

---

Third-Party Public Benefit Standard for  
Connect for Health Colorado Company, PBC

Recommendations

**REPORT PREPARED FOR  
CONNECT FOR HEALTH COLORADO**

**Barbara Yondorf, president  
Yondorf & Associates**

---

**September 13, 2016**

## TABLE OF CONTENTS

<b>Table of Contents</b>	<b>2</b>
<b>Introduction</b>	<b>3</b>
<b>I. Background</b>	<b>4</b>
A. Definitions of “public benefit corporation” and “public benefit”	
B. Purpose of Connect for Health Colorado Company, PBC, and reasons for its formation	4
C. Reporting requirements and a third-party standard	6
D. Third party: Barbara Yondorf, Yondorf & Associates	6
<b>II. Demonstrating Public Benefit</b>	<b>7</b>
A. Caveats/limitations of the analysis	8
B. Recommended public benefit standards	9
1. Access	10
2. Choice	11
3. Affordability	13
4. Use of profits	14
<b>III. Summary of Recommendations</b>	<b>14</b>
<b>Tables</b>	
Table 1: Approaches to demonstrating public benefit	7
Table 2: Public benefit standards concerning insurance literacy designed to promote informed choice by insurance consumers	12
Table 3: Recommended criteria and standards to demonstrate public benefit for Connect for Health Colorado Company, PBC	15

# Connect for Health Colorado Company, PBC Third-Party Public Benefit Standard

## **Introduction**

The Colorado Health Benefit Exchange filed articles of incorporation with the Secretary of State in March 2016 to form a public benefit corporation called Connect for Health Colorado Company, PBC (“Connect for Health PBC” or “the corporation”). A public benefit corporation is a type of for-profit corporation that, as part of its charter purpose, must take into account not only maximizing shareholder profit but also public benefit. The purpose of Connect for Health PBC is to facilitate the sale of insurance products that are ancillary to the health insurance offered by the Colorado health insurance benefit exchange-- Connect for Health Colorado (“the exchange”) -- such as vision coverage. Colorado statutes require a public benefit corporation to contract with an independent consultant to establish a third-party standard to demonstrate the ways in which the corporation promotes the public benefit identified in its articles of incorporation. In May 2016, the exchange contracted with Barbara Yondorf, president, Yondorf & Associates, to develop the third-party standard.

The first part of this report reviews Colorado’s statutory definitions of “public benefit corporation” and “public benefit.” It looks at the purpose statement set forth in Connect for Health PBC’s articles of incorporation; discusses the reasons the corporation was created; outlines Colorado’s reporting requirements for public benefit corporations, including the requirement for a third-party standard; and presents Barbara Yondorf’s qualifications. The second part examines ways to demonstrate public benefit. It discusses limitations of the analysis and makes recommendations for third-party public benefit standards for Connect for Health PBC in the areas of access, choice, affordability and use of profits.

## I. BACKGROUND

### A. Definitions of “public benefit corporation” and “public benefit”

Colorado statutes define a public benefit corporation as a for-profit corporation “that is intended to produce a public benefit.”<sup>1</sup> “Public benefit” is defined as one or more positive effects or reduction in negative effects on one or more categories of persons, entities, communities or interests other than shareholders.”<sup>2</sup> This includes effects of “an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific or technological nature.”

Colorado law requires a public benefit corporation to “be managed in a manner that balances the shareholders’ pecuniary interests, the best interest of those materially affected by the corporation’s conduct and the public benefit identified in its articles of incorporation.”<sup>3</sup> This balancing of interests distinguishes it from other types of for-profit corporations where the shareholders’ financial interests are paramount.

### B. Purpose of Connect for Health PBC and reasons for its formation

Articles of incorporation for Connect for Health Colorado Company, PBC, were filed with the Secretary of State on March 30, 2016.<sup>4</sup> The articles include the following purpose statement: “To facilitate the sale of insurance products and services while providing a public benefit derived from the affordability, access and choice of health insurance in Colorado by consumers.” This parallels the mission of Connect for Health Colorado, which is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado.

Several developments led to the decision by the board of directors of Connect for Health Colorado to form a public benefit corporation. In March 2013, the Centers for Medicare and Medicaid Services (CMS) issued an FAQ alerting state exchanges that they could not offer ancillary insurance products that

---

<sup>1</sup> Section 7-101-503(1), C.R.S.

<sup>2</sup> Section 7-101-503(2), C.R.S.

<sup>3</sup> Section 7-101-503(1), C.R.S.

<sup>4</sup> Colorado Secretary of State, Colorado corporations, <https://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do>, document 20161229541.

were not Qualified Health Plans.<sup>5</sup> This meant Connect for Health Colorado could not continue to offer vision coverage, nor could it introduce any other ancillary insurance products. The FAQ read in part:

*Q1: Can stand-alone vision plans and other ancillary insurance products such as disability or life insurance products be offered in or through an Exchange?*

*A1: No. An Exchange only may offer qualified health plans (QHPs), including stand-alone dental plans, to qualified individuals and qualified employers, due to sections 1311 and 1312 of the Affordable Care Act. However, ancillary insurance products, which are not QHPs, may be offered by separate state programs that share resources and infrastructure with a State-based Exchange.*

*Q2: Can an Exchange provide any information about vision plans and other ancillary insurance products to the public?*

*A2: Yes. An Exchange may provide basic information about vision or other ancillary insurance products on the Exchange website, such as explaining the type of coverage these products provide. This basic information must include that enrollment in vision and ancillary insurance products does not constitute enrollment in a QHP or enrollment through the Exchange but rather enrollment in a separate legally and publicly-distinct program. In addition, the basic information must include that advance payment of premium tax credits and cost-sharing reductions are not available for vision or other ancillary insurance products.*

After CMS issued its notice, the exchange board began exploring options for making vision and other ancillary insurance products available to its customers that complied with federal rules. A Colorado bill passed in 2013 allowed Connect for Health Colorado to establish a separate legal structure to address its interest in offering ancillary services and products to those seeking health coverage on the exchange.<sup>6</sup> After examining the pros and cons of several possible legal structures, on April 14, 2014, the Board voted to move forward with the establishment of a public benefit corporation as a subsidiary of the exchange, “due to the alignment with the [exchange’s] core mission and intended impact on the customer, communities and the State.”

Connect for Health Colorado had additional reasons for forming a separate legal entity to allow it to offer ancillary services. According to a memo prepared for the Connect for Health Colorado board by

---

<sup>5</sup> CMS, “Frequently Asked Questions on Reuse of Exchange for Ancillary Products, March 29, 2013, <https://www.cms.gov/CCIIO/Resources/Files/Downloads/ancillary-product-faq-03-29-2013.pdf>

<sup>6</sup> HB 13-1245 (Section 10-22-106(3), C.R.S.)

then CEO Patty Fontneau, dated April 7, 2014, the intention behind the plan to offer ancillary services and products included:

- *To build customer loyalty and retention;*
- *To increase the value proposition of the Marketplace through focusing on products and services that drive costs down, increase accessibility and serve Coloradans through a choice of options that enhance their ability to maintain insurability, improve their health status and understand the financial investment they made in purchasing health insurance; and*
- *Add to the Sustainability of Connect for Health Colorado through the meaningful realization of additional revenue not associated with [Qualified Health Plan] coverages.<sup>7</sup>*

### **C. Reporting requirements and a third-party public benefit standard**

Colorado law requires a public benefit corporation to prepare a report that includes “an assessment of the overall social and environmental performance of the public benefit corporation against a third-party standard.”<sup>8</sup> Section 7-101-507(2), C.R.S., states:

*A “third-party standard” means a standard for defining, reporting, and assessing the overall corporate social and environmental performance, which standard is developed by an organization that is not controlled by the public benefit corporation or any of its affiliates and that makes publicly available the following information:*

- (a) The criteria considered when measuring the social and environmental performance of a business, the relative weightings of those criteria, if any, and the process for development and revision of the standard; and*
- (b) Any material owners of the organization that developed the third-party standard, the members of its governing body and how they are selected, and the sources of financial support for the organization, in sufficient detail to disclose any relationships that could reasonably be considered to compromise its independence.*

The report is required to include “a narrative description of the ways in which the public benefit corporation promoted the public benefit identified in the articles of incorporation and the best interests of those materially affected by the corporation’s conduct.”<sup>9</sup>

### **D. Third-party: Barbara Yondorf, Yondorf & Associates**

---

<sup>7</sup> Patty Fontneau, “Establishment of a Separate Legal Structure,” memo to Connect for Health Colorado Executive Board members, April 7, 2014.

<sup>8</sup> Section 7-101-507(1)(b), C.R.S.

<sup>9</sup> Section 7-101-507(1)(a)

Barbara Yondorf is president of Yondorf & Associates, a sole proprietorship based in Denver, Colorado. Recent clients have included Easter Seals Colorado, the 11-member Funders Collaborative on Early Childhood Mental Health, Colorado Department of Health Care Policy and Financing, National Conference of State Legislatures, Rose Community Foundation, Engaged Public, TBD Colorado, and the legislatively created Colorado Respite Care Task Force and Medical Clean Claims and Transparency Uniformity Act Task Force. Currently she serves on the boards of the Center for African American Health (secretary), Project Future Institute (K-12 education), Center for Improving Value in Health Care, and project board of Boomers Leading Change in Health Care. Ms. Yondorf has a BA with Honors from the University of Chicago and a Master’s degree in Public Policy from the Harvard Kennedy School of Government.

## II. Demonstrating Public Benefit

Public benefit corporations have taken several approaches to defining their public benefit standards. Table 1 lists different approaches and provides examples.

The public benefit criteria and standards recommended in this report were developed with input from stakeholders<sup>10</sup> and exchange staff; a review of the literature on public benefit corporations; research on

<b>Table 1</b>	
<b>Approaches to Demonstrating Public Benefit</b>	
<b>Approaches</b>	<b>Examples from Other Public Benefit Corporations</b>
Focus on Inputs	<ul style="list-style-type: none"> <li>• Hire people with disabilities</li> <li>• Use recycled materials</li> </ul>
Focus on Production Processes	<ul style="list-style-type: none"> <li>• Refrain from using pesticides on crops</li> <li>• Comply with independently developed national or international fair trade standards</li> </ul>
Focus on Outcomes	<ul style="list-style-type: none"> <li>• Demonstrate reduction in water pollution</li> <li>• Document increased incomes for local artists</li> </ul>

<sup>10</sup> Barbara Yondorf presented and received input at meetings of a diverse group of stakeholders on June 9, 2016, consumer advocates on July 24, 2016, and Connect for Health Colorado’s Brokers Focus Group on August 19, 2016.

Focus on Use of Profits	<ul style="list-style-type: none"> <li>• Commit a fixed portion of profits to a nonprofit with a related purpose (e.g., clean air, maternal health, etc.)</li> </ul>
-------------------------	--

the public benefit standard and criteria used by other public benefit corporations; and analyses of relevant Colorado and federal laws and regulations.

The following sections offer several caveats and limitations of the analysis and present recommendations for standards and criteria to demonstrate public benefit with respect to affordability, access, choice and use of profits.

**A. Caveats/Limitations of the Analysis**

Development of specific criteria and standards to determine whether Connect for Health PBC meets its public benefit obligation presents several challenges. They concern the products the corporation will offer; the corporation’s target market; whether some products will be underwritten; and what it will take to meet the recommended standards.

**1. No decision has been made regarding the insurance products the corporation will offer**

Public benefit standards are intended to be general enough to be applied across all of a corporation’s lines of business rather than individually for each line. At this time, however, the corporation has not decided what insurance products it will offer. The only one it is fairly certain to offer is a vision discount plan. Not knowing which products will be offered complicates the task of selecting a public benefit standard.

**2. Discussions are still underway as to which groups and individuals will be eligible for, and to whom, the corporation will market its products**

Discussions are still underway concerning Connect for Health PBC’s target market. It may be limited to those who sign up for coverage through the exchange. It could include anyone looking for health care coverage on the exchange website, even if they don’t end up buying coverage. It may be marketed more broadly to people who want to buy directly from Connect for Health PBC. Early discussions suggest that, initially, the primary market will be individuals purchasing a health plan on the exchange. The public

benefit standards recommended in this report assume a broad customer base to ensure the standards will apply regardless of to whom the products are marketed.

### **3. No decision has been made about whether underwritten products may be offered**

One option Connect for Health PBC may consider, now or in the future, is whether to offer insurance products that are underwritten. An underwritten insurance policy requires the applicant to provide information, depending on the type of policy, about such things as health status, history of claims, age, income, substance use or other factors relevant to whether or not an insurance company will issue a policy, at what cost. Examples of underwritten policies include some types of life and disability insurance and long-term care insurance. Setting a public benefit standard for underwritten insurance is difficult because the stringency of underwriting guidelines for a particular insurance product affects who may be declined or charged a higher premium. This report assumes that the products sold will not be underwritten.

### **4. The literature on third-party standards suggests the standards should not be onerous or unduly expensive to implement**

A guide to third-party standards published by B Revolution Consulting advises that a public benefit corporation should be able to fulfill its reporting requirements without being excessively burdened.<sup>11</sup> The process should not be costly. An important goal for Connect for Health PBC is to realize a net profit that can serve as a revenue stream for Connect for Health Colorado. The more resources that are required to prove public benefit, the less are available to go to the bottom line. Accordingly, this report recommends standards for measuring public benefit that are relatively easy and inexpensive to implement.

## **B. Recommended Public Benefit Standards**

This section discusses and makes recommendations regarding third-party standards for each public benefit category set forth in Connect for Health PBC's articles of incorporation—access, affordability and choice—and use of profits. Although the statutes refer to “a third party standard,” there is not one single standard or measurement that can demonstrate public benefit. Demonstration of public benefit by large public benefit corporations often involves meeting a series of standards that assess the company's impact on workers, suppliers, communities and the environment.

---

<sup>11</sup> Dan Osusky, “Assessing Impact: A Guide to Third Party Standards for Benefit Corporations,” B Revolution Consulting, August 1, 2012, <http://www.brevolutionconsulting.com/assets/Assessing-Impact-A-Guide-to-Third-Party-Standards-for-Benefit-Corporations.pdf>

## 1. Access

Connect for Health PBC has as one of its main goals to provide more convenient access to ancillary insurance products and services. While most ancillary products and services can be purchased on the open market, the ability to access both health and ancillary insurance at the same time increases the likelihood consumers will purchase ancillary coverage. Many businesses, especially large ones, offer life, disability and other types of insurance along with employer-sponsored health insurance. Where employers offer ancillary plans, employees are much more likely to purchase coverage than if they have to find it on their own. Connect for Health PBC can play a similar role. The same dynamic that occurs when ancillary insurance is offered at the workplace is expected to play out when potential exchange health plan purchasers are informed about and provided with a link to ancillary products offered through Connect for Health PBC.

Insurance benefits both those who purchase coverage and society generally--it has a public benefit. A paper on the social and economic value of insurance observes that, in addition to providing peace of mind and financial protection for the individual, insurance helps relieve the burden on governments for financing safety net programs, encourages loss mitigation, and promotes financial stability.<sup>12</sup>

Yondorf & Associates recommends, as the standard for determining whether access to ancillary coverage has increased, a net increase in the number of individuals who did not have prior ancillary coverage who purchase it through Connect for Health PBC. This requires tracking the number of ancillary policies Connect for Health sells directly or through a link to an insurer or broker, depending on how it decides to make ancillary insurance available. Some people, however, may already have coverage but decide to switch to a plan offered by Connect for Health PBC. This may be because the public benefit corporation's coverage is more comprehensive, better fits their needs, costs less, or for some other reason. While these are important benefits for the individual, they would not result in a net increase in covered lives. To determine if Connect for Health PBC provides greater access, it needs to ask purchasers if they are switching or had recent coverage and, if so, subtract from the total number of policies sold/lives covered those who had recent coverage. The coverage does not need to be exactly the same. For instance, if Connect for Health PBC sells a vision discount plan, someone who recently had vision coverage as part of their health plan or were covered by a vision insurance plan would not be

---

<sup>12</sup> Eric Grant, "The Social and Economic Value of Insurance," Geneva: The Geneva Association, September 2012, [https://www.genevaassociation.org/media/99535/ga2012-the\\_social\\_and\\_economic\\_value\\_of\\_insurance.pdf](https://www.genevaassociation.org/media/99535/ga2012-the_social_and_economic_value_of_insurance.pdf)

considered to be newly insured. The number of people dropping coverage for any reason, except switching to a non-Connect for Health PBC plan, also needs to be subtracted from the calculation of net increase in covered lives. This will require asking people exiting the program if they are replacing their coverage with a plan that has similar benefits. Adjusting for purchasers who had similar prior coverage and those covered by Connect for Health PBC who drop coverage, the number of policies sold/covered lives is a measure of the corporation's public benefit impact on access.

Access to coverage needs to be access to coverage that meets the needs of the individual; does not duplicate, or is unnecessary in light of, other coverage; and is a quality product. Consumer advocates who provided input for this report cited these as among their top concerns. While these are important business considerations for Connect for Health PBC as it decides what products it will offer to whom, they are not within the purview of this analysis. It is assumed that the corporation will follow industry suitability guidelines for the sale of insurance and will research and consider stakeholder input regarding the worth and pros and cons of different insurance products, while at the same time focusing on its desire to produce a net profit.

## **2. Choice**

Choice of plans allows individuals to select the plan that best fits their coverage needs and pocketbook. This suggests providing access to a number of different insurers and plans for each type of coverage Connect for Health PBC sells. The corporation, however, has not yet decided how many plans and products it will offer. It may offer a number of plans, just a few plans, or only one plan. Currently a VSP vision discount plan is the only vision plan the exchange markets. Where an employer or other large group makes ancillary coverage available to its employees or members, it typically offers a plan sold by one insurer, which may include more than one version (e.g., low/high deductible, preferred provider network/open access, etc.). In deciding about how many plans to offer, Connect for Health PBC will need to take into account the administrative costs of, and increase or decrease in revenues from, offering more than one plan.

Connect for Health PBC may decide not to offer a wide choice of plans from a number of different insurers, but it can ensure that consumers are made aware of the choices they do have, both in and out of the public benefit corporation. Consumers need to fully understand what they are buying, how it addresses their needs, and how to use their benefits. In other words, they need to be insurance literate. Insurance literacy measures the degree to which individuals have the knowledge, ability and confidence

to find and evaluate information about insurance plans, select the best plan for their financial, health and security needs, and use the plan once purchased.<sup>13</sup> Improved insurance literacy enables individuals to better understand their coverage options and make better use of their policies. It also has social benefits. When insurance consumers understand how to read, choose and use their policies wisely, they are more likely to be adequately protected against large, unexpected losses. This, in turn, reduces the likelihood that they will need social services or financial assistance, or that service providers will have to write off unpaid claims as bad debt.

Connect for Health PBC can promote insurance literacy in a number of ways. To demonstrate public benefit, Yondorf & Associates recommends the insurance literacy standards shown in Table 2.

<b>Table 2</b> <b>Insurance Literacy Public Benefit Standards to Foster Informed Choice</b>
<ul style="list-style-type: none"> <li>• All potential customers and purchasers receive, or are provided direct access to, educational materials about Connect for Health PBC’s insurance products (e.g., life insurance, vision coverage, etc.) and plans (e.g., whole life insurance, vision discount plan). This includes such things as definitions of key terms, a description of the type of policy and how it differs from other policies in the same product line (e.g., a vision discount plan versus a vision insurance plan), and plan benefits, restrictions and exclusions, in plain language. Where Connect for Health PBC offers more than one plan, consumers should be given a comparison of benefits.</li> <li>• All potential customers and purchasers receive information about, or are directed to places, where they can learn more about their insurance options, both from Connect for Health PBC and in the open market.</li> <li>• All potential customers and purchasers are provided with a list of questions they should ask and considerations they should take into account before purchasing coverage.</li> <li>• All marketing materials include sample scenarios that illustrate what the plan does and does not cover. Where two or more plans are offered, the sample scenarios are the same.</li> </ul>

<sup>13</sup> Insurance literacy definition is adapted from the definition of health literacy in “Measuring Health Insurance Literacy: A Call to action,” Consumers Union, February 2012, [http://consumersunion.org/pub/Health\\_Insurance\\_Literacy\\_Roundtable\\_rpt.pdf](http://consumersunion.org/pub/Health_Insurance_Literacy_Roundtable_rpt.pdf)

Connect for Health PBC does not need to reinvent the wheel; numerous insurance literacy resources exist. Examples include the National Association of Insurance Commissioners' Insure U—Get Smart About Insurance (<http://www.insureuonline.org/>); Colorado Division of Insurance's Insurance Types (<http://www.insureuonline.org/>); Buying Tips for insurance consumers, sponsored by United Policyholders, a nonprofit profit consumer insurance advocacy organization (<https://insuranceliteracy.org/resources/>); and the Insurance Literacy Institute--life and disability insurance (<https://insuranceliteracy.org/resources/>). Websites that focus on health insurance literacy include the Health Insurance Literacy Resource Hub (<https://www.enrollamerica.org/hil/>); Covered HQ (<https://www.coveredhq.org/>); and the Colorado Consumer Health Initiative's CoveredU (<https://coveredu.org/>).

### **3. Affordability**

In addition to access and choice, Connect for Health PBC is committed to providing a public benefit derived from the affordability of health insurance. The corporation expects to sell its services and products at competitive market rates. The rates need to cover claims costs and administrative expenses, including commissions, regulatory compliance, taxes, and marketing and enrollment expenses. Unlike the exchange, Connect for Health PBC will not have a way to vary the effective price the customer pays based on ability to pay. With respect to affordability then, the public benefit stems from selling insurance products that provide good value for the consumer. There is, however, no generally accepted objective standard to determine what constitutes good value. Some have suggested that medical loss ratio is a good proxy for value. Medical loss ratio measures the proportion of premiums spent paying claims as opposed to administrative expenses. From a consumer's point of view, generally the higher the medical loss ratio (up to a certain point), the greater the bang for the buck. However, finding the information to calculate such a ratio for most ancillary products would be very difficult. In most cases, unlike health insurance, no standard exists for how expenses, premium collections, quality assurance efforts and other insurance company expenses are to be treated in calculating a medical loss ratio for an ancillary product.

Another approach is to require Connect for Health PBC to offer high/low options. Where affordability is likely to be an important consideration for individuals purchasing auxiliary coverage, Connect for Health PBC should offer a lower cost version of the plans it sells. For the types of products that are relatively

inexpensive (e.g., \$12 per month), this may be unnecessary. For other products it may be beneficial for the consumer to have a choice of two or more versions of a plan, one costing less than the other because it has a higher deductible or co-pays, limited network, lower maximum benefit (for example for life insurance), etc.

#### **4. Use of Profits**

Another way to demonstrate that a corporation is producing a public benefit is to look at how it uses its net profits. Unlike other for-profit corporations, a public benefit corporation is not required to return all of its profits to its shareholders. It can decide to direct a portion of its net profits to a nonprofit whose mission is related to the public benefit commitment of the public benefit corporation. An example is Kickstarter PBC, a crowdfunding platform. Its mission includes “helping to bring creative projects to life for the health of its ecosystem and integrity of its systems” and “engaging beyond its walls with the greater issues and conversations affecting artists and creators.”<sup>14</sup> Among the ways Kickstarter, PBC, demonstrates it is meeting its public benefit obligation is by annually committing 5 percent of its after-tax profit towards arts and music education and to organizations fighting to end systemic inequality.<sup>15</sup>

Connect for Health PBC intends to devote 100 percent of its net profits to Connect for Health Colorado. Since Connect for Health Colorado is a nonprofit and its mission is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado, and because the exchange is demonstrably doing so, giving all of the corporation’s net profits to the exchange is one way to clearly demonstrate Colorado Health PBC’s fulfillment of its public benefit obligation.

#### **Summary of Recommendations**

Table 3 summarizes the recommended public benefit criteria and standards.

Colorado statutes allow for, but do not require, a weighting of the recommended criteria. No weighting is recommended here, as all criteria are considered to be of equal importance. In its early years as a start-up Connect for Health PBC may not be able to meet all of the standards. Where it cannot meet

---

<sup>14</sup> Kickerstarter website, <https://www.kickstarter.com/>

<sup>15</sup> Rick Cohen, “Kickstarter Becomes a Public Benefit Corporation, So What?” Nonprofit Quarterly, September 25, 2015, <https://nonprofitquarterly.org/2015/09/25/kickstarter-becomes-a-public-benefit-corporation-so-what/>

them, the corporation should report the steps it is taking and progress it is making toward meeting them.

**Table 3**

**Recommended Criteria and Standards to Demonstrate Public Benefit  
for Connect for Health Colorado Company, PBC**

Public benefit	Type of Approach to Demonstrating Public Benefit (See Table 1.)	Recommended Criteria	Recommended Standards to Demonstrate Public Benefit
<ul style="list-style-type: none"> <li>Convenient access</li> </ul>	<ul style="list-style-type: none"> <li>Outcome</li> </ul>	<ul style="list-style-type: none"> <li>More people who need it have ancillary insurance</li> </ul>	<ul style="list-style-type: none"> <li>Number new lives covered/year minus number with prior coverage/year minus number of all covered lives (regardless of when first covered) who drop coverage/year) &gt; 500 to 1,000/year depending on number of different products sold.</li> </ul>
<ul style="list-style-type: none"> <li>Choice</li> </ul>	<ul style="list-style-type: none"> <li>Process</li> </ul>	<ul style="list-style-type: none"> <li>Informed choice— insurance literacy</li> </ul> <p>[See Table 2]</p>	<ul style="list-style-type: none"> <li>Make publicly available, at minimum on the Connect for Health PBC website, descriptions of plan benefits, key terms, and benefit comparisons presented in plain English.</li> <li>Document where consumers are directed to learn more about their insurance options, not only from Connect for Health PBC but also in the open market (e.g., links on the corporation’s website).</li> <li>Make publicly available the list of questions consumers should ask about an ancillary plan before purchasing it. Include the list in reports issued by Connect for Health PBC.</li> <li>Make publicly available the illustrative scenarios for each insurance plan sold, including use of the same scenario where two or more plans of</li> </ul>

			<p>the same product are being marketed.</p> <p style="text-align: right;"><i>continued</i></p>
--	--	--	--

**Table 3 (continued)**

Table 3 (continued)			
Public benefit	Type of Approach to Demonstrating Public Benefit*	Recommended Criteria	Recommended Standards to Demonstrate Public Benefit
<ul style="list-style-type: none"> <li>Affordability</li> </ul>	<ul style="list-style-type: none"> <li>Input</li> </ul>	<ul style="list-style-type: none"> <li>Consumers have a choice between a high/medium-priced plan and a lower cost plan</li> </ul>	<ul style="list-style-type: none"> <li>Make copies of plan options and prices publicly available to demonstrate that there are high/medium and lower cost choices for the consumer. High/medium and lower cost plan options are not necessary where the cost of a single plan is low to begin with (e.g., \$12 per month).</li> </ul>
<ul style="list-style-type: none"> <li>Publicly beneficial use of profits</li> </ul>	<ul style="list-style-type: none"> <li>Use of Profits</li> </ul>	<ul style="list-style-type: none"> <li>Net profit supports Connect for Health Colorado</li> </ul>	<ul style="list-style-type: none"> <li>Provide an accounting, in the required public reports, of Connect for Health PBC's net profits demonstrating that all net profits went to the exchange.</li> </ul>