



San Francisco Health Network
Laguna Honda Hospital
and Rehabilitation Center

Laguna Honda Hospital CMS Recertification Update

January 31, 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

- 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.
- **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



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, we are confident we have the team in place for a 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 CDPH.
- Under the agreement, CMS will continue paying for care at Laguna Honda until November 13, 2023.
- CMS also agreed to continue the pause on involuntary discharges and transfers of residents until February 2, 2023. CMS has discretion to further extend that date.



Path to Recertification



Root Cause Analysis and Quality Improvement Expert

- As part of the settlement agreement with CMS, Laguna Honda was required to engage a Quality Improvement Expert (QIE) to assess our progress on recertification.
- Health Services Advisory Group (HSAG) is serving as our QIE. As the QIE, HSAG was instructed to develop a Root Cause Analysis (RCA) that reviewed many past LHH surveys, including the mock survey.
- The RCA describes in detail the reasons behind our decertification and highlights key areas that need to be addressed.
- The theme throughout the RCA is that over time, Laguna Honda policies and practices have become out of sync with high performing skilled nursing homes, and we often operated more like an acute care hospital.



Path to Recertification



Action Plan and Updated Path to Recertification

- In response to the RCA, Laguna Honda and the QIE collaborated on a proposed Action Plan that details the steps for us to be ready to apply for recertification.
- The proposed Action Plan was submitted to CMS on Friday, January 6th, and is still in the process of being finalized and approved by CMS.
- The Action Plan is our new blueprint for how we will accomplish CMS recertification and remain compliant and successful for the long term.
- The Action Plan includes hundreds of improvements – many of which are already underway and many more we will do over the coming weeks and months.
- Laguna Honda will update the Action Plan as required after each Monitoring Survey.
- Using the Action Plan as our guide, we will get to a place of being ready for successful CMS recertification.



Path to Recertification



Proposed Action Plan Sections

1. Quality Assurance and Performance Improvement (QAPI)
2. Infection Prevention and Control
3. Behavioral Health and Substance Use
4. Medication Management and Administration
5. Resident Rights and Freedom From Harm
6. Comprehensive Care Plans and Quality of Care
7. Competent Staff, Training, and Quality of Care
8. Emergency Preparedness Program (EPP)



Path to Recertification



First CMS Monitoring Survey

- Per the Settlement and Systems Improvement Agreement, CMS will conduct monitoring surveys every 90 days. These are unannounced, extensive, full recertification surveys.
- The first of these monitoring surveys began on November 28th, with over 20 surveyors engaging with the organization, and concluded on December 16th.
- Laguna Honda staff worked collaboratively with the survey teams to ensure they had everything they need. Items noted through the survey process were addressed in real time. Teams then came together for Plan of Correction Summits.
- Laguna Honda received the findings on January 9th and is in the process of making updates to the Action Plan as required.



Laguna Honda Path to CMS Recertification

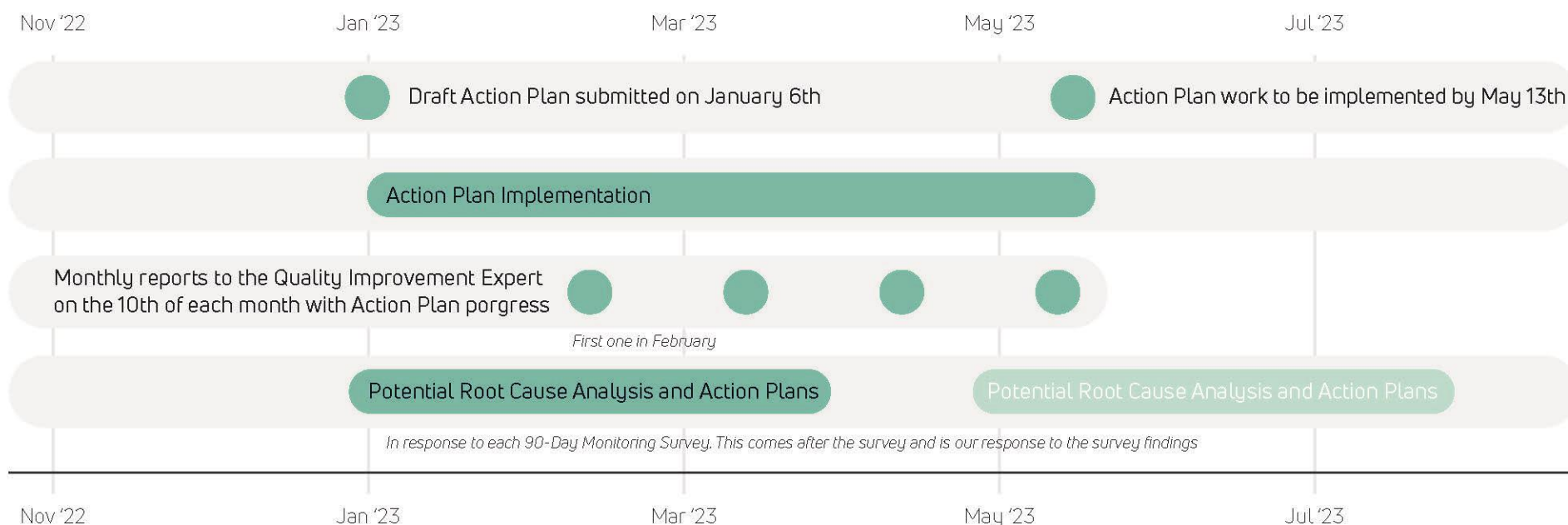
Survey Readiness

During 2023, we will host surveyors more frequently and for more extensive surveys. 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 proposed 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.



Transfer Report



Citations for Transfers

- CDPH issued 12 citations to Laguna Honda. The citations were all “Class B” citations, the lowest level of state citation. CDPH did not find that Laguna Honda caused serious harm or was the direct, proximate cause of any resident’s death.
- The citations concern 11 former residents who were transferred to other skilled nursing facilities and one former resident who was discharged to medical respite who subsequently died. They remained in the care of those facilities for weeks or months prior to their deaths.
- We take these citations seriously and submitted plans of correction.
- We do not agree with all the allegations and have started the appeal process while we further evaluate these cases.
- We were saddened to learn of the deaths of former residents after they had left our care and we extend our condolences to their families and loved ones.



Closure Plan Update



Draft Revised Closure Plan Submitted

- As required by the settlement agreement, we submitted a draft revised closure plan to CMS on December 21st. CMS has not yet accepted the revised closure plan.
- This revised closure plan, once accepted by CMS, will replace the plan that was suspended a few months ago.
- The settlement agreement gives CMS the option to continue to pause transfers beyond February 2, 2023.
- We have had discussions with CMS and CDPH about extending the transfer pause. Based on the progress we have made so far, the City Attorney recently sent a letter to CMS requesting an extension until at least May 30, 2023.
- We await a response from CMS and are hopeful that we will never have to implement a closure plan.
- This allows us to put all our focus and efforts on CMS recertification without having to transfer residents.





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