

LEGISLATIVE DIGEST

[Administrative Code – Amendments to the Health Care Requirements for Certain Employers at San Francisco International Airport]

Ordinance amending the Administrative Code to allow Contracting Parties that offer multiple health benefit plans at the San Francisco International Airport to charge Covered Employees a limited share of premium costs on more expensive plans, to clarify who must be covered by health benefit plans that are offered, and to adjust the date by which such health benefit plans must be in effect.

Existing Law

The City's Healthy Airport Ordinance, Ordinance No. 235-20, operative March 21, 2021, requires certain employers at San Francisco International Airport to either (1) offer Covered Employees who are San Francisco Airport Service Employees a platinum-level family health benefit plan at no cost to the employee, or (2) to make contributions, currently set at \$9.50 per hour, for the Covered Employee into an account established under Section 14.2 of the Administrative Code. Admin. Code § 12Q.3(d). An employer that complies with Ordinance No. 235-20 by providing platinum-level family health benefits may offer additional gold-level health benefit plans, also at no cost to the Covered Employee.

Amendments to Current Law

This proposed ordinance makes three changes to Section 12Q.3(d) of the Administrative Code, added by Ordinance No. 235-20, as follows:

1. The proposed ordinance allows employers that offer Covered Employees a compliant, no cost platinum-level health benefit plan and an alternative gold-level health benefit plan that is more expensive to require Covered Employees who elect that plan to pay a portion of the premium costs of the more expensive plan, limited to the difference between the premium costs of that plan and the compliant, no cost plan.
2. The proposed ordinance specifies who must be covered by the family health benefit plan, specifically, the Covered Employee, the Covered Employee's spouse or registered domestic partner, and the Covered Employee's child, which shall include any legally adopted child, recognized natural child, stepchild, foster child, and minor legal ward. In accordance with federal law, coverage for children must be made available until a child reaches the age of 26, even if the young adult no longer lives with the Covered Employee, is not a dependent on the Covered Employee's tax return, or is no longer a student.
3. The proposed ordinance delays the health benefit plan requirements from Ordinance No. 235-20's Operative Date of March 21, 2021, to April 1, 2021.

Background Information

The purpose of the premium cost sharing amendment is to address an unintended consequence of Ordinance No. 235-20, specifically that some employers may eliminate additional health benefit plan options that exceed the cost of one compliant plan.

The purpose of the amendment specifying who must be covered is to address an ambiguity in Ordinance No. 235-20 and provide needed clarity to employers and covered employees.

The Operative Date of Ordinance No. 235-20 is March 21, 2021, but health insurance is purchased on a month-to-month basis. The purpose of the amendment delaying implementation of the health benefit plan provisions to April 1, 2021, is to align these provisions with health insurance market conditions.

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