

1 [Emergency Contract - Retroactive - Health Management Associates, Inc. - Specialized
2 Consulting Services - Not to Exceed \$5,863,302]

3 **Resolution retroactively authorizing the Department of Public Health to enter into an**
4 **emergency contract with Health Management Associates, Inc., in compliance with**
5 **Section 21.15 of the Administrative Code requiring approval by the Board of**
6 **Supervisors for any emergency contract in excess of \$100,000 for the purpose of**
7 **providing specialized consulting services, in an amount not to exceed \$3,782,365 for a**
8 **term of thirteen and one-half months, from May 9, 2022, through June 30, 2023; and**
9 **approving Amendment 1 to the agreement for providing specialized consulting**
10 **services to increase the agreement by \$2,080,937 for an amount not to exceed**
11 **\$5,863,302 with no change to the contract term from May 9, 2022, through June 30,**
12 **2023; and to authorize the Department of Public Health to enter into any amendments**
13 **or modifications to the contract that do not otherwise materially increase the**
14 **obligations or liabilities to the City and are necessary or advisable to effectuate the**
15 **purposes of the contract or this Resolution.**

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

3 WHEREAS, LHH intends to seek reinstatement of its Medicare/Medicaid program
4 certification and execute a new CMS Provider Agreement; to obtain reinstatement and a new
5 Provider Agreement, the Department of Public Health (DPH) must demonstrate that LHH
6 substantially complies with all applicable Medicare Conditions of Participation; the
7 reapplication process will include an application, an initial survey, a 3-4-month reasonable
8 assurance period, and a second survey to ensure that LHH remains in substantial
9 compliance; and

10 WHEREAS, Should DPH's reinstatement efforts fail, DPH would begin to lose up to
11 \$17 million monthly in Medicare and Medicaid funding; further, without this funding, DPH
12 could be forced to close LHH, which would require transfer and relocation of all LHH patients;
13 and

14 WHEREAS, There is a need to enter into contracts with qualified providers for
15 specialized services in support of LHH recertification efforts; and

16 WHEREAS, The initial consultation has identified additional areas to support LHH
17 recertification efforts; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby retroactively authorizes the Director
19 of Public Health and the Director of the Office of Contract Administration/Purchaser, on behalf
20 of the City and County of San Francisco, to enter into an emergency contract for providing
21 specialized consulting services in support of LHH recertification efforts, in the amount of
22 \$3,782,365 for the term of thirteen and one-half months, from May 9, 2022, through June 30,
23 2023; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director
25 of Public Health and the Director of the Office of Contract Administration/Purchaser, on behalf

1 of the City and County of San Francisco, to enter into an Amendment 1 to the agreement for
2 providing specialized consulting services in support of LHH recertification efforts, to increase
3 the original agreement of \$3,782,365 by \$2,080,937 for an amount not to exceed \$5,863,302
4 for a total agreement term of thirteen and one-half months, from May 9, 2022, through June
5 30, 2023; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors authorizes the Department of
7 Public Health to enter into any amendments or modifications to the contract, prior to its final
8 execution by all parties, that the Department determines, in consultation with the City
9 Attorney, are in the best interests of the City, do not otherwise materially increase the
10 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
11 the contract, and are in compliance with all applicable laws; and, be it

12 FURTHER RESOLVED, That within thirty (30) days of Amendment 1 being fully
13 executed by all parties, the Director of Health and/or the Director of the Office of Contract
14 Administration/Purchaser shall provide the final contracts to the Clerk of the Board for inclusion
15 into the official File No. 220920.

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17 RECOMMENDED

18 /s/ _____

19 Dr. Grant Colfax
20 Director of Health

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