

Information for Human Resources and Business Risk Professionals in the Colorado State Personnel System

The top section of this announcement is for HR professionals in the State; the second section is designed for state employees and for your ease, may be cut and pasted into e-mail for HR personnel to send to your respective employees.

MEDICAL INSURANCE SUPPLEMENT TO BE AVAILABLE FOR SOME LOW-INCOME FAMILIES**APPLICATION PERIOD FOR THE SUPPLEMENT: JULY 28 TO AUGUST 15, 2008**

[HB07-1335](#), a bill designed to address the cost of medical insurance for low-income state employees with children, will be implemented during the current FY09 Plan Year (July 1, 2008 – June 30, 2009). A supplement for reducing the cost of medical insurance will be available to some qualified low-income state employees with dependent children. The money for this program derives from the State's share of the settlement from the federal tobacco lawsuit.

It should be emphasized to employees that not everyone who meets the minimum qualifications will receive the supplement, as the money is to be awarded based upon demonstrated need and within the parameters of HB07-1335. There are many qualifiers stipulated in the statute regarding distribution of the money, and employees should understand that the supplement likely will not cover 100% of medical insurance premiums, but will only pay a portion of those costs to families who are most in need of it.

What will be asked of the HR community in the departments and colleges to assist in the implementation of this program?

- Provide information to employees about the supplement program and the application process. See "Communication Tools for Departments" below.
- Assist employees with accessing the online application - available at the Employee Benefits Web site, www.colorado.gov/dpa/dhr/benefits.
- Assist employees in completing the application. The application only requires basic demographic information on household members, 2007 income for household adults and recent insurance information, but some employees may still require help.
- Make sure employees are aware of the eligibility requirements and the need for 2007 household income information (see "Application Process & Timeline" below).
- Ensure that employees not currently enrolled in a State medical option understand that they can also apply for the supplement. If approved, these employees will be given an opportunity to enroll, with the supplement to go into effect when their insurance becomes effective (10/1/08). Those approved who are currently enrolled will receive a credit for July, August and September premiums, and from October on, their premium will be discounted by the amount of the supplement.
- Emphasize the application period – the deadline will not be extended and incomplete applications will not be reviewed.

Communication Tools for Departments

- The second section of this *Advisor* is designed to be cut and pasted into an e-mail for your employees.
- The July issue of *HealthLine*, the employee benefits newsletter, will be posted on Friday, July 18, with a lead article on this supplement program.
- Web site for this supplement program, accessed through the Employee Benefits Web site – www.colorado.gov/dpa/dhr/benefits, find the link for "FY09 Supplement Program" in "Benefits News"

- Posters can be ordered **now** for delivery next week (week of July 21). DPA will pay for these to be mailed to your department. These would be placed in common or high traffic areas and are designed to reach those who may not be in front of computers.
 - Placing orders for posters – Send an e-mail to Melissa Wilkerson – mel.wilkerson@state.co.us of Integrated Document Solutions of DPA. You must provide:
 - The number of posters you want
 - Mailing address where you want them delivered
 - Contact name and phone number in your department

Supplement Program Details

Who's Eligible?

MINIMUM qualifications for State employees

1. **Have been hired prior to July 1, 2008**
2. **Be eligible for state medical insurance options**
3. **Have a dependent child eligible for state medical coverage.**
4. **Have a 2007 calendar year, household income of 300% or less of the Federal Poverty Level (FPL) ([What are these levels?](#))** The FPL is tied to the number of persons in your household. *
5. **Have filed federal income tax returns for 2007**
6. **Employee and dependent children (and spouse if desired) must be enrolled in or willing to enroll in one of the State's medical insurance options for the FY09 Plan Year (July 1, 2008 – June 30, 2009).** **

* *Example – 300% of the Federal Poverty Level for a single parent with two children (a total of three household members) is \$51,510. **Caution:** Please read the third bullet under "Important Information" later in this article for a discussion on how the money is to be distributed among those at 200%, 250% and 300% of the Federal Poverty Level.*

** *Employees NOT currently enrolled in one of the State's medical options, but who meet the eligibility requirements may apply for the supplement. If approved, these employees will be given an opportunity to enroll in State medical coverage. At that time, the approximate amount of the supplement will be known and if that amount still does not make medical insurance affordable for an employee, that employee **will not** be required to accept the supplement or to enroll in the State's medical insurance.*

Application Process & Timeline

- **Application period: July 28 – August 15, 2008.** Employees must use the online application process available through the Employee Benefits Web site – www.colorado.gov/dpa/dhr/benefits. Find the link for "**FY09 Supplement Program.**"
- Because the amount allocated for this supplement program will not be determined until September 2008, employees should understand that the exact amount of the supplement will not be available in advance. The supplement **WILL PROBABLY NOT** cover 100% of medical insurance premiums.
- The application will require information on the employee, family members, household members, household income and recent medical insurance.
- No documentation has to be turned in with the online application, but prior to the awarding of supplements, employees will be required to provide household income documents for all adults (2007 federal tax returns) and documentation that shows dependent children are eligible dependents under state statute (such as birth certificates).

August

- After the application period closes, applications will be reviewed.

September

- Those whose applications are initially approved will be contacted with further instructions regarding documentation.
- Applicants not currently enrolled in a medical option, or whose dependent children are not enrolled, will be contacted and given the opportunity to enroll in medical insurance. Applicants and their dependents currently enrolled will not have to do anything regarding enrollment at this time.

October – Supplements awarded.

Important Information

- Employees with limited computer or Internet access should contact their departments' human resources (HR) offices. Personnel in these offices will offer their employees assistance in accessing and completing the online application.
 - The Federal Poverty Levels related to this program can be viewed at www.colorado.gov/dpa/dhr/benefits/docs1/related/07povertyguide.pdf.
 - Qualified applicants will be divided into three tiers.
 - Tier 1** – Household income at or under 200% of the Federal Poverty Level
 - Tier 2** – Household income at or between 201% and 250% of the Federal Poverty Level
 - Tier 3** – Household income at or between 251% and 300% of the Federal Poverty Level
- HB 07 – 1335, passed by the Colorado legislature in 2007, states that the money is to be distributed first to Tier 1 applicants. Money is not to be distributed to Tier 2 applicants until 100% of the premium for all applicants in Tier 1 can be covered by the supplement. It is very unlikely that 100% of premium can be covered for all Tier 1 applicants. It is more probable that qualified Tier 1 applicants will receive a supplement that will cover a portion of their medical premiums, and Tier 2 and Tier 3 applicants will not receive anything. *The amounts of the supplements will be determined by the total number of qualified applicants, available funds, and the cost of the insurance chosen by those applicants.*
- Employees, or dependent children, not currently enrolled in one of the State's medical insurance options will be given the opportunity to enroll, once it has been determined that the qualifications have been met.
 - If currently enrolled in a state medical option, employees must retain the option in which they are currently enrolled.
 - Household income is the income of all adults who are living in the household, under one roof. The household income must be at or under 300% of the Federal Poverty Level to meet the minimum qualifications.
 - [House Bill 07-1335](#) initiated this health insurance supplement program.

The following information should be sent directly to employees via e-mail along with your department's benefits or human resources contact information

Subject: Medical Insurance Supplement

Medical Insurance Supplement to be Available for Some Low-Income Families – Apply for the Supplement July 28 to August 15, 2008

In 2007, Governor Ritter signed HB07-1335, a bill passed by the Colorado legislature designed to address the cost of medical insurance for low-income state employees with children. This bill will be implemented in the current FY09 Plan Year (July 1, 2008 – June 30, 2009) and a supplement for reducing the cost of medical insurance will be available to some qualified low-income state employees with dependent children.

Not everyone who meets the minimum qualifications will receive the supplement, as the money is to be awarded based upon demonstrated need and within the parameters of HB07-1335. There are many statutory qualifiers regarding the distribution of the money for this program, meaning that the supplement probably will not completely cover the cost of medical insurance premiums, but should pay a *portion* of those premiums.

Who's Eligible?

MINIMUM qualifications for State employees

- 1. Have been hired prior to July 1, 2008**
- 2. Be eligible for state medical insurance options**
- 3. Have a dependent child eligible for state medical coverage.**
- 4. Have a 2007 calendar year, household income of 300% or less of the Federal Poverty Level ([What are these levels?](#))**
- 5. Have filed federal and state income tax for 2007**
- 6. Employee and dependent children (and spouse if desired) must be enrolled in or willing to enroll in one of the State's medical insurance options for the FY09 Plan Year (July 1, 2008 – June 30, 2009).**

Important Information

- **Application period: July 28 – August 15, 2008.** Employees must use the online application process available through the Employee Benefits Web site – www.colorado.gov/dpa/dhr/benefits. Find the link for “**FY09 Supplement Program.**”
- Employees with limited computer or Internet access should contact their departments' human resources (HR) offices. Personnel in these offices will offer their employees assistance in accessing and completing the online application.
- Because the amount allocated for this supplement program will not be determined until September 2008, employees should understand that the exact amount of the supplement will not be available in advance. The supplement WILL PROBABLY NOT cover 100% of medical insurance premiums.
- Supplements will be awarded in October.

More information on this program, including access to the online application system, can be found on the Employee Benefits Web site, www.colorado.gov/dpa/dhr/benefits - look for the link to “FY09 Supplement Program” or in the July issue of HealthLine, the Employee Benefits newsletter. For additional questions, call 303.866.3434 / 1.800.719.3434.