



# City and County of San Francisco Office of Labor Standards Enforcement

## Minimum Compensation Ordinance (MCO) & Health Care Accountability Ordinance (HCAO) For City Contractors

Effective July 1, 2020



Office of Labor Standards Enforcement

Beverly Popek & Shinji Sakai-Egi, Compliance Officers

# City and County of San Francisco

## Labor Laws that Apply to City Contractors and Subcontractors

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- MCO & HCAO are requirements of contracting with the City and County of San Francisco.
  - Declaration Forms for MCO and HCAO
  - In contracts/grants usually under “Other City Laws”
  - Companies operating in the City and County of San Francisco need to understand and comply with relevant City and County Ordinances – if they are not complying with MCO & HCAO



# MCO & HCAO



These are the labor laws for **non-construction** workers who work on the contract.

Can be located anywhere in the US.

Examples:

- Clerical/administrative staff at office who support the contract
- Project and Construction Managers
- Case workers and Program Managers
- Architects, Engineers, Planners, Designers, other professional services...





# Minimum Compensation Ordinance (MCO)



Office of Labor Standards Enforcement

$$\text{MCO} = \text{Wages} + \text{PTO}$$



# Minimum Compensation Ordinance (MCO)

*Not just about paying the minimum hourly rate*

*Doesn't matter where the company is located – Vendors need to comply if ordinance is in the Agreement*

## **MCO: Covered Employer**

- For-profit and nonprofit – 5+ workers (permanent, temporary, etc.) anywhere in the world with a City contract or grant
- Includes subcontractors and subtenants

## **MCO: Covered Employee/Worker**

- Anyone working for a covered employer on a City contract
- Worker/Employee is anyone – doesn't matter if full-time, part-time, contract, casual, etc.



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# MCO: Requires Covered Employees to Receive (at least)

## The minimum hourly compensation rate:

1. *For Profit Rate is \$18.24 per hour, effective 7/1/2020*
  - ☐ Annual increases occur every July 1
2. *Nonprofit Rate is \$16.50 per hour*
  - ☐ 7/1/2021 and annually thereafter, increases shall be by an amount corresponding to the prior year's increase, if any, in the Consumer Price Index
  - ☐ The City must appropriate funds for such increases
3. *Public Entities Rate is \$16.50 per hour*
  - ☐ Scheduled increases are subject to the City funding



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# MCO: Requires Covered Employees to Receive (at least)

- Paid Time Off (PTO)
  - Accrual rate is 0.04615 hours of paid time off (12 days for 40 hour a week employees)
  - PTO is the property of the worker – Needs to be paid out upon termination
  - Caps at 96 hours and rolls over to following year
  - Existing policies such as vacation and sick leave or providing time off upfront may be compliant as long as it's consistent with the requirements.
  - PTO violations are the most common violations for the MCO





# MCO: Requires Covered Employees to Receive (at least)

- Unpaid Time Off
  - Accrual rate is 0.0392 (10 days for full-time 40 hour a week employees)
  - Caps at 80 hours and rolls over to the following year
  - An existing sick leave policy or other types of unpaid leaves such as Family Medical Leave that your firm offers may meet the unpaid time off requirement
  - If your firm offers at least 22 days of PTO per year, additional unpaid time off is not required



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Effective  
July 1<sup>st</sup> 2020

# MCO Rules and Regulations

- Application of MCO to prime contractors and subcontractors
- Threshold for being a covered employer and covered employees
- MCO compensation rates, PTO, and UTO
- Paid Sick leave Ordinance (PSLO) preemption
- Notices and posters for employees



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# Integration of PSLO into MCO Rules and Regulations

Applies to work performed in San Francisco only

- Starting July 1, 2020, San Francisco Paid Sick leave Ordinance (PSLO) preemption requires that City Contractors may not provide a cash equivalent of PTO in lieu of sick leave required under the PSLO
- In other words, after the PTO hours for PSLO have been accounted for, firms may provide a cash equivalent to employees and pay out the remaining PTO hours when the employee separates from the employer.
- Visit the [PSLO](#) website for more details about determining the PSLO hours



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# Health Care Accountability Ordinance (HCAO)



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# Health Care Accountability Ordinance (HCAO)

*Took effect in 2001*

*Doesn't matter where the company is located – Vendors need to comply if ordinance is in the Agreement*

## **HCAO: Covered Employer**

- For-profit with more than 20 employees (anywhere), or nonprofit with more than 50 – includes subcontractors
- with a City contract
- or a lease on City property (including SFO and SF Port)

## **HCAO: Covered Employee/Worker**

- Anyone working for a covered employer on a City contract at least 20 hours a week



**Office of Labor Standards Enforcement**



# HCAO Requirements – Option 1/3

*Employer must choose **one** of the following options that fit the situation/employee:*

1. Offer each covered employee a **compliant health plan** at no charge to the employee
  - No later than the first of the month after 30 days
  - A compliant health plan must meet **ALL of the HCAO Minimum Standards** for health plan
  - The offer must be made on an annual basis



# HCAO Requirements – Option 1/3

Review HCAO Minimum Standards to understand what is a compliant health plan

Questions and for a review

**Patrick Chang**

Senior Health Program Planner

San Francisco Department of Public Health (DPH)

Phone: 415-554-2925

[Patrick.Chang@sfdph.org](mailto:Patrick.Chang@sfdph.org)



# HCAO Requirements – Option 1/3

- Must have a response (Yes/No) for each employee regarding the HCAO compliant health plan
  - Yes = Enrollment in compliant health plan
  - No = Voluntary HCAO Waiver Form/Declination Section in enrollment paperwork





# HCAO Requirements – Option 1/3

- How to handle multiple health plan offerings?
  - Offer the HCAO compliant health plan with other offerings
  - If the employee wants a non-compliant health plan
    - Collect paperwork to show the employee declined the HCAO compliant health plan



# HCAO Requirements – Option 1/3

## Best Practices

- Before signing a contract, have DPH review the health plan and give feedback.
- Save all correspondence that shows health plan met HCAO Minimum Standards.



# HCAO Requirements – Option 1/3

## Best Practices

- Save all enrollment brochures, employee pricing info, forms, screenshots from Portals, reports of selections.
- Must have a response (Yes/No) for each employee:
  - Yes = Evidence and proof of enrollment
  - No = Evidence and proof of declination
    - Voluntary HCAO Waiver Form
    - Declination Section of Enrollment Forms



# HCAO Requirements – Option 2/3

2. Pay \$5.60 per employee per hour to SF General Hospital (not Healthy SF)

- Rate adjusted every July 1
- Fee goes to SF General Hospital – not a benefit or \$ for worker (this is NOT Healthy San Francisco)

*This option is only for employees performing work in*

- City and County of San Francisco
- San Francisco International Airport
- San Bruno Jail



# HCAO Requirements – Option 2/3

## Best Practices

- Clear written communication to employees that this is how you are complying with HCAO and that the payments you make to SF General Hospital is not a benefit to them



# HCAO Requirements – Option 2/3

## Best Practices

- Make payments to SF General Hospital within 30 days of the ending month
- Payment/Reporting form available on our website
  - Fill out completely
  - Information about employees is for reporting purposes
  - Electronic payments option available but must still send report
  - Send Payment/Reporting form to:  
San Francisco General Hospital  
Atten: Accounting Department, 3<sup>rd</sup> Floor  
2789 25<sup>th</sup> Street  
San Francisco, CA 94110



# HCAO Requirements – Option 3/3

Pay an additional \$5.60 per hour worked to the employee

- This is only for employees who work on a contract **outside of the City and County of San Francisco**. However, work performed at the San Francisco International Airport or the San Bruno Jail does not apply to this option.



# HCAO Requirements – Option 3/3

## Best Practices

- Written communication
  - Specifics of why you are doing this and what to expect. For example, when they will receive payment
- Payments
  - Pay within 30 days of the end of the month
  - Separate check with memo to note that payment is for HCAO compliance
  - If direct deposit, a line item showing payment on paystub





# What if the 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 will need to comply with the Health Care Security Ordinance (HCSO).

## Health Care Security Ordinance (HCSO)

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

[hcso@sfgov.org](mailto:hcso@sfgov.org)

(415) 554-7892



# HCAO vs. HCSO: Distinctions

## HCAO

- Applies to City Contractors or Lessees
- Applies to employees working at least 20 hours a week on the contract or City property
- Requires a minimum standard insurance plan or fee payment to SF General Hospital/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

For more information on how the HCAO and HCSO can interact, please contact the HCAO unit at 415-554-7903





# MCO & HCAO Compliance Requirements



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# Compliance Requirements

- Employee must sign “Know Your Rights” Forms on an annual basis by July 1<sup>st</sup>
- Posting Requirement of Notice – Annual Requirement
- HCAO Voluntary Waiver Form – Proof that employee declined your offering of a compliant health plan at no charge



# Compliance Requirements

- All posters, forms, more information on our website: [www.sfgov.org/olse](http://www.sfgov.org/olse)
- Keep forms, posters, etc. at least 3 years after contract/lease ends





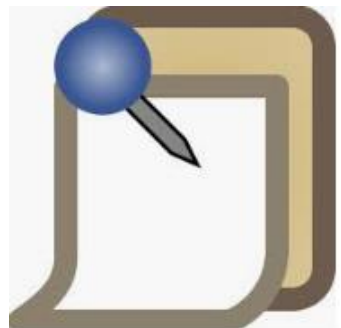
# MCO & HCAO Notices & Forms



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# MCO & HCAO Posters

- Post the MCO and HCAO Notices in a common place for all employees to be made aware of their rights
- You may also post the notice on your firm's intranet page or other electronic delivery for employees who may work remotely or other isolated locations where physical postings may not be made available
- Posters are available in multiple languages on our website



# MCO & HCAO

## Know Your Rights Forms

- Who completes the forms:
  - ✓ New hires execute the form during your new hire onboarding
  - ✓ All employees who perform work on the San Francisco contract/work on the leased property
- Why: The forms notify employees of their rights that change annually
- How often: Must be completed on an annual basis by July 1
- Keep the completed forms for your records







# MCO & HCAO Enforcement



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# Enforcement

- OLSE conducts random audits and investigate complaints
- Complaints from workers have priority
- Voluntary audits
- Audit covers all employees (current and terminated)
- Audit period usually goes back to the start of the contract.



# Enforcement

- Keep documents at least 3 years after contract/lease

## Documentary evidence helps

- Copy of Know Your Rights Forms
- HCAO Voluntary Waiver Forms
- Pay stubs
- Employee manual
- Benefit offerings



# More on OLSE Investigation:

- Examination of all relevant payroll records and other employment documents.
- Site visits.
- Confidential interviews and surveys of former and current employees.



# More on OLSE Investigation:

- Employer cooperation with the investigation is a condition of the contract or lease.
- Department will be carbon copied on milestone documents/communication such as initial emails to establish contact, audit letter, Notice of Violation, and closure letter.



# MCO: Penalties for Non-compliance

- Repay wages to employees, plus 10% interest.
- Restore PTO accruals to current employees.
- Cash out unused PTO to former employees.



# MCO: Penalties for Non-compliance

- \$1,000 for failure to cooperate.
- City may terminate contract or lease or withhold payment to Supplier.
- OLSE has authority to bar Suppliers from receiving new contracts for up to three years.



# HCAO: Penalties for Non-compliance

- Pay all fees owed to DPH.
- Reimburse employees' medical expenses (i.e. insurance premiums).
- Fine of \$100 per employee per week.





# HCAO: Penalties for Non-compliance

- \$1,000 for failure to cooperate.
- City may terminate contract or lease or withhold payment to vendor.
- OLSE has authority to bar Suppliers from receiving new contracts for up to three years.



# Both Laws Prohibit Retaliation



- No adverse action against an employee exercising his/her rights
- 90 day rebuttable presumption of retaliation





# MCO & HCAO Voluntary Compliance Program



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# Voluntary Compliance Audit Program

## Why Participate?

- Ensure that your company is compliant with MCO & HCAO – material conditions of your contract/lease
- No MCO & HCAO Liquidated Damages (LD) Penalties will be assessed
- HCAO Fees are reduced 50%



# Voluntary Compliance Audit Program

## **When should I participate?**

- When there are inconsistencies with your firm's policies with the MCO and/or HCAO
- Act now to prevent the mounting expenses to long-standing non-compliance



# Voluntary Compliance Audit Program

Other common reasons for a voluntary compliance audit:

- Do you have new leadership?
  - ✓ New staff such as HR leadership can lead to changes in policies and how benefits are administered.
- Have benefit policies changed over time?
  - ✓ Contact OLSE and we will walk you through complying with the MCO and HCAO.



# Voluntary Compliance Audit Program

Other common reasons for a voluntary compliance audit:

- Did you verify with the Department of Public Health (DPH) that the medical insurance plan is compliant with the current minimum standards?
  - ✓ The minimum standards for a compliant medical insurance plan is updated annually.
  - ✓ If the plan requires review, contact OLSE and we will have you work with DPH to have the medical insurance plan reviewed



# Voluntary Compliance Audit Program

Other common reasons for a voluntary compliance audit:

- My workers are covered by a collective bargaining agreement (CBA). Doesn't the union contract supersede MCO and HCAO?
  - ✓ The CBA doesn't supersede compliance with the MCO and HCAO.
- My workers have such great benefits through the union, we must be in compliance.
  - ✓ The union may not have known about the MCO and HCAO when they negotiated the current contract. It's challenging to negotiate for something that might apply.
    - Contact OLSE to determine if the CBA complies with the MCO and HCAO.





# Have a conversation with OLSE

Call OLSE at (415) 554-7903 and we will walk you through complying with the MCO and HCAO and the voluntary compliance program





# MCO & HCAO Declarations



Office of Labor Standards Enforcement

# MCO & HCAO Declarations

- Required of contract(s) are \$25,000 or more
- Best to execute even if the contract is under \$25,000
- OCA Website  
<https://sfgov.org/oca/qualify-do-business>



Qualify to Do Business | Office of Contract Administration

City and County of  
SAN FRANCISCO

Office of Contract Administration

Vendor Information e-Procurement Contact Us GSA

Home > Vendor Information > Qualify to Do Business

## Qualify to Do Business

### Doing Business with the City

[How to become Eligible to Do Business with the City:](#)

Companies and individuals who wish to do business with the City and County can register online and submit necessary compliance forms via San Francisco's centralized [vendor portal](#). Training materials are available at the portal website that will help prospective vendors navigate the City's registration and electronic payment processes.

**Supplemental Forms for Vendors:**

The City and County of San Francisco requires vendors to comply with multiple ordinances, and provide proof of insurance coverage. In some instances, vendors have to post payment and performance bonds.

Below are a series of supplemental forms that vendors may need to complete as part of the bidding or contracting processes.

Form:	Required If:
Minimum Compensation Ordinance (MCO) Declaration ( <a href="#">MCO_Declaration_10_1_18.pdf</a> )	You have at least \$25,000 (\$50,000 for non-profit organizations) in cumulative annual business with a City department or departments and have more than 5 employees, including employees of any parent, subsidiaries and subcontractors.
Health Care Accountability Ordinance (HCAO) Declaration ( <a href="#">HCAO_Declaration_10_1_18.pdf</a> )	You have at least \$25,000 (\$50,000 for non-profit organizations) in cumulative annual business with a City department or departments and have more than 20 employees (more than 50 employees for nonprofit organizations), including employees of any parent, subsidiaries or subcontractors.
Insurance Requirements ( <a href="#">pdf</a> )	The solicitation requires the successful bidder to demonstrate proof of insurance.
Payment (Labor and Material) Bond ( <a href="#">pdf</a> )	The solicitation requires the awarded vendor to post a Payment (Labor and Material) bond.
Performance Bond ( <a href="#">pdf</a> )	The solicitation requires the awarded vendor to post a Performance bond.

**BIDS AND CONTRACTS**

[BIDS & CONTRACTS DATABASE](#)

**VENDOR INFORMATION**

[Learn About Opportunities](#)

[Qualify to Do Business](#)

[Local Business Enterprise](#)

[General Contract Terms & Conditions](#)

[Resources](#)

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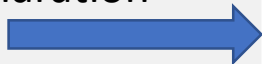
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MCO Declaration



HCAO Declaration



Office of Labor Standards Enforcement



# MCO Declaration Form

- Contact us if you have any questions
- Supplier sends form to [sfcitypartnersupport@sfgov.org](mailto:sfcitypartnersupport@sfgov.org)



Office of Labor Standards Enforcement

CITY AND COUNTY OF SAN FRANCISCO

GENERAL SERVICES AGENCY  
OFFICE OF LABOR STANDARDS ENFORCEMENT  
PATRICK MULLIGAN, DIRECTOR



## Minimum Compensation Ordinance (MCO) Declaration

**What the Ordinance does.** The Minimum Compensation Ordinance (MCO) became effective October 8, 2000, and was later amended by the Board of Supervisors, with an effective date for the amendments of October 14, 2007. The MCO requires City contractors and subcontractors to pay Covered Employees a minimum hourly wage and to provide 12 compensated and 10 uncompensated days off per year. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements.

The MCO applies only if you have at least \$25,000 in cumulative annual business with a City department or departments and have more than 5 employees, including employees of any parent, subsidiaries and subcontractors.

The City may require contractors to submit reports on the number of employees affected by the MCO.

**Effect on City contracting.** For contracts and amendments signed on or after October 8, 2000 the MCO will have the following effect:

- In each contract, the contractor will agree to abide by the MCO and to provide its employees the minimum benefits the MCO requires, and to require its subcontractors subject to MCO to do the same.
- If a contractor does not agree to provide the MCO's minimum benefits, the City will award a contract to that contractor **only if** the contractor has received an approved exemption or waiver under MCO from the Office of Labor Standards Enforcement (OLSE) through the contracting Department. The contract will not contain the agreement to abide by the MCO if there is an exemption or waiver on file.

**What this form does.** If you can assure the City now that, beginning with the first City contract or amendment you receive after October 8, 2000 and until further notice, you will provide the minimum benefit levels specified in the MCO to your covered employees, and will ensure that your subcontractors also subject to the MCO do the same, this will help the City's contracting process.

If you cannot make this assurance now, please do not return this form.

**For more information,** (1) see our Website, including the complete text of the ordinance: [www.sfgov.org/olse](http://www.sfgov.org/olse), (2) e-mail us at: [MCO@sfgov.org](mailto:MCO@sfgov.org), (3) Phone us at (415) 554-7903.

**Where to Send this Form.** Submit this form via San Francisco's centralized vendor portal [sfcitypartnersupport@sfgov.org](mailto:sfcitypartnersupport@sfgov.org) or call the Supplier Support Desk at 415-944-2442, Ext 1

## Declaration

In order to be a certified vendor with the City and County of San Francisco, this company will provide, if applicable, the minimum benefit levels specified in the MCO to our Covered Employees, and will ensure that our subcontractors also subject to the MCO do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Bidder/Supplier # - if known

\_\_\_\_\_  
Company Name

( ) \_\_\_\_\_  
Phone

\_\_\_\_\_  
Federal Employer ID #

SF OFFICE OF LABOR STANDARDS ENFORCEMENT, CITY HALL ROOM 430  
1 DR. CARLTON B. GOODLETT PLACE • SAN FRANCISCO, CA 94102

MCO/HCAO TEL (415) 554-7903 • FAX (415) 554-6291  
[WWW.SFGOV.ORG/OLSE](http://WWW.SFGOV.ORG/OLSE)



# HCAO Declaration Form

- Contact us if you have any questions
- Supplier sends form to [sfcitypartnersupport@sfgov.org](mailto:sfcitypartnersupport@sfgov.org)



## Health Care Accountability Ordinance (HCAO) Declaration

**What the Ordinance Requires.** The Health Care Accountability Ordinance (HCAO), which became effective July 1, 2001, requires Contractors that provide services to the City or enter into certain leases with the City, and certain Subcontractors, Subtenants and parties providing services to Tenants and Subtenants on City property, to provide health plan benefits to Covered Employees, or make payments to the City for use by the Department of Public Health (DPH), or, under limited circumstances, make payments directly to Employees.

The HCAO applies only to Contractors with at least \$25,000 (\$50,000 for non-profit organizations) in cumulative annual business with a City department(s) and have more than 20 Employees (50 Employees for non-profit organizations) including Employees of any parent or subsidiaries.

The City may require Contractors to submit reports on the number of Employees affected by the HCAO.

**Effect on City Contracting.** For contracts and amendments signed on or after July 1, 2001, the HCAO requires the following:

- Each contract must include terms ensuring that the Contractor will agree to abide by the HCAO and either to provide its employees with health plan benefits meeting the Minimum Standards set forth by the Director of Health or to make the payments required by the HCAO;
- All City Contractors must agree to comply with the requirements of the HCAO unless the Contracting Department has obtained an approved exemption or waiver under the HCAO from the Office of Labor Standards (OLSE).
- Contractors must require any Subcontractors subject to the HCAO to comply with the HCAO:

**The Purpose of This Declaration.** By submitting this declaration, you are providing assurances to the City that, beginning with the first City contract or amendment you receive after July 1, 2001 and until further notice, you will either provide the health plan benefits meeting the Minimum Standards to your covered employees or make the payments required by the HCAO, and will ensure that your Subcontractors also abide by these requirements. **If you cannot provide this assurance, do *not* return this form.**

**To obtain more information regarding the HCAO,** Visit our website, which includes links to the complete text of the HCAO, at [www.sfgov.org/olse/hcao](http://www.sfgov.org/olse/hcao); send an e-mail to [HCAO@sfgov.org](mailto:HCAO@sfgov.org); or call (415) 554-7903.

**Where to Send this Form.** Submit this form via San Francisco's centralized vendor portal [sfcitypartnersupport@sfgov.org](mailto:sfcitypartnersupport@sfgov.org) or call the Supplier Support Desk at 415-944-2442, Ext 1

## Declaration

In order to be a certified vendor with the City and County of San Francisco, the company named below will either provide, if applicable, health benefits specified in the HCAO to our covered employees or make the payments required by the HCAO, and will ensure that our subcontractors that are subject to the HCAO also comply with these requirements, until further notice. The company named below will provide such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Bidder/Supplier # - if known

\_\_\_\_\_  
Company Name  
SF OFFICE OF LABOR STANDARDS ENFORCEMENT, CITY HALL ROOM 430  
1 DR. CARLTON B. GOODLETT PLACE • SAN FRANCISCO, CA 94102

( )  
Phone

\_\_\_\_\_  
Federal Employer ID #  
MCO/HCAO TEL (415) 554-7903 • FAX (415) 554-6291  
[WWW.SFGOV.ORG/OLSE](http://WWW.SFGOV.ORG/OLSE)



# Why do I need to complete the MCO and HCAO Declarations?

- To contract with the City and County of San Francisco, both the MCO Declaration and HCAO Declaration Forms are required. Your contract won't go through without the Declarations
- By completing the Declaration Forms, you are agreeing to comply with the ordinances when the ordinances apply to your firm
- Complete the entire form and make sure that the firm name and federal tax ID number matches exactly with the Supplier Portal Account



# Why do I need to complete the MCO and HCAO Declarations?

- Often times, the Declarations are completed once. Declarations do not need to be submitted with each new San Francisco Contract and lease
- Email the Declarations to [sfcitypartnersupport@sfgov.org](mailto:sfcitypartnersupport@sfgov.org) or to the San Francisco contracts manager for review







# Frequently Asked Questions Webinar for MCO and HCAO



Office of Labor Standards Enforcement

# Sign Up for MCO & HCAO 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.



# Other Important and Helpful Documents

## MCO website

- MCO Rules and Regulations
- MCO Rate Chart
- MCO Historical Rates
- MCO & HCAO Packages



<https://sfgov.org/olse/minimum-compensation-ordinance-mco>



# Snapshot of the MCO and HCAO Package that all City Contractors should keep as a resource

## **Minimum Compensation Ordinance (MCO) – 12P**

### ***Wages and Paid Time Off (PTO)***

For a company that has 5 employees or greater, anywhere in the world. Includes subcontractors.

Any employee who works on a City contract for services:

- For-profit rate is \$18.24/hour as of 7/1/20
- Non-profit rate is \$16.50/hour as of 7/1/19
- Public Entities rate is \$16.50/hour as of 7/1/19
- 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)
- 0.0384 hours of Unpaid Time Off per hour worked – allowed without consequence
- Employee must sign a “Know Your Rights” form
- Posting Requirement

## **Health Care Accountability Ordinance (HCAO) – 12Q**

For a company that has > 20 workers (for profit)/ > 50 workers (nonprofit), anywhere in the world – Includes subcontractors

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

- Either:
  - A) Offer a compliant health plan with no premium charge to the employee. See Minimum Standards
- OR



# Other Important and Helpful Documents

## HCAO website

- HCAO Minimum Standards
- MCO & HCAO Packages
- HCAO Fee Payment Form
- HCAO Historical Fee Rates



<https://sfgov.org/olse/health-care-accountability-ordinance-hcao>



# Snapshot Minimum Standards for Compliant Medical Insurance Plan

## San Francisco Health Care Accountability Ordinance Minimum Standards – Effective January 1, 2020

The following minimum standards are effective January 1, 2020. A health plan must meet all 16 minimum standards as described below to be deemed compliant.

Benefit Requirement	Minimum Standard
<b>Type of Plan</b>	Any type of plan that meets the Minimum Standards as described below. All gold- and platinum-level plans are deemed compliant.
<b>1. Premium Contribution</b>	Employer pays 100%
<b>2. Annual OOP Maximum</b>	<ul style="list-style-type: none"><li>• In-Network: California Patient-Centered Benefit Design Out-of-Pocket limit for a silver coinsurance or copay plan during the plan's effective date:  2020 = \$7,800</li><li>• Out-of-Network: Not specified</li></ul> <p>OOP Maximum must include all types of cost-sharing (deductible, copays, coinsurance, etc.).</p>



# Contact OLSE

Office of Labor Standard Enforcement – MCO & HCAO

San Francisco City Hall

1 Dr. Carlton B. Goodlett Place, Room 430

San Francisco, CA 94102

Phone: (415) 554-7903

Fax: (415) 554-6291

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

HCAO

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

**Office of Labor Standards Enforcement**

