

Kim Martin - ONA - Opposition to HB 4074 (2026 session)

Good afternoon Chair Nosse, Vice Chairs, and Committee Members.

Thank you for the opportunity to testify in opposition to HB 4074. My name is Kim Martin, I am a registered nurse, and I serve on my large hospital's staffing committee.

Oregon hospitals frequently claim that the nurse staffing law is driving high costs. However, Oregon-specific financial data shows that far larger and more avoidable costs are driving hospital financial strain.

First, hospitals face major reimbursement shortfalls that are unrelated to staffing laws. Oregon hospitals report that Medicaid reimburses well below the cost of care, creating an annual gap of roughly \$1 billion statewide.¹ This shortfall alone far exceeds the cost of implementing nurse staffing standards.

Second, hospitals incur significant costs from uncompensated and charity care. In 2023, Oregon hospitals reported approximately \$2 billion in community benefit spending, the majority of which was unreimbursed care.² These costs are structural and not caused by staffing requirements.

Third, hospitals have chosen to rely heavily on expensive contract and travel nurses. During and after the pandemic, Oregon hospitals spent hundreds of millions on agency staffing, often paying two to four times the hourly cost of permanent staff.³ This is a management decision, not a mandate of the staffing law.

Finally, rising administrative and operational costs continue to outpace revenue growth. Oregon Public Broadcasting has

documented that hospital supply, administrative, and facility costs have surged faster than revenues, placing pressure on budgets regardless of staffing ratios.⁴

In conclusion, nurse staffing laws are not the primary cost driver in Oregon hospitals. The most significant and avoidable costs are reimbursement shortfalls, unreimbursed care, overreliance on contract labor, and growing administrative overhead. Addressing these issues will do far more to stabilize hospital finances than weakening patient safety laws.

Footnotes

1. Oregon Association of Hospitals and Health Systems, community benefit and Medicaid shortfall reports.
2. Oregon Health Authority, FY2023 Community Benefit Data Brief.
3. Oregon Public Broadcasting, reporting on hospital labor costs and travel nurse spending.
4. Oregon Public Broadcasting, 'Oregon hospital revenues rebound but costs surge,' March 2024.