Frequently Asked Questions

HCAO

Office of Labor Standards Enforcement
Question 1: What are the thresholds for employee count and hours worked for the MCO and HCAO?

<table>
<thead>
<tr>
<th>MCO</th>
<th>HCAO</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 workers for the firm</td>
<td>20 workers for the firm</td>
</tr>
<tr>
<td>No minimum hours threshold. Must comply with MCO for all workers who perform work on the San Francisco contract.</td>
<td>20 hours or more per week worked on the San Francisco contract. (HCSO may apply if HCAO doesn’t apply)</td>
</tr>
<tr>
<td>Comply immediately</td>
<td>Comply by the first of the month after 30 days</td>
</tr>
</tbody>
</table>
Question 2: For the HCAO, does the employer choose the method to comply?

- Yes. The employer determines how they would like to comply.
- Your firm may use any singular option or any combination of the three options. Work location decides which methods are applicable.

<table>
<thead>
<tr>
<th>Work Location</th>
<th>Compliant Health Plan</th>
<th>Fee Payments to SF General Hospital</th>
<th>Fee Payments Directly to Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco, SFO, San Bruno Jail</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Outside of San Francisco, SFO,</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>San Bruno Jail</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question 3: Does my firm already provide a compliant insurance plan to comply with the HCAO?

• A compliant health plan must meet the minimum standards.
• Contact Patrick Chang (Patrick.Chang@sfdph.org) at the San Francisco Department of Public Health.
  • He will review any existing health plans that you have and let you know if they are compliant or what needs to be revised with the plan.
  • He will clarify the criteria for a compliant health insurance plan.
• Applies to all employees who are working on the San Francisco contract regardless of where the work is performed in the U.S.
Question 4: How do I make payments to the San Francisco General Hospital?

• If your firm decides to not provide a compliant health insurance plan, you may pay the San Francisco General Hospital a rate of $5.60 per hour, per employee worked on the San Francisco Contract with weekly maximum of $224.

• Applies to work only performed in San Francisco, San Francisco International Airport (SFO), or San Bruno Jail.

• Obtain the HCAO Payment Option Form at the [HCAO website](#) and submit the form with the monthly payment by the 15\textsuperscript{th} of the following month.

• This is not a benefit for employees such as City Option or payments to the employees.
Question 5: When and how would I use the direct fee payment to the employee?

• If your firm decides to not provide a compliant health insurance plan, you may pay employees a rate of $5.60 per hour, per employee worked on the San Francisco Contract with a weekly maximum of $224.

• Only applies to work not performed in San Francisco, San Francisco International Airport (SFO), and San Bruno Jail.

• Employees use the funds at their discretion.

• It’s best to clearly communicate with your employees why you are providing the payment and to provide a specific line item for this payment on their paystub or separate payment.
Question 6: I have workers who work less than 20 hours a week on the San Francisco contract, what’s the threshold for the amount worked on the contract?

• If the pre-dominant pattern is that the employee works less than 20 hours per week on the San Francisco contract, HCAO compliance only applies to the week the employee meets the 20 hour threshold.

• If the pre-dominant pattern is that the employee works less than 20 hours per week in San Francisco, the employee may be covered under the Health Care Security Ordinance (HCSO).
Question 7: Does the HCAO or the Health Care Security Ordinance (HCSO) apply to the worker?

HCAO
- applies to City Contractors or Lessees
- applies to employees working at least 20 hours a week on the contract or City property
- requires offering a minimum standard insurance plan OR make a payment to SF General Hospital or employee
- Employee has no waiting period for coverage

HCSO
- applies to Covered Employers with employees in San Francisco
- applies to employees working at least 8 hours a week in San Francisco, who are not covered under the HCAO
- has a spending requirement
  - An employer can choose how to spend the money (e.g. Health Insurance, City Option, etc.)
- employee has a 90 day waiting period for coverage
HCAO vs. HCSO: employee analysis

Does employee work on a City contract?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does e’ee work at least 20h/wk on the contract?</td>
<td>No</td>
</tr>
</tbody>
</table>

HCAO | HCSO
Health Care Security Ordinance (HCSO)

https://sfgov.org/olse/health-care-security-ordinance-hcso

hcso@sfgov.org

(415) 554-7892
Question 8: When are the minimum standards updated?

• The minimum standards are typically updated each calendar year.
• Stay tuned to the minimum standard updates by visiting the [HCAO](https://sfgov.org/olse/email-sign-hcao-mco) website and get our email updates.
• To receive announcements, reminders and other information, sign up to receive email updates here at:

  https://sfgov.org/olse/email-sign-hcao-mco

An email will be sent to you and you will need to confirm your subscription.
Question 9: Are we responsible for the compliance of our subcontractor/subtenant?

- Yes, as a prime contractor/proposer, you are responsible for the compliance of your subcontractors/subtenants.

- **Best practice:**
  - Inform your subcontractors/subtenants of their requirement to comply with the ordinances that apply to the whole project team on the contract.
  - Refer subcontractors/subtenants to the webinars for them to do their own research about how to comply with the ordinances.
  - Have the subcontractors/subtenants complete the MCO and HCAO Declaration Forms.
Question 10: I have a Collective Bargaining Agreement (CBA) with a union, I’m in compliance. Right?

• It depends on if the language in the CBA is compliant. Regardless of the body that determines employee compensation and benefits for the firm performing work on the San Francisco Contract, compliance is required of the whole project team (primes and subcontractors/subtenants).

Be aware of:
• For union contracts, be aware of wait periods for a worker to have access to health plan or use accrued time off.
  • The wait period will typically mean the policy is non-compliant.
Question 11: I don’t think we have been in compliance. What should I do?

• Give OLSE a call at 415-554-7903 and we will work with you to get an understanding of your firm’s compensation and benefits and if there needs to be any action taken.

• We have our voluntary compliance program that works with contractors to provide cost discounts to firms working with us to resolve violations of the ordinances and to take the corrective actions to ensure compliance moving forward.

• See our Voluntary Compliance Audit segment of our MCO/HCAO Webinar for more details.
Contact OLSE

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Phone:   (415) 554-7903
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Email: mco@sfgov.org, hcao@sfgov.org
Website: www.sfgov.org/olse

MCO
http://sfgov.org/olse/minimum-compensation-ordinance-mco

HCAO
http://sfgov.org/olse/health-care-accountability-ordinance-hcao