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Asante leader says ‘Healthcare is in a trough’



Kristen Roy, chief public affairs officer and general counsel with Asante, describes economic headwinds facing healthcare at the Rotary Club of Ashland last Thursday at First United Methodist Church. Damian Mann photo

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Executive cites low patient volumes, rising costs and changing healthcare economics as reasons for cutting inpatient and maternity services in Ashland; other services to remain open

By Damian Mann for Ashland.news

An Asante executive described the economic headwinds facing the Rogue Valley’s largest healthcare provider at a Rotary Club of Ashland meeting Thursday.

“Healthcare is in a trough, and we’re only going to see things get worse,” said Kristen Roy, senior vice president, chief public affairs officer and general counsel with Asante, a nonprofit health care provider serving Southern Oregon and Northern California with hospitals in Grants Pass, Medford and, until it closed May 22, Ashland.

Roy spoke before more than 70 Rotary Club members and guests in Wesley Hall at First United Methodist Church, answering questions about the recent cutbacks at what was Asante Ashland Community Hospital. Signage at the former hospital now says Asante Ashland, a satellite location of Asante Rogue Regional Medical Center.

Rumors have been circulating that Asante's decision to end inpatient care and the birthing center at the hospital is a precursor to the facility's closure.

"That is not true," Roy said.

She said the main reasons for scaling back include the financial realities of operating a 49-bed hospital where, on average, only six beds are occupied daily, and having only 200 births annually.

By comparison, Asante Rogue Regional Medical Center, with 387 beds, records 1,600 births annually. She said Asante is committed to continuing the operations of the Ashland emergency room, lab facilities and imaging center.

"Ashland is not closing completely," she said.

Roy said Asante is planning on opening a new primary care facility this fall at the corner of North Main and Maple streets, a short distance from the hospital.

She said more primary care facilities have opened in Grants Pass, White City and Medford.

Last year, Asante hired 70 providers to bring more staff online and address the healthcare shortage in the valley.

She said 169 nurses were hired last year as well, which she attributed to the continuing partnership with Rogue Community College and Southern Oregon University.

"We had our best year of recruitment ever," she said. "That's just a commitment to growing our medical group."

She said that, unlike other healthcare providers in the state, Asante is not interested in being acquired by other companies.

Roy discussed ongoing financial strains facing Asante.

Greater regulatory requirements in Oregon than in other states put continued pressure on healthcare, she said, citing a 400% increase in hospital licensing fees.

She said hospitals in Oregon are three times as regulated as those in other states.

That regulatory burden, Roy said, is impacting the financial state of Asante. The recent closure of the Surgery Center of Southern Oregon illustrates how the regulatory process has impacted healthcare, she said.

Apart from regulations, Roy said the "Big Beautiful Bill," signed by President Donald Trump in 2025, will cut $663 billion in federal dollars that previously flowed into the healthcare system.

She said most of the bill's repercussions won't hit until 2027 and again in 2028.

Because Medicare and Medicaid don't cover all healthcare costs, Roy said this creates an additional challenge for Asante.

She said the hospital has seen revenues from traditional employer health plans drop from 20% of its budget 10 years ago to 14% in recent years. The revenues from commercial health plans help offset losses for hospitals and providers from Medicare and Medicaid, Roy said.

Hospitals in the Portland area or in Bend are in the 30 to 40% range, which benefits the bottom line.

Roy said the loss of a few large employers in the Rogue Valley has a significant impact on Asante, citing, for example, the loss of about 300 employees when Dutch Bros. left Oregon for Arizona.

"We need more businesses in our valley to support everything," Roy said.

Rotary Club member Mike Scholtes asked what impact the "funding floor" has on the community benefit Asante provides to help lower-income patients.

Roy said Asante provides almost $100 million in community benefit every year, which provides healthcare at lower cost.

She said that Asante got fined by the state for not meeting the three-year average for the community benefit. Roy said this occurred because Asante was being penalized because the three-year average included the benefits provided during the pandemic, when the federal government provided a financial boost to healthcare.

"Our spending floor is way higher than most other hospitals," she said.

Jeff Monosoff, a Rotary Club past president, asked Roy how much Asante has set aside in reserves to deal with ongoing litigation in the case of a former nurse who allegedly replaced fentanyl with tap water in a intravenous fluid. Lawsuits totaling several hundred million dollars have been filed.

Roy responded that she couldn't discuss ongoing litigation.

Monosoff asked, "If the hospital did have to go bankrupt, let's say the commercial use fell below 10% or something, and other problems, could the hospital survive a bankruptcy and stay as a hospital, or what contingency plans are in place for that?"

Roy responded, "Asante has a strong balance sheet." She said Asante has weathered other financial storms.

Rotary Club member Liz Murphy said a friend of hers had some blood clots recently and was treated at Ashland hospital, but then was transported to Rogue in the middle of the night.

"And so I'm trying to figure for me, if I need to go to an ER, or I have a neighbor or friend, where would I take them?" Murphy asked.

Murphy said she's heard that in some cases patients are transported to Asante Three Rivers Medical Center in Grants Pass.

"So, really what kind of ER care are we having?" Murphy said.

Roy said the Ashland ER will treat patients, stabilize them, and, if necessary, transfer them.

She said her own child, who has had ongoing health issues with food allergies and asthma, was taken directly to Rogue to deal with a medical emergency even when Ashland still offered in-patient beds. Roy said heart attack patients have also been transported directly to Rogue.

"But Ashland is a fully staffed, running emergency department, and you should feel safe and comfortable going there," Roy said.

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