

1 [Emergency Declaration - Repairs at Laguna Honda Hospital - 375 Laguna Honda Boulevard -  
2 Estimated Cost Not to Exceed \$28,400,000]

3 **Resolution approving the Director of Public Works’ declaration of emergency under**  
4 **Administrative Code, Section 6.60 for repair work at Laguna Honda Hospital and**  
5 **Rehabilitation Center, located at 375 Laguna Honda Boulevard, estimated to cost in**  
6 **excess of \$250,000, but not to exceed \$28,400,000.**

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8 WHEREAS, Laguna Honda Hospital and Rehabilitation Center (LHH) is located at 375  
9 Laguna Honda Boulevard; and

10 WHEREAS, In April 2022, after deeming LHH out of compliance with applicable  
11 Medicare regulations, the California Department of Public Health (CDPH) and the federal  
12 Centers for Medicare & Medicaid Services (CMS) terminated LHH’s CMS Medicare/Medicaid  
13 Provider Agreements and its certification in the Medicare/Medicaid program; and

14 WHEREAS, LHH intends to reapply for certification in the Medicare/Medicaid  
15 programs; and

16 WHEREAS, Should the San Francisco Department of Public Health’s (SFDPH)  
17 recertification efforts fail, SFDPH would begin to lose up to \$16.5 million monthly in  
18 Medicare/Medicaid funding, and without this funding, SFDPH could be forced to close LHH;  
19 and

20 WHEREAS, As a 769-bed skilled nursing facility, closure of LHH would have a  
21 significant negative impact on the availability of skilled nursing beds in San Francisco to serve  
22 patients, such as those recovering from an injury, stroke or significant illness, who require  
23 ongoing medical, nursing or rehabilitative care; and

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1           WHEREAS, To obtain new Provider Agreements and its recertification into the  
2 Medicare/Medicaid programs, SFDPH must demonstrate LHH substantially complies with all  
3 applicable Medicare regulations and pass certification surveys; and

4           WHEREAS, Non-conforming conditions that could jeopardize LHH’s ability to achieve  
5 certification and maintain substantial compliance may include, but are not be limited to, the  
6 capital improvement and/or maintenance of kitchen freezer area repairs, fire alarm separation  
7 project, HVAC 3B project, fuel line replacement, pharmacy compounding room repairs and  
8 renovation, station X-ray project, and water tank replacement project, and emergency power  
9 replacement; and

10           WHEREAS, Public Works staff determined that the extensive and technical scope of  
11 work necessitate that an outside contractor or contractors be hired to perform the critical  
12 repairs and upgrades; and

13           WHEREAS, Public Works staff analyzed the circumstances extensively and  
14 determined that the estimated cost of the repairs and remediation is expected to exceed  
15 \$250,000; and

16           WHEREAS, Pursuant to Section 6.60(c)(3) of the Administrative Code, which states an  
17 “actual emergency” includes “Unforeseen occurrences of unusual character resulting in an  
18 insufficient number of hospital beds or the lack of hospital beds or the lack of hospital,  
19 surgical, mental health or hospital ancillary services so as to leave patients of the City without  
20 required hospital or medical services,” the Interim Director of Public Works declared an  
21 emergency on May 12, 2023, at the request of SFDPH; and

22           WHEREAS, Under authority granted by Administrative Code, Section 6.60(b), the  
23 Interim Director of Public Works gave notice of the emergency declaration to the Board of  
24 Supervisors, Mayor, and Controller on May 15, 2023; and

1           WHEREAS, Administrative Code, Section 6.60(d), requires that the Board of  
2 Supervisors approves emergency work with an estimated cost in excess of \$250,000; and

3           WHEREAS, SFDPH estimates the cost of the emergency work to be no more than  
4 \$28,400,000; and

5           WHEREAS, SFDPH has the necessary funds appropriated in their budget for these  
6 projects; now, therefore, be it

7           RESOLVED, That the Board of Supervisors approves the Interim Director of Public  
8 Works' emergency declaration for the necessary repair work at Laguna Honda Hospital and  
9 Rehabilitation Center for the projects listed on page 31 of the Budget and Legislative Analyst's  
10 report dated September 1, 2023, a copy of which is on file with the Clerk of the Board of  
11 Supervisors in Board File No. 230811, with estimated costs not to exceed \$28,400,000.

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13 RECOMMENDED

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15 /s/  
16 San Francisco Public Works  
17 Interim Director, Carla Short

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