

Department of Health and Human Services
Centers for Medicare and Medicaid Services
State Operations Group
Division of Emergency Preparedness and Life
Safety Code
7500 Security Boulevard
Baltimore, MD 21244



IMPORTANT NOTICE - PLEASE READ CAREFULLY

(This notice is sent via electronic transmission)

July 07, 2025

Troy Williams, MSN, RN, CPHQ, CPHRM, CENP
Chief Nursing Officer and Chief Quality Officer
San Francisco Health Network
San Francisco Department of Public Health
Submitted via email to: Troy.williams@sfdph.org

RE: Laguna Honda Hospital and Rehabilitation Center
CMS Certification Number (CCN): 555929

Dear Roland Pickens,

Access to safe, comprehensive, quality health care for nursing home residents is a responsibility for the Centers for Medicare & Medicaid Services (CMS). As such, CMS is committed to, and prioritizes, ensuring the delivery of safe and quality resident care.

CMS is in receipt of Laguna Honda Hospital and Rehabilitation Center's April 11, 2025, request, for a variance of the requirements at 42 C.F.R. § 483.90(e)(1)(i), to add an additional 120 beds.

CMS may permit variations of the various resident bedroom requirements listed at 42 C.F.R. § 483.90(e)(1)(i) and (ii) *in individual cases* where a facility can demonstrate that the variance is in accordance with the special needs of the residents and will not adversely affect resident health and safety. Review of the text of § 483.90(e)(3) demonstrates that CMS has the discretion to permit variances on a limited basis for an individual bedroom as needed to best assist a specific resident to attain their highest practicable state, with that variance expiring once the specific resident was no longer present. The discretion provided by the regulation is not unlimited and the regulatory text also shows that the variance cannot be granted on the basis of a generalized need or desire for additional certified beds.

Prior to the termination of Laguna Honda's Medicare agreement on April 14, 2022, they housed more than two residents per room. During the six years prior to Laguna Honda's termination, the facility had over 1,600 allegations of non-compliance, including allegations of abuse, neglect, and resident rights violations.

Laguna Honda was found to be out of substantial compliance for failure to comply with several federal health and safety requirements. Findings included resident-to-resident physical and mental abuse, resident-to-resident misappropriation of property, and staff-to-resident physical, mental, and sexual abuse. Additionally, surveyors cited Immediate Jeopardy and substandard quality of care.

Laguna Honda's re-entry into the Medicare Program was by an initial certification effective December 1, 2023. Since December 1, 2023, Laguna Honda has had hundreds of allegations of non-compliance, including allegations of abuse, neglect, and resident rights violations.

In 2019, CMS noted that the physical environment is integral to resident health and safety. Additionally, CMS noted "that more than two residents to a room not only infringes on a resident's privacy and dignity, but also creates issues related to infection control and resident safety. Likewise, we believe that rooms without bathrooms increase risks related to falls, quality of care, and infection control." 84 Fed. Reg. 34737, 34749 (July 18, 2019). Private rooms are preferred by most nursing home residents for privacy, dignity and to decrease the risk of contracting infectious diseases. CMS has also noted that environmental stressors, such as overcrowding, may be an underlying cause of distressed behavior in residents with psychiatric disorders. Revisions to the State Operations Manual (SOM) - Appendix PP – Guidance to Surveyors for Long Term Care Facilities (June 10, 2016).

Following review of Laguna Honda's request for a variance in accordance with 42 C.F.R. §483.90(e)(3) for the number of residents per bedroom, 42 C.F.R. §483.90(e)(1)(i), the request is denied.

If you have any questions, please contact James Dickens, james.dickens@cms.hhs.gov or Michelle Veach, michelle.veach@cms.hhs.gov.

Sincerely,


James Dickens

Director, Division of Emergency Preparedness and Life Safety Code