



COLORADO
Executive Director's Office
Department of Personnel
& Administration

January 15, 2019

Honorable Senator Dominick Moreno
Chair, Joint Budget Committee

Honorable Senator Rhonda Fields
Chair, Senate Health and Human Services Committee

Honorable Representative Susan Lontine
Chair, House Health and Insurance 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 Moreno, et al:

Pursuant to Section 24-50-609 C.R.S., the General Assembly established the Supplemental State Contribution Program (SSCP) for eligible state employees. The intent is 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. 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 eligible state employees who have an annual income of 200-249 percent FPL (level 2) with a supplement. Finally, remaining funds shall be used for each 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.



Fiscal Year 2018-19

For FY 2018-19, the amount available in the Supplemental State Contribution Fund to supplement the medical premiums of eligible state employees was \$2,565,427. The Department received 512 applications for the supplement program. Of these applications, a total of 57 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 454 applications processed by the Department, a total of 223 were approved for Level 1, 148 were approved for level 2, and 82 were approved for level 3. An additional one application was received from a new hire after the close of open enrollment but prior to July 31, 2018 at level 2. Pursuant to Section 24-50-609.5 C.R.S., supplement contributions are contingent upon sufficient funds. A total of 454 employees received the supplemental contribution when the program began making contributions for FY 2018-19. A 100% supplemental monthly contribution was available for all three levels.

Presently, 441 state employees continue to receive the supplemental contribution on a monthly basis. There have been 13 participant terminations from the program between July 1, 2018 and November 30, 2018. Terminations can occur for various reasons including separation from state employment and other personal choices. The number of children remaining covered is 1,104, down 32 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., the Department is required to report the specific information in the table on the following page regarding the supplemental state contribution program for the current fiscal year and prior state fiscal years in which supplements were provided.

Sincerely,



Kara Veitch
Acting Executive Director
Department of Personnel & Administration

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



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	378	\$1,237,118	\$272.73	\$3,273	1,059	\$7,149
2017-2018*	426	\$1,402,620	\$274.38	\$3,293	1,125	\$14,834
2018-2019**	441	\$2,565,427***	\$484.77	\$5,817	1,104	\$54,636

*Figures for FY 2017-18 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.

**2018-19 eligible employees and dependent children as of 11/30/18. 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.

***The total amount available for the Program for FY 2018-19 was in excess of cost to fund all applicants medical premiums at 100% for the fiscal year.



