

# San Francisco Labor Laws for City Contractors

## Effective January 1, 2026

### Labor Requirements per CCSF Contract

#### Minimum Compensation Ordinance (MCO)

##### *Wages and Time Off Requirements*

###### Covered Employers

- Applies to a company that has 5 or more employees, anywhere in the world AND subcontractors working on the City Contract

###### Covered Employees

- Any employee who works on a City contract for services

###### Employer Requirements

- **For-profit rate** is \$21.54/hour as of 7/1/25
- **Non-profit rate** is \$21.55/hour as of 7/1/25; \$23.00/hour as of 1/1/26
- **Public Entities rate** is \$22.00/hour as of 1/1/25; \$23.00/hour as of 1/1/26
- 0.04615 hours of Paid Time Off (PTO) per hour worked (can be used as vacation or sick leave, and is vested and cashed out at termination)
- 0.03846 hours of Unpaid Time Off per hour worked – allowed without consequence
- Posting Requirements
- Employee must sign a “Know Your Rights” form

Contact the MCO unit: [mco@sfgov.org](mailto:mco@sfgov.org) and (415) 554-7903

#### Health Care Accountability Ordinance (HCAO)

###### Covered Employers

- If a non-profit with a grant contract, the contract is exempt from HCAO
- For a company that has > 20 workers (for profit)/ > 50 workers (nonprofit), anywhere in the world
- Applies to your subcontractors working on the City Contract.

###### Covered Employees

- Any employee who works **at least 20 hours a week** on a City contract for services:

###### Employer Requirements

- A) Offer a compliant health plan with no premium charge to the employee. See Minimum Standards  
OR
  - B) Pay \$7.50\* per hour to SF General Hospital (not Healthy San Francisco and not a benefit to employees)  
OR
  - C) Pay \$7.50\* per hour to covered employee. N/A to SFO and San Bruno Jail locations. Employee must live outside of SF and work on a City contract outside of SF. See HCAO for more details.
- Posting Requirements
  - Employee must sign a “Know Your Rights” form

\*Rate changes every July 1

Contact the HCAO unit: [hcao@sfgov.org](mailto:hcao@sfgov.org) and (415) 554-7903

# City and County Labor Laws for Companies Operating in the City & County of San Francisco

## Health Care Security Ordinance (HCSO)

### Covered Employers

- Employers with 20 or more workers worldwide

### Covered Employees

- Any employee who works **an average of 8 hours a week in the City of San Francisco** (whether or not on a City contract) and is **not covered by the HCAO**

### Employer Requirements

- As of 1/1/2026, spend \$2.74\* or \$4.11\* (depending on your size) per hour on their health care (e.g. health insurance, or a contribution to Healthy San Francisco)
  - Employee can only waive their rights:
    - By signing an official HCSO voluntary waiver, and
    - If they show they have insurance through another employer
- Posting Requirement

\* Rate changes every January 1<sup>st</sup>

Contact the HCSO unit: [hcsos@sfgov.org](mailto:hcsos@sfgov.org) and (415) 554-7892

Office of Labor Standards and Enforcement (OLSE)  
City Hall Room, 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

*Please Post Where Employees Can Read It Easily*

**CITY AND COUNTY OF SAN FRANCISCO**



**NOTICE TO EMPLOYEES – JULY 1, 2025**

**Minimum Compensation Ordinance**

This employer is a contractor with the City and County of San Francisco. This contract agreement is subject to the Minimum Compensation Ordinance (MCO). If under this contract agreement you perform any work funded under an applicable contract, you must be provided no less than the Minimum Compensation outlined below.

**THESE ARE YOUR RIGHTS . . .**

**1. Minimum Hourly Compensation:**

For contracts entered into or amended on or after October 14, 2007

- For-Profit Rate is **\$21.54/hour** effective 7/1/25
- Non-profits is **\$21.55/hour** effective 7/1/25; **\$23.00/hour** effective 1/1/26
- Public Entities is **\$22.50/hour** effective 7/1/25; **\$23.00/hour** effective 1/1/26
- Rates subject to change; your employer must pay the then-current rate posted on the OLSE web site: <https://sf.gov/information/understanding-minimum-compensation-ordinance>

For contracts entered into prior to October 14, 2007

- For work performed within the City Of S.F.: SF Minimum Wage (\$19.18/hour effective 7/1/25)
- For work performed outside of S.F.: \$16.50/hour

**2. Paid Days Off:**

- 12 paid days off per year for vacation, sick leave, or personal necessity
- The paid days off for part-time employees are prorated based on hours worked

**3. Unpaid Days Off:**

- 10 unpaid days off per year
- Unpaid days off for part-time employees are prorated based on hours worked

**IF YOU BELIEVE YOUR RIGHTS ARE BEING VIOLATED CONTACT THE  
OFFICE OF LABOR STANDARDS ENFORCEMENT AT (415) 554-7903.**

**Office of Labor Standards Enforcement (OLSE)**

**City Hall, Room 430**

**1 Dr. Carlton B. Goodlett Place**

**San Francisco, CA 94102**

**<https://sf.gov/information/understanding-minimum-compensation-ordinance>**



## Minimum Compensation Ordinance (MCO)

### KNOW YOUR RIGHTS – JULY 1, 2025

This notice is intended to inform you of your rights under the Minimum Compensation Ordinance (MCO). The MCO requires your employer to provide a prescribed minimum level of compensation be paid to employees of (1) contractors and their subcontractors providing services to the City and County; (2) public entities whose boundaries are coterminous with the City and County who have city contracts; and, (3) tenants and subtenants on Airport property and their subcontractors. The Office of Labor Standards Enforcement (OLSE) is charged with enforcing the MCO. You will be asked to sign this document after you have reviewed the following information. Do not sign this document unless you fully understand your rights under this law.

### THE MCO REQUIREMENTS

#### 1. **Minimum Hourly Wage**

- For-Profit Rate is **\$21.54/hour** effective 7/1/25
- Non-profits is **\$21.55/hour** effective 7/1/25; **\$23.00/hour** effective 1/1/26
- Public Entities rate is **\$22.50/hour** effective 7/1/25; **\$23.00/hour** effective 1/1/26
- For contracts entered into prior to October 14, 2007, the rate for work performed within the City of S.F. is the San Francisco minimum wage (\$19.18/hour effective July 1, 2025). The rate for work performed outside of S.F. is \$16.50/hour.
- Rates are subject to change. Your employer is obligated to keep informed of the requirements and to notify employees in writing of any adjustment to the MCO wage.

#### 2. **Paid Days Off**

- 12 paid days off per year for vacation, sick leave or personal necessity
- The paid days off for part-time employees are prorated based on hours worked

#### 3. **Unpaid Days Off**

- 10 unpaid days off per year
- Unpaid days off for part-time employees are prorated based on hours worked
- Temporary and casual employees are not eligible for unpaid time off

### RETALIATION PROHIBITED

Your employer may not retaliate against you or any other employee for trying to learn more about the MCO or exercising your rights under the law. If you believe that you have been discriminated or retaliated against for inquiring about or exercising your rights under the MCO, contact the OLSE at (415) 554-7903 to file a MCO complaint.

Do not sign this document unless you fully understand your rights under this law. If you have any questions about your employer's responsibilities or your rights under this Ordinance, contact the OLSE at (415) 554-7903 or visit <https://sf.gov/information/understanding-minimum-compensation-ordinance> for more information about this law.

Print Name of Employee: \_\_\_\_\_

Signature of Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Para asistencia en Español, llame al (415) 554-7903

需要中文幫助，請電 (415) 554-7903

*For a complete copy of the Minimum Compensation Ordinance, visit <https://sf.gov/information/understanding-minimum-compensation-ordinance>.*

# CITY AND COUNTY OF SAN FRANCISCO



## **NOTICE TO EMPLOYEES – JULY 1, 2025**

### **Health Care Accountability Ordinance**

This employer is a contractor with the City and County of San Francisco. This contract agreement is subject to the Health Care Accountability Ordinance (HCAO). The HCAO requires your employer to provide health plan benefits to covered employees, make payments to the City for use by the Department of Public Health (DPH), or, under limited circumstances, make payments directly to employees. **If you work at least 20 hours per week on a City contract, you are a covered employee and your employer must choose one of the following options:**

**1. PROVIDE YOU WITH A HEALTH PLAN THAT MEETS THE MINIMUM STANDARDS OUTLINED BY THE DIRECTOR OF PUBLIC HEALTH**

- Your employer cannot require you to contribute any amount towards the premiums for health plan coverage for yourself.
- Coverage must begin no later than the first of the month that begins after 30 days from the start of employment on a covered contract.

**OR**

**2. PAY \$7.50 PER HOUR WORKED TO THE CITY & COUNTY OF SAN FRANCISCO**

- If you live within the City and County of San Francisco or work on a City contract within the City, the San Francisco Airport, or the San Bruno Jail, and your employer does not provide a health plan that meets the Minimum Standards, your employer must pay \$7.50/hour for every hour you work (up to 40 hours a week) to the City and County of San Francisco.

**OR**

**3. PAY AN ADDITIONAL \$7.50 PER HOUR WORKED TO THE EMPLOYEE**

- If you live outside the City and County of San Francisco and work on a City contract located outside of the City, and not at the San Francisco Airport or at the San Bruno Jail and your employer does not provide a health plan that meets the Minimum Standards, your employer must pay you an additional \$7.50/hour for every hour you work (up to 40 hours a week) to enable you to obtain health insurance coverage.

**IF YOU BELIEVE YOUR RIGHTS ARE BEING VIOLATED CONTACT THE  
OFFICE OF LABOR STANDARDS ENFORCEMENT AT (415) 554-7903.**

**Office of Labor Standards Enforcement (OLSE)**

**City Hall, Room 430**

**1 Dr. Carlton B. Goodlett Place**

**San Francisco, CA 94102**

**<https://sf.gov/information/understand-health-care-accountability-ordinance>**

Health Care Accountability Ordinance (HCAO)

KNOW YOUR RIGHTS – JULY 1, 2025

Revised 5/28/2025

This notice is intended to inform you of your rights under the Health Care Accountability Ordinance (HCAO). The HCAO requires your employer to provide health insurance to you. Your employer can do this by enrolling you in a health plan, by making payments to the City, or, under limited circumstances, by making payments directly to you. The Office of Labor Standards Enforcement (OLSE) is charged with enforcing this Ordinance. You will be asked to sign this document after you have reviewed the following information. Do not sign this document unless you fully understand your rights under this law.

THE HCAO COMPONENTS

- I. If you live in San Francisco (regardless of where you work) or if you work in San Francisco, at the San Francisco Airport, or at the San Bruno Jail, your employer must:
- A. Offer you health coverage that meets the Minimum Standards starting on the first day of the month following 30 calendar days after your first day of work\*; **OR**

B. For each month in which you averaged at least 20 hours of work per week, pay the City \$7.50 per hour for each hour you work, up to 40 hours or \$300 per week.
- II. If you do not live in San Francisco and do not work in San Francisco, at the San Francisco Airport, or at the San Bruno Jail, your employer must:
- A. Offer you health coverage that meets the Minimum Standards starting on the first day of the month following 30 calendar days after your first day of work\*; **OR**

B. For each month in which you averaged at least 20 hours of work per week, pay you \$7.50 per hour for each hour you work, up to 40 hours or \$300 per week, so that you can obtain health insurance coverage on your own.

*\*Note that your employer must offer at least one plan that does not require you to contribute any amount towards the cost of premiums for health plan coverage for yourself.*

EXEMPTIONS FROM COVERAGE

Certain categories of employees, including but not limited to students, trainees, and employees of employers subject to Prevailing Wage requirements, are exempt under the HCAO. For more information, go to <https://sf.gov/information/understand-health-care-accountability-ordinance> or call (415) 554-7903.

VOLUNTARY WAIVER OF COVERAGE

Employees may refuse health coverage offered by an employer if the employee signs the Voluntary Waiver Form. Employees may revoke this voluntary waiver at any time.

RETALIATION PROHIBITED

Your employer may not retaliate against you or any other employee for trying to learn more about the HCAO or exercising your rights under the law. If you believe that you have been discriminated or retaliated against for inquiring about or exercising your rights under the HCAO, contact the OLSE at (415) 554-7903 to file an HCAO complaint.

Do not sign this document unless you fully understand your rights under this law. If you have any questions about your employer’s responsibilities or your rights under this Ordinance, contact the OLSE at (415) 554-7903 or visit <https://sf.gov/information/understand-health-care-accountability-ordinance> for more information about this law.

Name of Employee

Date

Signature of Employee

Para asistencia en Español, llame al 554-7903

需要中文幫助，請電 554-7903

NOTE: For a complete copy of the Health Care Accountability Ordinance or the Minimum Standards, visit <https://sf.gov/information/understand-health-care-accountability-ordinance>



City and County of San Francisco  
Daniel Lurie  
Mayor

## San Francisco Department of Public Health

Daniel Tsai  
Director of Health

### San Francisco Health Care Accountability Ordinance (HCAO) Minimum Standards – Effective January 1, 2026

The following minimum standards are effective January 1, 2026. Health plans deemed compliant with the HCAO must either:

- (1) Meet all 16 minimum standards as described below, OR
- (2) Be a gold- and platinum-level plan written in California (or actuarial value of at least 76%), where:
  - A. the employer covers 100 percent of both the plan premium and medical services deductible. Employers may use any health savings/reimbursement product that supports coverage of the medical deductible; and
  - B. the plan covers all required covered services minimum standards (5, 8-16).

Note that the requirements under the HCAO are distinct from the Healthy Airport Ordinance (HAO). More information on the HAO can be found here: [sf.gov/information/understanding-healthy-airport-ordinance](https://sf.gov/information/understanding-healthy-airport-ordinance)

| Benefit Requirement             | Minimum Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Premium Contribution         | Employer pays 100 percent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2. Annual OOP Maximum           | <p><u>In-Network:</u></p> <ul style="list-style-type: none"><li>• Employer must cover in-network out-of-pocket expenses up to 50 percent of plan's annual out-of-pocket maximum. These expenses must be covered on a first-dollar basis.</li><li>• Employers may use any health savings or reimbursement product that supports compliance with this minimum standard.</li><li>• OOP Maximum must include all types of cost-sharing (deductible, copays, coinsurance, etc.).</li><li>• The plan's out of pocket maximum cannot exceed the Federal out-of-pocket limit for a self-only coverage plan during the plan's effective date. In 2026, the limit is \$10,600.</li></ul> <p><u>Out-of-Network:</u> Not specified.</p> |
| 3. Medical Deductible           | <ul style="list-style-type: none"><li>• <u>In-Network:</u> \$3,000 maximum.</li><li>• <u>Out-of-Network:</u> Not specified.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 4. Prescription Drug Deductible | <ul style="list-style-type: none"><li>• <u>In-Network:</u> \$400 maximum.</li><li>• <u>Out-of-Network:</u> Not specified.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 5. Prescription Drug Coverage   | <ul style="list-style-type: none"><li>• Plan must provide drug coverage, including coverage of brand-name drugs.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 6. Coinsurance Percentages      | <ul style="list-style-type: none"><li>• <u>In-Network:</u> 55 percent/ 45 percent.</li><li>• <u>Out-of-Network:</u> 50 percent/50 percent.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



| Benefit Requirement                                                              | Minimum Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. Copayment for Primary Care Provider Visits                                    | <ul style="list-style-type: none"> <li>• <u>In-Network</u>: \$65 per visit. When coinsurance is applied See Benefit Requirement #6.</li> <li>• <u>Out-of-Network</u>: Not specified.</li> </ul>                                                                                                                                                                                                                                                                                           |
| 8. Preventive & Wellness Services                                                | <ul style="list-style-type: none"> <li>• <u>In-Network</u>: Provided at no cost, per ACA rules.</li> <li>• <u>Out-of-Network</u>: Subject to the plan's out-of-network fee requirements.</li> </ul> <p>These services are standardized by federal ACA rules at no charge to the member. The <a href="#">California EHB Benchmark Plan</a> outlines the types of preventive services that are required.</p>                                                                                |
| 9. Pre/Post-Natal Care                                                           | <ul style="list-style-type: none"> <li>• <u>In-Network</u>: Scheduled prenatal exams and first postpartum follow-up consult is covered without charge, per ACA rules.</li> <li>• <u>Out-of-Network</u>: Subject to the plan's out-of-network fee requirements.</li> </ul> <p>These services are standardized by federal ACA rules at no charge to the member. The <a href="#">California EHB Benchmark Plan</a> outlines the types of pre- and post-natal services that are required.</p> |
| 10. Ambulatory Patient Services (Outpatient Care)                                | <ul style="list-style-type: none"> <li>• When coinsurance is applied See Benefit Requirement #6.</li> <li>• When copayments are applied for these services: <ul style="list-style-type: none"> <li>○ Primary Care Provider: See Benefit Requirement #7.</li> <li>○ Specialty visits: Not specified.</li> </ul> </li> </ul>                                                                                                                                                                |
| 11. Hospitalization                                                              | <ul style="list-style-type: none"> <li>• When coinsurance is applied See Benefit Requirement #6.</li> <li>• When copayments are applied for these services: Not specified.</li> </ul>                                                                                                                                                                                                                                                                                                     |
| 12. Mental Health & Substance Use Disorder Services, including Behavioral Health | <ul style="list-style-type: none"> <li>• When coinsurance is applied See Benefit Requirement #6.</li> <li>• When copayments are applied for these services: Not specified.</li> </ul>                                                                                                                                                                                                                                                                                                     |
| 13. Rehabilitative & Habilitative Services                                       | <ul style="list-style-type: none"> <li>• When coinsurance is applied See Benefit Requirement #6.</li> <li>• When copayments are applied for these services: Not specified.</li> </ul>                                                                                                                                                                                                                                                                                                     |
| 14. Laboratory Services                                                          | <ul style="list-style-type: none"> <li>• When coinsurance is applied See Benefit Requirement #6.</li> <li>• When copayments are applied for these services: Not specified.</li> </ul>                                                                                                                                                                                                                                                                                                     |
| 15. Emergency Room Services & Ambulance                                          | <ul style="list-style-type: none"> <li>• Limited to treatment of medical emergencies. The in-network deductible, copayment, and coinsurance also apply to emergency services received from an out-of-network provider.</li> </ul>                                                                                                                                                                                                                                                         |
| 16. Other Services                                                               | <ul style="list-style-type: none"> <li>• The full set of covered benefits is defined by the <a href="#">California EHB Benchmark plan</a>.</li> </ul>                                                                                                                                                                                                                                                                                                                                     |





City and County of San Francisco  
Daniel Lurie  
Mayor

# San Francisco Department of Public Health

Daniel Tsai  
Director of Health

Office of Policy and Planning

## 2025-2026 Healthcare Accountability Ordinance (HCAO) Minimum Standards: Frequently Asked Questions and Common Clarifications

- 1) Does the HCAO require that coverage be offered for the individual employee and their dependent(s)?

No, the HCAO only requires that medical insurance be offered to the individual worker.

- 2) Since an employer only has to offer one (1) compliant plan, do other additional plans have to be HCAO compliant?

A covered employer is only required to offer one (1) compliant plan at no charge to the employee. If they choose to offer additional plans, these plans do not have to meet all the minimum standards, and they can be administered as the employer so chooses.

For example, after offering the compliant plan at no charge, the employer can also:

- offer a plan with different benefits that do not meet the minimum standards; or
- offer a plan that requires an employee premium contribution

- 3) If an employer pays the HCAO fee instead of offering a compliant plan, does that count as insurance? Does the employee benefit directly from the fee payment?

Paying the HCAO fee does not count as insurance, and where an employer needs to pay the fee depends on the location of where the employee's work is performed:

- If the employee performs works on a City contract within the City, the San Francisco Airport, or the San Bruno Jail, the fee is paid to the Department of Public Health. These payments are not a benefit to employees and the fees paid are to meet the HCAO compliance's requirement if the employee does not offer a HCAO complaint health plan to the covered employee.
- If the employee performs work on a City contract outside the City and County of San Francisco, the fee is paid to the employee. These payments to the employee are a direct benefit to the employee.

Contact the Office of Labor Standards Enforcement (OLSE) at [hcao@sfgov.org](mailto:hcao@sfgov.org) for more questions about the fee, best practices on implementation of the above, and how to make a payment instead of offering a compliant plan.

- 4) Does it matter if our plan is self-funded vs fully-funded as it relates to the HCAO minimum standards?

No, it does not.

- 5) How do I calculate the actuarial value of a plan?

Employers can request that your broker provide the actuarial value of the plan in question, or you can also use the CMS Actuarial Value Calculator ([AV Calculator](#)), which is designed to give an estimate of the actuarial value for a given plan design. Please ensure you use the calculator of the corresponding year you're seeking compliance for (i.e., 2026 AV Calculator is used to calculate the AV of a 2023 health plan).

## Services Covered

- 6) If our plan is written out of another state, what can we do to comply with the coverage requirements under standard 16 regarding the CA benchmark plan?

Employers can get a rider for the services not currently covered or get a plan written in CA.

- 7) Are quantity limits allowed on services that are in the CA benchmark plan?

Please refer to the CA benchmark plan for allowable quantitative limitations on services. For example, bariatric services cannot have quantitative limitations as specified under the CA Benchmark Plan: [Link](#)

- 8) Does an employer need to offer pediatric vision and dental coverage as part of the HCAO?

Given that the HCAO only requires adult coverage, plans do not need to include these benefits.

- 9) Are adult vision exams required? They are part of the benchmark plan but are not EHBs, so wanted to double check.

Routine eye exams for adults must be covered. Under the HCAO and HAO, plans must provide the full set of covered benefits defined by the California EHB Benchmark plan, and routine eye exams are a covered service.

- 10) What weight loss drugs must be covered by HCAO compliant health plans?

Under the HCAO Minimum Standard #16, compliant plans must cover all services and Rx drugs listed in the CA EHB Plan. The plan, on [pp.6-11 of the CA EHB plan link](#), specifies which Rx's must be covered. If your plan covers the listed # of Rx in the category/class in the table, then it complies with Rx requirements.

The weight loss programs and interventions referenced by EHB plans (and CMS) are grounded in the [US Preventive Services Task Force](#), and generally more in the context of behavioral interventions. They are intentionally general and defer to the medical provider and their relationship with the patient to prescribe based on their clinical expertise. It does not require coverage of certain Rx drugs

## Healthcare Accountability Ordinance (HCAO) vs. Healthcare Airport Ordinance (HAO)

- 11) How do I know if I have to comply with the HCAO or HAO?

The requirements under the HCAO are distinct from the Healthy Airport Ordinance (HAO). The HAO applies to employers at SFO with employees covered under the SFO Quality Standards Program (QSP).

More information on the HAO can be found here: [sf.gov/information/understanding-healthy-airport-ordinance](https://sf.gov/information/understanding-healthy-airport-ordinance). For more info about whether your employees covered under the SFO QSP, contact 650-821-1103; [gsp@flysfo.com](mailto:gsp@flysfo.com).

If you are required to comply with the HAO requirements, you do not need to comply with the HCAO minimum standards.

- 12) Does the HAO plan supersede the HCAO? If a company has QSP and non-QSP employees, can they offer only the HAO compliant plan?

The HAO does not supersede the HCAO. If there are non-QSP employees that fall under the HCAO, then they would need to be offered an HCAO compliant plan. In many cases, HAO compliant plans comply with the HCAO minimum standards, but employers should still review plans for HCAO compliance in this circumstance.

#### HCAO Compliance Timeline

- 13) If our health insurance policy does not end until after the revised minimum standards become effective for 2026, will we be considered out of compliance?

No – the employer’s plan would still be compliant. A plan year that overlaps with the revised standards effective January 1, 2026 (i.e. plan year was July 1, 2025 to June 30, 2026), would only need to comply with the standards that were effective January 1, 2025. Any subsequent contract effective on or after January 1, 2026 will need to comply with the revised standards.

| Common Clarifications about specific Minimum Standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Clarification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1. Premium Contribution<br>Employer pays 100% of the premium contribution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"><li>• Refers <u>only to individual medical</u> coverage and not vision/dental.</li><li>• No money may come out of an employee’s paycheck to pay the premium contribution.</li><li>• Employer is only required to offer at least 1 HCAO compliant health plan for which the employer must pay 100% of the premium contribution for the covered employee.</li><li>• Employer has the discretion to offer any additional health plans for which there can be an option for employees to contribute to their premiums.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2. Annual Out-of-Pocket Maximum<br><u>In-Network:</u> <ul style="list-style-type: none"><li>• Employer must cover in-network out-of-pocket expenses up to 50 percent of plan’s annual out-of-pocket maximum. These expenses must be covered on a first-dollar basis.</li><li>• OOP Maximum must include all types of cost-sharing (deductible, copays, coinsurance, etc.).</li><li>• The plan’s out of pocket maximum cannot exceed the Federal out-of-pocket limit for a self-only coverage plan during the plan’s effective date. In 2026, the limit is \$10,600.</li></ul> <u>Out-of-Network:</u> Not specified. | <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• Employers are encouraged to discuss the optimal reimbursement mechanism with their benefits administrator. While not required, 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.</li><li>• <i>Example of how standard would be applied to a health plan:</i> If a plan’s annual out-of-pocket maximum for in-network services is \$8,000, then the employer must cover the initial \$4,000 of the employees in-network health expenses that count towards the OOP Maximum.</li></ul> |

| Common Clarifications about specific Minimum Standards                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum Standard                                                                                                                                                   | Clarification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Medical Deductible</p> <ul style="list-style-type: none"> <li>• <u>In-Network</u>: \$3,000 maximum.</li> <li>• <u>Out-of-Network</u>: Not specified.</li> </ul> | <ul style="list-style-type: none"> <li>• The \$3,000 maximum limit is for an individual deductible.</li> <li>• A plan can have combined medical and prescription drug deductible. In this situation, the \$3,000 maximum would still apply to the combined deductible amount as long as the medical and prescription costs count toward the one total deductible.</li> </ul>                                                                                                                                                        |
| <p>16. Other Services</p> <p>The full set of covered benefits is defined by the California EHB Benchmark plan.</p>                                                 | <ul style="list-style-type: none"> <li>• Although all gold- and platinum-tier health plans are considered automatically compliant under the HCAO Minimum Standards, they must still offer coverage for the full set of covered benefits as defined by the <a href="#">California EHB Benchmark plan</a>.</li> <li>• Health plans offered by out-of-state contractors doing business with or in the City and County of San Francisco must provide coverage for the services covered by the California EHB Benchmark plan.</li> </ul> |

For more information


[tinyurl.com/sfhcao](https://tinyurl.com/sfhcao)


[sf.gov/information/understand-health-care-accountability-ordinance](https://sf.gov/information/understand-health-care-accountability-ordinance)


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