



San Francisco Health Network
Laguna Honda Hospital
and Rehabilitation Center

Laguna Honda Hospital CMS Recertification Update

May 9, 2023



About Laguna Honda



The Largest Publicly-Run Skilled Nursing Facility in the Country

- For more than 150 years, Laguna Honda has been a pillar of San Francisco's healthcare system, providing healthcare services to approximately 700 residents.
- The hospital cares for people coping with the effects of complex or chronic conditions such as stroke, traumatic brain injury or degenerative diseases such as multiple sclerosis.
- Rehabilitative services include physical therapy, occupational therapy, speech therapy, and audiology.
- Specialized care includes monolingual care in Spanish and Chinese, palliative care, positive care (AIDS/HIV) and memory care.



Status Update



Decertification with CMS in April 2022

- In April 2022, the Centers for Medicare and Medicaid Services (CMS), terminated Laguna Honda's participation in the Medicare and Medicaid Provider Participation Programs.
- CMS reimbursements fund the majority of resident care, accounting for approximately \$550k a day or more than \$200 million annually.
- Laguna Honda is dedicated to successful recertification in Medicare and Medicaid to continue providing care to our residents and bring long-term stability to our community.
- **Laguna Honda remains open and licensed during the recertification process. We continue to provide quality healthcare to our residents as we work toward successful recertification.**



Status Update



Settlement Agreement with CDPH and CMS – Extended Payments and Closure Plan Pause

- On November 10, 2022, the City and County of San Francisco signed the Settlement and Systems Improvement Agreement with CMS and the California Department of Public Health (CDPH).
- Under the agreement, CMS pays for care at Laguna Honda until November 13, 2023 and agreed to pause involuntary discharges and transfers.
- **On February 1, 2023, CMS agreed to the City's request to continue the pause until at least May 19, 2023.**
- **Based on our progress, and the negative impact to residents if transfers resume, we requested that CMS continue the pause beyond May 19th. This will allow us the time we need to recertify without having to transfer anyone.**



Closure Plan Update



Revised Closure Plan

- Even though involuntary discharges and transfers are currently paused until at least May 19, 2023, CMS still requires an approved revised closure plan.
- **We are hopeful that we will never put this plan into action because of our continued improvements and future recertification with CMS.**
- All Laguna Honda residents have been updated on the status of the closure plan.



Closure Plan Update



Resident Rights and Safety and the Appeal Process

- We are doing everything possible to make sure the revised closure plan is never put into action and that we can continue to care for Laguna Honda residents.
- If, however, CMS requires Laguna Honda to restart involuntary transfers, all residents have the right to appeal a transfer or discharge.
- We continue to advise our residents of their rights and work closely with our Ombudsman as required by CMS and CDPH.
- Laguna Honda does not adjudicate the appeals, which are instead overseen by the California Department of Health Care Services and/or a resident's health plan.



Path to Recertification



Hosting U.S. Department of Health and Human Services Secretary Xavier Becerra

- On February 24, SFDPH leadership and Mayor London Breed hosted the U.S. Department of Health and Human Services Secretary Xavier Becerra for a tour of Laguna Honda.
- During the tour, the Secretary had the opportunity to meet residents, staff, union leadership, and family members.
- We feel optimistic that Secretary Becerra and our federal partners left the visit with a deeper understanding of our commitment to improvement, our dedication to our residents, and the indispensable role we play in San Francisco.
- Since the visit, we meet more frequently with our federal partners and continue to collaborate to support Laguna Honda residents.



Path to Recertification



Showing Improvement and Meeting Regulatory Requirements

- As part of the settlement agreement, Laguna Honda is required to meet all regulatory requirements and demonstrate improvements. We are successfully showing progress in key ways:
- **Root Cause Analysis and Action Plan**
- Laguna Honda engaged a Quality Improvement Expert (QIE) develop a Root Cause Analysis (RCA) that describes the reasons for decertification.
- In response to the RCA, Laguna Honda and the QIE collaborated on an Action Plan that details the steps to be ready to apply for recertification.
- **Monitoring Surveys Every 90 Days**
- These are unannounced, extensive surveys.



Path to Recertification



The Action Plan – Blueprint for CMS Recertification

- **We have been successful every month in completing Action Plan items – 126 January actions, 133 February actions, 77 March actions, and 116 April actions with the remaining 6 April actions submitted and pending QIE review – and are on track for May.**
- The Quality Improvement Expert reports our progress to CMS monthly.
- The original Action Plan must be implemented by May 13, 2023.



Path to Recertification



CMS Monitoring Surveys

- CMS is conducting monitoring surveys every 90 days. These are unannounced, extensive surveys.
- **Laguna Honda has now hosted two CMS 90-Day Monitoring Surveys and the second survey showed much progress.**
- Laguna Honda staff work collaboratively with the survey teams and items noted during the survey process are addressed in real time.
- We anticipate another monitoring survey in May/June after the Action Plan is complete.



Path to Recertification



Active Recruitment for Key Leadership Positions

- These leadership positions will align Laguna Honda with top performing skilled nursing facilities. These include:
 - Nursing Home Administrator (most senior position)
 - Director of Nursing Services
 - Medical Director
 - Two Assistant Nursing Home Administrator
 - Administrator, Facilities and Capital Projects
 - Director of Emergency Management and Disaster Preparedness
- For the role of Nursing Home Administrator, we completed the second round of interviews and expect to make an offer soon.
- For the role of the Director of Nursing Services, we are in the second round of interviews.



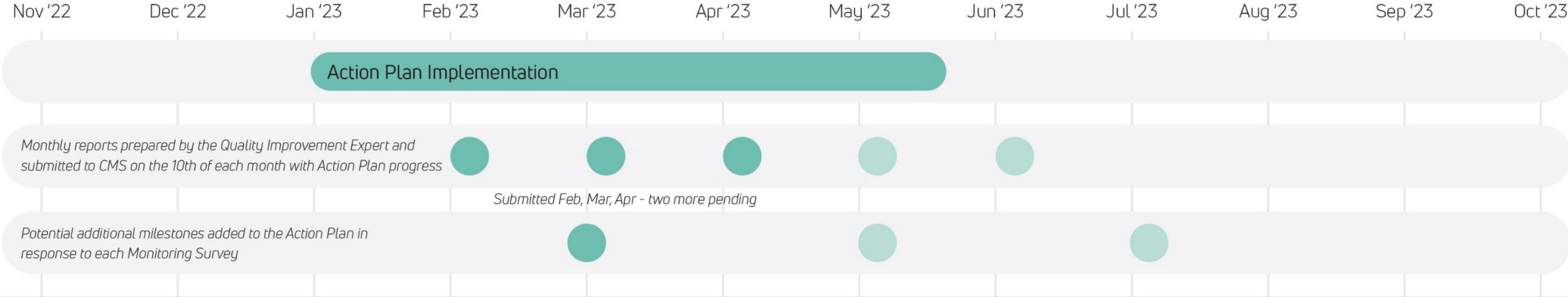
Survey Readiness

During 2023, we will host more extensive surveys and we will host surveys more frequently. We will take on new projects to better align our facility with CMS regulations and skilled nursing facility best practices. These projects, which include ongoing Facilities and Capital Projects, will contribute to more successful surveys. Survey readiness includes daily clinical observation rounds and weekly executive staff leadership rounds.



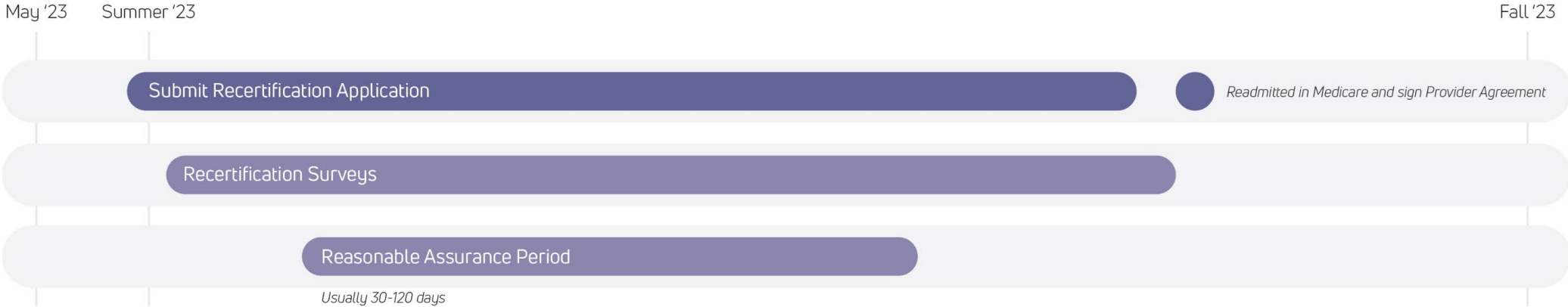
Action Plan

The Action Plan is our blueprint for how we will accomplish recertification and remain successful over the long term. The Action Plan was developed in response to the Root Cause Analysis, prepared by the Quality Improvement Expert. This was required as part of the settlement agreement.



Recertification Process

Once we are successful in completing our Action Plan, and have a strong performance in our third Monitoring Survey, we will be in a position to apply for recertification.



Path to Recertification

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