



**2024 Annual Report
of
Colorado Connect, a Public Benefit Corporation
under
Colorado’s Public Benefit Corporation Act**

I. Introduction – History

Connect for Health Colorado is Colorado’s health insurance exchange marketplace. Colorado’s General Assembly established *Connect for Health Colorado* to facilitate access to and enrollment in health plans and to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado. In December of 2020, *Connect for Health Colorado* established a wholly owned subsidiary organized as public benefit corporation under Colorado law doing business as *Colorado Connect*.

Colorado Connect’s organizational documents lay out its focus as a public benefit corporation with the adoption of an intended public benefit to Coloradans.

Obtaining access to and consuming affordable health care services is complex. Helping Coloradans identify and use health care goods and services in a thoughtful and meaningful fashion provides both financial and wellness benefits to individuals and families. Promoting and offering goods and services to increase health care literacy in Colorado is a public benefit for all consumers of health care goods and services in Colorado. The Corporation adopts the promotion of health care literacy for Coloradans as a defined public benefit to provide one or more positive effects for consumers of health care goods and services.

Shortly after *Colorado Connect’s* formation, the General Assembly introduced and eventually passed the “Health Insurance Affordability Act.” This legislation earmarked *Colorado Connect* to assist in the State’s efforts to reduce the number of Coloradans who lack health care coverage by administering a subsidy that decreases the costs of healthcare coverage and offers a state-subsidized individual health coverage plan separate from federal subsidies available through *Connect for Health Colorado* under the “Affordable Care Act.” Under the “Health Insurance Affordability Act” the General Assembly directed *Colorado Connect* to provide a state-based subsidy to Colorado residents with a household income less than 300% of the established federal poverty line (42 USC §9902) who are otherwise ineligible a subsidy (tax credit) on the Exchange, Medicaid, or the Children’s Basic Health Plan (CRS §25.5-8-103) regardless of immigration status. This state-based subsidy, “*Silver Enhanced Savings*” was available to qualified residents beginning in plan year 2023 and effectively reduced the cost of monthly premiums for eligible enrollees to \$0. The subsidy is administered by the *Health Insurance Affordability Enterprise (HIAE)* and is only available on *Colorado Connect*.

In 2024 more than 12,000 people enrolled in coverage on *Colorado Connect*. This included approximately 9,600 individuals who were eligible for the *Silver Enhanced Savings* subsidy, and 1,800 individuals who were ineligible for *Silver Enhanced Savings* and paid full price for their health insurance premiums. *Colorado Connect* offered 52 *Colorado Option* health benefit plans in 2023, which are standardized plans that reduce costs for many common services and improve the ability of Coloradans to meaningfully compare plans.

Through these enrollments, *Colorado Connect* continues to supplement the mission of its parent – to increase access, affordability, and choice for individuals and small employers purchasing quality health insurance in Colorado.

II. Third-Party Standard

Public Benefit Corporations are required to assess their overall performance against a third-party standard on an annual basis. A third-party standard is a means to define, report, and assess overall corporate social and environmental performance and is provided by an organization that is not controlled by the public benefit corporation. Approaches to demonstrating progress in providing a public benefit include focusing on inputs, production processes, outcomes, and use of generated profits. Third-party standards may be used to assess a public benefit corporation's impact in advancing its adopted public benefit.

In 2021 *Colorado Connect* adopted a public benefit of promoting and offering goods and services to increase health care literacy in Colorado for consumers of health care goods and services in Colorado consistent with the mission of its parent entity *Connect for Health Colorado* to provide access, affordability, and choice for individuals and small employers purchasing quality health insurance in Colorado.

III. Promotion of Access, Affordability, and Literacy

For the year 2024 *Colorado Connect's* priorities included:

- Successful utilization of its systems and tools to accomplish its statutory obligations under the "Health Insurance Affordability Act" to administer the *Silver Enhanced Savings* subsidy to qualified residents.
- Collaboration with *Connect for Health Colorado*, the *Colorado Division of Insurance* and community partners in development and implementation of *HIAE* programs, including outreach to qualified residents.
- Implementation of a process to prioritize continuity of care for the served population.

At the close of 2024, *Colorado Connect* began its third Open Enrollment Period, filling all available *Silver Enhanced Savings* spaces. With proven community demand, *Colorado Connect* is continuing to work closely with *Connect for Health Colorado*, the *HIAE*, the *Colorado Division of Insurance*,

community partners, assisters, brokers and other stakeholders to improve access to *Silver Enhanced Savings* and expand opportunities for Coloradans regardless of immigration status.

IV. Challenges to the Promotion of the Public Benefit

Unprecedented demand using broker computer-aided submission technology overwhelmed *Colorado Connect's* to funnel the volume causing a temporary outage. There is simply not enough current funding and corresponding slots to meet demand.

While *Colorado Connect* has now moved through three Open Enrollment Periods, *Colorado Connect* will need to continue to work toward financial sustainability independent of its parent entity. Further, facilitating financial health care literacy with consumers remains a goal for *Colorado Connect* as it works with community partners moving forward.

V. Small Business and Ancillary Benefits Initiatives

Upcoming plans include:

- Implementation of a fiscally reasonable technological approach to address the disparity in availability and demand recognizing the need to maintain continuity of care.
- Continue to leverage synergies associated with *Connect for Health Colorado* and *Colorado Connect* to provide affordable options for employees and employers through an integrated health insurance shopping experience.
- Encourage appropriate small business vendor relationships to augment subsidized health coverage including subsidies under the ACA, through Medicaid, and under the Children's Health Insurance Plan.
- Offer access to a choice of ancillary products and services that allows customers to select the products that best fit their coverage needs and pocketbook.
- Provide access to products that support health and financial wellness.
- When feasible, integrate ancillary benefit shopping and education with the *Connect for Health* plan shopping experience and, after health plan selection, provide access to ancillary products offered through *Colorado Connect* to supplement, not replace, QHP health insurance coverages.

Reference Material: Annual report requirements

A public benefit corporation shall prepare an annual report that includes:

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 public benefit corporation's conduct;

Any circumstances that have hindered the public benefit corporation's promotion of the identified public benefit and the best interests of those materially affected by the public benefit corporation's conduct; and

The process and rationale for selecting or changing the third-party standard used to complete the assessment pursuant to subsection (1)(b) of this section; and

An assessment of the overall social and environmental performance of the public benefit corporation against a third-party standard:

Applied consistently with any application of that standard in prior benefit reports; or

Accompanied by an explanation of the reasons for any inconsistent application. The assessment does not need to be performed, audited, or certified by a third party.

For purposes of subsection (1) of this section, "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:

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

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.

A public benefit corporation that prepares a report pursuant to this section shall send it to each shareholder.

A public benefit corporation shall post all of its reports prepared pursuant to this section on the public portion of its website, if any, but the public benefit corporation may omit from the posted reports any financial or proprietary information included in the reports.

If a public benefit corporation does not have a website, the public benefit corporation shall provide a copy of its most recent report, without charge, to a person that requests a copy, but the public benefit corporation may omit any financial or proprietary information from the copy of the benefit report so provided.