



2009 Annual Report



LAGUNA HONDA
HOSPITAL AND REHABILITATION CENTER
a community of care

Promoting wellness
Sustaining community
Encouraging innovation
Building for tomorrow



JOHN T. KANALEY
1957-2009

DEDICATION

The accomplishments and the vision in this annual report would not have been possible without the leadership of John T. Kanaley, our executive administrator from 2005 to 2009.

John was an unfailingly kind person whose greatness of spirit moved our organization to reach for excellence.

He accepted people on their own terms and never lost faith in the power of human beings to succeed beyond their own expectations.

We dedicate this report to his memory.



LABYRINTH DESIGNED AND CREATED BY LAGUNA HONDA RESIDENTS AND ACTIVITY THERAPISTS. PHOTO BY FORMER LAGUNA HONDA RESIDENT RADLEY R.

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THE ARTWORK AND PHOTOGRAPHY IN THE ANNUAL REPORT WAS CREATED BY CURRENT AND FORMER RESIDENTS OF LAGUNA HONDA. MANY PIECES WERE PRODUCED AS PART OF ELDERGIVERS' ART WITH ELDERS PROGRAM. COVER PHOTOGRAPHY BY FORMER LAGUNA HONDA RESIDENT RADLEY R. AND VOLUNTEER COORDINATOR JAN DOYLE.



MIVIC HIROSE, R.N., M.S., C.N.S.

MESSAGE FROM THE EXECUTIVE ADMINISTRATOR

Laguna Honda is an organization on the threshold of a new era.

A civic icon that began life as a place of refuge for one of the first generations of San Franciscans, the Gold Rush pioneers, it is intimately connected with the story of San Francisco itself.

For nearly two centuries, the city has defined itself as a place of innovation where human possibility could flourish. Laguna Honda, too, has reinvented itself over the century and a half since its founding consistent with the social service practices of the day.

When Laguna Honda's Spanish Revival buildings were constructed eighty years ago, it was Florence Nightingale-style open wards that were the accepted model for nursing homes. Today, the imperative is for environments that build community and offer opportunities for integration into the surrounding civic life.

Leading models of care emphasize meaning, worth and dignity as the essential elements of human health. Companionship, independence, the freedom to make one's own choices, and interaction with nature have become the new clinical interventions.

With 780 residents, the new Laguna Honda will be among the largest skilled nursing and rehabilitation centers in the country, representing one of the most extensive commitments of any city or county to long term care for a safety net population.

How can we as a city long concerned with caring for those in need once again reinvent Laguna Honda so that it will embody the principles of community living that comprise the new model of long term health care?

Our commitment, reflected in our 2009-2010 strategic goals, is to take the crucial next steps on a journey from institution to community. By providing programs and services that maximize independence, promote choice and integrate residents into the larger community, we aspire to become a center of excellence in long term care and rehabilitation.

In April of 2010, we will dedicate the most modern skilled nursing and rehabilitation center in the country. Our buildings will be finished, and our work will have only just begun. The new Laguna Honda will require a continual re-dedication – to community, to innovation, and to a shared vision of a skilled nursing facility that embraces quality of life as its guiding principle.

There is something to be said for thresholds, which, after all, are those places between the past and the future. They give us the freedom to become new again, something that San Francisco has known for generations. Our name, Laguna Honda, means "deep lagoon." Those of us who live or work at Laguna Honda, and have participated in the remarkable transformations that take place here, have a reverence for the depth of its possibilities.

MISSION-VISION-VALUES

Mission

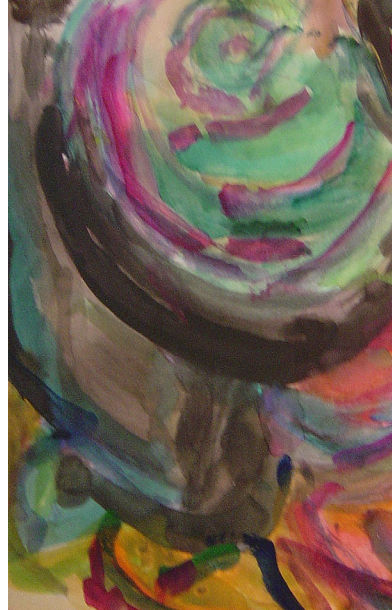
To provide high quality, culturally competent long term care and rehabilitation services to the diverse population of San Francisco.

Vision

To become a world class center of excellence in long term care and rehabilitation.

Key Value

Residents come first.



MARGARET M.



ANGELINA R.

STRATEGIC GOALS, 2007-2009

We are pleased to report the successful accomplishment of our three strategic goals for 2007-2009. The results of the work that we set out for ourselves two years ago have laid a foundation for Laguna Honda to build a widely recognized center of excellence in long term care and rehabilitation.

ENSURE REGULATORY COMPLIANCE, PERFORMANCE IMPROVEMENT, AND HIGH-QUALITY CARE.

Our program to reinforce quality and compliance standards has provided three successive years of positive outcomes in the California Department of Public Health licensing and certification process. Our standard of care has repeatedly exceeded state standards, and Laguna Honda performs far better than the national average on a wide range of key quality indicators.

DEVELOP A SYSTEMATIC APPROACH TO SUCCESSFULLY BUILD AND INITIATE THE OPERATIONAL PLANNING FOR THE NEW HOSPITAL.

Transition planning and implementation is underway and on schedule. Logistics are managed by five teams responsible for resident care, move planning, staff training, support services, and facilities fit-up. A steering committee of team leaders provides coordinated oversight. Transition infrastructure also includes financial and programmatic assistance by the Controller's Office, and construction management by the Department of Public Works, which oversees the replacement program.

ESTABLISH AND IMPROVE COMMUNICATION WITHIN AND OUTSIDE LAGUNA HONDA.

Laguna Honda's staff communications program now consists of (1) departmental staff meetings, (2) a regularly published staff newsletter, (3) a twice-monthly bulletin to all staff summarizing proceedings at the executive staff meetings, (4) periodic memos on critical topics from the executive administrator, and (5) the Leadership Forum, a monthly meeting of managers and supervisors.

Resident communications include (1) daily contact with care providers, (2) regular community meetings on the units, (3) a monthly newsletter, *The Insider*, published by resident participants in the vocational rehabilitation program, (4) monthly meetings of the Residents' Council, run by elected resident representatives and assisted by activity therapy staff, and (5) regular meetings of Residents' Council officers and hospital executive staff.

Community communications include (1) printed collateral materials, (2) a newly launched web site, www.lagunahonda.org, designed to reflect the open and accessible vision of the new hospital, and (3) membership in the mayor's Long Term Care Coordinating Council and numerous professional associations.

ACCOMPLISHMENTS, 2008-2009

QUALITY OF CARE

Laguna Honda's commitment is to achieve the highest quality of care and quality of life for each resident and to encourage the highest level of independence for each resident whether at Laguna Honda or elsewhere in the community. 2008-2009 produced notable successes.

Quality Indicators

Laguna Honda led the nation in 2009 in a range of key quality indicators. We had a lower incidence of weight loss, use of anti-psychotic drugs, urinary tract infection, pressure ulcers, and decline in range of motion than state and national averages.

Resident Participation

Residents participated in quality improvement teams at unprecedented levels in 2009, serving on hospital committees coordinating staff education and training, resident quality of life initiatives, and interdisciplinary communication.

Restorative Care

Our restorative care program, named a best practice by the California Hospital Association in 2007, continued to assist residents to achieve their highest level of functionality. In 2008-2009, over 80% of Laguna Honda residents participated in restorative therapy, retaining range of motion and reaching improved levels of independence.

COMMUNITY INTEGRATION

For 140 years Laguna Honda has been an integral part of the San Francisco community. From its location at the geographic center of the city, it has embraced generation after generation of people in need. Laguna Honda prizes its role as a community resource. The successful resolution of two lawsuits and the ongoing collaboration with a state agency helped to integrate Laguna Honda into a continuum of care.

Davis Lawsuit Dismissed

Laguna Honda took a significant step toward ending a decade of legal challenges from disability rights advocates, most prominently Protection and Advocacy, Inc. and the Independent Living Center of San Francisco, when a U.S. District Court Judge dismissed the *Davis* lawsuit this year. *Davis* was the first of two federal suits charging that San Francisco was violating the Americans with Disabilities Act by inadequately providing full community integration for adults with disabilities currently or potentially living at Laguna Honda. The suit, filed in 2000, led to a settlement that created the Department of Public Health's Targeted Case Management program to assess Laguna Honda residents for the ability to live with lower levels of care elsewhere in the community. Dismissal of the lawsuit marked the full implementation of the terms of the settlement, and a major milestone in the city's goal of community integration for the long term care service population.



JESUS M.

Chambers Lawsuit Settled

A companion case to *Davis*, the *Chambers* suit was settled in 2008 when the city created the Diversion and Community Integration Program to provide 500 units of accessible, subsidized housing over five years for discharged Laguna Honda residents or people who are eligible for residence at Laguna Honda but could be served in other community settings. Implementation of the *Chambers* settlement continued in 2009. The U.S. District Judge who authorized the settlement expressed strong approval for the progress of implementation.

Integration for Developmentally Disabled Residents

Laguna Honda's working relationship with the Golden Gate Regional Center, a state agency charged with oversight of community integration programs for developmentally disabled adults, continued successfully in 2009. Developmentally disabled residents continued to be relocated to scattered-site housing sponsored by GGRC, including a new facility, Capay Circle, opened by three former Laguna Honda nurses.

COMMUNITY PARTNERSHIPS

Laguna Honda's community partnerships in 2008-2009 furthered artistic, educational, and clinical pursuits in support of resident quality of care and staff development.

Drawn Together

Bay Area artist Helena Keffe and the Activity Therapy Department under the guidance of A.T. Director Bill Frazier developed a textile design project called Drawn Together to help residents and staff re-think traditional notions of the relationship between care-givers and care-receivers. Residents designed fabric that was sewn into scrubs, or uniforms, for use by nursing staff. The project was underwritten by a grant from the Creative Work Fund. The scrubs are on sale in the hospital gift shop, where proceeds benefit resident services. The resident-designed scrubs encourage an appreciation of the reciprocity of relationships in the long term care setting.

Nurse Training

Laguna Honda continued its successful collaboration with City College of San Francisco and Jewish Vocational Services in 2009, serving as a training facility for re-entry and foreign-born nursing students. The training program develops leaders in nursing who have multi-cultural and multi-lingual backgrounds, and refreshes the skills of nurses re-entering the profession following a hiatus.

Clinical Internships

Social work and psychology students from Bay Area universities, including the University of California at Berkeley and San Francisco State University, continued to make Laguna Honda a sought-after site for clinical training in 2008-2009. Students train at Laguna Honda in a variety of practice areas, including substance abuse, AIDS, dementia, rehabilitation, and hospice care. They also focus on community integration and how to collaborate in an interdisciplinary team.



KATHERINE S.

Alzheimer's Panel

Clinical Nurse Specialist Gail Cobe served on the mayor's task force for Alzheimer's and dementia policy planning in 2009. Laguna Honda's new facility will emphasize Alzheimer's care, among other programs, and the hospital expects to be a center of treatment and an integrated part of the citywide response to the disease.

National Youth Leadership Forum

Thirty high school students from around the country observed resident care at Laguna Honda in 2009 as part of their participation in the National Youth Leadership Forum. The students are selected on the basis of academic excellence, and chose to spend time at Laguna Honda and other healthcare centers because of their interest in medical careers. Laguna Honda's participation in the youth forum is organized by Dr. Monica Banchero-Hasson.

TECHNOLOGY AND INNOVATION

As Laguna Honda prepared to move into a technologically sophisticated facility, two projects from 2007-2009 laid the groundwork.

Online Census

A project that began in 2007, the online census went live this year, enabling staff to make real-time changes that reflect admissions, discharges and transfers. A new Invision system replaced the manual count that had required updates to wait until the next business day. The project was a collaboration among clinicians, the Information Systems Department and the Admissions and Eligibility Department. Over 400 nursing staff were trained by Larry Reyes, LVN, the hospital's nursing informatics specialist.

Medication Safety Initiative

A two year quality improvement initiative to reinforce medication safety was successfully completed this year with the installation of Omnicell automated dispensing machines. The Omnicell installation was the third stage in a 3-part project. Stage one involved the installation in July 2007 of long term care pharmacy software called QS/1 that provided automated prescription processing, pharmacy billing and clinical checking. In November 2008, a pharmacy packaging machine began operation, enabling staff to place bar codes on individualized doses. The two technological advances allowed for the highly accurate processing of prescription refills. A training program this year on the use of new Omnicell dispensers, which will be standard in the new buildings, marked the culmination of the project.

ORGANIZATIONAL EFFECTIVENESS, CULTURAL COMPETENCY

Laguna Honda's mission is to effectively serve the diverse communities of San Francisco. In 2009, our work in culturally competent healthcare was recognized nationally and took significant steps forward in the organization.

Hobart Jackson Award

The hospital's cultural effectiveness curriculum, developed by the Department of Education and Training under the leadership of D.E.T. Director Jill LeCount, won the prestigious Hobart Jackson Award for culturally effective health care in 2008. The award is given annually by the



MARGARET R.

American Association of Homes and Services for the Aging to organizations that make a significant commitment to diversity and inclusion. AAHSA specially praised the Laguna Honda program for the resident participation in its development.

Cultural Competency and Transition Management

Grant funding from the California Endowment and the Stanford Geriatric Education Center provided training for Laguna Honda staff in cultural sensitivity and organizational transformation. As staff members prepare to enter into new working relationships based on different workflows required in the new buildings, D.E.T. provided training on building effective inter-cultural and inter-disciplinary working relationships, embracing change, and promoting organizational excellence.

TRANSITION

As 2010 approaches, the changes to Laguna Honda's resident population and physical plant accelerates. Over the last fiscal year, the organization continued to make the necessary alterations required for a successful move into the new buildings.

Resident Population

The hospital's census decreased from approximately 1200 to nearly 780 over the past fiscal year. The reduction in population was necessary for the move into a smaller facility. It took place in two phases, the first coinciding with the closure of Clarendon Hall in Fall 2008, followed by a second phase that will be complete in Fall 2009. The hospital suspended new admissions in all programs except rehabilitation, hospice and Positive Care. The census reduction was accomplished largely by the normal attrition rate, which includes approximately 200 short term care residents who finish their course of rehabilitative therapy annually and approximately the same number of people who complete their lives at Laguna Honda every year. Admissions have now been resumed.

Five skilled nursing units ended service in 2008-2009 to accommodate the census reduction. Interdisciplinary teams on each unit coordinated resident moves to new units, or households, and staff reassignments. Care teams prepared residents, introduced them to new care-givers, accompanied them to their new locations in the hospital, and checked in regularly after the move to ensure continuity and minimal disruption in quality of care and quality of life.

Replacement Program

Every hospital in California undergoing reconstruction to meet stringent seismic requirements has had to add dollars and reduce scope, and Laguna Honda was no exception in 2009.

Capital costs are financed by \$299 million in general obligation bonds and \$100 million in revenue from the settlement of city consumer protection lawsuits filed in the late 1990's against the tobacco industry. Voters approved the funding package, known as Proposition A, in 1999 by 73%.



STEVE M.

Hospital construction costs have doubled since 2001. In the year and a half that the new Laguna Honda went out to bid, costs shot up by 50%. The 30-year average had been 3% annually.

The city has closed the gap with additional tobacco settlement revenue (\$97 million) and certificates of participation, tax exempt securities used to raise capital or purchase equipment (\$72 million). Including interest income, final construction funding is approximately \$593 million.

The Laguna Honda financing package contains some unique tools to reduce the cost to taxpayers. In addition to the use of revenue from the settlement of the city's tobacco lawsuits, California Senate Bill 1128 authorizes the city to receive partial federal reimbursement for construction costs associated with certain seismic upgrades related to health care. As a result, up to 45% of Laguna Honda capital costs could be paid for by federal dollars.

Adult Day Health Center

A bad economy and city budget troubles resulted in one transition at Laguna Honda unrelated to the move into the new buildings. The hospital's Adult Day Health Center was forced to close after 28 years of service due to reductions in the Department of Public Health. The center's 63 clients were assisted by Laguna Honda social work staff and the Department of Public Health's targeted case management program to find placement at other adult day health centers citywide.

RESEARCH

Laguna Honda research initiatives broke important new ground in 2008-2009. The Laguna Honda Foundation provided funding for projects to improve resident care and sustain a healing environment.

Pebbles Project

The foundation supported collaboration between the hospital and the Center for Health Design in Concord, CA to gauge the impact of the new buildings on resident quality of life and the public benefits Laguna Honda provides to the greater community.

Laguna Honda is one of 55 hospitals or "Pebbles Partners" worldwide conducting research under the auspices of the Center for Health Design on the effects of the built environment on health outcomes. The program is named after the ripple effect a pebble makes when it is dropped into a pool of water.

The quality of life study asks the question how ambulatory and non-ambulatory residents live in, use, and benefit from their surroundings in a post-acute care environment. It is concerned with the meaningful engagement by residents with the neighborhoods and other indoor public spaces in the new hospital and with the substantial outdoor community areas such as the central park and the therapeutic gardens.





MARGARET R.

The public benefits study will measure a number of different aspects of campus life, such as resident participation in activities, management of psychosocial challenges, safety of medication administration, changes in resident dining experience, sustainability of waste management, staff injuries and sick leave, volunteerism, and philanthropic engagement.

UCSF Initiative

The foundation provided seed money to researchers at the University of California, San Francisco to develop studies that will measure resident, staff, and family perceptions of quality of life and quality of care.

Catheter Study

The Foundation also funded a study to reduce urinary tract infections in residents who require chronic urethral catheterization. The study's purpose is to determine whether the use of silver coated Foley catheters results in a reduced incidence of infection compared to the currently used non-coated catheter.

STAFF AWARDS

The Laguna Honda Employee of the Month program is one important form of recognition for Laguna Honda staff members who lead the way in providing services that make a difference in people's lives. The mission of the employee of the month award is to recognize staff members whose commitment to the organization reflects innovation, team building, and high standards of excellence.

July 2008, Linda Acosta, Volunteer Services Department
 August 2008, Frank King, Nursing Department
 September 2008, Alice Wong, Adult Day Health Center
 October 2008, Liza Cervantes, Activity Therapy
 November 2008, Pedrito Pedron, Environmental Services
 December 2008, Noah Santiago, Facilities Maintenance
 January 2009, Nursing team in the Chinese language focus program
 February 2009, Sandra Sprague, Rehabilitation Center
 March 2009, Angela Platzer, Infection Control Department
 April 2009, Steve South, Nursing Department
 May 2009, Nidia Abuanza, Nursing Department
 June 2009, Jim Zelaya-Wagner, Substance Abuse and Treatment Services

VOLUNTEERS

Over 400 San Franciscans volunteer at Laguna Honda every year. The Laguna Honda Volunteers, Inc., a private non-profit organization, has integrated the larger San Francisco community into Laguna Honda since 1958. The volunteers are students and corporate titans, teens and seniors. They accompany residents on outings and errands around the city, help with activities at the hospital, run the gift shop, and assist residents with everything from using the internet to making music. Volunteers, Inc. also funds a wide variety of amenities, large and small, including clothing, personal items, and buses to travel around town. A new Volunteers, Inc. website, www.lagunahondavolunteers.org, went live in 2008, bringing with it an increase in volunteerism at Laguna Honda.

THE NEW LAGUNA HONDA

The new buildings are designed to help us strengthen our sense of community. Residents will live in households where they will be one of 15 people. Every household will have its own living room. Every two households will share a dining room where people will meet for meals. Every four households will make up a neighborhood with a Great Room at the center where daily activities will take place.

In the new Laguna Honda there will be no open wards. Some residents will share a room with one or two other persons. Other residents will live in suites of two or three private rooms with a shared bathroom. There will be a few single rooms as well. Each room will have windows that open and close so that residents can control the temperature in their room.

At the heart of the new Laguna Honda will be a broad indoor boulevard called the Esplanade, modeled after the main street of a small town, where people can gather every day to meet and spend time together. Along the Esplanade there will be a café, an art studio, a multi-media library, a hair salon, a tropical bird aviary, a gift shop, and a cafeteria with indoor and outdoor seating.

All three of the new buildings will open onto a park with gardens and walking or rolling paths, an orchard, a farm, and a meadow to provide the therapeutic benefits of open space and contact with nature.



ZEHAINISH T.

STRATEGIC GOALS 2009 – 2010

Our strategic goals for the coming fiscal year are intended to help us chart a course to excellence.

The new Laguna Honda will be the most modern skilled nursing and rehabilitation center in the country. Our challenge is to integrate the advances in long term care that have been pioneered in smaller scale facilities into our large scale setting.

We believe that Laguna Honda holds an important place in the future of skilled nursing care, and that organizations such as ours, which accommodate a diverse population with varying needs, are called upon to do pioneering work that secures choice, independence, and an integrated community of care.

1. **Resident Success:** Provide programs and services that maximize independence, promote choice, and integrate residents into the larger community.
2. **Healing Environment:** Achieve the highest quality of life through professional, caring relationships and compassionate services in therapeutic surroundings.
3. **Community Partnerships:** Strengthen relationships among residents, families, staff, educators, researchers, and other service providers.
4. **Innovative Excellence:** Develop and sustain best practices and technology to achieve the highest quality of care, organizational effectiveness and fiscal responsibility.



TOMIKO I.



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