



**COLORADO**

**Executive Director's Office**

Department of Personnel  
& Administration

January 13, 2017

Honorable Senator Kent D. Lambert  
Chair, Joint Budget Committee

Honorable Senator Jim Smallwood  
Chair, Senate Health and Human Services Committee

Honorable Representative Joann Ginal, Ph.D.  
Chair, House Health, Insurance and Environment Committee

Honorable Representative Jonathan Singer  
Chair, House Public Health Care and Human Services Committee

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

Dear Senator Lambert, et al:

Pursuant to Section 24-50-609 C.R.S. (2016), 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 (2016) 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) with a 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 24-50-609 (5), C.R.S. (2016).

#### **Fiscal Year 2016-17**

For FY 2016-17, the amount available in the Supplemental State Contribution Fund to supplement the medical premiums of eligible state employees was \$1,272,965. The Department received 542 applications for the supplement program. Of these applications, a total of 74 were denied because they did not meet the requirements of the program or their applications remained incomplete when the application period closed. Six applications that were approved for employees who needed to add children during the special open



enrollment period were later declined since the employees did not enroll their children, therefore making them ineligible for the supplements.

Of the remaining 462 applications processed by the Department, a total of 251 were approved for Level 1 and 165 were approved for Level 2. Forty-six applications for Level 3 were declined because of the unavailability of funding. Pursuant to Section 24-50-609.5 C.R.S. (2016), supplement contributions are contingent upon sufficient funds. Prior to the start of the program, six additional employees approved for the program terminated employment. A total of 410 employees received the supplemental contribution when the program began making contributions for FY 2016-17. A 100% supplemental monthly contribution was available for Level 1 and a supplemental monthly contribution of \$306 (or the employees' total contribution whichever was less) for Level 2.

Presently, 400 state employees continue to receive the supplemental contribution on a monthly basis. One additional application originally declined for Level 1 was approved in December. There have been 11 participant terminations from the program between September 1, 2016 and November 30, 2016. Terminations can occur for various reasons including separation from state employment and other personal choices. The number of children remaining covered is 1,120, down 41 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. (2016), 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	380	\$1,300,392	\$285.17	\$3,422	999	\$43,644
2015-2016 *	406	\$1,145,337	\$235.08	\$2,821	1,123	\$56,581
2016-2017**	400	\$1,272,965	\$265.20	\$3,182	1,120	\$7,149

\*Figures for FY 2015-16 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.

\*\*FY 2016-17 eligible employees and dependent children as of 12/31/16. Total projected supplement 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 available funds and enrollment 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



