



Health Care Accountability Ordinance (HCAO) Minimum Standards Review Webinar

We will begin at 10AM PST

The slide deck and a recording of this webinar will be posted at our HCAO

Webpage: www.sf.gov/olse-hcao



Health Care Accountability Ordinance (HCAO) Minimum Standards Review Webinar

July 8, 2026



Office of Labor Standards Enforcement & Department of Public Health

Materials & Recording

The slide deck and a recording of this webinar will be posted on our HCAO Webpage:

www.sf.gov/olse-hcao



Chat Box

- We'll share important information in the Chat Box, like URLs.
- Unfortunately, we won't be able to chat with you during the webinar. Send us a Question in the Question Box!



Questions and Answers

- Send your questions to us in the Questions Box.
- We will select questions to answer during our LIVE Question and Answer Session at the end of the presentation.
- If your question is not selected for an answer LIVE, staff will contact you directly with a response.



Chat Box

Giselle Olmedo

Office of Labor Standards Enforcement (OLSE)

Questions & Answers Box

Jade San Diego

Office of Labor Standards Enforcement (OLSE)



HCAO Compliance Presenter

Beverly Popek

Office of Labor Standards Enforcement (OLSE)

HCAO Minimum Standards Presenter

Max Gara

Department of Public Health





Health Care Accountability Ordinance (HCAO)

Beverly Popek
Supervising Compliance Officer



Office of Labor Standards Enforcement

Health Care Accountability Ordinance (HCAO):

- **Contract Requirement**
- Applies to agreements with the City and County of San Francisco (i.e. contract for services and leases)
- Grants to non-profit organizations are **exempt** from HCAO but company may need to comply with Health Care Security Ordinance (HCSO) if work is being performed in the City and County of San Francisco



Covered Employer

- For-profit with 20 or more employees (anywhere), or nonprofit with more than 50
- with an agreement with CCSF with an HCAO requirement
- includes subcontractors/subtenants



Covered Employee

- Anyone in the U.S. who works at least 20 hours a week or more on an agreement for services or on leased property.

Variable or Fluctuating Hours:

- If the average number of hours per week during applicable month is 20 hours or more, then the employee is covered.
- Contact HCAO Unit to discuss how to comply



HCAO Requirements – Option 1 of 3

Employer must choose one of the three following options:

Option 1. Offer a **compliant health plan** at no charge to the employee:

- No later than the first of the month after 30 days of employment
- A compliant health plan:
 - Must meet **the HCAO Minimum Standards** for health plan. See HCAO Minimum Standards Document on HCAO webpage
- Must be offered on an annual basis



HCAO Requirements – Option 1 of 3 (continued)

After offering the compliant health, collect from employee:

Yes – Enrollment Form

OR

No – HCAO Voluntary Waiver Form



Employers may offer other health plans, but must obtain a waiver form if the employee chooses to enroll in the other plan.



HCAO Minimum Standards Questions? Health Plan Reviews?

Max Gara, MPH | Health Program Planner

Office of Policy and Planning

San Francisco Department of Public Health

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(628) 271-7517



Office of Labor Standards Enforcement

HCAO Requirements – Option 2 of 3

Location Dependent

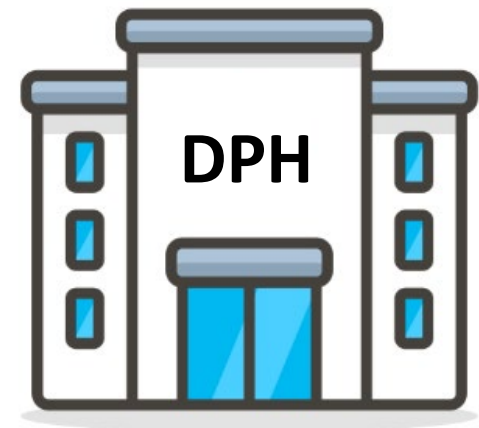
Option 2. Pay monthly HCAO fee amount per employee per hour to the Department of Public Health (DPH)

This option is only for employees performing work in the City and County of San Francisco, the San Francisco International Airport, and/or San Bruno Jail

- As of 7/1/26, HCAO Fee Rate is \$8.00 per hour, capped at \$320.00 per work week
- Rate adjusted every July 1
- Fee is for the Department of Public Health (DPH)
- The fee is **not a benefit or money for worker**
- Payment form on HCAO webpage



Office of Labor Standards Enforcement



HCAO Requirements – Option 3 of 3

Location Dependent



Option 3. Pay HCAO fee amount to covered employee.

For work performed in all areas outside of City and County of San Francisco, the San Francisco International Airport, or the San Bruno Jail

- As of 7/1/26, HCAO Fee Rate is \$8.00 per hour, capped at \$320.00 per work week
- Rate adjusted every July 1
- Pay the fee rate directly to the employee per hour worked on monthly basis – contact our office for options



What if my worker is not an HCAO covered employee/worker?

If your employee/worker does not work 20 hours or more a week AND performs work in the City and County of San Francisco, then you may need to comply with the Health Care Security Ordinance (HCSO).

Health Care Security Ordinance (HCSO)

www.sf.gov/olse-hcso

hcso@sfgov.org

(415) 554-7892



Contact OLSE

Health Care Accountability Ordinance (HCAO) Unit

San Francisco City Hall

1 Dr. Carlton B. Goodlett Place, Room 430

San Francisco, CA 94102

Phone: (415) 554-7903

Email: hcao@sfgov.org

HAO Webpage: www.sf.gov/olse-hcao



Questions and Answers For OLSE

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HEALTH CARE ACCOUNTABILITY ORDINANCE MINIMUM STANDARDS OVERVIEW

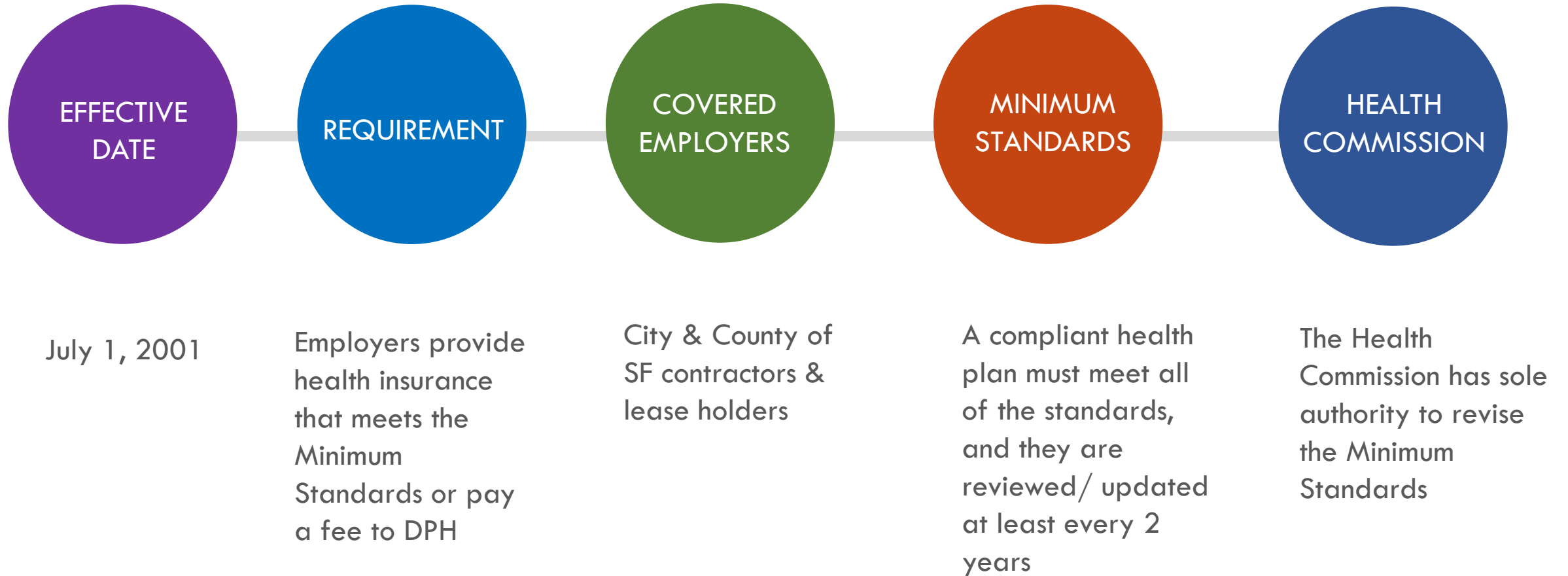
JULY 2026

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH





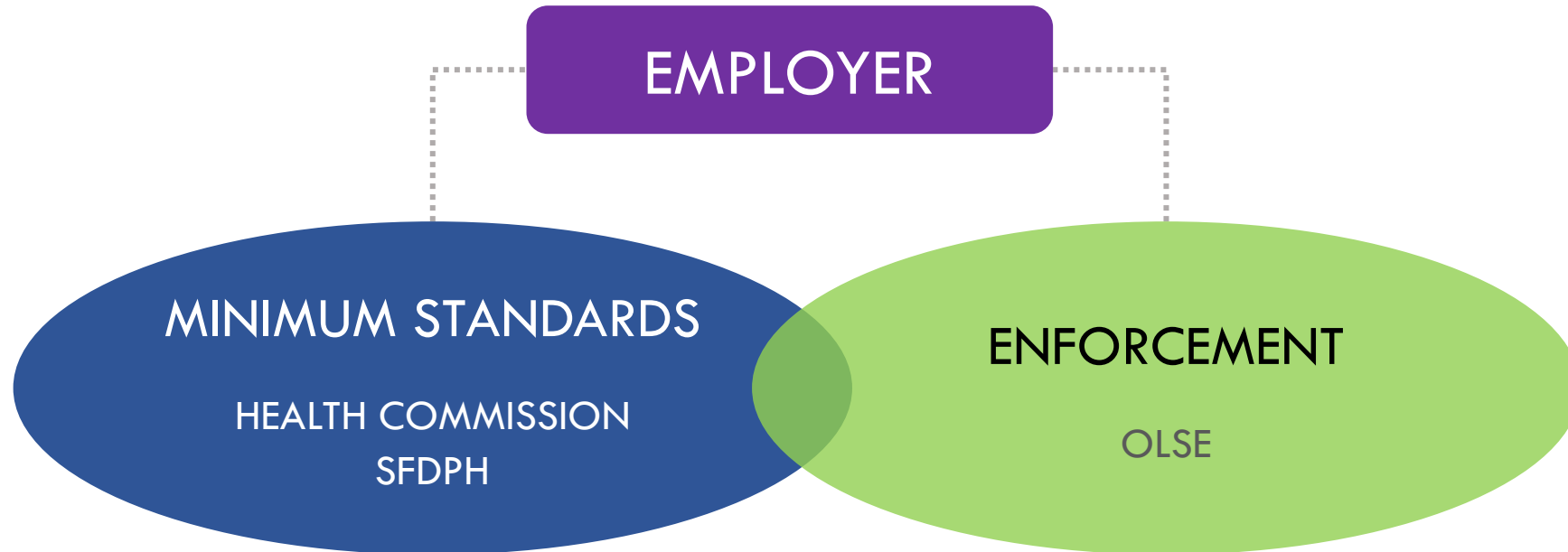
HCAO OVERVIEW



* **Healthy Airport Ordinance:** Applies to employers with employees covered under the SFO Quality Standards Program (QSP). For more info about whether your employees covered under the SFO QSP, contact 650-821-1103; qsp@flysfso.com



DEPARTMENT ROLES



- Updates Minimum Standards
- Reviews health plan compliance

- Audits employers
- Responds to worker complaints
- Negotiates settlements
- Coordinates payment plans



MINIMUM STANDARDS

16

MINIMUM STANDARDS

JAN 1, 2027 – DEC 31, 2028

- EMPLOYER CONTRIBUTION
- EMPLOYEE COST-SHARING
- COVERED SERVICES



MINIMUM STANDARDS

All gold and platinum plans are automatically deemed compliant if:

- the employer covers 100 percent of both the plan premium and medical services deductible; and
- the plan covers all required covered services standards (5, 8-16)



MINIMUM STANDARDS 1-2

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
1. Premium Contribution	Employer pays 100%	No change
2. Annual Out-of-Pocket (OOP) Maximum	<p><u>In-Network:</u></p> <ul style="list-style-type: none"> Require employer cover OOP expenses up to 50% of the plan's out-of-pocket maximum. These expenses must be covered on a first dollar basis. Employers may use any health savings or reimbursement product that supports compliance with this standard. OOP Maximum is \$8,750. <p><u>Out-of-Network:</u> Not specified.</p>	<p><u>In-Network:</u></p> <ul style="list-style-type: none"> Require employer cover OOP expenses up to 50% of the plan's out-of-pocket maximum. These expenses must be covered on a first dollar basis. Employers may use any health savings or reimbursement product that supports compliance with this standard. OOP Maximum limit ↑ to \$12,000 <u>Out-of-Network:</u> Not specified.



OPTIONS FOR COMPLYING WITH ANNUAL OOP STANDARD

- Employers are encouraged to discuss the optimal reimbursement mechanism with their benefits administrator.
- Employer may use a third-party administrator or other appropriate option to manage reimbursement of employees' medical expenditures that count towards the in-network out-of-pocket expenses as long as employees' protected health information remain private and confidential in accordance with state and federal laws.
- **Employers are strongly encouraged to provide an employer-funded mechanism, such as a pre-funded debit card, to beneficiaries to cover out-of-pocket expenses (e.g. copays) upfront.**
- Note that if a HRA or HSA is utilized to cover the employee's in-network out-of-pocket expenses, there is no need to pre-fund the full out-of-pocket expenses amount.



MINIMUM STANDARDS 3-5

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
3. Regular (Medical Services) Deductible	<ul style="list-style-type: none">• <u>In-Network</u>: \$3,000 max• <u>Out-of-Network</u>: Not specified	<ul style="list-style-type: none">• Increase max to \$3,200
4. Prescription Drug Deductible	<ul style="list-style-type: none">• <u>In-Network</u>: \$400 max• <u>Out-of-Network</u>: Not specified	<ul style="list-style-type: none">• <u>In-Network</u>: ↑ to \$500 max• <u>Out-of-Network</u>: Not specified
5. Prescription Drug Coverage	<ul style="list-style-type: none">• Plan must provide drug coverage, including coverage of brand-name drugs.	No change



MINIMUM STANDARDS 6-7

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
6. Coinsurance Percentages	<ul style="list-style-type: none">• <u>In-Network</u>: 55% / 45%• <u>Out-of-Network</u>: 50% / 50%	No change
7. Copayment for Primary Care Provider Visits	<ul style="list-style-type: none">• <u>In-Network</u>: \$65 max / visit• <u>Out-of-Network</u>: Not specified	No change



MINIMUM STANDARDS 8-9

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
8. Preventive & Wellness Services	<ul style="list-style-type: none">• <u>In-Network</u>: Provided at no cost, per ACA rules.• <u>Out-of-Network</u>: Subject to the plan's out-of-network fee requirements.	No change
9. Pre/Post-natal Care	<ul style="list-style-type: none">• <u>In-Network</u>: Scheduled prenatal exams and first postpartum follow-up consult is covered without charge, per ACA rules.• <u>Out-of-Network</u>: Subject to the plan's out-of-network fee requirements.	No change



MINIMUM STANDARDS 10-11

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
10. Ambulatory Patient Services (Outpatient Care)	<ul style="list-style-type: none">• When coinsurance is applied See Benefit Requirement #6• When copayments are applied for these services:• Primary Care Provider: See Benefit Requirement #7• Specialty visits: Not specified	No change
11. Hospitalization	<ul style="list-style-type: none">• When coinsurance is applied See Benefit Requirement #6• When copayments are applied for these services: Not specified	No change



MINIMUM STANDARDS 12-14

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
12. Mental Health & Substance Use Disorder Services, Including Behavioral Health	<ul style="list-style-type: none">• When coinsurance is applied See Benefit Requirement #6	No change
13. Rehabilitative & Habilitative Services	<ul style="list-style-type: none">• When copayments are applied for these services: Not specified	
14. Laboratory Services		



MINIMUM STANDARDS 15-16

BENEFIT REQUIREMENT	CURRENT STANDARD (2025)	EFFECTIVE JAN 1, 2027
15. Emergency Room Services & Ambulance	Limited to treatment of medical emergencies. The in-network deductible and coinsurance also apply to emergency services received from an out-of-network provider.	No change
16. Other Services	The full set of covered benefits is based on the ACA list of Essential Health Benefits in conjunction with the <u>Covered California EHB Benchmark plan</u> .	No change



COMPLIANCE = ALL OR NOTHING

An employer plan is compliant with the minimum standards if it is:

- A bronze or silver health plan that satisfies all minimum standards.

OR

- A gold or platinum health plan where the employer covers 100 percent of both the plan premium and medical services deductible; and the plan covers all required covered services standards (5, 8-16).

IF YOU HAVE QUESTIONS

MAX GARA

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(628) 271-7517

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH



Questions for DPH

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