



COLORADO

Executive Director's Office

Department of Personnel
& Administration

1525 Sherman St.
Denver, CO 80203

Honorable Senator Kent Lambert
Chair, Joint Budget Committee

Honorable Senator Irene Aguilar
Chair, Senate Health and Human Services Committee
Honorable Senator Kevin Lundberg

Honorable Representative Beth McCann
Chair, House Health, Insurance and Environment Committee

Honorable Representative Dianne Primavera
Chair, House Public Health Care and Human Services Committee

Colorado General Assembly
200 East 14th Avenue
Denver, CO 80203

December 18, 2014

Dear Senator Lambert, Senator Aguilar, Representative McCann, Representative Primavera,
Senator Lundberg:

Pursuant to Section 24-50-609 CRS (2014), the General Assembly established the supplemental state contribution program for eligible state employees with the intent to provide access to affordable and adequate health insurance offered by the state to as many children of lower-income state employees as possible, and to encourage lower-income employees with dependent children to enroll in health insurance plans by supplementing the plan premiums.

The program is managed and administered by the Department of Personnel & Administration. A state employee must apply and meet eligibility requirements for the supplement based on criteria established within the statute. Eligibility criteria includes an employee as defined in Section 24-50-603(5) CRS (2014) who is eligible by virtue of employment to enroll in a group benefit plan, has an annual household income of less than 300 percent of the Federal Poverty Level (FPL) and has at least one dependent other than a legal spouse.

Pursuant to the Statute, the Department must first use funds to provide each eligible state employee who has an annual household income of less than 200 percent FPL (Level 1) with a supplement in the amount needed to reduce the employee contribution to all qualifying group benefit plans to zero. Next, remaining funds shall be used to provide an eligible state employee who has an annual income of 200-249 percent FPL (Level 2) supplement. Finally, remaining funds shall be used for an eligible state employee who has an annual income of 250-299 percent FPL (Level 3). Supplements are provided to eligible employees at each level in priority order if funds are available. All supplement contributions are paid from the supplemental state contribution fund created in Section 24-60-609 (5), CRS (2014).



Fiscal Year 2014-15

For FY 2014-15, the amount available in the supplemental state contribution fund to supplement the medical premiums of eligible state employee was \$1,355,270. The Department received 813 applications. Of these applications, a total of 150 were denied because they did not meet the requirements of the program or their applications remained incomplete when the application period closed.

Of the remaining 663 applications processed by the Department, a total of 423 were approved for Level 1. Because of the limited funds available to the program, the remaining 240 were rejected because of the unavailability of funds for Level 2 and Level 3. Pursuant to Section 24-60-609.5 CRS, supplement contributions are contingent upon sufficient funds.

Of the 423 participants approved for Level 1, ten applicants terminated from the program after being approved as a result of not adding dependent children during special open enrollment and three applicants terminated employment with the state. When all terminations and adjustments were made, a total of 410 employees received the supplemental contribution when the program began making contributions for FY 2014-15.

As of November 30, 2014, 399 state employees receive the supplemental contribution on a monthly basis. This number differs from the 410 who initially received the contribution because of 11 participant terminations from the program. Terminations can occur for various reasons including separation from state employment and other personal choices.

Supplemental State Contribution Program Information

Pursuant to Section 24-50-609.5(5) CRS (2014), the Department is required to report the specific information in the table below regarding the supplemental state contribution program for the current fiscal year and prior state fiscal years in which supplements were provided.

Fiscal Year (FY)	Number of eligible state employees receiving the supplemental contribution	Total amount of supplements paid (previous fiscal years) and will be paid (current fiscal year)	Average monthly amount of the individual supplements provided	Average yearly amount of the individual supplements provided	Number of dependent children of eligible state employees	Amount of increased non-supplemental state contributions
2008-2009	475	\$1,496,279	\$262.51	\$3,150	1,100	\$135,987
2009-2010	623	\$1,553,426	\$207.79	\$2,493	1,546	\$144,454
2010-2011*	358	\$451,185	\$105.02	\$1,260	911	\$58,621
2011-2012	617	\$1,284,916	\$167.40	\$2,009	1,710	\$89,797
2012-2013	582	\$1,292,424	\$187.22	\$2,247	1,736	\$90,591
2013-2014	500	\$1,413,013	\$215.16	\$2,582	1,275	\$88,573
2014-2015	399**	\$1,355,270	\$231.06	\$2,773	1,046	\$43,644



Please Note: The enrollment numbers used in this chart reflect the participants enrolled in the supplement program at the end of the calendar year except for FY 2014-2015. There may be slight variances in the average monthly and yearly numbers due to rounding or changes in enrollment in the program throughout the fiscal years.

**The numbers displayed for FY 2010-11 are lower because of the limited funding available for supplemental contributions in the fiscal year.*

***The number of employees displayed is as of 11/30/2014.*

Sincerely,



Kathy Nesbitt
Executive Director
Department of Personnel & Administration

cc: Members of the Joint Budget Committee
Members of the Senate Health and Human Services Committee
Members of the House Health, Insurance and Environment Committee
Members of the House Public Health Care and Human Services Committee



