



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

September 3, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Assembly Bill 869 (Wood) – REQUEST FOR SIGNATURE

Dear Governor Newsom:

On behalf of the Rural County Representatives of California (RCRC), we support Assembly Bill 869 (Wood). AB 869 would authorize a Distressed Hospital Loan Program recipient, a small hospital, a rural hospital, a critical access hospital, or a health care district hospital to seek approval from the Department of Health Care Access and Information for a delay to the January 1, 2030, compliance deadline for seismic safety standards. This bill would also expand the eligibility for the Small and Rural Hospital Relief Program to include specific seismic requirements. RCRC is an association of forty rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

Hospitals must comply with seismic safety standards, including a requirement that buildings posing a significant risk of collapse and a danger to the public — referred to as Structural Performance Category (SPC) 1 buildings — be rebuilt or retrofitted to be capable of withstanding an earthquake or removed from acute care service and hospital must also be capable of continued operation by January 1, 2030. There are very few remaining buildings at risk of collapse in an earthquake. Based on the 2030 requirement to remain operational, 75% of hospital buildings are already 2030 compliant with the more expensive SPC requirements; however, the remaining hospitals, which are spread across more than 250 hospital campuses, must be taken out of service by 2030 or rebuilt to the SPC 4D standard. Many rural hospitals are at risk of not being able to comply with these requirements by 2030 due to the costs associated with upgrades.

1215 K Street, Suite 1650, Sacramento, CA 95814 | www.rcrcnet.org | 916.447.4806 | Fax: 916.448.3154

ALPINE · AMADOR · BUTTE · CALAVERAS · COLUSA · DEL NORTE · EL DORADO · GLENN · HUMBOLDT · IMPERIAL · INYO · KINGS · LAKE · LASSEN
MADERA · MARIPOSA · MENDOCINO · MERCED · MODOC · MONO · MONTEREY · NAPA · NEVADA · PLACER · PLUMAS · SAN BENITO · SAN LUIS OBISPO
SANTA BARBARA · SHASTA · SIERRA · SISKIYOU · SOLANO · SONOMA · SUTTER · TEHAMA · TRINITY · TULARE · TUOLUMNE · YOLO · YUBA

The Honorable Gavin Newsom
Assembly Bill 869 (Wood) – REQUEST FOR SIGNATURE
September 3, 2024
Page 2

At this point in time, over half of California's 337 hospitals¹ are operating at a financial loss. Of the 55 rural hospitals in California, 16 (29%)² are at risk of closing. Without grant funding for seismic improvements and delayed implementation we risk additional hospital closures in rural communities. AB 869 is a much-needed lifeline for financially distressed rural hospitals to ensure flexible compliance timelines and a pathway for financial assistance.

AB 869 is essential to preserving healthcare facilities in rural California. For these reasons, RCRC respectfully requests your signature on AB 869 (Wood).

Sincerely,



SARAH DUKETT
Policy Advocate

cc: The Honorable Jim Wood, Member of the California State Assembly
Angela Pontes, Deputy Legislative Secretary, Office of the Governor

¹ <https://calmatters.org/health/2023/01/hospital-closure/>

² [Center for Healthcare Quality and Payment Reform – Rural Hospitals at Risk of Closing Report](#)