

# tmta talk

A publication of the  
Tooling, Manufacturing &  
Technologies Association

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

Another Point of View!

## Five Reasons Americans Can't Find Jobs

by: Peter Morici

The official unemployment rate is 6.1 percent, but that hardly provides a fair description of the jobs crisis. Not counted are prime working age adults who have quit looking for a job, part-time workers who want full-time positions, and young college graduates who have enrolled in graduate school because they can't find decent employment.



The real jobless rate is likely closer to 20 percent, and the root cause is slow economic growth.

Since 2000, GDP has advanced 1.7 percent annually, about half the pace of the Reagan-Clinton years.

Five factors are slowing growth and making jobs scarce.

### 1. Poorly Enforced Trade Agreements

U.S. consumers and businesses are spending, but too many dollars go abroad to pay for Chinese consumer goods and Middle East oil.

China has systematically undervalued their currencies to put cheap goods into U.S. markets, destroying millions of

good-paying American manufacturing jobs. Presidents Bush and Obama have refused to enforce WTO rules that prohibit currency manipulation to gain competitive advantage.

### 2. Misguided Energy Policies

Washington has chosen to outsource — not reduce — environmental risks associated with petroleum development by prohibiting or curtailing production off the Atlantic, Pacific and Gulf coasts and in Alaska.

Safely developing those resources, along with prudent conservation, would slash oil imports to zero and create millions of jobs.

### 3. Burdensome Government Regulations and Taxes

U.S. business regulations are more costly than necessary to protect con-

*(Rob's Roost continues on Page 7)*

## Inside This Issue

- Page 2 Health News
  - Medicare Creditable Coverage Notice Due
  - Preventive Breast Cancer Drug Coverage Change
  - Mental Health Coverage — Residential Treatments
- Page 3 Health News (continued)
  - New PT Laws Won't Change Policies
  - BCBSM Group Counting Method Changing
  - Pediatric Dental Attestation Forms Required
  - 2015 BCBSM Small Group Plan Changes
- Page 4 FYI
  - MI Minimum Wage Raised
  - TMTA MSDs Mailed
  - EEOC Guidance on Pregnancy Discrimination
- Page 5 FYI (continued)
  - Revised OSHA Serious Injury Reporting Rule
- Page 6 ERISA Edge Services
  - Inflation Talk: CPI-W/CPI-U
- Page 7 Rob's Roost (continued)
  - TMTA Endorsed Providers

## tmta Calendar of Events

### October 2014

<b>13</b>	Columbus Day Federal Holiday TMTA Offices Open
<b>15</b>	TMTA Board of Directors meeting
<b>31</b>	Halloween Watch Out for Children

Visit [www.thetmta.com](http://www.thetmta.com) for detailed, up-to-date information on all events.



## Medicare Certification of Creditable (or Non-Creditable) Coverage Must Be Distributed by October 14, 2014

It's that time of year again — the Medicare Notice of Creditable (or Non-Creditable) Coverage is due. Each year the Medicare Modernization Act of 2003 requires employers that provide prescription drug coverage to either active employees or retirees eligible for Medicare (part A or B) to provide to these employees (and their dependents) a Notice of Creditable (or Non-Creditable) Coverage.

This creditable coverage notice alerts the individuals as to whether or not their 2015 prescription drug coverage is at least actuarially equivalent to the 2015 standard Medicare Part D coverage. That means each group must determine whether the expected value of claims paid under its plan is equivalent to the value of claims that would be paid under the standard Medicare Part D benefit.

At a minimum, the notice must be provided at the following times:

- Prior to the Medicare Part D annual Coordinated Election Period (10/15 thru 12/7 each year);
- Prior to an individual's Initial Enrollment Period for Part D;
- Prior to the effective date of coverage for any Medicare eligible individual that joins the plan;
- Whenever prescription drug coverage ends or changes so that it is no longer creditable or becomes creditable; and
- Upon request from a member or beneficiary.

Employers are also required to share their creditable coverage status with the Center for Medicare and Medicaid Services (CMS). This may be done by completing an on-line notice located in the Disclosure section of the CMS website ([www.cms.gov](http://www.cms.gov)).

BCBSM/BCN has determined whether each of their standard drug plans meets the creditable coverage standard. You can obtain this information from either BCBSM directly or by contacting your insurance agent of record.

For more information or to obtain a Model Disclosure Notice your company can give to your employees, visit [www.cms.hhs.gov/creditablecoverage](http://www.cms.hhs.gov/creditablecoverage) or the TMTA website at [www.thetmta.com](http://www.thetmta.com) (go to the 'Company Forms & Information' page located under the Information/Networking tab). If you need further assistance, contact TMTA's preferred insurance agent, Bill Percha, at 586-904-9700 or e-mail to [billp@rcwa.net](mailto:billp@rcwa.net).

## Preventive Breast Cancer Drug Coverage Change

BCBSM and BCN have updated their list of preventive drugs to comply with the Affordable Care Act. Beginning September 30, 2014, members who are at high risk for breast cancer will not need to pay a copay for prescriptions of tamoxifen and raloxifene if they are using the generic drugs for primary prevention of the disease.

Members must meet plan requirements and a prescription is required for coverage. Cost sharing will continue to apply when these drugs are prescribed as a treatment for breast cancer.

Prescribers can request a review for a patient to receive these drugs with no copay by contacting the Pharmacy Clinical Help Desk. Members with questions can call the Customer Service number on the back of their BCBSM/BCN ID card.

## Mental Health Coverage to Include Residential Psychiatric Treatments

To align with mental health parity requirements, BCBSM and BCN have expanded their mental health coverage to include residential psychiatric treatments effective July 1, 2014 for ACA required groups. Group coverages currently not offering this benefit must now do so if mental health parity is applicable.

Residential psychiatric treatments take place in a state-licensed facility with a multidisciplinary treatment team including:

- nursing care on-site or on-call, and no more than 15 minutes away 24/7;
- a psychiatrist on-call 24-7; and
- a psychiatrist on-site at least 2 days each week.

BCBSM members must call the customer service number on the back of their Blues ID card to determine if they have the benefit. Once that is determined, customer service will refer members to Magellan Behavioral of

Michigan, Inc. with questions about treatment, facilities or obtaining pre-authorization.

BCN members can call behavioral health management 24 hours a day, seven days a week at 1-800-482-5982 for prior authorization. They will not need a referral from their primary care physician for this care.

### New Physical Therapy Laws Won't Change BCBSM Policies

Michigan legislation related to direct access to physical therapy was signed into law in July 2014. Public Act 260, which takes effect January 1, 2015, allows physical therapists to treat patients without a prescription from a licensed health care professional for 21 days or up to 10 treatments, whichever comes first. Treatment is covered when the patient seeks therapy to prevent injury or promote fitness as well as for injuries.

Public Acts 261 – 264, which took effect on July 1, 2014, overrides Public Act 260 by permitting insurers to require a prescription for physical therapy services to be a covered service. BCBSM and BCN will continue to adhere to their current medical policy and existing processes by requiring a prescription for physical therapy services to be a covered service.

### BCBSM Group Counting Method Changing

BCBSM and BCN will now follow the state's lead and use the number of "eligible employees" to determine group size under the Affordable Care Act (ACA).

The Blues previously used the "full-time equivalent" counting method to determine if a group was a small or large employer under the ACA. Michigan's Department of Insurance and Financial Services has now advised insurance carriers to follow its definition of group size using eligible employees.

Under the ACA, a small group has 50 or fewer employees (moves to 100 or fewer in 2016) and a large group has 51 or more employees (moves to 101 or more in 2016). Beginning for 2015 renewals, BCBSM and BCN will move back to the total eligible counting method to determine group size. An eligible employee is a common law employee who works on a full-time basis with a normal workweek of 30 or more hours. Eligible employees include an employee who works on a full-time basis with a normal workweek of 17.5 to 30 hours if the employer permits and if this eligibility criterion is uniformly applied to all of the employer's employees and without regard to health status-related factors.

### Small Groups Required to Submit Pediatric Dental Attestation Forms

BCBSM and BCN small groups with Affordable Care Act (ACA) compliant third-party pediatric dental coverage must submit annual attestation forms.

The ACA guidelines for essential health benefits require all ACA compliant insurance plans to provide pediatric dental coverage. The Blues will cover pediatric members for dental coverage through the end of the calendar year in which they turn 19, as long as they were 18 or younger when the plan took effect.

If an existing small group elects ACA compliant pediatric dental coverage with any carrier other than BCBSM or BCN, those members are required to sign a Small Group Pediatric Dental Essential Health Benefits Acknowledgment form annually with the Blues. The form will be provided to members by their agent of record prior to the group's renewal date. Letters were sent to members who submitted the form last year as a reminder.

If the form is not received, coverage will be added to the group's benefits and charges will be included on the group's bill at renewal. Also, subscribers will be sent new ID cards to include the pediatric dental coverage. If the form is then submitted late, the group will be responsible for the additional charges until the next billing cycle.

### Blues Changes to Small Group Plans for 2015

BCBSM and BCN have made changes to small group plans for the 2015 plan year to ensure continued compliance with the Affordable Care Act (ACA). They were required to send groups notices about the changes and if your group is affected by these changes, you should have received your letter already.

These changes which were considered "non-uniform" changes under state guidelines, were made to 11 BCBSM, 23 BCN and 4 Blue Dental small group plans. In most cases, the change in the plan included adding a coinsurance maximum. Because these were considered non-uniform changes, the Blues was required to send a federal notice of discontinuance to the plan sponsor. The discontinuation notice does NOT mean that the Blues is canceling coverage. In fact, for groups who did not purchase their plans on the SHOP, there is no additional action required. Coverage for these groups will be renewed into the new version of their plan. Of course, these groups may also opt to choose another BCBSM or BCN plan.



## MI Minimum Wage Raised September 1<sup>st</sup>

A reminder that in May, 2014, the Minimum Wage Law was replaced by the Workforce Opportunity Wage Act. One of the changes included increasing Michigan's minimum wage in steps over the next four years. On September 1, 2014, Michigan's minimum wage was raised to \$8.15 per hour.

For employees who receive tips, the minimum hourly wage was increased to \$3.10. If the tips, added to the minimum hourly rate for tipped employees, do not equal or exceed the minimum hourly wage for non-tipped employees, the employer must make up the difference.

A training wage of \$4.25 per hour may be paid to employees 16-19 years of age for the first 90 days of their employment. Minors 16-17 years of age may be paid 85% of the minimum hourly wage rate or \$6.93 beginning September 1, 2014. The 85% rate is lower than the current federal minimum wage of \$7.25 per hour, therefore, Michigan's Workforce Opportunity Wage Act states that the federal Fair Labor Standards Act will apply to minors 16-17 years of age.

## TMTA MSDs Mailed to Member Companies

The 2014 TMTA Member Services Directories (MSDs) were mailed to all member companies of the TMTA last month. The MSD is designed to aid you in finding the right supplier for all of your special tooling, manufacturing and technology needs. Listings are presented alphabetically by service and alphabetically by member company name under each service. Be sure to check the listings under "Other Services" for those special or unusual jobs you may need done.

If you did not receive your copy, if you need extra copies, or if you know of other buyers of special tooling, manufacturing or technological services who would like to receive a copy of the MSD, free-of-charge, please contact Ron at 248-488-0300 ext. 1306 or e-mail to [ron@thetmta.com](mailto:ron@thetmta.com).

The Association publishes the MSD yearly and dis-

tributes it free-of-charge to each member company and, by request, to any company deemed to have need of its information. This is a tremendous tool for a company looking for a specific type of work and a great opportunity for your company to gain business.

## EEOC Issues Enforcement Guidance on Pregnancy Discrimination

The U.S. Equal Employment Opportunity Commission (EEOC) recently issued Enforcement Guidance on Pregnancy Discrimination and Related issues, its first comprehensive update on the subject of discrimination against pregnant workers since 1983.

The Enforcement Guidance explains the requirements of the Pregnancy Discrimination Act of 1978 (PDA) as well as the requirements of Title I of the Americans with Disabilities Act (ADA) as it applies to women with pregnancy-related disabilities. The PDA and ADA apply to employers with 15 or more employees, labor organizations, employment agencies, and apprenticeship and training programs. While the Enforcement Guidance is not binding in court, it can be a persuasive authority in litigation and the EEOC will rely on it when making determinations related to discrimination charges.

The Enforcement Guidance includes discussions of:

When employer actions may constitute unlawful discrimination on the basis of pregnancy, childbirth, or related medical conditions in violation of Title VII of the Civil Rights Act of 1964 (Title VII) as amended by the PDA.

The obligation of employers under the PDA to provide pregnant workers equal access to benefits of employment such as leave, light duty, and health benefits.

How the ADA, which went into effect over a decade after the PDA and was amended in 2008 to broaden the definition of disability, applies to individuals with pregnancy-related impairments.

The PDA requires that an employer may not discriminate against an employee on the basis of pregnancy, childbirth, or related medical conditions and such employee must be treated the same as all other employees similar in their ability or inability to work. It also clarifies that pregnancy-related discrimination is a prohibited form of sex discrimination.

The ADA requires that an employer may not discrimi-

nate against an employee on the basis of disability and requires covered employers to provide reasonable accommodations to the known limitations of otherwise qualified employees and applicants for employment. Although pregnancy itself is not a disability, impairments related to pregnancy can be disabilities if they substantially limit one or more major life activities or substantially limited major life activities in the past. A number of pregnancy-related impairments may be considered disabilities, even if they are temporary, such as pregnancy-related gestational diabetes, sciatica, or pre-eclampsia.

It is interesting to note that the PDA's protection extends to preferential treatment of any kind based on an employee's fertility or childbearing capacity. Sex-specific policies restricting women from certain jobs based on childbearing capacity, such as those banning fertile women from jobs with exposure to harmful chemicals, are generally prohibited. An employer's concern about risks to a pregnant employee or her fetus will rarely, if ever, justify such restrictions. Sex-specific job restrictions can only be justified if the employer can show that lack of childbearing capacity (concerns about the health of the employee or her fetus) is a bona fide occupational qualification. Another example is if an employer does not provide light duty to employees who are not pregnant, it does not have to do so for pregnant employees. So even when an employer believes it is acting in an employee's best interest, adverse actions may be prohibited.

If a pregnancy-related impairment rises to the level of a disability under the ADA, the employer may need to evaluate potential accommodations to determine whether such an accommodation is reasonable, does not cause undue hardship, and would allow the employee to perform the essential functions of her job.

Read the Enforcement Guidance in its entirety along with a questions and answer document and a fact sheet for small businesses at [www.eeoc.gov/laws/guidance/pregnancy\\_guidance.cfm](http://www.eeoc.gov/laws/guidance/pregnancy_guidance.cfm).

### Revised OSHA Serious Injury Reporting Rule

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) announced that effective January 1, 2015, employers under federal OSHA jurisdiction are required to notify OSHA when an employee is killed on the job or suffers a work-related hospitalization, amputation, or loss of an eye. The rule also updates the list of employers partially exempt from OSHA record-keeping requirements.

Previously, OSHA regulations required an employer to report only work-related fatalities (within 8 hours) and in-patient hospitalizations of three or more employees (within 24 hours). The new rules require employers to notify OSHA of work-related fatalities (occurring within 30 days of the work-related incident) within 8 hours of death. All in-patient hospitalizations that require care and treatment of a single employee along with all amputations and all losses of an eye must be reported to OSHA within 24 hours of the incident.

All employers covered by the Occupational Safety and Health Act, even those who are exempt from maintaining injury and illness records, are required to comply with OSHA's new severe injury and illness reporting requirements. OSHA is developing a web portal so employers can report incidents electronically. Until it is available, employers can still report to OSHA by calling 1-800-321-6742 or by contacting the nearest OSHA area office.

Not to fear, OSHA has stated that not all reported incidents will lead to an inspection. OSHA says it sees a report as opening a dialog with the employer about the incident and that whether an investigation will be opened will be case-specific. OSHA is most interested in knowing what caused the injury, what the employer intends to do as a result of the incident, and putting the employer on notice of any hazards — all of which it expects will make an employer more likely to take the necessary steps to rectify the situation. However, OSHA will make an employer's report of all fatalities, hospitalizations, amputations, or eye losses publicly available on the agency's website. OSHA believes that public disclosure will incentivize employers to ensure a safe workplace for their employees.

In addition to the new reporting requirements, OSHA has also updated the list of industries that, due to relatively low occupational injury and illness rates, are exempt from the requirement to routinely keep injury and illness records. The previous list of exempt industries was based on the Standard Industrial Classification (SIC) system and the new rule relies on the North American Industry Classification Systems (NAICS). The new list is also based on injury and illness data from the Bureau of Labor Statistics records from 2007 thru 2009. The exemption for any employer with 10 or fewer employees, regardless of their industry classification, from the requirement to routinely keep records of worker injuries and illnesses is maintained under the new rule.

For more information and the new industries list, visit OSHA's website at [www.osha.gov/recordkeeping2014](http://www.osha.gov/recordkeeping2014).



## ERISAEdge Compliance Management Services

ERISA is a federal law that regulates group-sponsored benefits (also known as welfare benefit plans). It is extremely complex and keeping up-to-date on changes can be complicated. Failure to comply with ERISA's requirements can mean costly government penalties, even employee lawsuits. ERISAEdge by TASC (Total Administrative Services Corp.) is an ERISA compliance management service. It provides a solution to employers by performing all key areas of ERISA administration requirements and ensuring complete compliance with the law.

Participation in ERISAEdge Administration means TASC does the following for you:

- Ensure ERISA Plans are current with all evolving regulations.
- Assist in the event that an employee benefits plan is reviewed by the DOL.
- Prepare required forms accurately and in a timely fashion; prepare various required documents:
  - Plan documents and Summary Plan Description (SPD);
  - Summary Material Modification as needed;
  - IRS Form 5500 and associated Schedule A or C as required; and
  - Summary Annual Report (SAR) if required.
- Maintain all required records for the mandated amount of time, including online storage of Plan documents and SPD.
- Work with the employer and Plan Sponsor to ensure timely disclosure of Plan changes to employees.
- Provide personal customer service, including access to technical assistance and experienced employee benefits professionals.
- Provide instruction regarding required on-site recordkeeping.
- Distribute a bi-annual client newsletter.
- Establish a Hold Harmless Agreement.

Don't fail a DOL audit! Don't owe monetary penalties

to an Employee! Don't fail to provide the required legal documentation! Enroll in ERISAEdge now!

For more information on ERISAEdge by TASC, contact Bill Percha of the Ralph C. Wilson Agency at 586-904-9700.

### INFLATION TALK

#### CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
<b>Aug</b>	<b>234.030</b>	<b>697.105</b>	<b>810.72*</b>
July	234.525	698.580	812.44*
June	234.702	699.107	813.05*
May	234.216	697.657	811.37*
Apr	233.443	695.356	808.69*
Mar	232.560	692.725	805.63*
Feb	230.871	687.695	799.78*
Jan 2014	230.040	685.220	796.90*

#### CPI-U All Urban Consumers

Month	82-84	1967	57-59
<b>Aug</b>	<b>237.852</b>	<b>712.498</b>	<b>828.62*</b>
July	238.250	713.691	830.01*
June	238.343	713.970	830.33*
May	237.900	712.642	828.79*
Apr	237.072	710.162	825.90*
Mar	236.293	707.830	823.19*
Feb	234.781	703.300	817.92*
Jan 2014	233.916	700.710	814.91*

**Note: August 2014 CPI-W represents a 1.6% increase from one year ago; CPI-U a 1.7% 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)**

sumers and accomplish environmental goals. Along with U.S. efforts to curtail CO2 emissions, while China, India and others refuse to do the same, those send American jobs to Asia.

The U.S. corporate tax is among the highest in the world. Along with arbitrary taxes on overseas profits, high rates motivate U.S. businesses to relocate abroad and discourage foreign investment in the United States.

#### **4. Corruption and Monopolies**

Whereas deregulation was the theme of the Reagan-Clin-ton era, today's leaders appear not to value a vibrant private sector and spirited competition. They offer special privileges that permit Wall Street banks, cable companies, medical insurers and rural hospitals, pharmaceutical companies, and the like to monopolize markets and gouge customers in exchange for big campaign contributions and lucrative jobs after public officials leave office.

This corruption breeds inefficiency, limits production and innovation, and kills jobs.

#### **5. Disincentives to Work, Poorly Run Universities and Immigration**

In recent decades, we have seen a substantial expansion of public benefits that discourage work through the Earned Income Tax Credit, Social Security disabilities program, Medicare drug benefits, Medicaid, ObamaCare, and student grants and loans.

Increasingly colleges and universities attract students by spending heavily on athletic arenas, flashy student centers and other resort amenities. To finance sports spectacles, evening yoga lessons, and ever larger salaries for presidents and coaches, universities jack up tuition and shuffle students into cheap to staff majors, such as art history and sociology, while limiting access to programs with better career potential, like engineering and finance. Too many graduates lack career ready skills and are burdened with excessive debt.

Thanks to the combination of work disincentives and poor career training, nearly all the jobs created in this century have gone to immigrants. At the low end, they take jobs government benefits programs encourage lower-skilled Americans to refuse, and at the high end, immigrants take jobs many college graduates are unqualified to fill.

Just eliminating the trade deficit would double U.S. economic growth. Addressing the other problems would easily boost growth to 5 percent a year, and Americans would have all the good paying jobs they want and plenty more for new arrivals.

*Peter Morici is an economist and professor at the Smith School of Business, University of Maryland, and a national columnist. His e-mail address is: [pmorici@rhsmith.umd.edu](mailto:pmorici@rhsmith.umd.edu).*

## **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](http://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.***



28237 Orchard Lake Rd., #101  
Farmington Hills, MI 48334

PRSR STD  
U.S. POSTAGE  
PAID  
PERMIT NO 176  
FARMINGTON HILLS, MI

# TMTA TALK NEWSLETTER

**tmta talk**  
TMTA TALK is a publication of the  
Tooling, Manufacturing & Technologies Association  
28237 Orchard Lake Rd. #101 Phone (248) 488-0300  
Farmington Hills, MI 48334 Fax (248) 488-0500  
[www.thetmta.com](http://www.thetmta.com)  
President and CEO — Robert J. Dumont  
Editor, Designer — Elaine F. Burger-Laskosky  
Copyright © 2014 Tooling, Mfg. & Tech. Assoc. All Rights Reserved.

Please patronize the companies  
on our **Made In America** page at  
[www.thetmta.com](http://www.thetmta.com).



(Be Sure to Tell Bill That TMTA Sent You!)

**Confused about Health Care?  
Need help finding the right insurance?  
Contact Bill Percha  
at 248-355-1414**

