



San Francisco Health Network
Laguna Honda Hospital
and Rehabilitation Center

Health Management Associates Contract for Laguna Honda Hospital Recertification

November 9, 2022



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.





De-Certification with CMS in April 2022

- Laguna Honda has an obligation to report many types of incidents with the goal of improving care. In 2021, Laguna Honda self-reported two non-fatal overdoses, which resulted in several surveys.
- The Centers for Medicare and Medicaid Services (CMS), as a result of those surveys, found the hospital out of substantial compliance.
- In April 2022, 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.



Status Update



The Path to CMS Recertification

- Laguna Honda continues to work hard to meet all regulatory requirements and make rapid improvements to prepare for recertification.
- This includes long-term operational, institutional, and cultural changes needed to achieve recertification and to ensure the long-term success of the hospital.
- Certification experts conducted a comprehensive organizational assessment and made recommendations on gaps and improvements, and Laguna Honda is implementing those improvements and tracking to ensure sustainability.
- Between the Laguna Honda staff and our expert consultants at Health Services Advisory Group (HSAG) and Health Management Associates (HMA), we are confident we have the team in place for a successful recertification.
- **Laguna Honda's CMS recertification is a top priority of the Department of Public Health.**



CMS Recertification



HMA's Role in Recertification

- Health Management Associates specializes in publicly funded healthcare and human services policy, programs, financing, and evaluation.
- HMA has completed the following: a comprehensive survey readiness assessment; a mock CMS survey across all regulatory requirements; developed and taught a 16-hour curriculum addressing the findings of the assessment and mock survey to all 1200 staff; provided the curriculum to LHH to own; and helped launch Laguna Honda's change management program to support culture change.
- They continue to support Laguna Honda with a top-to-bottom assessment to ensure long-term success that will look beyond recertification to structural changes. The assessment was delayed from 2019.
- They are also leading the development of the recertification applications itself.



CMS Recertification



The Impact of HMA's Work To-Date

- HMA's subject matter experts have allowed for an extensive amount of work to be completed in a short period of time.
- This greatly improved infection prevention and control, hand hygiene and environment of care compliance. Nearly all units are compliant in all three each week.
- In response to HMA's findings, we developed 101 corrective plans – all have been implemented with about 40% completely resolved and the rest being monitored for sustainability. This has allowed us to identify and correct issues before the actual CMS survey.
- All staff completed a curriculum that we now have for ongoing education.
- The top-to-bottom assessment and change management work are setting us up for long term success.
- The work to finalize the CMS certification application puts us in a position to apply once the facility is ready.



CMS Recertification



Increasing HMA's Contract

- DPH submitted an amendment to the proposed resolution to increase the not to exceed amount to \$6,240,969. The amendment increases the billable hours to support recertification **through June 2023**; the original agreement was based on a September 2022 recertification timeline.
- The level of work completed by HMA, and type of deliverables, would customarily be spread across multiple years, however, this has all been compressed within several months.



CMS Recertification



Responsibly Managing the HMA Contract

In response to BOS Committee discussion on 11/2:

- Based on review projected costs, DPH proposes to reduce the not-to-exceed value of the contract by \$377,667
- DPH currently does not anticipate seeking BOS approval of additional emergency contracts related to LHH (although significant uncertainty remains)
- Budget discussion on approach for funding emergency costs





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