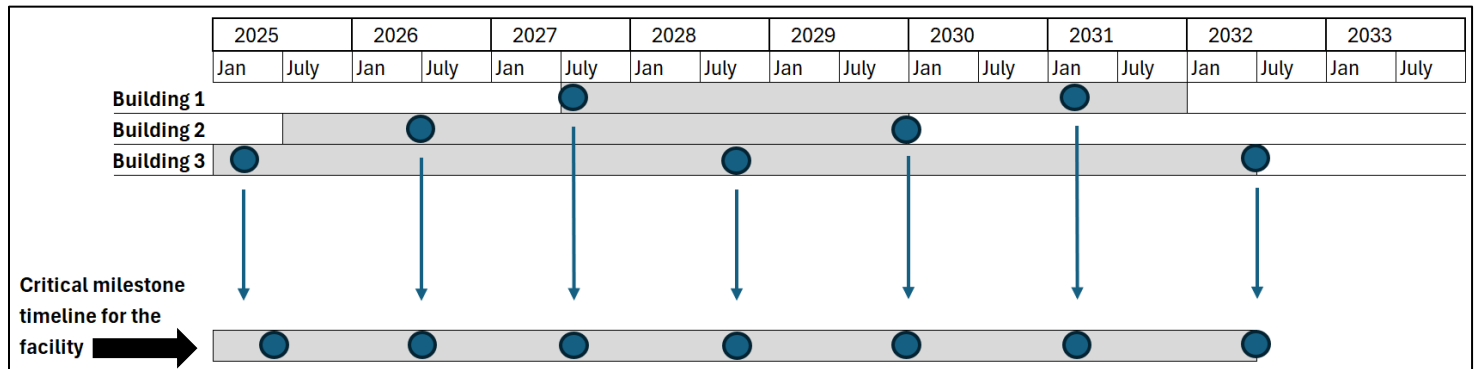
- The dates for submitting construction documents to the HCAI region for an NPC 5 Upgrade.
- A rough construction schedule for completion of NPC 5 Upgrade work, including start and end dates.

Building No.	Milestone Type	Description	Critical Milestone	Completion Date	Status	Related Project Numbers
BLD-00004	Construction Project Submittal	NPC 5	No	xx/xx/xxxx	Completed	Sxxxxxx-0
BLD-00004	Permit Issuance	NPC 5	Yes	xx/xx/xxxx	In Progress	Sxxxxxx-0
BLD-00004	Construction Final	NPC 5	Yes	xx/xx/xxxx	Not Started	Sxxxxxx-0

**Step 4 - Identifying critical milestones**

Each building will have a dedicated table outlining key milestones as they occur throughout the schedule. At least one milestone per building should be designated as a critical milestone, enabling HCAI to monitor compliance at the facility level rather than on a building-by-building basis. When reviewing the campus-wide critical milestone timeline, HCAI should be able to track overall progress. These milestones help determine whether a facility is on track to meet its delay deadline, at risk of delays, or in need of additional time. To maintain clarity and effectiveness, 10 critical milestones should be designated per facility, spaced evenly throughout the construction schedule.

In the example below, you will see a seismic compliance plan schedule for a facility with three buildings. Critical milestones are identified by blue dots. Each building has identified two or three critical milestones throughout the schedule. When the critical milestones are placed on a campus-wide schedule they show the compliance progress of the facility as a whole.





APPENDIX B

2025 California Building Standards Code, Title 24, California Code of Regulations

A viewable copy can be found on the California Building Standards Commission website (<http://www.dgs.ca.gov/en/BSC/Codes>)

2025 California Administrative Code, Part 1

Chapter 6 SEISMIC EVALUATION PROCEDURES FOR HOSPITAL BUILDINGS  
ADMINISTRATIVE REGULATIONS FOR THE OFFICE OF STATEWIDE HOSPITAL PLANNING  
AND DEVELOPMENT (OSHDP)

**1.3 Seismic evaluation.** All general acute care hospital owners shall perform a seismic evaluation on each hospital building in accordance with the Seismic Evaluation Procedures as specified in Articles 2 through 11 of these regulations. By January 1, 2001, hospital owners shall submit the results of the seismic evaluation to the Office for review and approval. By completing this seismic evaluation, a hospital facility can determine its respective seismic performance categories for both the Structural Performance Category (SPC) and the Nonstructural Performance Category (NPC) in accordance with Articles 2 and 11 of these regulations.

**Exception:** The Structural Performance Category of SPC--4D shall be established in accordance with Section 1.4.5.1.3 and the *California Existing Building Code* (CEBC) Sections 304A.3.3 and ~~303A.3.4.5~~ 304A.3.4.5, 501A.3.1, and or 501A.3.2, or equivalent provisions in later editions of the CEBC.

...

**1.4 Compliance plans.** A compliance plan shall be prepared and submitted for each building subject to these regulations. All general acute care hospital owners shall formulate a compliance plan which shall indicate the facility's intent to do any of the following:

1. Building retrofit for compliance with these regulations for continued acute care operation beyond 2030;
2. Partial retrofit for initial compliance, with closure or replacement expected by 2002, 2008, 2013 or 2030;
3. Removal from acute care service with conversion to nonacute care health facility use; or
4. No action, building to be closed, demolished, or replaced.

This plan ~~must~~ shall clearly indicate the actions to be taken by the facility and ~~must~~ shall be in accordance with the timeframes set forth in Article 2 (Structural Performance Category-"SPC") and Article 11 (Nonstructural Performance Category-"NPC") of the Seismic Evaluation Procedure regulations.

...

**1.4.4.4 Compliance plan schedule.** Provide a bar graph schedule which describes the schedule for compliance with the SPC and NPC seismic performance categories, indicating the schedule of the following major phases of the plan:

1. ...
2. ...
3. ...

4. ...
5. Approval of California Department of Public Health (CDPH) Services Licensing and Certification, and any other required licensing;
6. ...
7. ...
8. ...
9. ...

...

**1.4.5 Compliance plan update/change notification.** A change to an approved Compliance Plan shall be submitted by a hospital owner when the method or schedule to achieve compliance changes. An owner of a hospital building not in compliance with Health and Safety Code Section 130065 shall submit for review and approval a revised compliance plan to the Department no later than January 1, 2026.

A revised Compliance Plan shall contain the following information at a minimum:

1. Facility name, address and five-digit facility identification number;
- ...
5. List of approved OSHPD project numbers and titles related to the seismic compliance improvement plan for each building, including building evaluations, materials testing project and test reports, and compliance construction projects.

**1.4.5.1 Change in seismic performance category.** The SPC or NPC for a hospital building ~~may~~ shall be permitted to be changed by the Office from the initial determination in Section 1.3.3 or 1.3.4, provided the building has been modified to comply with the requirements of the *California Existing Building Code* (Part 10 of Title 24) for the specified SPC or NPC. The SPC of a hospital building shall also be permitted to be changed ~~on the basis of~~ based on the following:

1. Collapse probability assessments in accordance with Section 1.4.5.1.2; or
2. Analysis or retrofit in accordance with Section 1.4.5.1.3.

...

**1.4.5.1.3** Nonconforming hospital buildings shall be permitted to be reclassified to SPC-4D, pursuant to Table 2.5.3, in accordance with the CEBC Sections 304A.3.3 and 303A.3.4-5 304A.3.4.5, 501A.3.1, and or 501A.3.2. or equivalent provisions in later editions of the CEBC.

**Exceptions:** [no change to exceptions]

...

**1.5.2 Delay in compliance.**

1. **Requirements for NPC.** For any general acute care hospital building, the following shall apply: ~~located in Seismic Design Category D, as defined by Section 1613A of the 2013 *California Building Code*:~~
  - 1.1. By January 1, 2024, the hospital owner shall submit to the Office a complete nonstructural evaluation up to NPC 4 or 4D and NPC 5, for each building.

- 1.2. By ~~January~~ March 1, 2026, the hospital owner shall submit to the Office construction documents for NPC 4 or 4D and NPC 5 compliance that are deemed ready for review by the Office, for each building that will continue to provide acute care services beyond January 1, 2030.

**Exception:** Buildings that have been removed from general acute care service, or have projects to remove the building from acute care services by January 1, 2030.

- 1.3. By ~~January~~ March 1, 2028, the hospital owner shall obtain a building permit to begin construction, for NPC 4 or 4D and NPC 5 compliance of each building that the owner intends to use as a general acute care hospital building after January 1, 2030. Hospitals not meeting the ~~January~~ March 1, 2028 deadline set by this section shall not be issued a building permit for any noncompliant building except those required for seismic compliance in accordance with the *California Administrative Code* (Chapter 6), maintenance, and emergency repairs until the building permit required by this section is issued.

**Exception:** If the hospital has obtained an extension for SPC compliance, the NPC compliance deadlines shall coincide with the approved SPC extension deadlines and the requirements of Sections 1.5.2 shall be deemed to be satisfied.

- 1.4. After ~~January~~ March 1, 2028, for buildings with an NPC ~~rating less than 4 3 or lower rating~~, all remodels/renovations, or other construction work, shall include anchorage and/or bracing of all equipment and services within the boundary of the scope of work that is not in compliance with NPC 4 or NPC 4D.

**Exceptions** [no change to exceptions]

## 2. Requirements for SPC.

...  
**3. Extensions beyond the January 1, 2030 deadline.** For both the structural and nonstructural requirements for qualifying hospitals under items (a) or (b) and which satisfy the requirements in item (c) of this section are eligible for extensions beyond the January 1, 2030 deadline, subject to the additional requirements in items (d) through (g).

This section does not apply to Structural Performance Category-1 buildings.

(a) A Distressed Hospital Loan Program recipient, a small hospital, a rural hospital, a critical access hospital, or a health care district hospital, except as otherwise provided in this section, may seek approval from the Department for a delay to the January 1, 2030 compliance deadline of up to three years with the submission and departmental approval of a seismic compliance plan, submitted in accordance with Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California Administrative Code by January 1, 2026, and, a Nonstructural Performance Category-5 evaluation report, submitted in accordance with Article 11 of Chapter 6 of Title 24 of the California Administrative Code to the Department by January 1, 2025.

(b) Hospitals that belong to integrated health care systems with two or more separately licensed hospital facilities shall be ineligible for a delay under item (a), including a health care district hospital that has a contractual agreement with a health system that imposes upon the health system any financial responsibility for the health care district's infrastructure costs for compliance with Health and Safety Code Section 130065, unless

the entire integrated health care system is determined by the Department to be in financial distress.

**Exception:** Item (b) does not apply to any of the following:

- (1) A rural hospital with fewer than 80 general acute care beds and general acute care hospital revenue of seventy-five million dollars (\$75,000,000) or less, as reported to the Department pursuant to Health and Safety Code Section 128740 in 2020.
  - (2) A hospital that is part of an integrated health care system that is operated by a health care district or a nonprofit corporation that is affiliated with the health care district hospital owner by means of the district's status as the nonprofit corporation's sole corporate member.
  - (3) A health care district hospital that does not have a contractual, management, lease, or operating agreement with a health system that imposes upon the health system any financial responsibility for the health care district's infrastructure cost for compliance with Health and Safety Code Section 130065.
- (c) The hospital owner requesting an extension in accordance with this section must submit to the Department, the following:
- (1) A Nonstructural Performance Category-5 evaluation report in compliance with Article 11 of Chapter 6 of Title 24 of the California Administrative Code for each building, if necessary, by no later than January 1, 2025.
  - (2) The hospital's seismic compliance plan in accordance with Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California Administrative Code and related regulations, by January 1, 2026. The seismic compliance plan shall outline steps, including milestones, to achieve compliance with seismic safety standards at the earliest reasonable date, but by no later than January 1, 2033. The seismic compliance plan shall be approved by the Department subject to the following:
    - (i) The subject hospital shall identify at least two major milestones relating to the seismic compliance plan that will be used as the basis for determining whether the hospital is making adequate progress toward meeting the subject hospital's seismic compliance deadline.
    - (ii) If the seismic compliance plan includes a compliance schedule that is delayed beyond the 2030 seismic compliance deadline, the hospital shall submit any documentation requested by the Department to assist the Department in its review of the reasonableness of the compliance schedule.
    - (iii) The Department shall within 120 days of the submittal deadline approve or deny the hospital's seismic compliance plan and any delay to the seismic compliance deadline submitted in accordance with Section 1.4. If the Department determines the compliance schedule is unreasonable based on the information submitted, the Department shall notify the hospital and provide the Departmental rationale for its determination. The hospital shall be given the opportunity to address the identified concerns or to provide additional information to substantiate the compliance schedule.
- (d) The Department may additionally delay the amount of time for hospitals that qualify for the extension under items (a) or (b) by two years, up to a maximum of January 1, 2035. This delay may be authorized as necessary for hospitals that continue to experience financial distress or that need to deal with contractor, labor, or material delays, acts of God, governmental entitlements, or other circumstances beyond the hospital's control. If

up to an additional two-year delay is granted, the hospital shall submit a revised construction schedule and associated milestones to the Department.

The hospital requesting the extension shall provide the Department with information that the Department deems necessary including information to assess whether the hospital is in financial distress or continues to be in financial distress.

The Department will make a determination of financial distress using financial criteria including days cash on hand, current ratio, access to working capital, operating margin, cash burn rate, the financial impact of mandatory seismic compliance costs on the hospital or integrated health care system, and other methodologies developed pursuant to Chapter 4 (commencing with Health and Safety Code Section 129380) of Part 6 of Division 107 of the Health and Safety Code.

If the Department determines that an eligible hospital or integrated health care system is no longer in financial distress and is not likely to return to financial distress due to complying with seismic safety standards, the hospital or integrated health care system shall submit a revised seismic compliance plan to the Department for review and approval one month after being informed of the Department's determination that the hospital or integrated health care system is no longer in financial distress. Notwithstanding any delay of the January 1, 2030, seismic requirements granted to the hospital or integrated health care system pursuant to item (a), the Department may adjust compliance deadlines to reflect the fact that the hospital or integrated system is no longer in financial distress.

- (e) Adjustments to Schedules. The Department may grant an adjustment as necessary to deal with contractor, labor, material delays, with acts of God, or with governmental entitlements, experienced by the hospital. The hospital shall submit the reason for the delay along with substantiating documents, a revised construction schedule and identify new milestones consistent with the adjustment. Requests for adjustments shall be made with the Department as soon as the reasons for the delay are known but no less than 30 calendar days before any upcoming affected extension schedule or construction milestone date.

Failure to comply with the revised construction schedule or meet any of the major milestones shall result in penalties as specified in items (f) and (g) The adjustment shall not exceed the corresponding final seismic compliance date of January 1, 2033 under item (a) or January 1, 2035 under item (d).

- (f) Failure to comply with the construction schedule or meet any milestone established by the Department and the hospital shall result in the assessment of a fine of five thousand dollars (\$5,000) per calendar day until the requirements or milestones, respectively, are met.

- (g) Hospitals that fail to meet any milestone or seismic compliance deadline approved in its compliance plan shall not be issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the subject hospital's seismic compliance, as determined by the Department.

## **1.6 Dispute resolution/appeals process ... [no change to text]**

...

~~**1.9 State grant programs.** The State of California may from time to time establish programs that provide grant funding for general acute care hospitals to advance seismic safety. Standards of eligibility to participate in a state grant program are established in its enabling statute.~~

**1.9.1 The Small and Rural Hospital Relief Program** is established in statute for the purpose of providing funding for improvement of a building's seismic performance rating. The program is administered by the ~~Office of Health Facility Loan Insurance (OHFLI)~~ of HCAI, who is responsible for issuing grants to facilities for seismic improvement projects ~~approved by the Office~~. A grant provided by ~~OHFLI~~ under this program may be used only for funding seismic safety compliance.

**1.9.1 Eligibility.** ~~OHFLI~~ HCAI determines eligibility of a hospital to participate in this program ~~on~~ in accordance with the following criteria:

- a. ~~A s~~ Small hospital.
- b. ~~A r~~ Rural hospital.
- c. ~~A c~~ Critical access hospital.
- d. Distressed Hospital Loan Program recipient that seeks delay under Section 1.5.2. item 3. beyond January 1, 2030 deadline.
- e. Health care district hospital that seeks delay under Section 1.5.2 item 3. beyond January 1, 2030 deadline.

The eligible hospitals shall meet both of the following criteria:

1. Compliance imposes a financial burden on the applicant that may result in hospital closure.
2. The hospital closure would substantially impact the accessibility of health care in the communities surrounding the hospital.

### **1.9.2 Grant Requirements.**

1. Grants shall provide a general acute care hospital with funds to secure an SPC-4D assessment for purposes of planning for, and estimating the costs of, complying with Health and Safety Code Section 130065.
2. A general acute care hospital receiving a grant for an assessment shall provide the estimated cost of SPC-4D compliance to the Department.
3. A general acute care hospital that has received a grant for an assessment may apply for a grant for purposes of complying with Health and Safety Code Section 130065.
4. For a general acute care hospital that already has an SPC-4D assessment approved by the Department, the Department may award the general acute care hospital grant money for purposes of complying with Health and Safety Code Section 130065.
5. If state funds are appropriated to the Small and Rural Hospital Relief Fund for the purpose of complying with Health and Safety Code Section 130065, before being awarded state funds, a hospital that qualifies for assessment grants shall submit financial information to HCAI, on a form as required by HCAI, related to all of the following:
  - a) Whether the hospital has attempted to secure other methods of funding for SPC-4D compliance, including federal funding, and if not, the reason why.
  - b) The accuracy of the hospital's SPC-4D cost estimates and confirmation that the estimated costs are only for purposes of SPC-4D compliance.
  - c) The hospital's need for assistance due to financial hardship and lack of ability to finance the required improvements, in order to access state funds.
6. In awarding grants, HCAI shall have the authority to deny any costs from the completed assessment that the Department determines are not necessary to comply with SPC-4D requirements.

### **1.10 Integrated Review for seismic compliance projects.**

1. Purpose. The purpose of integrated review is to provide technical assistance to a hospital's project team in the development of a cost-efficient structural or non-structural seismic retrofit program. A cost-efficient retrofit program is one that achieves a compliant condition for SPC-4D/SPC-5 and NPC-3/NPC-4/NPC-4D and NPC-5 with no more work than is necessary to attain the rating while limiting impact to operations from project delivery.
2. Voluntary requests. The ~~Office~~ Department, at its sole discretion, may enter into a written agreement with the hospital governing board or authority for an Integrated Review. A hospital may request Integrated Review to aid in the planning and implementation of a seismic retrofit project for a general acute care hospital building. The fee for Integrated Review shall be on a Time and Materials Basis.