



PUBLIC BENEFIT CORPORATION (PBC)

Finance and Operations Committee – September 23,
2019

Purpose of PBC

Blue Ribbon Commission - PBC Relevant Recommendations:

- Assist individuals and small businesses and their employees in offering and enrolling in health coverage through creation of a “Connector”
- Ensure that information on insurer and provider price and quality is available to *all Coloradans* and that it is easily accessible through a single point of entry (e.g., a Web site)
- Make information on insurer and provider price and quality available to *all Coloradans* and that it is easily accessible through a single point of entry
- Promote consumer choice and direction in the health care system

Start-up Milestones

- October 2019:
 - Establishment of Board Structure
 - Completion of organizational documents

- November 2019:
 - Selection of Board Members
 - Financial system/accounting records established
 - Year 1 operating plan and funding needs finalized
 - C4HCO business agreements and funding model finalized

- December 2019:
 - PBC Branding
 - Website go-live

Board and Officer Structure

Board Member Composition:

1. C4HCO CEO
2. Provider/Producer Representative
3. Business Representative
4. Health Consumer Advocate
5. Rural Representative

PBC Officers (part-time initially):

1. CEO (startup/operations focus)
2. Secretary/Treasurer (accounting/books & records focus)

Financial Structure

- Estimated Capitalization Needs – startup and year 1 operations (to be updated upon completion of year 1 operating plan)
 - Startup cost estimate - \$25,000
 - Ongoing operations (year 1) estimate - \$75,000
 - **Total estimated needs - \$100,000**

- Funding structure:
 - PBC issues stock to C4HCO in exchange for funding
 - Drawdown borrowing agreement with C4HCO with cap

- Shared Resource & Services Agreement between C4HCO and PBC
 - SOW's for necessary services:
 - Staff Augmentation
 - Administrative
 - Marketing & Branding
 - Technology

General Background

- Board discusses the need for a legal structure to provide ancillary products & services (2013)
- Public Benefit Corporation Act/B Corp passed by General Assembly (2014)
- Statutory Change to Enabling Legislation: “Board may create a separate program that shares resources & infrastructure with C4HCO to offer ancillary products and services” (2015)
- Board determines to proceed with a PBC (2015)
- C4HCO contracts for outside report: *Third-Party Public Benefit Standard for Connect for Health Colorado Company, PBC: Recommendations* (2016)
- C4HCO prepared to address multiple possible scenarios in a rapidly evolving environment (2019)