

June 11, 2023

LHH Will Finally Have a Licensed Nursing Home Administrator

## Laguna Honda Hospital Hires Its New CEO

**It Took Decertification of LHH for the San Francisco Health Commission to Correct It's 20-Year-Old Mistake of Running LHH Without a Licensed Nursing Home Administrator**

by Patrick Monette-Shaw

After not having had a licensed Nursing Home Administrator knowledgeable about Federal nursing home regulations at the helm of running Laguna Honda Hospital for the past 20 years, that will change starting on June 26, 2023.

Laguna Honda's last licensed Nursing Home Administrator — the venerated Lawrence Funk — was ousted in 2004 after he quarreled with the then-Director of Public Health, Mitchell Katz, MD, who in a fit of pique forced Funk out as LHH's long-time CEO. LHH's staff had widely respected Funk, and under his leadership, LHH had routinely passed CMS and California Department of Public Health (CDPH) inspection surveys for years, albeit with occasional hiccups, without LHH ever facing decertification.

Funk had been forced out because he supported LHH's doctors who had resisted admitting dangerous, robust behavioral health patients from SFGH that LHH could not safely care for. In 2003 and early 2004, Katz had begun his now widely discredited "Flow Project" of patients SFGH could not find discharge locations for that were occupying expensive acute-care hospital beds and burning through unbillable "administrative days" at SFGH. Katz wanted to solve an SFGH budget problem by simply dumping patients into that LHH wasn't licensed to provide adequate care for and didn't have the proper clinical staff to provide behavioral health care.

Katz solved his problem by getting rid of Funk. Next up on Katz's chopping block was disbanding the LHH Medical Service Department's physician screening committee comprised of doctors, psychiatrists, and psychologists who regularly screened SFGH patients before admission to determine whether LHH could safely care for them without placing other residents, such as elderly dementia patients, and LHH staff in harms way.

With Funk out of the way and the screening committee disbanded, Katz had a green light to turn LHH into a place where he could discharge SFGH patients with mental health problems into. Katz believed LHH should provide the same type of mental health services that had previously been provided at the former "Mental Health Rehabilitation Facility" (MHRF) on SFGH's campus that had been closed down and converted to other purposes.

In the 20 years in-between, LHH's parade of subsequent CEO's after Funk — first John Kanaley, followed by Mivic Hirose, then Michael Phillips, and finally its acting CEO for the past year, Roland Pickens — never had a licensed Nursing Home Administrator (NHA) on staff. A NHA might have stood in the way of Katz and the subsequent Directors of Public Health — first Barbara Garcia and the current Director of Public Health, Grant Colfax.

The lack of a licensed NHA contributed in part to LHH being decertified by the Centers for Medicare and Medicaid Services (CMS) in April 2022. That happened because LHH's subsequent CEO weren't following CMS' regulations governing skilled nursing facilities.



**Sandra Simon** has been selected to be Laguna Honda's first licensed Nursing Home Administrator in 20 years. Ms. Simon is deemed a "Medicine Woman" in her lineage, which may bode well for Laguna Honda Hospital's healing.

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LHH is finally gaining a licensed NHA, but it only came at the cost of, and as a direct result of, LHH having been decertified by the Centers for Medicare and Medicaid Services (CMS) in April 2022.

After it was decertified in April 2022, LHH hired three outside consultants to help it apply for recertification. One of the firms — Health Management Associates (HMA) — that has been awarded \$5.9 million in contracts to assist Laguna Honda gain recertification notified LHH’s administrators as early as June 2022 that hiring an industry standard NHA position should be added rapidly to have someone on staff who could provide skilled nursing regulations expertise to attain compliance with CMS regulations specific to nursing homes.

Then, in November 2022, a second consultant — Health Services Advisory Group (HSAG) hired in part to perform the role as a CMS-approved “*Quality Improvement Expert*” (QIE) — that has been awarded a total of \$17.3 million in contracts to date prepared its first “*Root Cause Analysis*” (RCA) report submitted to CMS on December 1 in which they noted “*The facility does not have a nursing home administrator on staff, which also contributes to the lack of knowledge specific to nursing home regulations and operations.*”

Despite CMS’ urging that LHH hire and “*on-board*” a NHA as rapidly as possible, the QIE’s subsequent “*Action Plan*” for LHH dawdled, taking until February 28, 2023 to even write a simple job description for a NHA position, and until April 30 to begin posting a job vacancy and job announcement for this critical position.

## Long Overdue NHA Hired

After LHH dragged its feet for an entire year, to the consternation of CMS, the new NHA is set to begin her employment at LHH on June 26.

During the Health Commission’s June 6 meeting, Director of Public Health Grant Colfax [reported](#) that a Nursing Home Administrator — Sandra Simon — has finally been hired for LHH. LHH had [notified](#) its staff of the hiring decision on May 31, 2023. The staff notice indicates Simon is deemed a “*Medicine Woman*” in her lineage.

Ms. Simon will serve as LHH’s Nursing Home Administrator (NHA) and Chief Executive Officer (CEO) starting on June 26. As the May 31 notice to staff indicates, she reportedly has over 20 years of experience as an NHA. According to her Linked-In [profile](#), she has a bachelor’s degree in Gerontology (the scientific study of old age and the process of aging) from San Diego State University.

Ms. Simon served as the Chief Administrative Officer at the San Francisco Campus for Jewish Living for 10 years, between October 2003 and June 2014. She held dual roles in her most recent position: As the Campus Director for the Holgate Center Campus, which includes the Friendship Health Center where she serves as its NHA. Both facilities are in Portland, Oregon and appear to share the same campus. Linked-In reports she’s held those dual positions for seven months.

Prior to that, Simon served as the NHA for two Prestige Care, Inc. facilities in Oregon, one for just nine months and another for three years and four months. The Friendship Health Center of the Holgate Center Campus is licensed as a skilled nursing facility having 100 “Medicare certified” (licensed) beds; during its most recent CMS health inspection it had an average daily census of 68.7 residents. The Prestige Care and Rehabilitation – Menlo Park Care Center where Simon served as its NHA for nine months, is also a licensed skilled nursing facility having just 83 “Medicare certified” (licensed) beds; during its most recent CMS health inspection it had an average daily census of 70.4 residents.

That contrasts with Laguna Honda, which is licensed, and Medicare certified for 769 beds (plus 11 beds licensed for in-hospital acute care). LHH had an average daily census of 563.3 residents during its most recent health inspection on

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April 19, 2021. It's not known how many staff members the Friendship Health Center or the Prestige Care Menlo Park facility had compared to LHH's approximately 1,460 employees. [Note: LHH also contracts for an unknown number of additional licensed "registry" Nursing staff, including RN's, LVN's, and Certified Nursing Assistants (CNA) staff who fill in as per diem, temporary employees.]

What is known is that per CMS the two facilities in Portland, Oregon had an overall nursing staff turnover rate of 61.6% and 46.3%, respectively, and a high turnover rate of Registered Nurses (RN's) at 80% and 70%, respectively. Perhaps Ms. Simon may have an idea why the Nursing turnover rates at those two facilities were so high.

Unfortunately, for some unknown reason, LHH doesn't report its nursing staff, or RN, turnover rates to CMS. That may be because LHH relies so heavily on nursing staff and RN's provided through the so-called "registry" staffing contracts, and has for decades.

An Internet search revealed Ms. Simon is the Founder and Executive Director of Yoga Punx PDX, a non-profit "bringing the transformative and healing practices of Yoga, with a harm reduction approach and trauma-informed lens to those healing from trauma, substance use disorder, and violence." It's not known if she was chosen to be LHH's NHA and CEO for her experience with patients having substance use disorders.

Given the health care acuity and disease progression of many of LHH's residents — particularly a large percentage of those having advanced dementia or Alzheimer's — they likely may not benefit from Yoga interventions.

Prior to LHH's current acting CEO, Roland Pickens, LHH's previous CEO, Michael Phillips (who was abruptly terminated in June 2022 following LHH's April 2022 decertification) had previously been picked as LHH's CEO for his experience at a 118-bed Behavioral Health Unit at Silver Lake Medical Center in Los Angeles.

Observers wonder whether Simon has been told she will a) Potentially be saddled with a superimposed State-funded management team operating in parallel tandem with her as LHH's NHA, and b) That she may report directly to Pickens as the CEO of the San Francisco Health Network (SFHN), rather than to the Director of Public Health, Dr. Grant Colfax.

And it's not known whether she understands the implications she may be saddled with LHH's current crop of intractable administrators who were largely imported from SFGH and SFDPH. So, it's unclear whether she'll be able to fix the mess that LHH's managers who lacked experience working in skilled nursing facilities willfully created by transgressing Skilled Nursing Facility regulations for going 20 years — or at least for the past seven years since the patient sexual abuse scandal began in 2016 — which the Health Commission and City Hall went along with for 20 years. Simon will be up against obdurate managers previously transplanted from SFGH and the San Francisco Health Network (SFHN) to run LHH.

And it's unclear whether Simon, as LHH's new NHA, will be protected from — or hobbled by — being coerced by the "Flow Project" crowd still in place from SFGH and SFDPH reluctant to let LHH function as a stand-alone skilled nursing facility independent of SFGH, like a bad hangover even Yoga may not be able to cure.

### Areas of Concern

Simon's longevity in her last three positions is somewhat troubling. Her Linked-In profile reports that she was Campus Director at the Holgate Center for just seven months, and as the Nursing Home Administrator for the Prestige Care, Inc. Menlo Park facility for just nine months. The profile shows a gap year of no employer between the Menlo Park facility and

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her employment before that as a Nursing Home Administrator for another a Prestige Care Inc. facility in Forest Grove, Oregon for three years and four months.

What Laguna Honda Hospital really needs is a NHA who will commit to serving as its CEO for however long it takes to obtain recertification and sustain compliance for several years with CMS' nursing home regulations to prevent a recurrence of mismanagement of Laguna Honda.

A [chart](#) based on CMS' "Nursing Home Compare" web site data raises some concerns. Among other things, it shows that in Simon's last two positions the Registered Nurse hours per resident per day were well below the average hours per RN in Oregon facilities — at 27 minutes and 32 minutes, respectively, compared to the Oregon State average of 44 minutes. And the rates of RN turnover were significantly higher at both facilities at 80% and 70% respectively, higher than the Oregon average of 58% and the national average of just 51% turnover. Hopefully, Ms. Simon will have an understanding of why RN staff turnover was so high at both facilities.

To be fair, given the slow pace of CMS facility inspections, the data for both the Holgate Center and Prestige Care Menlo Park facilities were from CMS inspections that predated Simon's start date at either facility.

The Friendship Health Center on the Holgate Center has a CMS 2-of-5 Star "Below Average" overall rating, the same as Laguna Honda's current 2-Star rating. The Prestige Care Menlo Park facility currently has a 1-Star rating.

## An Astute Observer's Perspective

Dr. Teresa Palmer — a gerontologist who had formerly worked at Laguna Honda Hospital, has worked for 20 years in other Bay Area medical facilities, and is a board member of the San Francisco Gray Panthers advocacy group — submitted astute written testimony for inclusion in the Health Commission's June 6 meeting minutes. Her testimony speaks for itself and addresses additional issues of concern:

*"A new nursing home administrator will not be able to assist in saving Laguna Honda intact unless she is empowered to act independently, and in the best interests of Laguna Honda residents.*

*If direct care staff are chronically short and/or constantly moved around there is NO WAY to adequately create and follow required care plans--because care staff does not know their residents. Immediate jeopardy citations will continue.*

*In addition, if there is pressure to admit new residents to any open bed in order to facilitate "flow" at SFGH, or if those with unstable, undertreated and acute behavioral disorders are not adequately screened, chaos and "immediate jeopardy" citations will continue.*

*If immediate jeopardy citations continue, we will lose Laguna Honda.*

*Will Ms. Simon be given the latitude and support she needs to do the job right? Or is she being hired for her obedience?"*

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**“ Dr. Teresa Palmer testified to the Health Commission on June 6, saying:**

**'A new nursing home administrator will not be able to assist in saving Laguna Honda intact unless she is empowered to act independently' ... 'If immediate jeopardy citations continue, we will lose Laguna Honda' ... and 'Will Ms. Simon be given the latitude and support she needs to do the job right?'"**

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## What's Left Undone

For my part, I congratulated Ms. Simon during the June 6 Health Commission meeting for having been hired as LHH's NHA. Director Colfax indicated that two new additional Assistant Nursing Home Administrators have been offered positions, but he didn't indicate on what date they will begin employment.

It's become clear there's been a restructuring change of LHH's organization because the NHA will serve concurrently as LHH's CEO, but the hospital hasn't submitted a revised organization chart to the Health Commission.

Colfax also indicated CDPH inspectors showed up at Laguna Honda to conduct the third "90-Day Monitoring Survey," which is a full, comprehensive inspection prior to LHH being eligible to submit an application for its recertification. The third survey will be followed by a fourth "Root Cause Analysis" report to CMS, corrective actions if any new "milestones" are identified, and a period in which to demonstrate sustained compliance before it can submit an application.

And finally, Colfax indicated LHH's current acting CEO, Roland Pickens, isn't going anywhere any time soon, and will remain at LHH until the hospital obtains its recertification. For the foreseeable future, there will be multiple layers of duplicative managers at LHH — including potentially State-installed crisis managers — stepping on each other's feet.

So, Dr. Palmer's concern that Ms. Simon might not be given the latitude and support she needs to do the job right, and be empowered to act independently, remains a real concern and a potential risk.

Will LHH stop getting more "Immediate Jeopardy" citations with Simon at the helm? Time will tell.

*Monette-Shaw is a columnist for San Francisco's Westside Observer newspaper, and a member of the California First Amendment Coalition (FAC) and the ACLU. He operates [stopLHHdownsize.com](http://stopLHHdownsize.com). Contact him at [monette-shaw@westsideobserver.com](mailto:monette-shaw@westsideobserver.com).*

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