

Laguna Honda Hospital receives second state citation regarding its patient gift fund

by Patrick Monette-Shaw
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Two days after the San Francisco health commission's Laguna Honda Hospital Joint Conference Committee last met on September 28, the hospital received its second deficiency citation from California's Licensing and Certification Division regarding LHH's patient gift fund.

It is not yet known whether the second citation has delayed completion of the City Controller's audit of the patient gift fund, which was supposed to have been completed by October 15.

State L&C asserted in its new deficiency citation that LHH had circumvented its own requirements for altering hospital policies when oversight protections were removed from the patient gift fund policy # 45-01 on April 15.



It's a wonder LHH's executive administrator, Mivic Hirose, isn't sporting a black eye over LHH's new State citation.

The new State citation is posted on the www.stopLHHdownsize.com web site.

When LHH rushed to revise policy 45-01 on April 15 after receiving its first citation involving the patient gift fund for having curtailed bus trips for patients to culturally appropriate restaurants, the State noted on September 30 that the policy revised in April “was adopted without first ensuring it was consistent with the city administrative code.”

The administrative code requires that gift fund expenses be approved by San Francisco's Health Commission, which LHH had abandoned doing when it revised policy 45-01 in December 2004. In April 2010, LHH had also removed the Gift Fund Management Committee as an oversight function.

Laguna Honda, like most hospitals, has a policy — policy #01-01 — that guides how other policies are to be adopted or revised. Policy 01-01 requires a cover memo that is supposed to describe fiscal consequences of new or revised policies, names of individuals or committees that have reviewed proposed policy changes, and other required elements.

When whistle-blower doctors Maria Rivero and Derek Kerr placed a records request to obtain the required cover memo, LHH told them in response that there were no records — no cover memo — “responsive to the request.”

The new State citation stops just short of noting that LHH hijacked its own internal processes when it revised policy 45-01 in April 2010.

Amazingly, the citation states that a “Staff member A” had been interviewed on September 29, who stated that a cover memo was not required to revise the gift fund policy. It is unclear how Staff Member A was unaware of policy 01-01.

More amazingly, “Staff Member B” asserted to the State also on September 29, that a memo wasn't required “because the revisions to the gift fund policy had not been substantial.”

Why Staff Member B would assert this is unclear, since there is no provision in policy 01-01 to exempt requiring the cover memo when revisions to any policy are not substantial. Sounds like Staff Member B was fishing for an excuse.

The next day, on September 30, Staff Member B asserted to the State that there had been an exchange of e-mails regarding changing policy 45-01, which e-mail thread Staff Member B tried to construe as being a substitute for the actual cover memo.

The State wasn't having any of this new-found excuse, since the e-mail threads did not include many of the missing elements required in the cover memos.

The State citation noted that the San Francisco administrative code section 10.100-201 clearly states that all expenditures from LHH's patient gift fund require approval of the Public Health Commission. The State then noted that the April 15 changes to policy 45-01 do not require expenses to be approved by the Health Commission.

On September 29, Staff Member A told the State that she had interpreted the city administrative code to mean that only expenditures involving *exceptions* to the purpose of the gift fund required approval by the Health Commission. Staff Member B tried to assert to the State that the City Controller's office had already addressed — ostensibly last May — whether LHH's management of the gift fund had been “consistent with the city administrative code.”

The City Controller's Office had issued no such finding, since the Controller's May 21 letter had not addressed whether gift fund expenditures require approval by the Health Commission.

Shockingly, on September 30, Staff Member B also told the State that when gift fund expenditures were *not* going to benefit residents LHH would have to seek Health Commission approval. She brazenly told the State there “were no examples of such expenditures,” since use of funds for staff development purposes also benefited LHH's patients and residents.

Apparently Staff Member B must believe that the pedometers bought for nurses, the 2009 staff barbecue, and the pictures framed and placed in LHH's administrative offices — all funded using patient gift fund money — have somehow benefitted LHH's patients.

This Examiner has to conclude that Staff Member B must also believe that the tens of thousands of dollars spent from the patient gift fund on catered luncheons for LHH's nursing staff have also benefitted patients.

I guess a nurse with her hunger satiated following a catered lunch provides better care to patients, than a nurse who has an empty stomach.

Also on September 30, Staff Member A stated that while “she did *not* have documentation to back up her interpretation of the city administrative code,” the city attorney had somehow ruled that the revised gift fund policy was not inconsistent with the city's administrative code.

How she could leap to this conclusion absent any documentation is unknown. As anyone who has ever worked in a hospital knows, “if there's no documentation, it didn't happen.”

Apparently LHH provided the State a September 30 letter from the deputy city attorney assigned to LHH (thought to be from deputy city attorney Adrienne Tong), but the letter apparently did *not* explain to the State's satisfaction apparent inconsistencies with the April 15 revisions to policy 45-01.

The City Controller's audit of LHH's patient gift fund that began in early September was to conclude within six weeks by October 15, but not released to the public until the end of October.

Here it is October 31 and the audit has been extended until November 15, with probable release to the public at the end of November, a month late, leaving observer's wondering whether the new State citation has slowed completion of the gift fund audit.

For a printer-friendly version of this article and the State's new citation against LHH, go to www.stopLHHdownsize.com, and click on the examiner.com icon in the upper left-hand corner.

Feedback: monette-shaw@westsideobserver.com.