

tmta talk

A publication of the
Tooling, Manufacturing &
Technologies Association

**FROM ROB'S
ROOST**
By ROB DUMONT
PRESIDENT & CEO

Chair's Cup Will be Back in Play

Practical Power, last year's winners of the Chair's Cup are on notice! Two things for them to note: first, the time is approaching when they must return possession of the Cup to the TMTA and, second, they need to get ready to defend the winning position they established at last year's outing. Competition should be keen — don't expect last year's winners to roll over:



The TMTA Golf Outing is just about 2 months out — June 26, 2014 at Cherry Hill, last year's venue. So, Mark Bunting and his team from after all they have the distinction of being the first to win the new Chair's Cup and they occupy the unique position of being able to become the first to be "back-to-back" annual winners. What a mark that would establish! Sign up forms will be going out in due course but, please, mark your calendar now for attendance.

The Affordable Care Act (ACA) continues to marvel one and all with a steady display of "changes and delays" as people on the Hill in Washington, and no doubt at the White House, begin to read the legislation which they passed "so we can find out what is in it" (Nancy Pelosi). What we do know for certain is that there is more than an ample supply of confusion to layer on one and all.

Fortunately, the insurance arm of the TMTA, the Ralph C. Wilson Agency (RCWA) has been working long and hard to stay abreast of developments as the ACA produces them. Personally, I take my hat off to Bill Percha at RCWA who has, and continues to, wade through and make sense of those very strange developments. Let me urgently invite you to contact Bill either at RCWA or through the TMTA to assist you in your efforts to be 'compliant' with the ACA (and as importantly to survive its advent). Bill attends virtually every TMTA board meeting to keep the board informed on ACA developments.

The pace of technological development in manufacturing and, of course,
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tmta Calendar of Events

May 2014

11	Armed Forces Day
21	TMTA Board of Directors meeting
26	Memorial Day Federal Holiday TMTA office closed

Visit www.thetmta.com for detailed, up-to-date information on all events.



BCBSM Requests Employee Counts

The medical loss ratio (MLR) is the total losses paid out in medical claims plus adjusted expenses divided by the total earned premium. Statistically, it measures the fraction of the total insurance premiums that a health insurance plan can use on clinical services as opposed to administration and profit.

The Patient Protection and Affordable Care Act (PPACA) requires health insurance carriers to determine the MLR each year, distinguishing between small group and large group markets. Insurance companies are required to spend a defined percentage of premium dollars on health care services and quality improvement. If the insurance company exceeds that limit for the year, it must provide reports and rebates to its customers.

In order to figure the MLR, BCBSM and BCN must know the average number of employees that underwritten groups had in the 2013 calendar year. Beginning May 19, 2014, BCBSM and BCN will begin contacting customers in the small and middle group markets, by mail, to ask them for their total employee counts.

The law defines the total number of employees as the average number of employees employed by the employer on business days during the preceding calendar year for which the MLR is being reported (this year it is 2013). The number of employees includes all full-time, part-time and seasonal employees, whether or not they're eligible for health coverage. In accordance with federal law and regulations, sole proprietors and their spouses should not be included in the employee count. Retired employees are also excluded.

To calculate the average number of employees, count the average number of active employees for business days each month, add the months together, and divide by 12 rounding up or down to the nearest whole number.

Surveys should be returned to BCBSM by June 13, 2014. The information is critical in helping to determine whether BCBSM or BCN has met the minimum thresholds and if they must issue rebates to comply with the law. Federal penalties for insurers and employers who fail to comply with the law include penalties of \$100 per

responsible entity per day per individual for each violation. When you receive your form from BCBSM, make sure to complete and return it as soon as possible.

True Out-of-Pocket (TROOP) Maximum

One of the big changes affecting all groups under the Patient Protection and Affordable Care Act (PPACA) is the out-of-pocket accumulator. The PPACA mandates that all member cost sharing accumulate to one out-of-pocket maximum.

The basic guidelines state that any medical and drug cost sharing paid by the member must accumulate to a single out-of-pocket maximum. This means the member's deductible, coinsurance, flat-dollar copays (office visits, ER, etc.), and prescription drug copays all contribute to his/her out-of-pocket maximum. The out-of-pocket maximum is also interchangeably called the "true out-of-pocket" (TROOP).

In the past, most BCBSM and BCN plans didn't have a TROOP, meaning that the flat-dollar copays could continue indefinitely. The plans did have a coinsurance maximum. Once the deductible was satisfied, and the member met the coinsurance maximum, most services were covered in full, but the member would continue to pay copays when visiting the doctor or filling prescriptions. The PPACA has mandates that these copays must discontinue once the out-of-pocket maximum (TROOP) has been reached.

The PPACA also restricts the maximum out-of-pocket to no more than \$6,350 for a one member contract and \$12,700 for a contract with two or more members for 2014. Not all plans will have the TROOP set at the \$6,350/\$12,700 maximums, but none can be set any higher. Many BCBSM and BCN plans have a TROOP that is lower. This maximum has a large impact on the actuarial value of the plan, which is critical in the small group (1-50 FTEs) and individual markets. Due to the strict requirements for the actuarial values of the plans in those markets, there is no flexibility in the TROOP. Any variance would move the plan out of its specified ACA metal level, and it would no longer be ACA-compliant.

Members may check their individual and family TROOP dollar amounts for the year, and year-to-date, by logging in as a member at www.bcbsm.com.

BCN AdvantageSM Expands Concierge Pilot Program

The MyBlueSM Concierge program is no longer a pilot pro-

gram and is now available to all group and individual BCN Advantage members. A personal concierge staff member will periodically contact current BCN Advantage members to ensure that they fully understand their health care coverage.

Concierge coordinators will help members learn the many value-added and community services available to them as a BCN Advantage member, including:

- Educating members on their benefits;
- Helping new members find a PCP;
- Giving access to members' value-added services;
- Assisting with setting up physician appointments;
- Connecting members with Care Management and Customer Service teams; and
- Giving guidance on preventive measures and services at no additional cost.

The MyBlue Concierge program wants members to take full advantage of all the services available to them.

BCBSM Continues Transitioning Small Groups into ACA-Compliant Health Plans

BCBSM and BCN are moving forward with offering ACA-compliant plans in the small group market and will not be extending legacy plans.

Throughout 2014, the Blues will continue to work with small groups to move them into ACA-compliant products on their renewal dates. The Blues WILL NOT offer small groups an option to retain their 2013 plans beyond their renewal date in 2014. (The Blues is deferring their decision on extending the legacy plans for the 50-99 market for 2016 until later this year.)

According to BCBSM, the decision to continue the transition to ACA-compliant plans for small groups was based on these factors:

- The framework and timing of the extension would not allow all group customers to extend their plan options, which BCBSM feels would not be a fair approach to their customer base. Roughly 50% of BCBSM small group customers already have transitioned into ACA-compliant plans, and these customers wouldn't have the option to return to their pre-ACA plans.
- Keeping legacy plans as options would increase rates in a time when customers are more cost-conscious than ever. As an example: one negative by-product would cause additional rate increases on ACA and legacy plans of 3% to 5% above what the rate adjustments would otherwise be.

- Continuing legacy plans adds additional complexity to BCBSM's business. Extending legacy plans would essentially create two small group markets (non-ACA products and ACA products) and would significantly compromise the stability of the risk pool. Significant servicing complexity and cost would be added if legacy plans were to be extended.
- Extending legacy plans isn't an effective solution for customers to manage their ongoing costs. The ACA transition option does not allow any changes to benefit plans. Therefore, the flexibility for groups looking to modify benefits each year to manage rate increases would be greatly limited.
- With the new law just enacted that removes the \$2,000 deductible limit, the small group product portfolio will now include higher deductible plans. This will alleviate one key concern of previous ACA limitations for many customers.

For groups with 50-99 employees: the ACA currently defines a small group as having 1-50 FTEs while in 2016, the definition changes to 1-100 FTEs.

Sneezes Spread Germs Farther Than We Knew

As the flu and cold season is hopefully winding down, the following information comes from the Chicago Tribune. That dainty handkerchief you use to cover up sneezes should be considered more of a fierce battle shield after new research shows that sneezes release violent gas clouds with the ability to spread germs farther than previously thought.

Coughs and sneezes release a cloud of invisible gas that extends the range of individual droplets released as much as 5 to 200 times, according to a study conducted by MIT researchers entitled "Violent expiratory events: on coughing and sneezing" and published in the Journal of Fluid Mechanics.

The researchers used high-speed imaging of coughs and sneezes, combined with lab simulations and mathematical modeling, to conclude that small droplets (or clouds of gas) emitted during a sneeze actually travel much further than the larger ones.

Remember to sneeze/cough into a tissue whenever possible. Wash your hands and discard the tissue immediately afterwards. Even if you are not sick, you may be a carrier of viruses and bacteria that may be transmitted to other people. Moreover, if you are sick, do everyone you would come in contact with a favor and stay home instead to prevent the spread of illnesses!



IRS Announces 2015 HSA Limits

The IRS has announced the 2015 Health Savings Account (HSA) limits will increase slightly for individuals and families. HSA contribution limits are updated annually to reflect cost-of-living adjustments. The increases will take effect January 2015.

The maximum HSA contribution for 2015 will be \$3,350 for individuals with single coverage and \$6,650 for those with family coverage. The maximum out-of-pocket employee expenses for 2015 will increase to \$6,450 for individuals with single coverage and \$12,900 for those with family coverage. The annual limitation on deductions for 2015 for an individual with family coverage under a high-deductible health plan will be \$6,650.

Not April Foolin': National Labor Relations Board Finds Employer Rule Requiring Positivity and Professionalism Unlawful

From Barnes & Thornburg, LLP
Legal Alert: LABOR & EMPLOYMENT LAW
April 2014

On April 1, the National Labor Relations Board (NLRB) ruled unlawful an employer policy requiring that employees refrain from negativity in the workplace and in the community. In *Hills and Dales General Hospital*, Case No. 07-CA-053556, the NLRB continued its recent trend of finding that common employer policies, including policies limiting or requiring civility in social media use, those describing the at-will relationship between an employer and its employees, and certain confidentiality provisions, are overbroad.

At issue in *Hills and Dales* were the following three paragraphs in the employer's Values and Standards of Behavior Policy: 1.) Paragraph 11 prohibited employees from making "negative comments about our fellow team members," including coworkers and managers; 2.) Paragraph 16 required employees to represent the employer "in the community in a positive and professional manner in every opportunity;" and 3.) Paragraph 21 prohibited employees from engaging or listening to "negativity or gossip."

While the NLRB agreed with the administrative law judge that the prohibition on negativity found in paragraphs 11 and 21 was unlawful because employees could construe the prohibition as forbidding lawful activity, it overturned the administrative law judge and found paragraph 16 unlawful also.

In finding paragraph 16 overbroad and ambiguous, the NLRB stated "particularly when considered in context with these other unlawful paragraphs, employees would reasonably view that language...as proscribing them from engaging in any public activity or making any public statements...that are not perceived as positive toward the [employer] on work-related matters." According to the NLRB, this language could discourage employees from engaging in protected activity, such as protests of unfair labor practices or complaints to third parties regarding working conditions. Contrary to the administrative law judge, the NLRB did not find previous precedent involving extremely similar language persuasive.

While the NLRB previously found lawful a policy requiring employees "to represent the company in a positive and ethical manner," the current NLRB distinguished ethical manner from professional manner, as used in the *Hills and Dales* policy. Specifically, the NLRB stated that combining positive with ethical was significantly narrower in scope than combining positive with professional, and that professional is a "broad and flexible concept as applied to employee behavior." Thus, despite the similarity to the previously permitted policy, the *Hills and Dales* language was unlawful as overbroad and ambiguous.

While the *Hills and Dales* decision will likely surprise some employers with its prohibition on seemingly rational and well-meaning policies, it serves as a strong reminder that the current NLRB remains interested in policing employer rules for potentially overbroad or ambiguous language.

To steer clear of these negative outcomes, it is important for employers to work closely with counsel to draft and periodically review their employment policies.

For more information, please contact a Barnes & Thornburg Labor and Employment attorney. Barnes & Thornburg LLP offers businesses operating in and around the state of Michigan the areas of specialization one expects from a national full-service firm. Clients not only work with our local attorneys, but they receive ready access to the resources and enduring values of one of the largest firms in the United States. The firm's Grand Rapids office is comprised of some of Michigan's most knowledgeable and experienced lawyers who counsel clients in more than 50 practice areas. These areas include Corporate and Real Estate; Litigation; Labor and Employment; Environmental; Finance, Insolvency & Restructuring;

and Intellectual Property, to name a few. Visit their website at www.btlaw.com/grand-rapids-united-states-of-america/.

DOJ Increases ADA Title III Penalties

For the first time in more than 10 years, the U.S. Department of Justice (DOJ) has increased the maximum civil fines and penalties it may impose for violations of Title III of the Americans with Disabilities Act (ADA).

For violations occurring on or after April 28, 2014, the DOJ may impose a monetary penalty of up to \$75,000 for a first violation and \$150,000 for any subsequent violation. The previous limits, \$55,000 and \$110,000 respectively, still apply to violations occurring prior to April 28, 2014. These amounts are in addition to any monetary relief the DOJ may seek on behalf of aggrieved individuals. (Under Title III, only the DOJ may request monetary relief thus the increased fines and penalties will be at issue only in litigation involving, and in administrative actions before, the DOJ.)

The increases were announced in a final rule published in late March in the Federal Register and account for changes in inflation since the penalty figures last set in 1999.

See Your Company's Name Up in Lights!

Be a TMTA Golf Sponsor!

Have your company's name displayed on a placard at a golf hole, at the driving range or on each golf cart during one of the longest running golfing events in the country, the TMTA 79th Annual Golf Outing and Dinner.

You'll also receive a discount on ticket prices to the event and recognition for your company as an event sponsor in an upcoming edition of TMTA Talk with a circulation of nearly 1,000 issues.

Become an event sponsor for the TMTA Golf Outing & Dinner today by completing the Golf Sponsorship application found online at www.thetmta.com.

We look forward to hearing from you!



It's the Most Wonderful Time of the Year!

TMTA's 79th Annual Golf Outing and Dinner

The TMTA's 79th Annual Golf Outing and Dinner will be held at the Cherry Creek Golf Club in Shelby Twp., Michigan on Thursday, June 26, 2014.

Last year's event was such a success, we are returning to the same venue this year, the Cherry Creek Golf Club. In keeping with tradition, the event will include a generous continental breakfast during registration, a day of scramble style golf with a shotgun start, and lunch and beverages served on the course all followed by our time-honored evening of dinner, open bar and 'Made in America' themed prizes!

This is an opportunity for our members to spend time together as well as to treat their favorite customers to a wonderful day of golf, food, prizes and camaraderie.

Reservation forms for attendance and sponsorship will be sent to all member companies shortly or visit our website at www.thetmta.com for the most up-to-date complete information and forms as they become available.

Plan on joining TMTA again this year at one of the longest running annual golf events in the country!

In Memoriam



It is with deep sadness and regret that we note the passing of **Thomas James (Jim) Maurer**, past president of **Parker Majestic, Inc.**, on April 6, 2014 at the age of 92. Devoted husband of Marie; loving father of Molly, John, Marsha, Margaret and Peter; and caring grandfather of fourteen.

Mr. Maurer served in the Army Air Corps. in the 405th Fighter Group as an airplane mechanic and was stationed in England during WWII. He graduated from UCLA with a degree in political science and began work as an engineer at Parker Majestic rising to the position of president where he served until his retirement.

Mr. Maurer was a member and former president of Gowanie Golf Club. He enjoyed trout fishing and golfing.

Mr. Maurer will be greatly missed by his family, friends and past co-workers who enjoyed his honesty, sense of humor, and cheerful smile.

Memorial donations may be made in his name to St. Jude Children's Research Hospital at P.O. Box 1000, Dept. 142, Memphis, TN 38148.

Our heartfelt condolences go out to his family and friends.

For more information about the TMTA, our advocacy, events and benefits, visit us at www.thetmta.com

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Mar	232.560	692.725	805.63*
Feb	230.871	687.695	799.78*
Jan 2014	230.040	685.220	796.90*
Dec	229.174	682.639	793.90*
Nov	229.133	682.517	793.76*
Oct	229.735	684.311	795.85*
Sept	230.537	686.700	798.62*
Aug 2013	230.359	686.169	798.01*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Mar	236.293	707.830	823.19*
Feb	234.781	703.300	817.92*
Jan 2014	233.916	700.710	814.91*
Dec	233.049	698.110	811.89*
Nov	233.069	698.171	811.96*
Oct	233.546	699.601	813.62*
Sept	234.149	701.406	815.72*
Aug 2013	233.877	700.593	814.78*

Note: Mar 2014 CPI-W represents a 1.4% increase from one year ago; CPI-U a 1.5% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W—.2886674 CPI-U—.2870447

(Rob's Roost continued from Page 1)

the technologies remains quite impressive. I would like to get a feeling from the membership in terms of the attractiveness of TMTA hosting a seminar on Intellectual Property matters and issues. If you are interested in and would attend such an offering, please send me a short e-mail at rob@thetmta.com. With adequate expression of interest we can look into scheduling a seminar at a time and location most favorable to those interested. The subject of Intellectual Property (IP) encompasses patents as well as trademarks and copyrights and is at once important and often confusing. A seminar would, in my view, be a worthwhile investment of time for those who encounter IP and its issues so please indicate your interest as above.

This being an election year, manufacturing will naturally garner more attention and respect from those seeking office or seeking re-election to office. With that in mind it is 'prime time' for you to address your issues with candidates and I encourage you to do so. Certainly I am ready to assist in any such efforts with you or on your behalf. I will again be in DC for several days in May to advocate for manufacturing in America. If you have particular concerns please contact me and make me aware of what it or they are.

Get the clubs out, limber up and be ready for the TMTA Golf Outing on June 26, 2014.



TMTA ENDORSED SERVICE PROVIDERS

Blue Cross Blue Shield/BCN

(Health insurance program)

TMTA contacts:

Bill Percha 586-904-9700 (cell)

Elaine Burger-Laskosky 248-488-0300, ext. 1309

CAPTRUST (formerly Freedom One Financial)

(401(k) Retirement program)

Provider contact:

John Young 248-620-8100

Euler-Hermes - (credit insurance program)

Provider contact:

Jay Poplawski 248-355-1414, ext. 158

John M. Packer & Associates

(Unemployment cost control program)

Provider contact:

Nathan Wiest 800-482-2971

Practical Power LLC - (Electrical savings program)

Provider contact:

Mark Bunting 248-726-7598

Ralph C. Wilson Agency, Inc.

(Insurance management)

Provider contact for Benefits coverages:

Robert Farris 248-355-1414, ext. 109

Provider contact for P&C and WC coverages:

Jay Poplawski 248-355-1414, ext. 158

Reliance Standard/Ameritas

(Life/Dental insurance programs)

TMTA contacts:

Bill Percha 586-904-9700

Stella Krupansky 248-488-0300, ext. 1310

Results Systems Corporation

(Business management consulting)

Provider contact:

Paul Hindelang 248-244-8550

SVS Vision - (Safety & Vision programs)

Provider contact:

Monica Dyja 800-611-3683 or www.svsvision.com

Schena Roofing & Sheet Metal Co., Inc.

(Commercial/industrial roofing contractor)

Provider contact:

586-949-4777

Staffworks Group - (Staffing needs)

Provider contact:

Bill Brann 877-304-9690

TMTA receives a benefit from some of its Endorsed Providers when you, as a member, patronize them. This is one way we are able to maintain the level of dues.



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(Tell Bill that TMTA sent you!)**

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