



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

April 18, 2023

The Honorable Susan Talamantes Eggman
Chair, Senate Committee on Health
1021 O Street, Room 3310
Sacramento, CA 95814

**RE: Senate Bill 759 (Grove) – SUPPORT
As Amended March 21, 2023**

Dear Senator Eggman:

On behalf of the Rural County Representatives of California (RCRC), we support Senate Bill 759 (Grove). This measure would extend by ten years the deadline for hospitals to comply with the state's seismic retrofit requirement for hospital buildings, from 2030 to 2040. 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.

The lingering effects of the COVID-19 pandemic have had a devastating impact on California's healthcare system. Before the pandemic, many hospitals were already operating on tight margins. Many of these hospitals largely serve patients on Medicare or Medi-Cal, which reimburse hospitals at lower rates than private insurance. The net result is that hospital operating margins across the western United States have decreased 69% since 2019, with 2022 having been the worst year of that period. Of the 55 rural hospitals in California, 16 (29%)¹ are at risk of closing.

According to the California Hospital Association, complying with the state's seismic building standards could cost hospitals more than \$100 billion statewide. Many of the hospitals struggling to comply with the state mandate are in remote locations and are the only hospital in the area for many miles. Any closure would jeopardize the health of the community and its ability to respond to emergency situations.

SB 759 will provide hospitals a delay in meeting compliance standards until there are resources available to assist them with compliance. The bill provides a much needed off ramp to allow hospitals to remain open as they work to meet these standards. This

¹ [Center for Healthcare Quality and Payment Reform – Rural Hospitals at Risk of Closing Report](#)

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extension will also give hospitals time to begin recovering from the financial devastation of the pandemic without sacrificing patient care, especially in our most challenged communities.

SB 759 is essential to preserving healthcare facilities in rural California. For these reasons, RCRC respectfully requests your "Aye" vote when this bill is heard before your committee. If you have any questions, please do not hesitate to contact me at (916) 447-4806 or sdukett@rcrcnet.org.

Sincerely,



SARAH DUKETT
Policy Advocate

cc: The Honorable Shannon Grove, Member of the California State Senate
Members of the Senate Health Committee
Jen Flory, Principal Consultant, Senate Health Committee
Joe Parra, Policy Consultant, Senate Republican Committee