

CHAPTER 4

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**GOVERNMENT - STATE**

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**SENATE BILL 01S2-022**

BY SENATOR(S) Thiebaut, Hagedorn, Hernandez, Anderson, Arnold, Chlouber, Entz, Evans, Fitz-Gerald, Gordon, Hanna, Isgar, Linkhart, Matsunaka, Nichol, Pascoe, Perlmutter, Phillips, Reeves, Takis, Tate, Taylor, Tupa, and Windels;  
also REPRESENTATIVE(S) Spradley, Borodkin, Boyd, Coleman, Daniel, Groff, Hodge, Hoppe, Kester, Lawrence, Mace, Madden, Marshall, Plant, Ragsdale, Romanoff, Sanchez, Stafford, Tochtrop, Vigil, and Williams S.

**AN ACT**

**CONCERNING AN INCREASE IN THE STATE CONTRIBUTION FOR EMPLOYEES ENROLLED IN GROUP BENEFIT PLANS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares that:

(a) Health insurance rates throughout Colorado and across the country are rising more rapidly and steeply than anticipated, in some cases resulting in a premium increase of three times the rate of inflation for the 2002 calendar year.

(b) Increased health insurance costs dramatically affect state employees, whose employer, the state of Colorado, is limited by various budgetary and fiscal constraints in the amount it is able to contribute to pay a portion of the premium for health insurance for state employees and their dependents.

(c) This problem is more keenly felt by employees in Pueblo county, who are experiencing an even steeper rise in premiums due in part to the fact that fewer state employees reside in Pueblo, that the overall residents in Pueblo are an older population with a higher prevalence of specific chronic illnesses that result in greater utilization of medical care, and that the state was unable to negotiate a lower premium on behalf of state employees residing in Pueblo county while maintaining a choice in health care plans.

(d) Absent an increase in the state contribution for health insurance, state employees will be forced to bear the entire brunt of the increase in health insurance

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

premiums, with employees residing in Pueblo county incurring an even greater increase due to the higher premiums in that area of the state.

(e) In an effort to lessen the burden of increasing health insurance costs on state employees and to level the burden born by state employees regardless of their place of residence in the state, it is the declared policy of the state of Colorado to increase the state contribution for health insurance for state employees, as permissible given the budgetary and fiscal constraints imposed on the state, to keep pace with increasing health insurance costs, and to contribute an additional amount for state employees residing in Pueblo county in order to provide parity between state contributions for state employees residing in Pueblo county and state employees residing outside Pueblo county.

(2) The general assembly further finds and declares that, while it is important for the state to address the higher costs of health insurance experienced by state employees residing in Pueblo county by providing an increase in the state contribution for said employees, the provision of such increase shall not obligate the state to provide increases in the state contribution for group benefit plans for any state employees in any future year.

**SECTION 2.** 24-50-609 (2), Colorado Revised Statutes, is amended, and the said 24-50-609 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**24-50-609. State contributions.** (2) (a) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), effective December 1, 2000, THROUGH NOVEMBER 30, 2001, the state of Colorado shall contribute an amount necessary to pay one hundred sixty dollars per month per single employee, two hundred thirty dollars per month per employee with one covered dependent, and three hundred sixteen dollars per month per employee with two or more covered dependents for each employee enrolled in group benefit plans that include enrollment in medical benefits. ~~On December 1, 2001, and on December 1 of each year thereafter, the director shall recommend to the joint budget committee of the general assembly that the contribution amounts specified in this subsection (2) be adjusted in accordance with the change in the consumer price index for the Denver-Boulder metropolitan statistical area for the preceding calendar year, but in no event shall the state contribution exceed the amount recommended by the director in the annual total compensation survey prepared pursuant to section 24-50-104 (4). For purposes of this section, the term "employee" does not include elected state officials who do not receive compensation other than expense reimbursements from state funds.~~

(II) EFFECTIVE DECEMBER 1, 2000, FOR EMPLOYEES WHO ARE ELECTED STATE OFFICIALS WHO RECEIVE COMPENSATION OTHER THAN EXPENSE REIMBURSEMENTS FROM STATE FUNDS, THE STATE OF COLORADO SHALL CONTRIBUTE AN AMOUNT NECESSARY TO PAY ONE HUNDRED SIXTY DOLLARS PER MONTH PER SINGLE EMPLOYEE, TWO HUNDRED THIRTY DOLLARS PER MONTH PER EMPLOYEE WITH ONE COVERED DEPENDENT, AND THREE HUNDRED SIXTEEN DOLLARS PER MONTH PER EMPLOYEE WITH TWO OR MORE COVERED DEPENDENTS FOR EACH EMPLOYEE ENROLLED IN GROUP BENEFIT PLANS THAT INCLUDE ENROLLMENT IN MEDICAL BENEFITS.

(b) (I) EFFECTIVE DECEMBER 1, 2001, THROUGH NOVEMBER 30, 2002, FOR EMPLOYEES OTHER THAN ELECTED STATE OFFICIALS WHO RECEIVE COMPENSATION OTHER THAN EXPENSE REIMBURSEMENTS FROM STATE FUNDS, THE STATE OF COLORADO SHALL CONTRIBUTE AN AMOUNT NECESSARY TO PAY ONE HUNDRED SIXTY-SIX DOLLARS AND TWELVE CENTS PER MONTH PER SINGLE EMPLOYEE, TWO HUNDRED THIRTY-NINE DOLLARS AND FIFTEEN CENTS PER MONTH PER EMPLOYEE WITH ONE COVERED DEPENDENT, AND THREE HUNDRED TWENTY-EIGHT DOLLARS AND EIGHTY-SEVEN CENTS PER MONTH PER EMPLOYEE WITH TWO OR MORE COVERED DEPENDENTS FOR EACH EMPLOYEE ENROLLED IN GROUP BENEFIT PLANS THAT INCLUDE ENROLLMENT IN MEDICAL BENEFITS. HOWEVER, FOR PURPOSES OF PROVIDING PARITY IN THE AMOUNT OF STATE CONTRIBUTIONS FOR ALL EMPLOYEES STATEWIDE, THE STATE SHALL CONTRIBUTE AN AMOUNT NECESSARY TO ENSURE THAT THE EMPLOYEE CONTRIBUTION FOR ANY GIVEN MEDICAL BENEFITS PLAN IS IDENTICAL FOR EACH EMPLOYEE ENROLLED IN SAID PLAN, REGARDLESS OF THE COUNTY OF RESIDENCE OF THE EMPLOYEE.

(II) EFFECTIVE DECEMBER 1, 2002, FOR EMPLOYEES OTHER THAN ELECTED STATE OFFICIALS WHO RECEIVE COMPENSATION OTHER THAN EXPENSE REIMBURSEMENTS FROM STATE FUNDS, THE STATE OF COLORADO SHALL CONTRIBUTE AN AMOUNT NECESSARY TO PAY ONE HUNDRED SIXTY DOLLARS PER MONTH PER SINGLE EMPLOYEE, TWO HUNDRED THIRTY DOLLARS PER MONTH PER EMPLOYEE WITH ONE COVERED DEPENDENT, AND THREE HUNDRED SIXTEEN DOLLARS PER MONTH PER EMPLOYEE WITH TWO OR MORE COVERED DEPENDENTS FOR EACH EMPLOYEE ENROLLED IN GROUP BENEFIT PLANS THAT INCLUDE ENROLLMENT IN MEDICAL BENEFITS.

(3) ON DECEMBER 1, 2002, AND ON DECEMBER 1 OF EACH YEAR THEREAFTER, THE DIRECTOR SHALL RECOMMEND TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY THAT THE CONTRIBUTION AMOUNTS SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION AND PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION BE ADJUSTED IN ACCORDANCE WITH THE CHANGE IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER METROPOLITAN STATISTICAL AREA FOR THE PRECEDING CALENDAR YEAR, BUT IN NO EVENT SHALL THE STATE CONTRIBUTION EXCEED THE AMOUNT RECOMMENDED BY THE DIRECTOR IN THE ANNUAL TOTAL COMPENSATION SURVEY PREPARED PURSUANT TO SECTION 24-50-104 (4).

(4) FOR PURPOSES OF THIS SECTION, "EMPLOYEE" DOES NOT INCLUDE ELECTED STATE OFFICIALS WHO DO NOT RECEIVE COMPENSATION OTHER THAN EXPENSE REIMBURSEMENTS FROM STATE FUNDS.

**SECTION 3. Appropriations - adjustments in 2001 long bill.** For the implementation of section 24-50-609 (2), Colorado Revised Statutes and section 24-50-609 (3), Colorado Revised Statutes, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2001, shall be increased by the sum of three million three hundred forty-one dollars (\$3,000,341). Said sum shall be cash funds exempt from the undesignated fund balance for medical plans in the group benefit plans reserve fund created in section 24-50-613, Colorado Revised Statutes. Said appropriation shall be allocated as detailed in the following table:

<b>DEPARTMENT</b>	<b>Cash Funds Exempt</b>
Agriculture	29,815
Corrections	854,226
Education	27,124
Governor	7,991
Health Care Policy and Financing	7,616
Higher Education	404,105
Human Services	890,469
Judicial	218,510
Labor and Employment	55,727
Law	17,741
Legislature	11,817
Local Affairs	11,555
Military Affairs	5,044
Natural Resources	101,533
Personnel	46,405
Public Health and Environment	53,067
Public Safety	102,279
Regulatory Agencies	28,148
Revenue	106,103
State	4,364
Transportation	15,636
Treasury	1,066
Total	3,000,341

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: November 6, 2001