

HB21-1286 Building Energy

My name is Arlene Miles and I am testifying on behalf of the Colorado Health Care Association, representing 90% of the nursing homes in Colorado. I thank you for giving us the opportunity to express our concerns regarding the Building Energy bill (HB21-1286). We request that an amendment be added to the bill to exempt nursing homes from the provisions of the bill. We recognize the bill already exempts a building in which more than half of the gross floor area is used for Manufacturing, industrial or agricultural grow so there is precedent for exemptions

In addition to the exemptions outlined above, the bill exempts government owned buildings. This means that the state veteran nursing homes, and county owned nursing homes would be exempt and therefore it is reasonable to request that the not-for-profit and the other nursing homes in the private sector be exempt.

Most nursing homes are Medicaid they have less than 1% profit margin their cash flow is extremely stressed because of Medicaid 's budget cuts. They do not have the ability to cash flow certain improvements and wait for five years to recover the cost from alleged lower utilities. One facility in Boulder where this is already an energy requirement had to spend \$100k to come into compliance. That is money that should have been spent on staff

Many nursing homes in Colorado were built in the 60s and 70's and the building themselves are not conducive to upgrades. Some nursing homes are continuing care retirement communities. They may have a building for the nursing home, a part of the building is residential, and a part of the building is assisted living. An example would be Windcrest on C470 and Santa Fe. With the benchmark be calculated based on the nursing home the assisted-living portion or the residential person.

Nursing homes operate 24/7. The temperature of the building is defined in regulations. In addition, the ability to control how often lights are turned off is not optional.

The ownership structure for some nursing facilities is complicated. The facility may be owned by a real estate investment trust. The REIT will then lease the building to another operator or hire a management company. It is not clear who would be responsible for the reporting. In addition, sometimes the Department of health will designated a management company to go into a troubled facility to get it in compliance. That management company neither owns the facility nor do they benefit from any profits of the facility. Are they expected to report during the 90 days are 120 days that they may be operating the facility under the direction of CDPHE.

As a result of the points made, we request that nursing homes and continuing care retirement facilities be excepted from this bill.