

HEALTH COMMISSION
City and County of San Francisco
Resolution No. 19-08

**AMENDING THE MINIMUM STANDARDS AND SUPPORTING OTHER
MODIFICATIONS TO THE HEALTHCARE ACCOUNTABILITY ORDINANCE**

WHEREAS, The Healthcare Accountability Ordinance (HCAO) requires employers doing business with the City to offer health insurance coverage to their covered employees or pay a fee to offset health care costs by the City to the uninsured; and,

WHEREAS, The Health Commission has the authority to set Minimum Standards for health plan benefits offered by City contractors and lessees; while other modifications to the Ordinance must be reviewed and approved by the Board of Supervisors; and,

WHEREAS, The Health Commission set the original HCAO Minimum Standards in 2001 and revised them in 2004 (Resolution #10-04); and,

WHEREAS, HCAO requires that the Health Commission review the Minimum Standards every two years and make changes to ensure that the standards are consistent with State and Federal regulations and the current health insurance market; and,

WHEREAS, The Department of Public Health (DPH) convened the HCAO Minimum Standards Work-Group, which met six times between July and September 2008, with representatives from DPH, contractors and their representatives, brokers, and other stakeholders to review the Minimum Standards and the employer fee and to suggest revisions as necessary; and,

WHEREAS, Updating the Minimum Standards to better reflect current market reality will enable more employers to purchase mid-range HMO plans, increasing insured workers in San Francisco and supporting a better qualified and stable workforce on City contracts and leases; and

WHEREAS, The Ordinance requires that the employer fee, which is paid by employers who are unable or unwilling to offer health insurance that meets the Minimum Standards, can be reviewed and revised (with Board of Supervisors approval) no more than once per year using the Bureau of Labor Statistics Consumer Price Index (BLS – CPI) for Medical Care in the San Francisco Bay Area or the HMO premium increases in California; and

WHEREAS, The current fee of \$2 per hour per worker no longer adequately reflects the cost of health insurance premiums and should be increased to \$2.80 to correspond with the increases in the costs since 2004 of HMO premiums in California; and,

WHEREAS, The Health Care Security Ordinance (HCSO) and the Healthy San Francisco program have improved the health care landscape in San Francisco by allowing employees who are uninsured, including those subject to HCAO but are without coverage, to enroll in Healthy San Francisco of their own accord; and,

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WHEREAS, Employers with very part time workers (15 to 19 hours per week) cannot insure these individuals due to rules in the private insurance marketplace, and are required to pay the hourly fee to DPH, per HCAO's requirements, with no direct benefit to the employee; and,

WHEREAS, Employees working very part time, while able to enroll in Healthy San Francisco of their own accord, are not given premium relief through HCSO because the employer has been required to pay the HCAO fee directly to DPH; and,

WHEREAS, Changing HCAO's definition of covered workers from 15 hours or more per week to 20 hours or more per week will significantly improve the symbiotic relationship between HCAO and HCSO, and provide a more direct benefit to the employee; and,

WHEREAS, Revisions to the Minimum Standards are under the purview of the Health Commission, while all other changes are at the discretion of the Board of Supervisors;
THEREFORE, BE IT

RESOLVED, Employers that choose to comply with the HCAO by offering a health insurance plan must offer at least one health plan that meets the Minimum Standards and this plan must be a Health Maintenance Organization; and,

FURTHER RESOLVED, The Minimum Standards will require that copayments for basic office visits (including PCP, perinatal and maternity, preventive care, and family planning) shall not exceed \$30 per visit; and,

FURTHER RESOLVED, The HMO plan's annual OOP maximum shall not exceed \$3,500, including a prescription drug deductible of any amount, which may be included as part of the Minimum Standards for the first time; and,

FURTHER RESOLVED, Each HMO plan must be comprehensive and provide coverage for the following services:

- Office visits (including PCP, perinatal and maternity, preventive care, and family planning)
- Physician services
- Hospital inpatient
- Prescription drugs
- Outpatient services and procedures
- Diagnostic services (x-ray, labs, etc.)
- Perinatal and maternity care
- Emergency room and ambulance
- Mental health services, outpatient and inpatient
- Alcohol and substance abuse care, outpatient and inpatient detox
- Rehabilitative therapies
- Home health services

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- Durable medical equipment
- Hospice care
- Skilled nursing services; and be it

FURTHER RESOLVED, these new Minimum Standards will be effective on November 1, 2008; and be it

FURTHER RESOLVED, that the Health Commission supports an increase in the hourly fee from \$2 with an \$80 per week maximum to \$2.80 per hour with a \$112 weekly maximum; and,

FURTHER RESOLVED, that the Health Commission recommends that the Board of Supervisors modify the definition of a covered employee under HCAO to employees working 20 hours or more per week; and be it

FURTHER RESOLVED, that the Health Commission will forward the proposed changes to the Board of Supervisors for consideration and approval.

I hereby certify that the San Francisco Health Commission at its meeting of October 21, 2008 adopted the foregoing resolution.

Michele M. Seaton
Executive Secretary to the Health Commission