

**Health Commission  
City and County of San Francisco  
Resolution 23-06**

**RESOLUTION PURSUANT TO SECTIONS 4.102 AND 4.110 OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO AUTHORIZING LAGUNA HONDA HOSPITAL AND REHABILITATION CENTER TO APPLY TO THE CENTERS FOR MEDICARE AND MEDICAID SERVICES MEDICARE AND/OR MEDICAID PROGRAMS FOR SKILLED NURSING FACILITY AND/OR NURSING FACILITY PROVIDER STATUS AND RECERTIFICATION AS A DISTINCT PART NURSING FACILITY AND/OR SKILLED NURSING FACILITY**

WHEREAS, Laguna Honda Hospital and Rehabilitation Center (“Laguna Honda”) has operated as a public nursing facility for 156 years and is one of the largest public skilled nursing facilities in the country; it provides care for medically fragile patients, many of whom are economically disadvantaged and have nowhere else to go; and

WHEREAS, Laguna Honda is a licensed acute care hospital that was previously certified as a distinct part Skilled Nursing Facility (“SNF”) and a Nursing Facility (“NF”), as those terms are defined by 42 C.F.R. § 488.301, and seeks to be recertified as a distinct part SNF in the Medicare program and as a distinct part NF in the Medicaid program; and

WHEREAS, Laguna Honda is required to be in substantial compliance with applicable federal participation requirements, including, without limitation, the regulatory requirements found at 42 C.F.R. Part 483, Subpart B, in order to receive federal funding; and

WHEREAS, the Centers for Medicare and Medicaid Services (“CMS”) acts directly or through a State Survey Agency, to survey Laguna Honda Hospital periodically for compliance with the federal participation requirements; and

WHEREAS, the California Department of Public Health (“CDPH”) is the State Survey Agency, as the term is defined by 42 C.F.R. § 488.1, that performs survey and review functions pursuant to an agreement with CMS and Sections 1864, 1819(g), and 1919(g) of the Social Security Act; and

WHEREAS, between October 14, 2021, and April 13, 2022, CDPH completed a series of surveys of Laguna Honda that concluded that Laguna Honda did not substantially comply with some of the applicable federal participation requirements which resulted, on April 14, 2022, in CMS terminating Laguna Honda’s SNF/NF certifications in the Medicare and Medicaid Programs; and

WHEREAS, Laguna Honda entered into a Settlement Agreement with CMS and CDPH to fund necessary Medicare and Medicaid services to all of its residents, and continue payment to Laguna Honda through at least November 13, 2023, and the parties to the Settlement Agreement intend to extend the agreement through at least March 19, 2024, while Laguna Honda seeks recertification as a Medicare SNF and/or Medicaid NF; and

WHEREAS, Laguna Honda is currently making significant changes pursuant to the Settlement Agreement to improve the facility to address CDPH’s stated survey deficiencies in order to seek recertification and new Medicare and/or Medicaid provider agreements for its distinct part SNF; and

WHEREAS, the Medicaid and Medicare recertification application process requires a new application which includes a resolution by Laguna Honda’s governing board approving Laguna Honda’s application for recertification as a Medicare SNF and/or Medicaid NF provider; and

WHEREAS, City Charter Section 4.110 charges the Health Commission, together with the Department of Public Health, with the management and control of the hospitals of the City, emergency medical services, and general preservation, promotion and protection of the physical and mental health of inhabitants of the City, while Charter Section 4.102 sets forth the duties of

City Commissions, including the requirement that Commissions deal with administrative matters solely through the department head or their designees; and

WHEREAS, the Health Commission is the governing body of Laguna Honda for applicable federal and state requirements for health facilities; and

WHEREAS, City Charter Section 4.126 and Administrative Code Section 2A.30 charge department heads with responsibility for the administration of their department and the Director of Health (“Director”) is the department head of the Department of Public Health; and

WHEREAS, the Health Commission and the Director desire Laguna Honda to become recertified as a SNF under the Medicare Program and/or a NF under the Medicaid Program; and

RESOLVED, that the Health Commission and the Director approve of Laguna Honda’s application to become recertified as a Medicaid NF, and be it

FURTHER RESOLVED, that the Health Commission and the Director approve of Laguna Honda’s application to become recertified as a Medicare SNF, and be it

FURTHER RESOLVED, that the Health Commission and the Director approve of Laguna Honda’s application to become recertified as a distinct part NF, distinct part SNF, or a distinct part dual-certified SNF and NF, and be it

FURTHER RESOLVED, that the Director shall report back to the Health Commission after the following events, as applicable: execution of a Medicaid provider agreement, execution of a Medicare provider agreement, and approval of Laguna Honda’s distinct part status.

I hereby certify that the San Francisco Health Commission at its August 1, 2023 meeting adopted the foregoing resolution.

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Mark Morewitz, MSW

Health Commission Executive Secretary