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Office of Statewide Health Planning and Development*Facilities Development Division*

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April 16, 2007

To: Members of the California Legislature

The Office of Statewide Health Planning and Development (OSHPD) is responsible for the review and approval of plans, specifications and related documents for all Hospitals and skilled Nursing Facilities in California. Last year the Legislature passed and the Governor signed Senate Bill 1838 (Ch. 693, Stats. 2006) amending California Health and Safety Code §129881 to require OSHPD to provide the Legislature with an annual assessment of the processing time for plan review of these project documents. A copy of the *Plan Review Processing Time in 2006* report is attached. This report represents OSHPD's assessment and is based on OSHPD's established goals for project review turnaround time. It contains data representing OSHPD's project workload and review times for projects that were reviewed in 2006.

If you have any questions regarding this legislative report, please contact Deputy Director John Gillengerten, Facilities Development Division at (916) 654-3391.

Sincerely,

David M. Carlisle, M.D., Ph.D.  
Director  
Office of Statewide Health Planning and Development



**Office of Statewide Health Planning and Development  
Facilities Development Division**

**PLAN REVIEW PROCESSING TIME IN 2006**

The Office of Statewide Health Planning and Development's (OSHPD) Facilities Development Division provides plan review and approval for issuance of building permits for all hospital and skilled nursing facility construction projects in California. As mandated by SB 1838 (Perata & Florez) Chapter 693, Statutes of 2006, OSHPD is submitting to the Legislature an assessment of the Office's plan review processing time for the year 2006. This report provides the first of the annual assessments required by SB 1838 and includes information outlining OSHPD's plan review processing goals, project workload, and staff review times for construction projects reviewed in 2006.

**PLAN REVIEW PROCESSING GOALS**

Timeliness of the plan review process is critical to project cost because delays during the review can significantly increase construction costs for the healthcare facility. In 1997, OSHPD developed plan review turnaround time goals, in consultation with industry representatives, and these goals were endorsed by Hospital Building Safety Board. OSHPD meets the established turnaround goals for the majority of projects reviewed.

The review turnaround time is based on the date a project is received in the Office to the date OSHPD approves the plans for a building permit. OSHPD's goal for turnaround of most projects is 60 days for the initial review. If code deficiencies are found, then OSHPD must return the plans to the designer for correction and resubmittal. Upon return of the corrected plans, OSHPD performs subsequent review(s) (backchecks). The goal for these backchecks is to complete the review within 30 days of resubmittal. For post-approval documents (change orders), which are often reviewed in the field, the goal is 30 days.

The turnaround goals will vary, however, for large projects of new construction or additions that include a primary structural component. The review times for such projects will depend on the project size (construction cost), but generally OSHPD's goal is 90 days for initial review, 40 days for backchecks and 40 days for post-approval documents. The chart below shows that in 2006, OSHPD met the goals for a majority of the projects reviewed.

**Percent of Projects Meeting Plan Review Turnaround Goals In 2006**

	<b>Initial Review Within 60 days</b>	<b>Back Check Within 30 days</b>	<b>Post Approval Within 30 days</b>
<b>Small and Medium Projects</b> <sup>1</sup>	84.0%	89.2%	95.9%
	<b>Initial Review Within 90 days</b>	<b>Back Check Within 40 days</b>	<b>Post Approval Within 40 days</b>
<b>Large Projects</b> <sup>2</sup>	77.9%	71.7%	93.1%

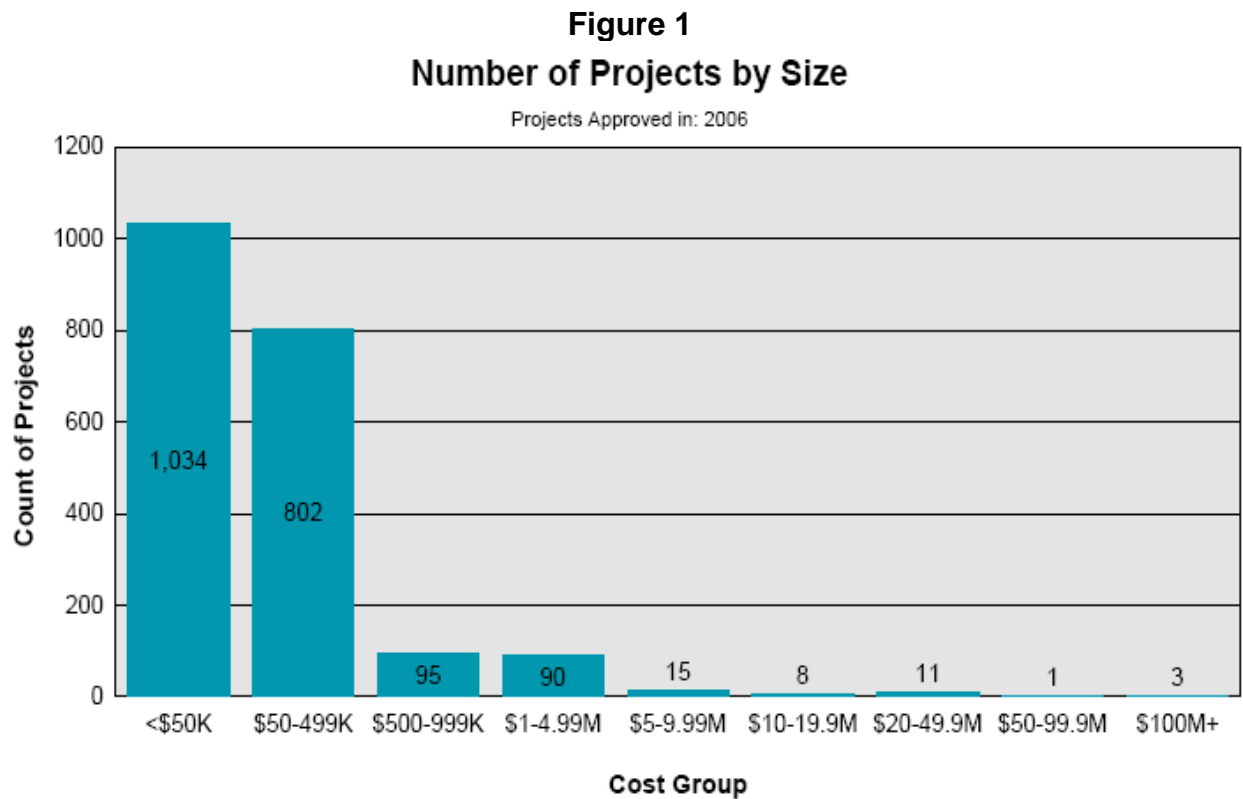
**Footnotes:**

1. Small/medium projects are typically remodel and renovation projects that do not require structural alterations.
2. Large projects include construction of new buildings, additions to existing buildings and projects involving alteration of the structural system, such as seismic retrofit.

## PROJECT WORKLOAD AND REVIEW TIME

In 2006, OSHPD began the year with 796 projects in plan review and received an additional 2,320 projects during the year. A total of 2,059 projects were approved by plan and field review staff. There were 121 projects closed due to inactivity or cancellation by the healthcare facility. On December 31, 2006, 936 projects remained under review.

Figure 1 describes the attributes of the 2,059 projects approved during 2006 and represents the number of projects by size (construction cost) which were approved in 2006. This chart breaks out the total projects into construction cost ranges and shows the number of projects per cost group.



## PROJECT CUSTODY

A factor that often adds significantly to the review turnaround time is the number of days that the facility's design team has the plans for revisions, i.e. correction of code deficiencies. The design team has up to six months to complete the plan revisions and resubmit the plans to OSHPD, pursuant to Title 24, Part 1, California Building Standards Administrative Code.

Figure 2 provides a graphic representation of which party (OSHPD or the facility's design team) had custody of projects under review on January 2, 2007, and the length of time each party had possession of them. The graph indicates that the design teams have 490 projects in their possession on this date.

**Figure 2**

**Project Custody for Projects Under Review on 1/2/2007**

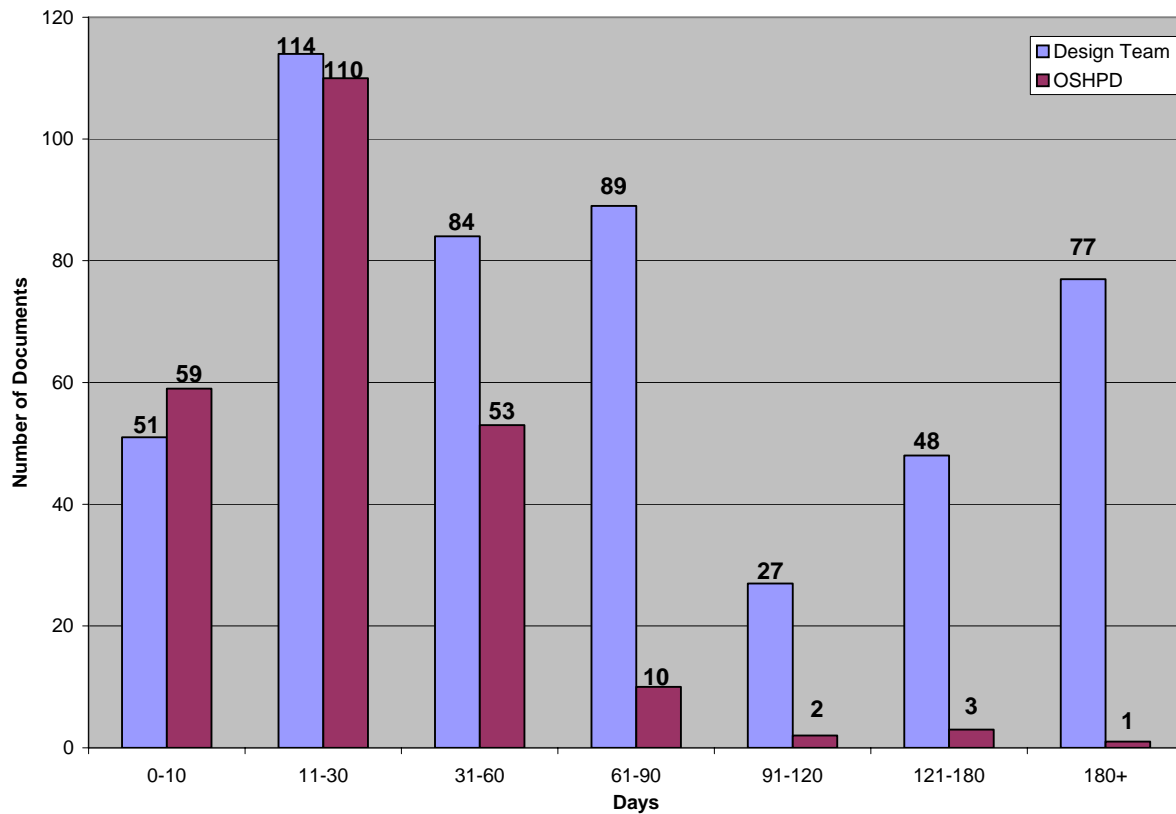
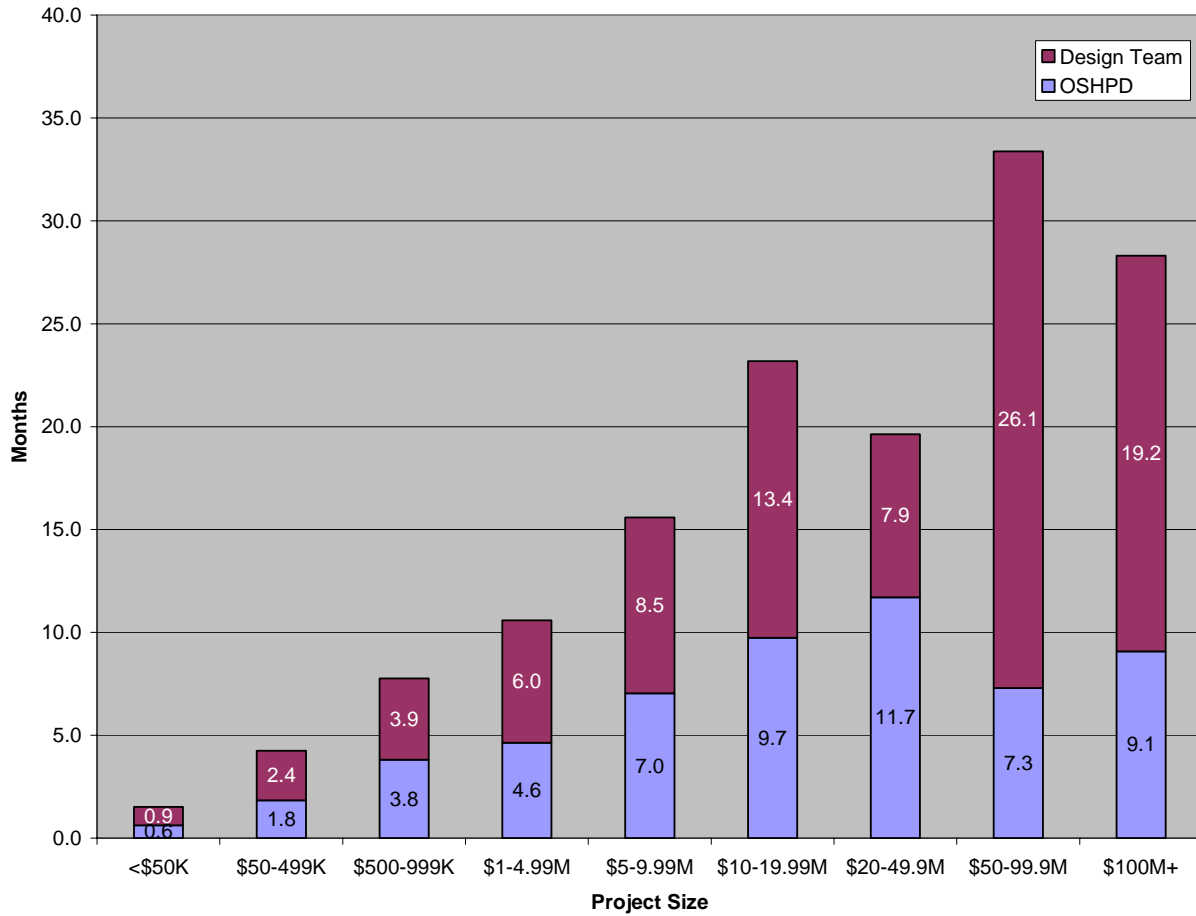


Figure 3 provides a graphic representation of the average custody for projects approved in 2006. It shows, in general, that OSHPD had possession of projects less than half of the total review time. Factors that typically contribute to the length of time the design team takes to return a project to OSHPD are the large quantity of changes/corrections that need to be made to the plans and timing of the designer's project workload.

**Figure 3**

**Average Custody for Projects Approved in 2006**



## CONSTRUCTION PLAN VALUE

Figure 4 below indicates the total value of projects received in the past six years through December 2006.

**Figure 4**

### Value of Construction Plans Received by OSHPD

2000-01	\$1.0 billion
2001-02	\$1.2 billion
2002-03	\$2.5 billion
2003-04	\$2.4 billion
2004-05	\$2.7 billion
2005-06	\$2.0 billion
2006-07	\$1.9 billion*

*\*as of December 31, 2006.*

## PLAN REVIEW ASSESSMENT UPDATES

OSHPD is currently implementing additional requirements of SB 1838 that will impact the plan review process. This bill, which became effective on January 1, 2007, authorizes OSHPD to exempt healthcare facility projects costing \$50,000 or less from the plan review process if the project meets specific criteria. OSHPD has established the project criteria for the exemption and procedures for submitting these projects to OSHPD. Data regarding exempt projects submitted in 2007 and information on how the exemption has affected plan review processing will be available in subsequent annual assessment reports.