



San Francisco Health Network
Laguna Honda Hospital
and Rehabilitation Center

Laguna Honda Hospital Executive Team Report

January 17, 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



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.
- **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



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 2567 on January 9th and will submit a plan as required. We already submitted a plan of correction for the Fire Life Safety component of the survey, which was accepted by CDPH.



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

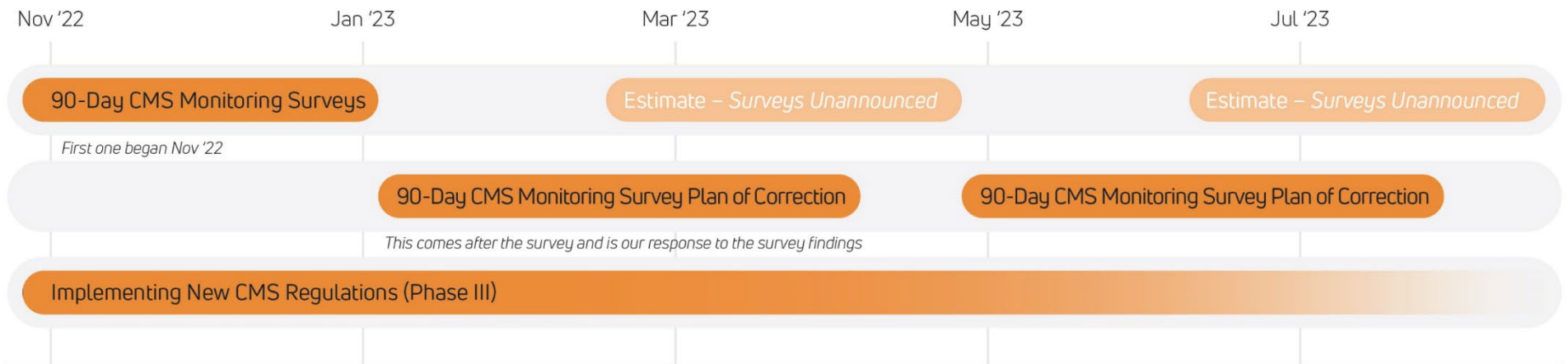
- In response to the RCA, Laguna Honda and the QIE collaborated on a proposed Action Plan that details the steps for us to be ready to apply for recertification.
- The proposed Action Plan was submitted to CMS on Friday, January 6th, and it must be reviewed and accepted by CMS. CMS may require changes or clarifications.
- 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 as we work toward recertification.
- Using the Action Plan as our guide, we will get to a place of being ready for successful CMS recertification.



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.



Closure Plan and Transfer Report

- 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.
- Additionally, in relation to the deaths of residents after transfer from Laguna Honda, CDPH issued 12 “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.
- We take these citations seriously and submitted plans of correction. And we do not agree with all the allegations and have started the appeal process while we further evaluate these cases.
- We recognize that the closure plan imposed by CMS and CDPH put our staff, residents, and families in a very challenging and painful position. We are working hard to avoid resuming transfers under the closure plan.





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