



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

April 27, 2023

The Honorable Chris Holden  
Chair, Assembly Appropriations Committee  
1021 O Street, Suite 8220  
Sacramento, CA 95814

**RE: Assembly Bill 869 (Wood) – SUPPORT  
As Amended March 7, 2023**

Dear Assembly Member Holden:

On behalf of the Rural County Representatives of California (RCRC), we support Assembly Bill 869 (Wood). AB 869 would require Health Care Access and Administration (HCAI), upon appropriation by the Legislature, to provide grants to financially distressed small rural and district hospitals to pay for 2030 seismic upgrades and delay the requirement to 2035. 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.

At this point in time, over half of California's 337 hospitals<sup>1</sup> are operating at a financial loss. Of the 55 rural hospitals in California, 16 (29%)<sup>2</sup> are at risk of closing. Without grant funding for seismic improvements, we risk additional hospital closures in

---

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

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

The Honorable Chris Holden  
Assembly Bill 869  
April 27, 2023  
Page 2

rural communities. AB 869 is a much-needed lifeline for financially distressed rural hospitals to ensure they have the funding needed to meet requirements and flexible compliance timelines if funds are unavailable.

AB 869 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](mailto:sdukett@rcrcnet.org).

Sincerely,



SARAH DUKETT  
Policy Advocate

cc: The Honorable Jim Wood, Member of the California State Assembly  
Members of the Assembly Appropriations Committee  
Allegra Kim, Consultant, Assembly Appropriations Committee  
Joe Shinstock, Consultant, Assembly Republican Committee