

**LEGISLATIVE DIGEST**

[Administrative Code - Health Care Requirements for Certain Employers at San Francisco International Airport]

**Ordinance amending the Administrative Code to require employers of employees covered by the Quality Standards Program at the San Francisco International Airport to provide family health insurance to such employees, or to make contributions on the employees' behalf to an account established under Section 14.2 of the Administrative Code.**

Existing Law

The Health Care Accountability Ordinance (HCAO) requires employers to offer individual health plan benefits to their covered employees or to make payments to the Department of Public Health (DPH) (or, under limited circumstances not relevant here, to make payments directly to their covered employees). See Admin. Code § 12Q.3. The HCAO applies to most City contractors and tenants, including those at San Francisco International Airport ("Airport"), but not Airport permittees.

Separately, the Airport's Quality Standards Program (QSP), established by the Airport Commission, sets minimum training, equipment, safety, hiring, compensation, and benefit standards for employees who directly impact Airport safety and security. The QSP includes certain SFO permittees that are not covered by the HCAO, such as employers of wheelchair attendants and baggage handlers. Conversely, some HCAO-covered employees at SFO, such as those with concession leases, are not included in the QSP. Employers must provide QSP-covered employees with individual health benefits that comply with the HCAO's "minimum health coverage standards," even if those employees are not covered employees under the HCAO. A collective bargaining agreement (CBA) may waive the health benefit requirements under both the HCAO and the QSP.

Amendments to Current Law

The proposed ordinance would amend the HCAO to require expanded health benefits for "San Francisco Airport Service Employees," which the ordinance defines as employees covered by the QSP. Employers of San Francisco Airport Service Employees would be required to either (1) provide family, rather than individual, health insurance; or (2) pay contributions on behalf of each employee, starting at \$9.50 per hour, to the City Option Program established under the Health Care Security Ordinance (HCSO), Admin. Code Chapter 14, rather than \$5.60 per hour to the City for DPH under the current HCAO. These requirements must be satisfied for each San Francisco Airport Service Employee, with no minimum-hours requirement, whereas under the HCAO employees must work an average of 20 hours per week on the covered agreement to be covered employees. The ordinance does not permit this health benefit requirement to be waived by a CBA.

FILE NO. 201133

Background Information

The individual health benefits provided to QSP-covered employees have enhanced QSP employers' recruitment and retention of employees and have reduced employee absences. However, some QSP-covered employees are not provided individual health insurance because their CBA waives the health benefits requirement, and many QSP-covered employees report that family health insurance is unaffordable.

Employees working at the Airport who perform services that directly impact safety and/or security at the Airport are at elevated risk of contracting and spreading COVID-19 due to the nature of their work duties, which often require them to work in frequent, close contact with passengers and coworkers.

This ordinance seeks to expand QSP-covered employees' access to family health insurance benefits in order to protect those employees and their families, protect the community and the traveling public from the spread of COVID-19, and restore public confidence in the safety of air travel.

A Committee Amendment clarified the circumstances in which an employee may voluntarily waive an offer of health insurance under the HCAO. Such voluntary waiver requires the employee to provide proof of health insurance benefits, which for San Francisco Airport Service Employees must include proof that the employee's dependents have health insurance. Employers must use an OLSE-approved form for voluntary waivers, must retain the waiver forms and proof of insurance coverage for three years, and must provide them to OLSE upon request.

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