



January 15, 2024

Honorable Representative Shannon Bird
Chair, Joint Budget Committee

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

Honorable Representative Lindsey Daugherty
Chair, House Health & Human Services Committee

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

Dear Representative Bird, 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 Department of Personnel & Administration manages and administers the program.

A state employee must apply and meet statutorily 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. State employees at each level in priority order receive 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 2023-24

For FY 2023-24 the amount available in the Supplemental State Contribution Fund to supplement the medical premiums of eligible state employees was \$6,017,095. The Department received 535 applications. Of these applications, a total of 30 were denied because they did not meet the requirements of the program or their applications remained incomplete when the application period closed.

Application Status	Count of Applications
Applications Received	535
Denials due to Program Ineligibility or Incomplete Application	30
Remaining Eligible Applications	505
Level 1 Approval	179
Level 2 Approval	193
Level 3 Approval	133
Total Authorized Approvals FY 2023-24	505
Dependent Children Not Added	3
Declined Assistance	2
Termination prior to plan year start	6
Total Employees Authorized for Payments Beginning FY 2023-24	494
Total Employees Receiving Payments November 30, 2023	481

Of the remaining 505 applications, a total of 179 were approved for Level 1, 193 were approved for level 2, and 133 were approved for level 3. Three applications were denied because dependent children were not added to the medical plan during the special open enrollment period; two people who were approved declined the assistance; and six employees terminated before the start of the plan year. A total of 494 employees received the supplemental contribution when the program began making contributions for FY 2023-24. A 100 percent supplemental monthly contribution was available for all three levels.

Presently, 481 state employees continue to receive the supplemental contribution on a monthly basis. There have been 13 participant terminations from the program between July 1, 2023 and November 30, 2023. Terminations can occur for various reasons including separation from state employment and other personal choices. The number of children remaining covered is 1131, up 10 from the beginning of the fiscal year due to enrolled employee terminations and addition of children due to births and other qualifying events.

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 ¹
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	\$1,575,881	\$296.44	\$3,557	1,056	\$14,697
2020-2021	387	\$1,242,883	\$267.63	\$3,212	926	\$125,224
2021-2022	343	\$1,146,160	\$278.46	\$3,097	823	\$187,361
2022-2023*	344	\$1,101,911	\$266.94	\$3,203	817	\$136,652
2023-2024**	481	\$1,232,760	\$247.38	\$2969	1131	\$160,482

*Figures for FY 2022-23 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 2023-24 eligible employees and dependent children as of 11/30/2023. 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,



Tony Gherardini
Executive Director
Department of Personnel & Administration

¹ §24-50-609.5 (3)(c)(II), C.R.S. defines “Increased nonsupplemental state contributions” as “the aggregate amount of increases in state contributions, excluding supplements, resulting from: (A) Enrollment in qualifying group benefit plans of eligible state employees who applied for supplements for the fiscal year and were not enrolled in qualifying group benefit plans during the prior fiscal year; and (B) Addition of dependents who were not covered by a qualifying group benefit plan during the prior fiscal year to the qualifying group benefit plans of eligible state employees who applied for supplements during the fiscal year.”



cc: Members of the Joint Budget Committee
Members of the Senate Health & Human Services Committee
Members of the House Health & Insurance Committee
Legislative Council Staff

