

Seismic Compliance is not an Abstract Term

“The hospital is not seismically compliant”, “we need a seismic compliance plan”, and “what is this the cost of seismic compliance?” This term is bandied about so often that Seismic Compliance has become something of an abstract term, just regulatory requirements that must be met. Let’s revisit why these requirements exist in the first place.

During the Northridge earthquake of 1994, eight of 91 acute care hospitals (9 percent) in LA county were evacuated. Two suffered structural damage and six cited nonstructural damage such as water damage, loss of electrical power, and severe damage to HVAC and other equipment as the reasons for evacuation.

Fortunately, there were other hospitals in the area to accept these patients and those hurt in the quake, an option that we on the Coast wouldn’t have. In the aftermath, several hospitals were found to have structural damage and were demolished.

This led to legislation (Senate Bill 1953) that requires hospitals to be evaluated in terms of a Structural Performance Category (SPC) and Non-structural Performance Category (NPC). Our hospital is, for example, SPC-2 and NPC-2 but must be upgraded to the highest level (5). This means strengthening foundations, walls and other structural items and installing pipe and equipment restraints.

So, why are we doing this? Just to meet some engineering criteria? No, we are doing this to avoid the potentially significant human costs. The risks involved if there is even a moderate earthquake are: significant or fatal injuries to patients and medical staff; evacuation of the hospital at a time when people need it most; and perhaps permanent closure and demolition of our coastal hospital.

Time is short and every day represents a risk to the health of our community. We should be looking for ways to speed up efforts to have a seismically sound hospital, especially if the financially responsible thing to do means building a new hospital. We are in what is called Extra Time in soccer. Only the referee knows how much time is left for when the game will be abruptly ended.

My opinion.

John Redding

Coastal Healthcare Facility 2030
Owned by MCHC District
Operated by Adventist Health Network

Upgrade current facilities

- Med-Surge
- Overnight stays
- Outpatient Surgery
- Emergency Services
- Selected outpatient services

Probable cost
\$50 million

Opportunity cost
no SNF

New hospital and clinic

- Med-Surge
- Overnight stays
- Outpatient Surgery
- Emergency Services
- Selected outpatient services

Probable cost
\$35 to \$65 million

Opportunity to convert
hospital to a SNF

Outpatient Pavilion

- ~~Med-Surge~~
- ~~Overnight stays~~
- Outpatient Surgery
- Emergency Services
- Selected outpatient services
- Transfer capability
- Observation Rooms

Probable cost
unknown

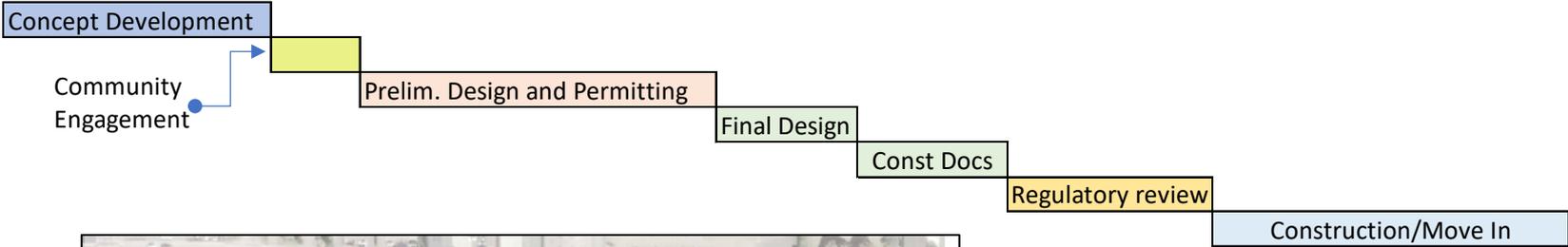
Opportunity to convert
hospital to a SNF

Expansion of Telemedicine Faces Challenges

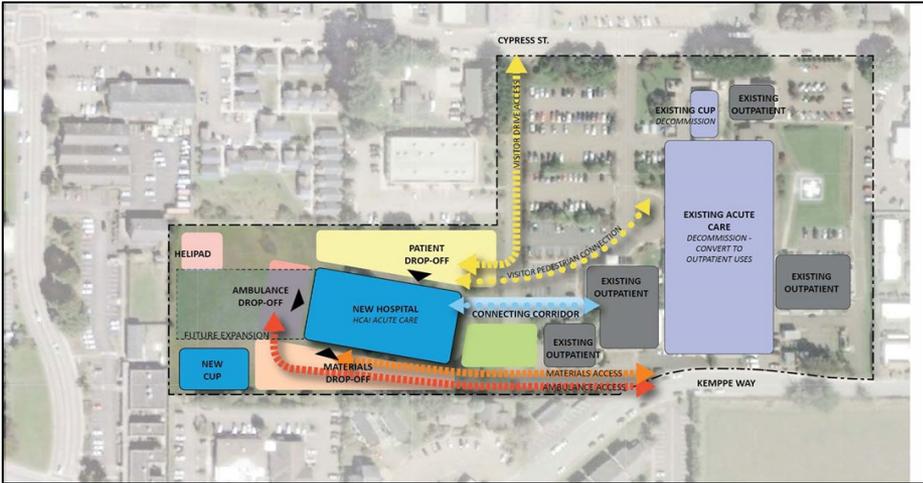
Coastal Healthcare Facility 2030 Timeline Also Applicable to an Outpatient Pavilion



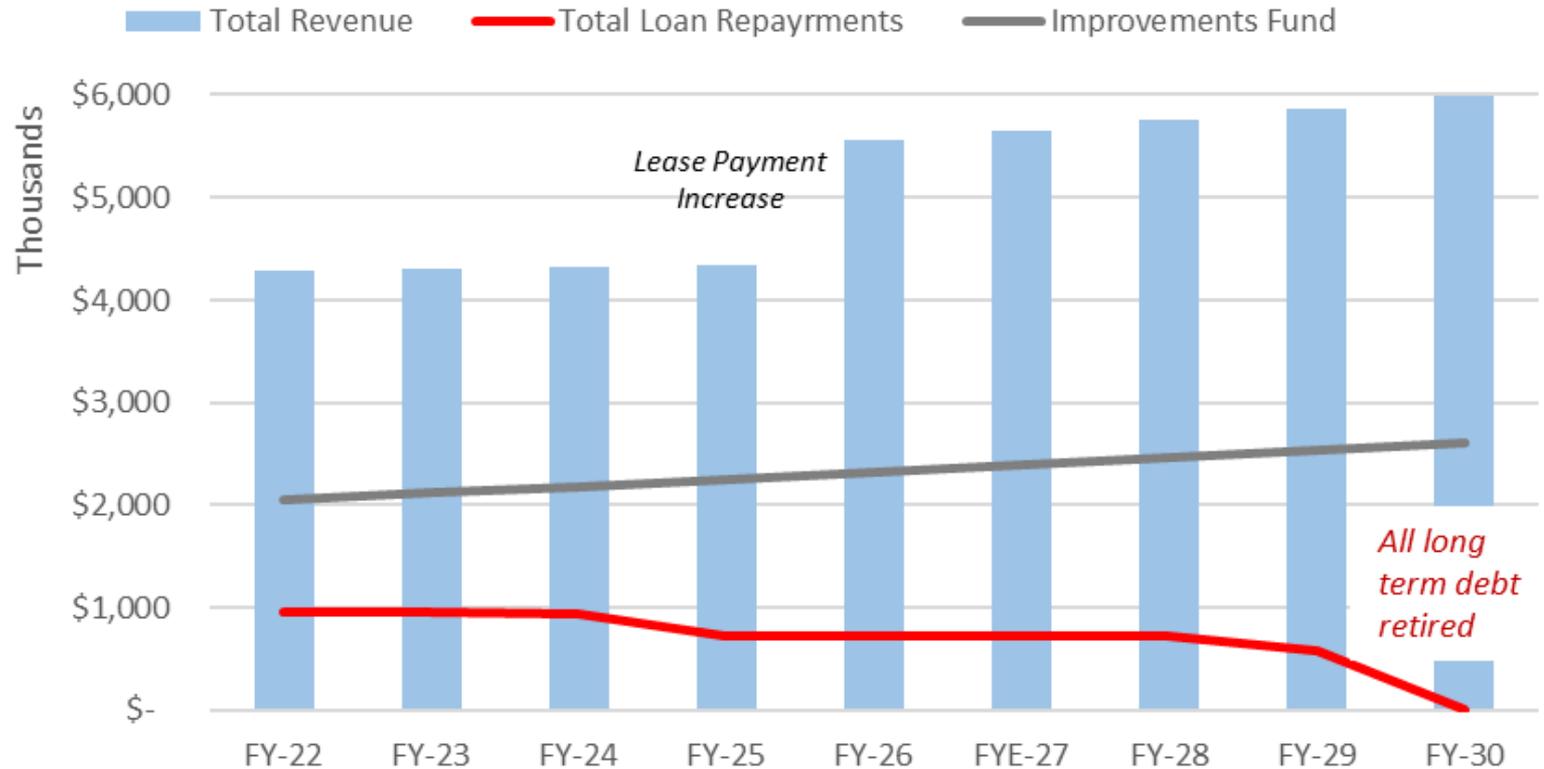
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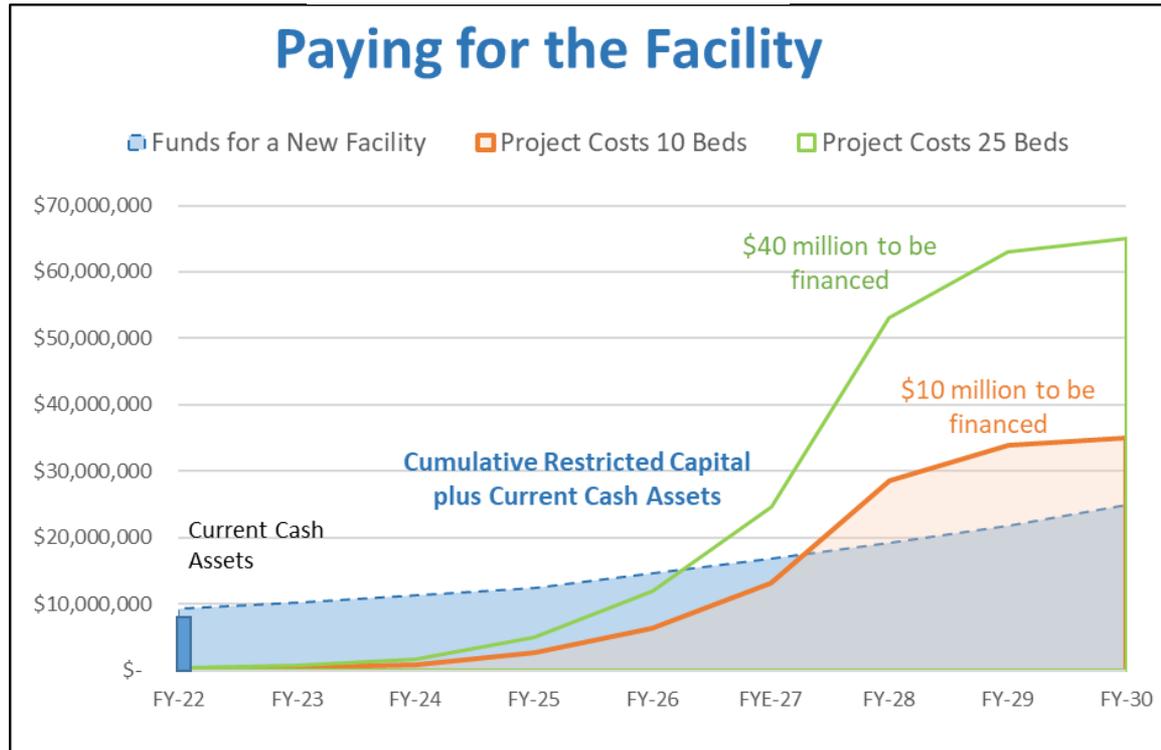


Time Is of the Essence



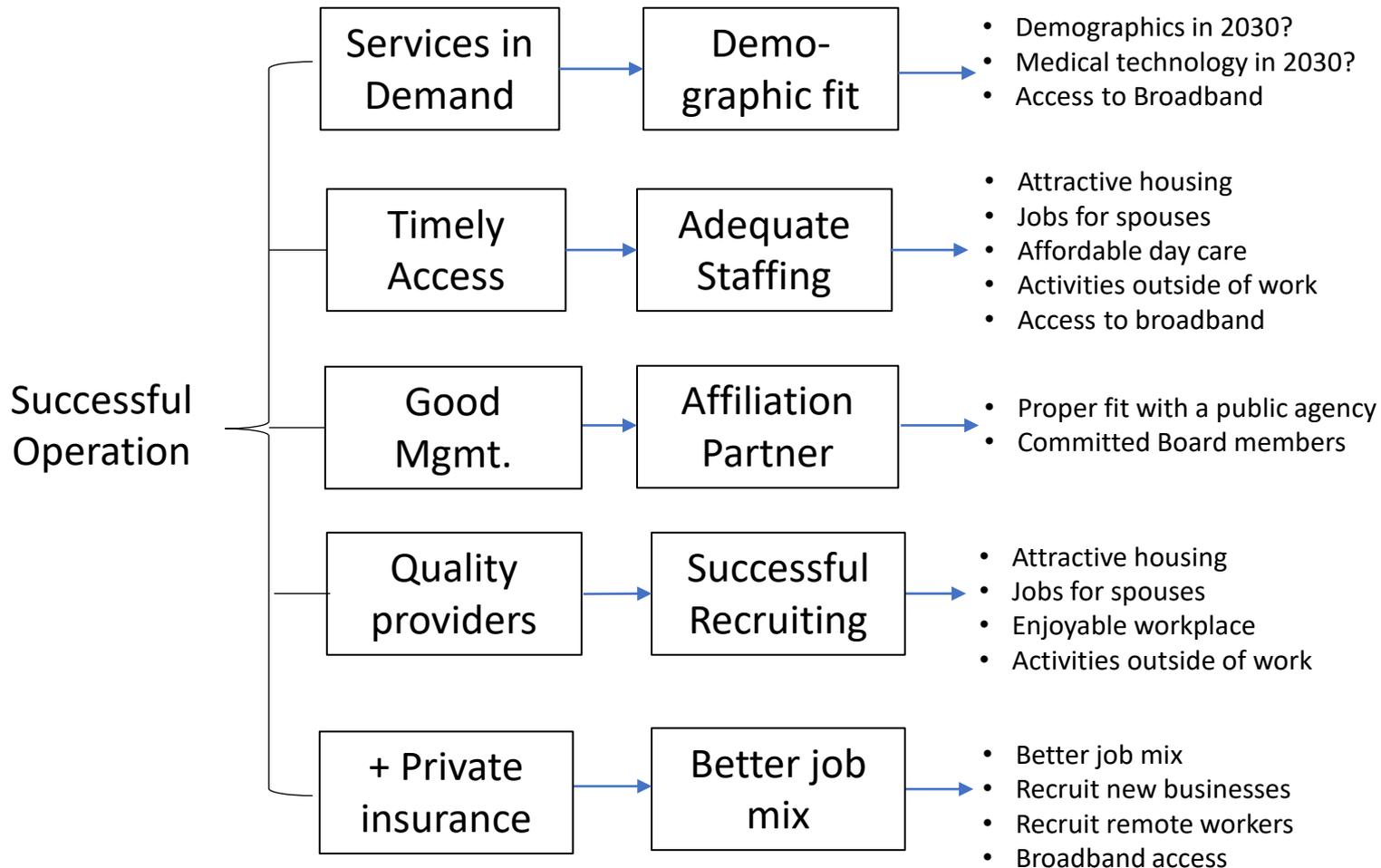
District's Financial Projection





Option	10 beds	Outpatient	25 beds
Cost	\$ 35,000,000	\$ 45,000,000	\$ 65,000,000
Loan amount	\$ 10,000,000	\$ 20,000,000	\$ 40,000,000
Annual payment	\$ (1,172,305)	\$ (2,344,610)	\$ (4,689,220)
Property Tax	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Lease Payment	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000
Measure C	\$ -	\$ -	\$ 1,600,000
Net	\$ 1,827,695	\$ 655,390	\$ 910,780

Keys to Successful Operation of the Healthcare Facility



A Successful Community is Needed