



San Francisco Public Works
General – Director’s Office
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San Francisco, CA 94103
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Public Works Order No: 208106

**CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO PUBLIC WORKS
EMERGENCY DECLARED**

An **Emergency** exists at the **Laguna Honda Hospital and Rehabilitation Center (LHH)** located at 375 Laguna Honda Blvd., San Francisco, CA 94116.

LHH is a 769-bed skilled nursing facility (SNF) attached to an 11-bed acute care hospital unit. Nationwide, and specifically in the San Francisco Bay Area, there is a recognized shortage of SNF beds for low-income patients Medi-Cal (Medicaid) recipients. While San Francisco has the largest number of SNF beds in the Bay Area, between 2013 and 2020, there was a 23.4 percent decrease in hospital-based and 10.6 percent decrease in free-standing SNF beds in San Francisco. Excluding LHH, there were only 340 Medi-Cal-certified, hospital-based SNF beds and only 368 Medi-Cal-certified, free-standing SNF beds (out of approximately 845 total free-standing SNF beds) in San Francisco. San Francisco has only approximately 16 SNF beds per 1,000 adults. Closing LHH would have a significant impact on the availability of SNF beds in San Francisco.

In April 2022, after deeming LHH out of compliance with applicable Medicare regulations, the California Department of Public Health (CDPH) and the federal Centers for Medicare & Medicaid Services (CMS) terminated LHH’s CMS Medicare/Medicaid Provider Agreements and its certification in the Medicare/Medicaid programs.

LHH intends to reapply for certification in the Medicare/Medicaid programs. If the Department of Public Health (DPH) recertification efforts fail, DPH would begin to lose up to \$16 million monthly in Medicare/Medicaid funding. Further, without this funding, DPH could be forced to close LHH, resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City without required hospital or medical services.

To obtain new Provider Agreements and its certification in the Medicare/Medicaid programs, DPH must demonstrate that LHH substantially complies with all applicable Medicare regulations and pass certification surveys. Non-conforming conditions that could jeopardize LHH’s ability to achieve certification and maintain substantial compliance may include, but may not be limited to, the capital improvement and/or maintenance projects outlined in the attached letter DPH issued to Public Works on May 11, 2023 titled “LHH Emergency Declaration Request to DPW”.

Therefore, an Emergency is declared to exist under the provisions of Section 6.60 of the San Francisco Administrative Code to address LHH re-certification requirements. The estimated cost for the emergency work is expected to exceed \$250,000.

Any Contractor shall be required to indemnify and hold harmless the City & County of San Francisco, its officers, agents and employees and furnish certificates of insurance protecting Contractor, any sub-contractors and the City & County of San Francisco and its officers, agents and employees against claims arising out of work performed pursuant to this order with the City & County of San Francisco, its officers, agents and employees named as additional insureds.

Attachments: LHH Emergency Declaration Request to DPW

DISTRIBUTION:

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Interim Director of Public Works