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CORPORATE EQUALITY INDEX 3.0

UNDERSTANDING THE NEW CRITERIA

Revised September 29, 2010.

Launched in 2002, the Human Rights Campaign Foundation's Corporate Equality Index has become a roadmap and benchmarking tool for U.S. businesses in the evolving field of lesbian, gay, bisexual and transgender equality in the workplace. The HRC Foundation is committed to keeping the criteria for the CEI rigorous, fair and transparent by identifying emerging best practices that improve the experiences of LGBT employees of participating businesses. Equally important, we are committed to providing the resources and consultation that enable each business to attain a 100 percent rating.

This document explains the newest, third iteration of the criteria for the CEI — known as CEI 3.0 — as well as the resources the HRC Foundation currently provides or is developing to support participating businesses' efforts to meet the new criteria. The new criteria will go into effect for the Corporate Equality Index 2012 Survey and Report issued in calendar year 2011.

The CEI criteria apply to business operations throughout the United States, including wholly-owned subsidiaries. Most businesses are rated based on their responses to the CEI survey which must be accurate to the best of the employer's ability, requiring education and understanding by benefits, human resources, legal and other professionals. Supporting documentation is required for certain criteria, but only the first time an employer seeks credit for these criteria and not in subsequent surveys. However, HRC may request additional information or documentation at any time to clarify potential discrepancies with survey answers.

PRIMARY OBJECTIVES OF THE NEW CRITERIA

Since releasing the last criteria changes in 2006, the HRC Foundation has looked to create even stronger criteria to help address the following objectives:

- End benefits discrimination for transgender employees and dependents
- Provide equal benefits for same-sex partners and spouses
- Demonstrate firm-wide organizational competency on LGBT issues
- Demonstrate firm-wide external commitment to LGBT community

CORPORATE EQUALITY INDEX CRITERIA 3.0

The following is an overview of the criteria going into effect in calendar year 2011 for the Corporate Equality Index 2012 Survey and Report (due June 2011).

Point Allocations

Businesses are rated on a scale from 0 to 100, with a certain number of points awarded for meeting each criterion. The Human Rights Campaign Foundation will continue to award partial credit to employers that have satisfied a portion of certain criterion.

More Information

- Criteria 3.0 – Overview and Detailed Guidance
<http://www.hrc.org/newcei>
- Criteria 2.0 (for calendar years 2006-2011):
http://www.hrc.org/issues/cei_criteria.htm
- Why the criteria change:
<http://www.hrc.org/issues/4783.htm>

TIMELINE

Following the typical CEI schedule, the following timeline is expected to apply. With the exception of benefits deadlines, all dates are subject to modification:

2009

- Mar. 31: CEI 2010 Survey released to participants (includes clearly marked questions that will count toward the current and/or the new criteria).
- Sep. 1: CEI 2010 Report released to public with current criteria and additional "screens" indicating which businesses have met portions of the new criteria (the first screen, introduced in the CEI 2009 Report, indicated which employers had made transgender-inclusive insurance available).

2010

- Mar. 31: CEI 2011 Survey released to participants (includes clearly marked questions that will count toward the current and/or the new criteria).
Participants can check their progress with preliminary rating evaluations under the current *and* new criteria while completing the online survey.
- Oct. 1: CEI 2011 Report released to public with current criteria and additional "screens" indicating which businesses have met portions of the new criteria.

2011

- Mar. 15: CEI 2012 Survey released to participants (includes clearly marked questions that will count toward the new criteria only).
Participants will receive preliminary rating evaluations using new criteria only.
- Jun. 30: CEI 2012 Survey must be submitted to HRC Foundation by the end of June.
- Jul. 29: **Participants must demonstrate that all new non-benefits criteria have been met and that all new benefits criteria will be met by Jan. 1, 2012. (Benefits must be announced to employees before report is released.)**
- Sep. 1: CEI 2012 Report released to public with new criteria only.

2012

- Jan. 1: **Because benefits typically operate on an annual cycle, all benefits changes must be effective by Jan. 1, 2012.**

1. Equal Employment Opportunity (30)

Equal employment opportunity policy includes:

A. GENDER IDENTITY OR EXPRESSION (15)

B. SEXUAL ORIENTATION (15)

Helpful Resources

- ➔ Sample Equal Employment Opportunity policies
http://66.151.111.226/issues/workplace/equal_opportunity/4850.htm
- ➔ Sexual Orientation and Gender Identity: Terminology and Definitions
http://66.151.111.226/issues/workplace/equal_opportunity/gender_identity_terms_definitions.asp
- ➔ Employment Non-Discrimination: Federal, State and Local Laws and Legislation
http://66.151.111.226/issues/workplace/equal_opportunity/8752.htm

2. EMPLOYMENT BENEFITS (35)

To secure full credit for benefits criteria, each benefit must be available to all benefits-eligible U.S. employees. In areas where more than one health insurance plan is available, at least one inclusive plan must be available.

A. EQUIVALENT SPOUSAL AND PARTNER BENEFITS

- Equivalent medical benefits (15)
- Includes parity between employees with different-sex spouses and same-sex partners or spouses in the provision of the following benefits: COBRA; dental; vision; legal dependent coverage; bereavement leave; employer-provided supplemental life insurance for a partner; relocation/travel assistance; adoption assistance; qualified joint and survivor annuity for partners; qualified pre-retirement survivor annuity for partners; retiree healthcare benefits; and employee discounts (10)

Benefits for same-sex partners (including state-registered domestic partners, civil union partners and same-sex spouses*) must be equivalent to those provided to employees with different-sex spouses to the extent permitted by law.

*State registration should substitute for a domestic partnership affidavit (if an affidavit is required for enrollment purposes) and be a qualifying event for benefits enrollment. Requirements to provide proof of relationship should be the same for same-sex as for different-sex spouses.

Helpful Resources

- ➔ Inclusive Health Insurance Plans for Same-Sex Couples
http://www.hrc.org/issues/domestic_partner_benefits.htm
- ➔ Employer definitions of family
<http://www.hrc.org/issues/4826.htm>

B. EQUAL HEALTH COVERAGE FOR TRANSGENDER INDIVIDUALS WITHOUT EXCLUSION FOR MEDICALLY NECESSARY CARE (10)

- 1) **Insurance contract explicitly affirms coverage.** Alternatively, evidence that any transgender exclusions have been sufficiently modified or removed, or that the insurance administrator or carrier will affirmatively provide consistent coverage utilizing a particular medical policy or clinical guideline, may be submitted to HRCF. In either case, **documentation must be submitted to HRCF for review.**
- 2) **Plan documentation must be readily available to employees and must clearly communicate inclusive insurance options to employees and their eligible dependents.** Plan modification and regular summary plan description materials clearly indicates availability of the benefit and how to obtain additional information — **including applicable medical policy or clinical guidelines** that indicate specific coverage processes and accepted treatment protocols — while maintaining privacy of the individual. Plan participants should not need to request and closely analyze a complete and current plan contract in order to determine whether coverage is available. **This documentation, including the applicable medical policy or clinical guidelines, must be submitted to HRCF for review.**

- 3) **Benefits available to other employees must extend to transgender individuals.** Where available for employees, the following benefits should all extend to transgender individuals, including for services related to transgender transition (e.g., medically necessary services related to sex reassignment):
 - Short term medical leave
 - Mental health benefits
 - Pharmaceutical coverage (e.g., for hormone replacement therapies)
 - Coverage for medical visits or laboratory services
 - Coverage for *reconstructive* surgical procedures related to sex reassignment
 - Coverage of routine, chronic, or urgent non-transition services (e.g., for a transgender individual based on their sex or gender. For example, prostate exams for women with a transgender history and pelvic/gynaecological exams for men with a transgender history must be covered.)
 - Plan language ensuring “adequacy of network” or access to specialists should extend to transition-related care (including provisions for travel or other expense reimbursements)
- 4) **Dollar maximums on this area of coverage must meet or exceed \$75,000.**

Full Criteria (As discussed above, these must be satisfied *in addition to* all baseline criteria in order to get 5 additional points, for a total score of 10 on transgender inclusion in benefits.)

- 1) **Coverage available for full range of services indicated by World Professional Association for Transgender Health’s Standards of Care, including the Medical Necessity Clarification Statement: Surgical procedures,** including all reconstructive genital surgical interventions as well as other reconstructive procedures as appropriate to the patient, when part of the sex reassignment process as per WPATH. HRCF has provided sample medical policy language that includes the range of services and procedures indicated by the WPATH Standards of Care v.6 and the Clarification Statement from June 2008. See the sample policy here *[link to document based on the Sufficient Coverage document]*.
- 2) **No Lifetime or Annual Dollar caps** on this area of coverage.
- 3) **Benefit administration covers treatment plans which adhere to the WPATH diagnostic and assessment process.** Determinations of eligibility for coverage are consistent with, and no more restrictive than, the current WPATH SOC.
- 4) **Eliminates Barriers to Coverage:**
 - a. **No separate dollar maximums or deductibles**
 - b. **Explicit adequacy of network provisions**
 - c. **No other serious limitations**

Coverage must be demonstrated through sufficient documentation, including:

- Excerpt of summary plan description (SPD) –or– complete summary of material modifications (SMM) indicating coverage is available
- Medical policy, clinical guidelines or policy bulletins that indicate the range of services covered and the process of determining coverage eligibility

Helpful Resources

- ➔ Transgender-Inclusive Health Insurance
<http://www.hrc.org/transbenefits>

3. ORGANIZATIONAL COMPETENCY (20)

A. COMPETENCY TRAINING, RESOURCES OR ACCOUNTABILITY MEASURES (10)

Businesses must demonstrate a firm-wide, sustained and accountable commitment to diversity and cultural competency, including at least three of the following elements:

- New hire training clearly states that the nondiscrimination policy includes gender identity and sexual orientation and provides definitions or scenarios illustrating the policy for each
- Supervisors undergo training that includes gender identity and sexual orientation as discrete topics (may be part of a broader training), and provides definitions or scenarios illustrating the policy for each
- Integration of gender identity and sexual orientation in professional development, skills-based or other leadership training that includes elements of diversity and/or cultural competency
- Gender transition guidelines with supportive restroom, dress code and documentation guidance
- Anonymous employee engagement or climate surveys conducted on an annual or biennial basis allow employees the option to identify as LGBT
- Data collection forms that include employee race, ethnicity, gender, military and disability status — typically recorded as part of employee records — include optional questions on sexual orientation and gender identity
- Senior management/executive performance measures include LGBT diversity metrics

Options in this section may expand as HRC Foundation's work on LGBT workplace climate continues. Businesses will be required to submit a short description of training, a copy of the transition guidelines or a description of performance measures to substantiate these items.

Helpful Resource

- ➔ Diversity Training on Sexual Orientation and Gender Identity
<http://www.hrc.org/issues/7019.htm>

B. EMPLOYEE GROUP –OR– DIVERSITY COUNCIL (10)

Helpful Resource

- ➔ Best practices to collect and safeguard LGBT employee input in engagement surveys and employee records in same way as gender, race and ethnicity data.
<http://www.hrc.org/issues/8460.htm>

4. PUBLIC ENGAGEMENT (15)

Businesses must demonstrate ongoing LGBT-specific engagement that extends across the firm, including at least three of the following:

- LGBT employee recruitment efforts with demonstrated reach of LGBT applicants (required documentation may include a short summary of the event or an estimation of the number of candidates reached)
- Supplier diversity program with demonstrated effort to include certified LGBT suppliers
- Marketing or advertising to LGBT consumers (e.g.: advertising with LGBT content, advertising in LGBT media or sponsoring LGBT organizations and events)
- Philanthropic support of at least one LGBT organization or event (e.g.: financial, in kind or pro bono support)
- Demonstrated public support for LGBT equality under the law through local, state or federal legislation or initiatives

Helpful Resources

- ➔ Conference call April 2009: Supplier diversity (with NGLCC)
<http://www.hrc.org/issues/7012.htm>
- ➔ Recruiting LGBT employees
<http://www.hrc.org/issues/4834.htm>
- ➔ Marketing to LGBT consumers
<http://www.hrc.org/issues/4841.htm>
- ➔ Philanthropic support of LGBT organizations
<http://www.hrc.org/issues/12197.htm>
- ➔ Legislative/ballot support
<http://www.hrc.org/issues/4761.htm>

5. RESPONSIBLE CITIZENSHIP (-25)

Employers will have 25 points deducted from their score for a large-scale official or public anti-LGBT blemish on their recent records. Scores on this criterion are based on information that has come to HRC's attention related to topics including but not limited to: undue influence by a significant shareholder calculated to undermine a business's employment policies or practices related to its LGBT employees; directing corporate charitable contributions to organizations whose primary mission includes advocacy against LGBT equality; opposing shareholder resolutions reasonably aimed at encouraging the adoption of inclusive workplace policies; revoking inclusive LGBT policies or practices; or engaging in proven practices that are contrary to the business's written LGBT employment policies

Helpful Resource

- ➡ What is Being a Good Corporate Citizen?
<http://www.hrc.org/issues/workplace/14942.htm>
- ➡ The CEI Criteria Explained