

Extracts from Laguna Honda Hospital – Joint Conference Committee Meeting

April 14, 2025

<https://www.youtube.com/watch?v=yAhKl9h5nC4>

Verbatim transcript by Patrick Monette-Shaw. Any errors or omissions are unintentional. Only select portions of the hour-and-37-minute meeting were transcribed.

Audiotape Counter	Speaker	Transcribed Remarks
0:6:00	Daniel Tsai, Director of Public Health	<p>Just Prior to Agenda Item #4, Executive Team Report</p> <p>I just wanted to note that something I had said at the [April 7 full Health Commission] meeting, one of my priorities, and the Team’s priorities, is to do everything possible to secure the CMS waiver of the 120 [LHH] beds that’s often been referenced. And I just want to note for this Committee here, for this Commission meeting, some of the things I had noted there and provide an additional update, as well. So, I just want to re-affirm, I, and we, share the sense of urgency for getting the 120-bed waiver authority. We need more skilled nursing beds in San Francisco. That is very, very, clear, in my first five-and-a-half, six weeks, as we look at some of the challenges that we have in the City and County overall, and so we absolutely need that, and we need also to add [more] facilities like Laguna Honda.</p> <p>And so I think we’ve provided updates in the past around some of the work that the team has been doing with past discussions with CMS. And I do want to note we have submitted — after some additional discussion with CMS — formally on Friday [April 11] an updated request for a CMS waiver. I just want to highlight a few things that we said in that letter.</p> <p>And part of why we sent it on Friday was for me — having come from CMS — I know we are often most effective if we have ... if the team is able to have such subject matter experts to have called to CMS [on our behalf] to understand where their [CMS’s] head is on things, and so we can craft a very pointed response, to be as effective as possible.</p> <p>[Note: It’s unclear whether SFDPH/LHH had its subject-matter expert, Health Services Advisory Group (HSAG) call CMS about the 120-bed waiver request. Of interest, HSAG held contracts worth \$26.9 million to help LHH claw its way from its 26-month decertification back to recertification, and is now in the first year of another five-year contract worth an additional \$10 million (at \$2 million annually) following its re-certification to play “<i>subject matter expert</i>” for LHH and conduct “<i>mock surveys</i>” to help LHH squeak through its annual CMS certification inspections to maintain CMS certification].</p> <p>So, there are a few things that we said in that letter and Diltar [Sidhu, LHH’s CEO] might go through a range of those things in the presentation, but it’s important enough that I just wanted to re-emphasize that number one, we said in the letter very clearly that from a legal standpoint, we think the Federal government needs to grant us this waiver for the 120 beds, and we outlined the legal reasons why. We already know CMS disagrees with our perspective, but for everybody, I want you all to know that we are ... we do feel it is important to start with that, and have it on the table with that, that we think we have a legal argument there, and then we say ... well, even if you disagree with us on that — which we don’t concede — we go [went] through a range of reasons why we think structure of the three bedroom [suites] in Laguna Honda — which is really, as</p>

Audiotape Counter	Speaker	Transcribed Remarks
0:10:51		<p>folks know — is the source of the 120 [bed] waiver [issue], why they are really unique, and why they are actually crucial to our community as a whole. And we also included pictures of the rooms, square footage, things of that sort that make very clear that this [the rooms] is not what people often think of a three-bed congregate room — small, crowded room. In square footage, we have far exceeded what CMS expects of skilled nursing facility's spaces generally. And in most of those [three bedroom] rooms we have, actually, walls dividing where the beds are, where the shared bathroom [is], and the common [hallway] space [between rooms].</p> <p>So, discussions with CMS outlined all of those things as compellingly as we could. It was a very long letter; had many exhibits in it. Those things are there for a reason, based on discussions that we've had with CMS.</p> <p>I would note that CMS has been clear that their policy precedent is — in our situation — is to not grant a waiver of this sort. But I want to be clear: Our team is pounding the table, so we officially submitted that [letter] to CMS on Friday [April 11] based on our understanding of some of the contours of what CMS has been thinking about.</p> <p>So, that's our very, very important update. I know it's been very important to the community, and we've asked for as quick a response [from CMS] as possible.</p> <p>We will, you know, fall on the hill trying [to get the 120-bed waiver]. We're going to do everything we can, and I should have added one other thing: We also spent time with CMS on the regulations.</p> <p>They have clarified that CMS is the sole arbiter of this decision. It is not delegated to the State of California, for example, but where CMS rules on this waiver request is the final agency action in their view, and the last stop on the bus. But that was part of our discussion with them.</p>