

**AMENDING THE HEALTHCARE ACCOUNTABILITY ORDINANCE  
MINIMUM STANDARDS  
RESOLUTION NO. 14-14**

WHEREAS, On July 1, 2001, the Healthcare Accountability Ordinance (HCAO) went into effect, requiring that employers doing business with the City provide health insurance coverage for their employees or pay a fee to offset costs for health care provided by the City and County of San Francisco to the uninsured; and

WHEREAS, The HCAO provides the Health Commission with the authority and responsibility to determine Minimum Standards for health plan benefits offered by City contractors and lessees, as well as certain subcontractors and subtenants; and,

WHEREAS, the HCAO requires that the Health Commission review the Minimum Standards at least every two years and make changes as necessary to ensure that they are consistent with the current health insurance market; and

WHEREAS, In July 2014, DPH convened the Minimum Standards Work Group, with representatives from various entities including health insurance broker firms, employers, labor, advocates, and others, with the task of making recommendations for a revised set of Minimum Standards; and

WHEREAS, This Work Group met six times with the goal to review and make recommendations for changes to the Minimum Standards, with the goal to balance the needs of employers and employees that would ensure health insurance plan options for employers, retain comprehensive benefits for employees, and consider affordability for both; and

WHEREAS, Taking into consideration the Work Group's recommendations, DPH produced a written report to be presented to the Health Commission's Finance and Planning Committee on September 2, 2014 and then to the full Health Commission on October 7, 2014, with an explanation of the process and description of the recommendations; and

WHEREAS, The current Minimum Standards are such that only 24 percent of 157 plans on the small business market are compliant; with the changes recommended here this is doubled to 48 percent compliance, and

WHEREAS, Because of the volatility of the health insurance market, in one year DPH will conduct a review of plans on the small business market as compared to the Minimum Standards; if the percentage of plans meeting the MS is lower than 40 percent, DPH will re-examine and develop new recommendations, as needed; and

WHEREAS, DPH supports the proposal developed in conjunction with the HCAO Minimum Standards Work Group, as described fully in this resolution, and is respectfully requesting approval from the Health Commission; THEREFORE, BE IT

RESOLVED, That the Minimum Standards required benefit package will align with the Affordable Care Act's list of ten Essential Health Benefits and the Covered California benchmark plan; and be it

FURTHER RESOLVED, At the HCAO Minimum Standards Work-Group convening in two years, DPH will review the feasibility of dependent coverage and possibly make recommendations on this topic; and be it

FURTHER RESOLVED, The option for employers of using an employer-funded HSA or HRA may be used with a deductible and/or an OOP maximum that exceeds the allowable amount in the structure of the health insurance plan used by the employer; and be it

FURTHER RESOLVED, That the majority of the MS requirements will remain the same as they are now, with two adjustments: increase the OOP maximum from \$4,000 to \$6,350 and decrease the deductible from \$2,000 to \$1,500; and be it

FURTHER RESOLVED, That the Health Commission approves the revised Minimum Standards effective January 1, 2015 for the calendar years 2015 and for 2016 if the percentage of compliant plans as reviewed by DPH on the small business market do not fall under 40 percent; and be it

FURTHER RESOLVED, that the Health Commission supports the work of DPH and the Minimum Standards Work Group as described in this resolution and approves the changes described herein.

I hereby certify that the San Francisco Health Commission at its meeting on October 7, 2014 adopted the foregoing resolution.

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Mark Morewitz  
Health Commission Secretary