

1 [Emergency Contract - Retroactive - Health Management Associates, Inc. - Specialized
2 Consulting Services - Not to Exceed \$3,782,365]

3 **Resolution retroactively authorizing the Department of Public Health to award an**
4 **emergency contract to Health Management Associates, Inc., as authorized under**
5 **Section 21.15 of the Administrative Code, for the purpose of providing specialized**
6 **consulting services, in an amount not to exceed \$3,782,365 for a term of thirteen and**
7 **one-half months, from May 9, 2022, through June 30, 2023; and to authorize the**
8 **Department of Public Health to enter into any amendments or modifications to the**
9 **contract that do not otherwise materially increase the obligations or liabilities to the**
10 **City and are necessary or advisable to effectuate the purposes of the contract or this**
11 **Resolution.**

12
13 WHEREAS, On October 14, 2021, the California Department of Public Health (CDPH)
14 completed an extended survey at Laguna Honda Hospital (LHH) of two incidents of non-fatal
15 drug overdoses; in February 2022, the Centers for Medicare & Medicaid Services (CMS)
16 issued LHH \$243,045 in civil monetary penalties based on those deficiencies; between
17 January 21, 2022, and April 13, 2022, CDPH conducted three revisits, where it found
18 additional deficiencies that showed that LHH was out of compliance with all applicable
19 Medicare Conditions of Participation; on April 13, 2022, CDPH and CMS informed LHH that
20 since it was still out of compliance with the applicable Medicare Conditions of Participation,
21 termination of the CMS Provider Agreement and certification in the Medicare/Medicaid
22 program would become effective at 12:01 a.m. on April 14, 2022; and

23 WHEREAS, LHH intends to seek reinstatement of its Medicare/Medicaid program
24 certification and execute a new CMS Provider Agreement; to obtain reinstatement and a new
25 Provider Agreement, the Department of Public Health (DPH) must demonstrate that LHH

1 substantially complies with all applicable Medicare Conditions of Participation; the
2 reapplication process will include an application, an initial survey, a 3-4-month reasonable
3 assurance period, and a second survey to ensure that LHH remains in substantial
4 compliance; and

5 WHEREAS, Should DPH's reinstatement efforts fail, DPH would begin to lose up to
6 \$17 million monthly in Medicare and Medicaid funding; further, without this funding, DPH
7 could be forced to close LHH, which would require transfer and relocation of all LHH patients;
8 and

9 WHEREAS, There is a need to enter into contracts with qualified providers for
10 specialized services; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby retroactively authorizes the Director
12 of Public Health and the Director of the Office of Contract Administration/Purchaser, on behalf
13 of the City and County of San Francisco, to execute a contract for providing specialized
14 consulting services in support of LHH recertification efforts, in the amount of \$3,782,365 for
15 the term of thirteen and one-half months, from May 9, 2022, through June 30, 2023; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors authorizes DPH to extend the
17 term and/or increase the amount of the agreement, not to exceed ten (10) years or
18 \$10,000,000, to the extent that DPH determines, in consultation with the City Attorney, that
19 such modification is in the best interests of the City, does not otherwise materially increase
20 the obligations or liabilities of the City, is necessary or advisable to effectuate the purposes of
21 the agreement, and is in compliance with all applicable laws; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Department of
23 Public Health to enter into any amendments or modifications to the contract, prior to its final
24 execution by all parties, that the Department determines, in consultation with the City
25 Attorney, are in the best interests of the City, do not otherwise materially increase the

