

Sherwood Oaks Faces Mounting Challenges

Miller Report for the Week of December 13th, 2021; by William Miller, MD; Chief of Staff at Adventist Health – Mendocino Coast Hospital

The national healthcare staffing shortage continues to be particularly hard felt at Sherwood Oaks, our local nursing home in Ft. Bragg. Due to loss of staff over the past year, some of whom have resigned because of COVID, the facility has been forced to reduce the number of residents it cares for. Licensed for 79 beds, it now has just 36 residents. Will Maloney, the administrator of the nursing home has stated that they need to maintain closer to 55 residents to break even. Sherwood Oaks has had to rely heavily upon traveling nurses which cost almost three times what a permanent staff person would cost. Further, the companies that supply those travelers have stop sending nurses in part due to worsening shortages in nursing across the board. The resulting financial picture is making it increasingly difficult for Sherwood Oaks to afford the premium charged for such travelers.

To compound the situation, Maloney, who has served as the administrator for the past 6 ½ years, is retiring at the end of this year. Just like the shortage of nurses, there is a severe shortage of qualified nursing home administrators making it unlikely that Sherwood Oaks will be able to replace him anytime soon. Coupled with their ongoing vacancy in the director of nursing position, which has been open for six months now, this will leave the facility with a serious administrative leadership vacuum.

As reported previously in The Miller Report of November 8th, the owner of Sherwood Oaks does not own the building or land. Those are being leased by Sherwood Oaks. There is a pending sale of the building to an outside investor named Shlomo Rechnitz. Rechnitz's parent company, Brius Healthcare Services, directly or indirectly controls 81 nursing homes in California. The building has about \$1.5 million of deferred maintenance that will need to be addressed at some point. In the past year Sherwood Oaks has had several site surveys by the California Department of Public Health which oversees nursing homes. Despite the issues raised by these deferred maintenance problems, the facility has always been deemed safe to continue to provide services. None-the-less, many of these issues are serious and need to be addressed.

In the meantime, the combination of a looming, nursing shortfall which may hit in the next few weeks and the loss of administrative leadership does have many observers, including myself, concerned about the potential that Sherwood Oaks might be forced to close. This situation has been reported to the State by Sherwood Oaks, as is required by law. The State, in turn, is currently examining the situation and will make a determination if the nursing home can remain in operation.

If a closure does occur, this will have some very disruptive consequences for the Sherwood Oaks residents and their local families. Currently, there are only five open nursing home beds

elsewhere in the county. When the potential to have to transfer residents came up during the recent COVID outbreak at the facility, it looked like at least some of the residents might end up as far away as Crescent City or Bakersfield with others landing closer to home such as in Cloverdale and Rohnert Park.

Recognizing how important this nursing home is to our community, there have been multiple conversations recently involving government leaders at both the County and City level as well as representatives from the Mendocino healthcare district and foundation. These leaders have met with Sherwood Oaks management to explore ways of avoiding a crisis. The strategies that need to be developed fall into three categories in my opinion. First is what to do immediately to avoid a potential closure of the facility. Next, an intermediate strategy is required to address the deferred maintenance of the facility and this will largely be the responsibility of the new owner, Rechnitz. However, local leadership can and should play a role in helping ensure that such repairs are made. And lastly, there needs to be a long-range plan that stems from what the best model for providing nursing home care will be for our community. Included in that is the question of whether a whole new facility should be built.

In the short run, it seems that the best approach would be to shore up the current staffing. The State might be enticed to send in relief nurses as they did during the recent COVID outbreak at Sherwood Oaks. However, the funds that paid for those nurses came from a federal program specifically tied to emergency response to active COVID outbreaks. The current situation would likely not qualify for those funds, but perhaps the State would apply other resources to help keep the nursing home from closing. This might be a good time to pick up the phone and call your State representatives to put pressure on finding the resources needed to keep Sherwood Oaks open.

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