



## **Important Recertification Updates – Pilot Reorganization and CMS-Required Bed Reduction**

June 30, 2022

Dear Laguna Honda Staff,

As part of our path to recertification in the Centers for Medicare and Medicaid Services Provider Participation Programs (CMS), we are undergoing many important changes. We know change is difficult, however, changes are being made with the goal of keeping Laguna Honda open to continue serving San Franciscans.

Our next change is to implement a pilot reorganization effective July 1, 2022. Please take a moment to read about the important reasons for Laguna Honda's pilot reorganization. We are also providing you an update about the CMS-requirement that is resulting in a reduction of our bed count.

### **Pilot Reorganization to Model High-Performing Skilled Nursing Homes**

Laguna Honda is licensed and structured as an acute care hospital with a distinct part skilled nursing facility. Generally, in these types of facilities there are more acute care beds than skilled nursing beds. At Laguna Honda, more than 98 percent of our beds are skilled nursing beds. To be successful in our recertification efforts, we must align our structure with the functions of our skilled nursing facility immediately. The pilot reorganization models high-performing skilled nursing homes nation-wide.

The pilot reorganization does not impact job classifications. It refocuses all disciplines back to their areas of expertise enabling staff to do what they were hired and trained to do. While some staff may have their tasks changed, their duties will remain consistent within their job classification. The most significant impact to Laguna Honda staff is the reporting structure.

Other changes in the pilot reorganization include the following:

- Increasing leadership and management support on each unit
- Increasing expertise in regulatory compliance
- Making leadership more accessible to frontline staff
- Better embedding the Department of Education and Training on the units

In support of these changes, Laguna Honda will also be piloting the Licensed Nursing Home Administrator (NHA) and Assistant Nursing Home Administrator (ANHA) positions. The NHA and ANHA will be advising and supporting members of the Laguna Honda senior management team (CEO, Administrative Director 1 and Administrative Director 2) and teaching these members of the senior management team how to incorporate and implement the roles of NHA and ANHA into the day-to-day operations of our skilled nursing facility, with a focus on CMS regulatory compliance and patient safety. In this effort, Julie Cline (NHA) and Keith Chartier (ANHA), from our consultants Health Services

Advisory Group, both of whom bring specialized Nursing Home Administration training in federal and state skilled nursing facility regulations, will serve as advisors for the roles of NHA and ANHA, respectively.

Although the effective date of the pilot reorganization is sudden, we must make the change now to give us time to adjust to this pilot organizational structure and to prepare for our second mock survey and the CMS recertification surveys. If you have questions or concerns, please talk to your manager and supervisor to better understand how it may impact your team.

### **CMS-Required Beds Reduction**

Both the California Department of Public Health and CMS, have informed us of current regulations that require changes in our policies, procedures, and operations. One of those requirements is for Laguna Honda to have no more than two patients per room. This regulation is intended to increase the quality of the personalized care experience. Therefore it will require Laguna Honda to reduce all rooms with three patients to no more than two patients per room. The change of “triples” to “doubles” means a reduction of 120 beds. This changes our licensed skilled nursing bed count from 769 to 649. The 11 acute care beds are not impacted.

We do not anticipate any layoffs due to this change. The current census is 644 skilled nursing facility patients—LHH has not been at full capacity since prior to the pandemic. While this change has financial, operational, and staffing implications, we have approximately 100 budgeted vacant positions which we are working to fill. Before any permanent positions are impacted, we will reduce the use of registry, temporary staffing, and overtime to manage changes in our staffing model.

As stated above, we will continue to hire new staff, particularly in key areas needed for successful recertification. We look forward to continuing to work with staff to identify opportunities for change and improvements during this pilot reorganization.

I am confident in our Laguna Honda team and our path forward. I am grateful for your flexibility as we navigate these important changes together. Everyone has a key role to play. By working together, we are going to get Laguna Honda recertified and keep our facility open for future generations.

Sincerely,



Roland Pickens, MHA, FACHE  
Chief Executive Officer, San Francisco Health Network &  
Interim Chief Executive Officer, Laguna Honda Hospital

LHH Pilot Organizational Structure  
Draft 3  
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