[Contract Amendment - Retroactive - Health Services Advisory Group, Inc. - Specialized Consulting Services - Not to Exceed \$6,989,564]

Resolution retroactively approving Amendment No. 1 to the agreement between Health Services Advisory Group, Inc., and the Department of Public Health, as authorized under Section 21.15 of the Administrative Code, for the purpose of providing specialized consulting services, to increase the agreement by \$5,211,317 for an amount not to exceed \$6,989,564 for a total agreement term of seven and one-half months, with no changes to the term of May 9, 2022, through December 31, 2022; and to authorize the Department of Public Health to enter into any amendments or modifications to the contract that do not otherwise materially increase the obligations or liabilities to the City and are necessary or advisable to effectuate the purposes of the contract or this Resolution.

WHEREAS, On October 14, 2021, the California Department of Public Health (CDPH) completed an extended survey at Laguna Honda Hospital (LHH) of two incidents of non-fatal drug overdoses; in February 2022, the Centers for Medicare & Medicaid Services (CMS) issued LHH \$243,045 in civil monetary penalties based on those deficiencies; between January 21, 2022, and April 13, 2022, CDPH conducted three revisits, where it found additional deficiencies that showed that LHH was out of compliance with all applicable Medicare Conditions of Participation; on April 13, 2022, CDPH and CMS informed LHH that since it was still out of compliance with the applicable Medicare Conditions of Participation, termination of the CMS Provider Agreement and certification in the Medicare/Medicaid program would become effective at 12:01 a.m. on April 14, 2022; and

WHEREAS, LHH intends to seek reinstatement of its Medicare/Medicaid program certification and execute a new CMS Provider Agreement; to obtain reinstatement and a new

Provider Agreement, the Department of Public Health (DPH) must demonstrate that LHH substantially complies with all applicable Medicare Conditions of Participation; the reapplication process will include an application, an initial survey, a 3-4-month reasonable assurance period, and a second survey to ensure that LHH remains in substantial compliance; and

WHEREAS, Should DPH's reinstatement efforts fail, DPH would begin to lose up to \$17 million monthly in Medicare and Medicaid funding; further, without this funding, DPH could be forced to close LHH, which would require transfer and relocation of all LHH patients; and

WHEREAS, There is a need to enter into contracts with qualified providers for specialized services; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby retroactively authorizes the Director of Public Health and the Director of the Office of Contract Administration/Purchaser, on behalf of the City and County of San Francisco, to execute a contract for providing specialized consulting services in support of the LHH recertification effort, in the amount of \$6,989,564 for the term of seven and one-half months, from May 9, 2022, through December 31, 2022; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Department of Public Health to enter into any amendments or modifications to the contract, prior to its final execution by all parties, that the Department determines, in consultation with the City Attorney, are in the best interests of the City, do not otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the contract, and are in compliance with all applicable laws.

RECOMMENDED

/s/

Dr. Grant Colfax

Director of Health



City and County of San Francisco **Tails**

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

220922

Date Passed: September 27, 2022

Resolution retroactively approving Amendment No. 1 to the agreement between Health Services Advisory Group, Inc., and the Department of Public Health, as authorized under Section 21.15 of the Administrative Code, for the purpose of providing specialized consulting services, to increase the agreement by \$5,211,317 for an amount not to exceed \$6,989,564 for a total agreement term of seven and one-half months, with no changes to the term of May 9, 2022, through December 31, 2022; and to authorize the Department of Public Health to enter into any amendments or modifications to the contract that do not otherwise materially increase the obligations or liabilities to the City and are necessary or advisable to effectuate the purposes of the contract or this Resolution.

September 21, 2022 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

September 21, 2022 Budget and Finance Committee - RECOMMENDED AS AMENDED

September 27, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220922

I hereby certify that the foregoing Resolution was ADOPTED on 9/27/2022 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved