



COLORADO
Executive Director's Office
Department of Personnel
& Administration

January 14, 2016

Honorable Representative Millie Hamner
Chair, Joint Budget Committee

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

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

Dear Representative Hamner, et al.:

Pursuant to Section 24-50-609 C.R.S. (2015), the General Assembly established the Supplemental State Contribution Program (SSCP) 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) C.R.S. (2015) 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), C.R.S. (2015).



Fiscal Year 2015-16

For FY 2015-16, the amount available in the Supplemental State Contribution Fund to supplement the medical premiums of eligible State employees was \$1,536,250. The Department received 536 applications for the supplement program. Of these applications, a total of 39 were denied because they did not meet the requirements of the program or their applications remained incomplete when the application period closed. Four applications that were approved for employees who needed to add children during the special open enrollment period were later declined due to the employees' failure to enroll their children.

Of the remaining 493 applications processed by the Department, a total of 303 were approved for Level 1 and 141 were approved for Level 2. Forty-nine applications for Level 3 were declined because of the unavailability of funding. Pursuant to Section 24-60-609.5 C.R.S. (2015), supplement contributions are contingent upon sufficient funds. A total of 444 employees received the supplemental contribution when the program began making contributions for FY 2015-16. A 100% supplemental monthly contribution was available for Level 1 and a supplemental monthly contribution of \$155.50 (or the employees' total contribution whichever was less) for Level 2.

Presently, 424 state employees continue to receive the supplemental contribution on a monthly basis. There have been 20 participant terminations from the program between July 1, 2015 and November 30, 2015. Terminations can occur for various reasons including separation from State employment and other personal choices. The number of children remaining covered is 1,143, down 65 from the beginning of the fiscal year due to enrolled employee terminations.

Supplemental State Contribution Program Information

Pursuant to Section 24-50-609.5(5) C.R.S. (2015), 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 FY) and to be paid (current FY)	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
2008-09	475	\$1,496,279	\$262.51	\$3,150	1,100	\$135,987
2009-10	623	\$1,553,426	\$207.79	\$2,493	1,546	\$144,454
2010-11	358	\$451,185	\$105.02	\$1,260	911	\$58,621
2011-12	617	\$1,284,916	\$167.40	\$2,009	1,710	\$89,797
2012-13	582	\$1,292,424	\$187.22	\$2,247	1,736	\$90,591
2013-14	500	\$1,413,013	\$215.16	\$2,582	1,275	\$88,573
2014-15*	380	\$1,300,392	\$285.17	\$3,422	999	\$43,644
2015-16**	424	\$1,536,250	\$237.28	\$2,847	1,143	\$56,581

*Figures for FY 2014-15 have been updated to reflect eligible employees and dependent children as of fiscal year end as well as actual total supplements paid. There may be slight adjustments to the average monthly and yearly numbers due to changes in enrollment in the program during the fiscal year. The Department's November 2, 2015 letter regarding the Supplemental State



Contribution Fund estimated that the amount of supplements paid in FY 2014-15 would be equal to the amount available, or \$1,355,270 – the table above provides the final figures for that fiscal year, including the number of employees receiving a supplement at the end of FY 2014-15.

***FY 2015-16 eligible employees and dependent children as of 11/30/2015. Total projected supplements for the current fiscal year may be lower than originally estimated due to enrollment changes within the fiscal year. The average monthly and yearly costs reflect the projected supplement provided to employees based on enrollment and funding available at the beginning of the fiscal year.*

Sincerely,



June Taylor
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 & Environment Committee
Members of the House Public Health Care & Human Services Committee

