

SF-HCSO

Frequently Asked Questions

What Is The Health Care Security Ordinance?

- The Health Care Security Ordinance is a San Francisco law that requires Covered Employers to:
 - Satisfy an Employer Spending Requirement by making health care expenditures on behalf of Covered Employees;
 - Maintain sufficient records to show compliance with the Employer Spending Requirement;
 - Post an HCSO Notice at sites where Covered Employees work;
 - Submit the Annual Reporting Form to the Office of Labor Standards Enforcement by April 30th of each year.

Do I Need To Comply With The Health Care Security Ordinance?

- An Employer is covered under the HCSO if it:
 - Is a for-profit business with 20 or more employees, or a non-profit business with 50 or more employees;
 - and has employees who work in San Francisco.

How Much Must I Spend In Health Care Payments To Comply With The HCSO?

- The minimum health care expenditure amount for each Employee is determined each quarter by multiplying the total number of hours paid to the Employee by the health care expenditure rate applicable to your company or organization. "Hours paid" include both hours worked in San Francisco by the Employee plus any paid time off, including vacation and sick days, used by the Employee.
- Under the Health Care Security Ordinance (HCSO), all covered employers must meet the following obligations:
 - Satisfy the Employer Spending Requirement by making required health care expenditures on behalf of all covered employees (those who have been employed for more than 90 days and who regularly work at least 8 hours per week in San Francisco) at the following rates:



- 2019 Exemption Threshold: managerial, supervisory, and confidential employees who earn more than \$100,796 (or \$48.46 per hour) are exempt

Employer Size	Number of Employees	2018 Expenditure Rate	2019 Expenditure Rate
Large	All employers w/ 100+ employees	\$2.83 per hour payable	\$ 2.93 per hour payable
Medium	Businesses w/ 20-99 employees Nonprofits w/ 50-99 employees	\$1.89 per hour payable	\$ 2.93 per hour payable
Small	Businesses w/ 0-19 employees Nonprofits w/ 0-49 employees	Exempt	Exempt

How Often Must I Make Health Care Payments To Comply With The Hcso?

- The Health Care Security Ordinance requires that health care expenditures be made at least quarterly, within 30 days of the end of the preceding quarter.

What Are My Options For Complying With The Health Care Security Ordinance?

- The Employer Spending Requirement of the Health Care Security Ordinance requires that a Covered Employer make minimum health care expenditures for each Covered Employee. The minimum health care expenditure amount is determined quarterly by multiplying the total number of hours paid to the Employee by the applicable health care expenditure rate. "Hours paid" include both hours worked by the Employee plus any paid time off, including vacation and sick days, used by the Employee. Health care expenditures must be made at least quarterly, no later than 30 days, after the end of the preceding quarter.
- Employers can comply with the Employer Spending Requirement of the HCSO through various options, including:
 - Payments for health, dental, and/or vision insurance;
 - Payments into health savings/reimbursement accounts;
 - Payments to the City Option Program.

What Health Care Can My Employees Receive If I Make Payments To Sf City Option?

- Your payments for each Employee are held in an employer contribution pool until the Employee contacts SF City Option to enroll in one of three health care programs based on program eligibility:

- Employees who live outside of San Francisco, are under 18, or have health insurance through an employer, spouse, parent, Medi-Cal or Medicare might be eligible for SF Medical Reimbursement Account (SF MRA) . Funds in an SF MRA may be used for eligible health care expenses, including out-of-pocket costs related to medical, dental, and vision care products and services.
- Employees who live in San Francisco, are required by law to have health insurance, and purchase health insurance through Covered California might be eligible for SF Covered MRA. Funds in an SF Covered MRA may be used to help pay for Covered California health insurance premiums and other eligible health care expenses.
- Employees who are uninsured, not eligible for Medi-Cal or Medicare, and live in San Francisco might be eligible to enroll in Healthy San Francisco and receive a discount on their Healthy San Francisco participation fees.



What Is Healthy San Francisco?

- Healthy San Francisco is a health care access program designed to make health care services available and affordable to uninsured San Francisco residents. Healthy San Francisco participants access primary and preventive care from their Medical Home and primary care physician. The program also provides access to specialty care, urgent and emergency care, laboratory services, inpatient hospitalization, radiology, and pharmaceuticals.