



Deadline Nears for Required Quarterly Employer Health Care Expenditure Under San Francisco Health Mandate

The first quarterly deadline for making required health care expenditures under the San Francisco Health Care Security Ordinance is April 30, 2008.

Background

In 2006, San Francisco enacted the Health Care Security Ordinance (HCSO), which requires covered employers to make health care expenditures with respect to their San Francisco employees. (See our January 24, 2008 [For Your Information](#).)

Quarterly Expenditures Due Within 30 Days of End of Quarter

For employers with 50 or more employees nationally, the employer spending requirement of the HCSO went into effect on January 9, 2008. Covered employers must make health care expenditures for the first quarter by April 30, 2008 by making payments to insurers or health care providers, reimbursing employees for their actual health care costs, or making payments to the [Healthy San Francisco](#) program, which was created by the San Francisco Department of Public Health.

BUCK COMMENT. *When counting employees, employers must look at their entire workforce wherever located. An employer with only one or two San Francisco-based employees is subject to the expenditure requirement if the total workforce is 50 or more.*

Employers who make payments to the Healthy San Francisco program are required to provide a [quarterly notice](#) to each employee on whose behalf payments were made. Employers must also provide San Francisco with a [list of employees](#) for whom a payment is being made.

Annual Reporting Form

In early 2008, San Francisco's Office of Labor Standards Enforcement (OLSE) delayed the date by which the first health care expenditure information (the 2007 Annual Reporting Form) was to be submitted from February 29, 2008 to April 30, 2008. (See our February 7, 2008 [For Your Information](#).) The OLSE has now determined that

submission of the 2007 Annual Reporting Form is voluntary. Covered employers are encouraged to voluntarily submit the form by April 30, 2008 to allow San Francisco to evaluate the effect of the HCSO.

Conclusion

As the first quarterly spending deadline quickly approaches, employers should determine what, if any, additional payments will be required for the first quarter of 2008. Buck's consultants are prepared to assist employers in complying with these San Francisco requirements.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.