



January 13, 2020

Honorable Representative Daneya Esgar  
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 Representative Esgar, 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 statutory based eligibility requirements. Eligibility criteria include: (1) an employee as defined in Section 24-50-603 (5), C.R.S. who is eligible to enroll in a group benefit plan, (2) has an annual household income of less than 300 percent of the Federal Poverty Level (FPL), and (3) has at least one dependent other than a spouse.

Pursuant to the Section 24-50-609.5 C.R.S., if available funding is not sufficient to reduce all eligible state employees' contribution to zero, then the eligible state employees are assigned to tiers based on annual household income: level 1, annual household income less than 200 percent of FPL; level 2, annual household income between 200-249 percent of FPL, and level 3; 250-299 percent of FPL. Funding is then applied to state employees at each level in priority order at the lesser of the amount necessary to reduce the employee contribution to zero or an equivalent percentage for each eligible state employee in that level that uses all of the available principle. All supplement contributions are paid from the Supplemental State Contribution Fund created in Section 24-50-609 (5), C.R.S.

#### **Fiscal Year 2019-20**

For FY 2019-20, the amount available in the Supplemental State Contribution Fund to supplement the medical premiums of eligible state employees was \$3,018,844. The Department received 542 applications. Of these applications, a total of 98 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 444 applications, a total of 177 were approved for Level 1, 156 were approved for level 2, and 111 were approved for level 3. One application was denied because dependent children were not added to the medical plan during the special open enrollment period. No applications were received from a new hire after the close of open enrollment but prior to July 31, 2019. A total of 443 employees received the supplemental contribution when the program began making contributions for FY 2019-20. A 100 percent supplemental monthly contribution was available for all three levels.

Presently, 428 state employees continue to receive the supplemental contribution on a monthly basis. There have been 15 participant terminations from the program between July 1, 2019 and November 30, 2019. Terminations can occur for various reasons including separation from state employment and other personal choices. The number of children remaining covered is 1,056, down 36 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 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	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
2019-2020**	443	\$3,018,844***	\$306.10	\$3,673	1,056	\$14,697

*\*Figures for FY 2018-19 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 2019-20 eligible employees and dependent children as of 11/30/19. 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 2019-20 was in excess of cost to fund all applicants medical premiums at 100% for the fiscal year.*

Sincerely,



Kara Veitch  
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

