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February 9, 2026

David A. Cauble  
President & CEO

The Honorable Rob Nosse, Chair  
House Committee on Health Care  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

**Re: Testimony in Support of Proposed Amendments to HB 4074**

Dear Chair Nosse and Members of the Committee:

For the record, my name is David Cauble, and I serve as CEO at Sky Lakes Medical Center located in Klamath Falls. I am here today in support of the Proposed Amendments to House Bill 4074.

Rural hospitals, like Sky Lakes, are deeply committed to safe nurse staffing and excellent patient care. But we operate in extraordinarily fragile environments—limited workforce supply, geographic isolation, thin margins, and a heavy Medicare and Medicaid mix.

This amendment seeks to update the definition of a Type C hospital and to provide Type C hospitals with the same recognition as Type A and Type B hospitals related to the implementation requirements of the Hospital Staffing Law. The current definition of a Type C hospital in ORS 442.470 specifically excludes rural hospitals that are also referral centers from the Type C designation. The proposed amendment would remove the referral center restriction and allow Sky Lakes to be classified as a Type C rural hospital.

Sky Lakes is the sole community hospital with a 10,000 square mile service area covering rural communities across southern Oregon and parts of Northern California. Without Sky Lakes, the 80,000 plus patients living in our service area would otherwise face hours of travel for routine as well as emergency or inpatient care. Sky Lakes is specially designated by CMS and the Oregon Office of Rural Health as a Sole Community Hospital and a Rural Referral Center, one of only 2 hospitals in the state with this specific designation. As noted, the current definition of a Type C hospital specifically excludes rural hospitals that are referral centers, like Sky Lakes, even though we function as a rural hub and face the same workforce shortages and cost pressures as smaller rural facilities.

For communities like ours, flexibility is not optional—it is essential.

Since Oregon's staffing law took effect, Sky Lakes has experienced **approximately a six-million-dollar increase in annual labor expense** tied directly to compliance in an already constrained labor market. That level of cost growth is unsustainable for any rural system—and it underscores why committee-approved variances and real-time local judgment are necessary to keep services available.

Workforce shortages, winter storms, wildfire seasons, and sudden patient surges are daily realities in rural Oregon. The ability for nurse staffing committees to approve adjustments—while transparently reporting



to the Oregon Health Authority—helps us keep beds open, maintain emergency services, and avoid diverting patients far from home.

This amendment strikes the right balance. It protects patients and nurses, preserves committee authority, and provide the flexibility rural hospitals need to keep their doors open.

And at Sky Lakes, that flexibility directly supports our mission of inspiring human potential through better health for every person living in the rural communities we serve.

Thank you for your time.

A handwritten signature in blue ink that reads "David A. Cauble".

David A. Cauble  
President and CEO  
Sky Lakes Medical Center