



PUBLIC BENEFIT CORPORATION

The Path So Far

Recapping the Milestones

March 2013: CMS issues an FAQ, “Ancillary insurance products, which are not QHPs, may be offered by separate state programs that share resources and infrastructure with a State-Based Exchange.”

May 2013: HB13-1245 amends our enabling legislation, “The Board may create a separate program that shares resources and infrastructure with the Exchange to offer ancillary products.”

April 2014: Colorado enacts the “Public Benefit Corporation Act of Colorado.” PBC’s are new form of corporate entity that are intended provide an identified public benefit while balancing the *for profit* pecuniary interests of the shareholder – in this case Connect for Health Colorado.

- ❑ PBC’s are designed to subordinate *some* financial decisions to promote the identified public benefit.
- ❑ Public Benefit is “one or more positive effects or reduction of negative effects on one or more categories of persons, entities, communities, or interests...including effects of an artistic, charitable, cultural, economic, educational, literary, medical, religious, scientific or technological nature.
- ❑ PBC’s ability to impact the identified public benefit is measured against an independent third-party standard developed by someone not controlled by the PBC’s organizers.

Milestones Continued...

April 2014: Board votes to “establish a separate legal entity to develop and coordinate ancillary products and services” in the form of public benefit corporation.

November 2015: Board determines to proceed with the PBC project and establishes Board working group to proceed by:

- Identifying a public benefit consistent with Connect for Colorado’s Mission
- Retaining independent third-party to develop criteria to measure success in promoting a public benefit
- Obtaining stakeholder input of benefits and standards to measure progress
- Identifying possible product and service offerings
- Model financial assumptions with *pro formas* to evaluate feasibility

January 2016: Working group inaugural meeting reaches out to the Colorado Health Institute (CHI) to develop independent criteria related to the public benefit.

February 2016: Technology options presented to PBC working group: link only, small portal, medium portal, full portal. Driven by product choice and feasibility review. CHI identifies a common funding source and raises a conflict of interest.

Milestones Continued...

March 2016: Inquiries made to alternative organizations and individuals to provide third-party criteria.

April - May 2016: Yondorf & Associates agrees to provide independent third-party criteria. Barbara Yondorf conducts several meetings with Connect for Colorado staff as background and due diligence on the history of the project, the scope of the Public Benefit Corporation Act and the process to obtain stakeholder input.

June 2016: Initial stakeholder input session conducted by Barbara Yondorf regarding possible benefits and standards to measure progress and possible product offerings:

- ✓ Colorado Center on Law and Policy
- ✓ Colorado Consumer Health Initiative
- ✓ Colorado Health Foundation
- ✓ Colorado Health Institute
- ✓ Covering Kids and Families
- ✓ Governor's Office of Policy and Research
- ✓ Small Business Majority
- ✓ Two brokers – further input earmarked

July 2016: Barbara Yondorf to obtain additional input from stakeholders (and the broker community) and prepare recommendations for consumption and feedback.