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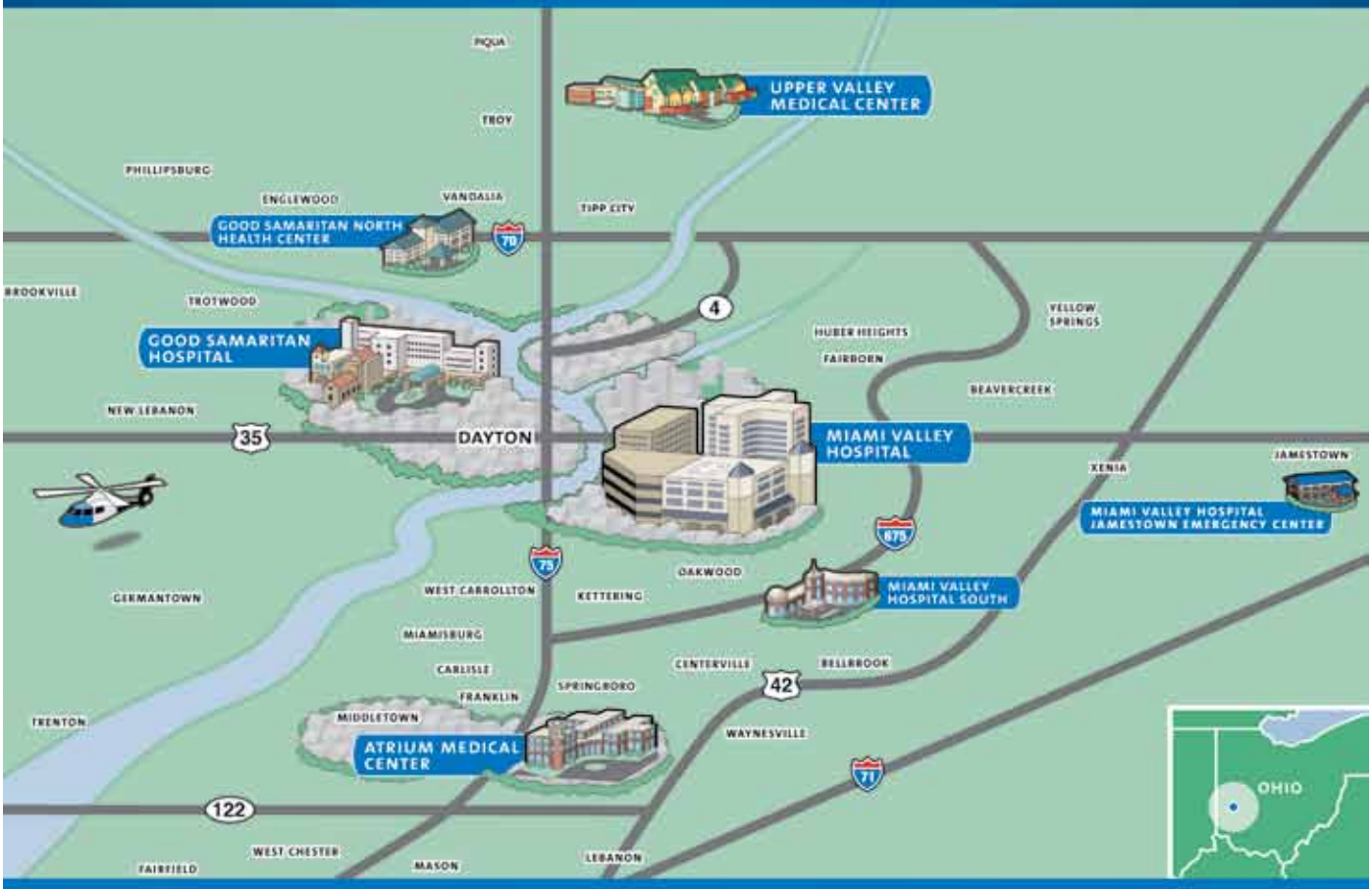

Premier Health

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PRESIDENT'S Message

FOCUS ON: HEALTHCARE ACT CHANGES

In this latest issue of *FOCUS*, we have made a concerted effort to look at many aspects of our healthcare system, including some public policy areas. The really good news is that our region is blessed to have excellent organizations who work tirelessly every day on our health. Our network of hospitals, doctors, clinics and Medicare and Medicaid providers is one of the best in the nation – especially for a community our size.

Our challenges, though, lie ahead.

Behind us are the policy battles that raged over the national Affordable Care Act. It is now the "law of the land." We must now understand how best to traverse this changing landscape and what unintended consequences will steer your organization and other members to different decisions for your employees' healthcare.

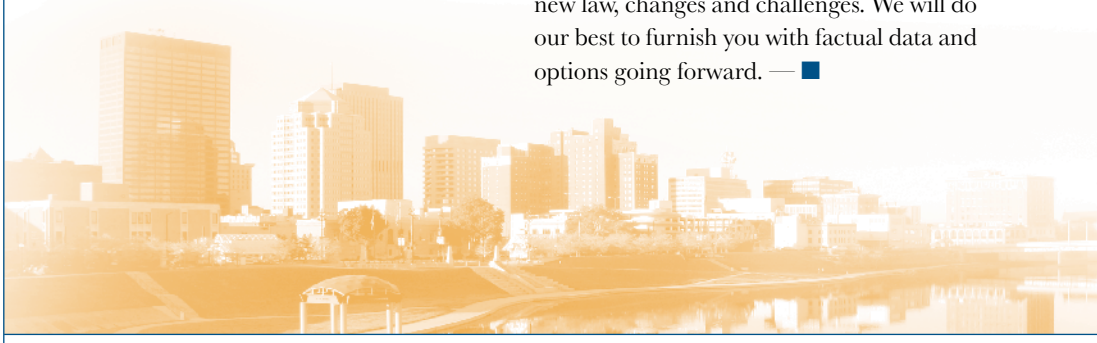
In 2012, Chamber Board of Trustees Chair Roy Chew, instituted a special Chamber Healthcare Task Force to be created to communicate these changes to our members. This expert group has met regularly in an effort to serve our business members' needs.

Additionally, we are building a robust web portal at www.daytonchamber.org (see Healthcare section) to help enlighten our area businesses as to these changes.

One of the stunning changes will be the cost of coverage for our employees – especially if thrust into public exchanges and community rating. Pricing from state to state is at issue. *Dayton Daily News* reports Ohio will experience larger-than-normal premium increases under the new program. The *Huffington Post* reports estimates of 20% increases in Florida; 60% increases in California; and an outrageous 80% increase for us living in Ohio. If true, it seems that the Affordable Care Act's name is symbolically oxymoronic.

Another important and recent change is the announcement by the federal government that it will not be ready for the SHOP (Small Business Health Options Program) alternatives for small business employees by the original 1/1/2014 start date and will be pushed off by a full year before allowing options for small business workers and their families. No surprise for many of us as we know this is a very complex program that may actually take years to fully implement. This announcement is also captured on the Chamber's healthcare section of our web site.

Our members must learn more now about all of their options. 2013 will be a very important year of transitioning and receiving information about the changes for 2014, 2015 and beyond. Our employees and their families must be prepared to understand the new law, changes and challenges. We will do our best to furnish you with factual data and options going forward. — ■



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— Jim Pancoast, President and CEO, Premier Health

PREMIER HEALTH EMERGENCY FAST FACTS

Six Emergency Centers

More than 280,000 Emergency Visits in 2012

The region's only Level I Trauma Center

Area's First Telemedicine Stroke Network

Four CareFlight helicopters and four mobile intensive care ground vehicles

Jim Pancoast, President and CEO, Premier Health

The emergency medical needs of families are met through the six Premier emergency centers: Miami Valley Hospital and Good Samaritan Hospital in Dayton, Miami Valley Hospital South in Centerville, Atrium Medical Center in Middletown, Upper Valley Medical Center in Troy and Miami Valley Hospital Jamestown Emergency Center.

Premier Health: Providing **ACCESS** to Care

By Vince McKelvey

***Where** you need it, **when** you need it.*

Even in the ever-evolving world of emergency medicine, this is a busy time for Premier Health's emergency services. Consider this:

- In March, Miami Valley Hospital opened a freestanding Emergency Center in Jamestown and this fall the hospital will complete a renovation of its own emergency department.
- In April, Premier Health initiated the region's first Telemedicine Stroke Network at Good Samaritan Hospital and Atrium Medical Center. This network lets specialists diagnose and begin to treat stoke victims remotely, saving time – critical when dealing with a stroke.
- In recent months, Atrium and Upper Valley medical centers have added therapeutic hypothermia as one more tool to help people with heart attacks. The procedure, temporarily cooling the body to near freezing, can limit damage and allow for a more complete recovery.
- In October, CareFlight will formally celebrate 30 years of service to the region.

Whether a Premier hospital is adding a new service or a new facility, the goal is the same: to give people access to top quality emergency care, no matter where they live.

"It all has to do with access; rapid access to the highest quality of care," said Bonnie Coalt, RN, Miami Valley's administrator of hospital operations. "That's what it's all about."

"Across the country about one in five people receives emergency care each year," said Jim Pancoast, Premier Health president and CEO. "If you've found yourself in that kind of situation because of an injury or sudden illness, you know it's important to have a facility that is convenient and provides quality care without a long delay."

280,000 EMERGENCY VISITS

Premier's network includes six emergency centers – Miami Valley Hospital and Good Samaritan Hospital in Dayton, Miami Valley Hospital South in Centerville, Atrium Medical Center in Middletown, Upper Valley Medical Center in Troy and, the newest, the Miami Valley Hospital Jamestown Emergency Center.

Together, these facilities have more than 200 emergency room beds and last year, they saw more than 280,000 emergency visits, the most in the region. Two of the hospitals are verified trauma centers, designations that, in part, indicate they have certain specialists available around the clock. Miami Valley is the region's only Level I trauma center. Atrium is a Level III.

And while the emergency departments are independently run, they function as a network. Department officials meet regularly to talk about best practices and physicians know they have a system of hospitals to draw on to help a patient. "It allows the entire network to provide services that may not be available at each individual hospital," said Dr. Steven McMahan, medical director of Good Samaritan's Emergency Department.

NEW STROKE SERVICE SAVES TIME

Premier's newest service, in fact, the telemedicine stroke network, represents a network solution to emergency stroke care, said Angela Black, a Premier director of service integration, Neurosciences and Oncology.

Using two-way video and audio communication, an on-call specialist can essentially be at the bedside of a stroke victim who has been taken to any Premier emergency department. This gives the patient immediate access to a specialist, who can see and talk to the patient, view CT scans, consult with doctors on hand and prescribe treatment, all from a remote location. It saves time when time is critical. "The earlier that you can identify the diagnosis and intervene for that patient, the better recovery they'll have," said Marquita Turner, RN, director of emergency services at Atrium.

(continued on page 08)

("Premier Health" continued from page 07)

PREMIER HEALTH — GROWING TO MEET A GROWING NEED

Miami Valley Hospital operates three of Premier's emergency centers -- the main campus' Level I trauma center, Miami Valley Hospital South and the Jamestown Emergency Center. Over the years, Coalt said she has seen a growing sophistication in emergency services and a growing need for services that promises to continue as America's population ages.

The main campus built its current emergency department in 2001, hoping to meet emergency needs for a decade. But demand outstripped the projections. In 2007, Miami Valley opened Miami Valley Hospital South as a free standing emergency center. "We continued to grow…We continued to increase the intensity of our service, the critical nature of what we were doing, so we needed to have another facility," Coalt said.

Miami Valley Hospital South has since become a full-fledged hospital and now sees 32,000 emergency visits a year, Coalt said. The main campus sees 94,000 and is in the midst of a major renovation expected to be complete in November or December.

The new emergency department will have 73 fully equipped rooms and six so-called "chair spaces" for those patients who come in with a simple injury and don't need a full medical workup. Coalt said the 73 rooms will be large enough to accommodate a patient's family members, who can be especially important when treating the elderly. "The family often knows what's up with the older patient," she said.

In late March, meanwhile, Miami Valley opened its Jamestown Emergency Center, a 10-bed, full-service facility that extends emergency care to an underserved area. The idea came from a local primary care physician, Dr. Kevin Sharrett, Coalt said. "People want to be taken care of in their own communities," she said. The center is located in a building that includes other medical services. Care is provided by the same specially trained physicians who also staff Miami Valley's trauma center.

CAREFLIGHT — A SYMBOL OF CARE FOR 30 YEARS

If Jamestown is the newest of member of Premier's emergency care system, CareFlight might be the most recognizable. CareFlight helicopters have been bringing timely, intensive care to a 17-county area since 1983 and the service will mark its 30th anniversary in ceremonies Oct. 13 at Miami Valley Hospital South.

In a real sense, CareFlight is an extension of a hospital – a "long hallway," Candy Skidmore, RN, put it, where patients receive state-of-the-art emergency treatment while still in transport.

Premier Health offers quality, life-saving emergency care, led by experienced professionals utilizing advanced technology.

Miami Valley was the second hospital in Ohio to begin an emergency helicopter service and the 65th in country, said Skidmore, also vice president of service integration, Emergency and Trauma, for CareFlight Air and Mobile Services.

CareFlight now includes four helicopters and four ambulances for ground transportation, all fully equipped as mobile intensive care units. CareFlight helicopters serve a 150 mile radius, but most of its calls are within 65 miles of Dayton. Its helicopters are stationed in Dayton, Lebanon and Urbana, and "we're close enough to other hospitals that it gives us a very quick response time," Skidmore said.

CareFlight makes 1,600 to 1,800 flights a year. It responds to emergencies such as strokes and heart attacks, as well as accidents, and transports patients between hospitals. "I think the importance for the community is access to care," Skidmore said. "Helicopters are the great equalizer because they travel so quickly … You may be in a small farming community, (but) you have quick easy access to a Level I Trauma Center or a stroke center or a catheterization lab."

OUTREACH AND TRAINING

Premier's hospitals also have ongoing programs to train local EMS personnel who, as the first people on the scene, are the first to give care.

Good Samaritan Hospital, for instance, does more than 300 training sessions a year for fire departments and EMS squads, basing the programs on what the squads need. "We partner with them to see what training they feel they need to improve their care," said Bill Mangas, Good Samaritan emergency department operations manager.

Upper Valley Medical Center has an EMS education center that offers basic EMT classes and protocol testing, said Dee Mullen, RN, director of emergency services Upper Valley. "We want them to have everything they need, so they can start that patient care and we can take it from there," she said. — ■

THE AFFORDABLE CARE ACT —

SURVIVING Implementation

Are you still hoping that the Affordable Care Act (the ACA or the Act) will be repealed? — *Are you certain it will not impact your business because you are: (1) too small to be covered by the Act or (2) large enough to provide great health insurance benefits to your employees? Are you going to wait until after the ACA is implemented to see how it will impact others before developing a strategy?*

Taft Stettinius & Hollister LLP

Ryan T. Smith, Esq.

Jeffrey A. Mullins, Esq.

For a variety of reasons, none of the approaches mentioned in the above introduction should be considered a "best practice." As of January 1, 2014, the ACA will require all "Large Employers" to offer qualified health care coverage to full-time employees. These requirements, along with other important provisions that will go into effect at the same time, are going to have an enormous impact on employers – both large and small – in our community. In order to manage these changes effectively, companies need to develop a proactive strategy for dealing with the ACA. Critical windows of opportunity for employers to minimize the impact of the ACA are closing every day. Accordingly, the time for developing such a strategy is now.

There are three steps that all companies should take in order to develop such a strategy. First, the employer must determine whether it is covered by the ACA. Second, the company must decide whether it wants to provide coverage, and if so, to whom. Having answered these key questions, the organization can then move on to the third and final step: developing a plan for controlling health care costs and retaining the key members of its workforce.

DETERMINING WHETHER YOU MUST OFFER COVERAGE

The ACA defines "full-time employees" as those who work an average of 30 or more hours per week in the calendar year. One might assume, then, that a Large Employer under the ACA is one who employs 50 or more such full-time employees. Unfortunately, the IRS has rejected that straightforward approach, claiming it would make it too easy for employers to evade the requirements of the Act. For example, an employer could continuously employ 49 full-time employees and then fulfill the rest of its staffing needs with part-time employees. Or it could disproportionately stack employee hours in certain weeks and then require leaves of absence or time off in others. For these reasons, the IRS has implemented a more nuanced approach which is based on the number of "Full-Time Equivalent" employees, or FTEs, that the employer retains each month in a calendar year. This calculation should be made in three basic steps.

1. Aggregate all the hours worked by your employees in a given month. Note that all employees are included in this calculation, regardless of how they are classified – full-time, part-time, temporary or permanent. However, each individual employee's hours are capped at 120.
2. Divide this total number of hours by 120 to determine the number of FTEs for that month. For example, if an employer has three employees – A, B and C – who work the following hours in January: A works 160 hours, B works 90 hours, and C works 30 hours. For the month of January, the employer would employ a total of two FTEs (120 + 90+30 = 240 / 120 = 2).
3. Combine each month's FTEs together and divide that number by 12. If the result of this calculation is 50 or more, then the employer is usually deemed to be a Large Employer.

There are several potential exceptions to this rule which may enable certain companies to avoid becoming Large Employers. The most notable of these exceptions applies to "seasonal employees." Specifically, an organization will not be considered as a Large Employer if, in the prior year, its workforce exceeded 50 full-time employees for only four or fewer months, and the employees in excess of 50 during that maximum period were seasonal workers. The IRS has not yet provided a definition of seasonal employees. And until it does so, the good news is that employers are free to use their own good-faith and reasonable definitions in making their FTE calculations.

Nor is the employer required to count individuals who are not truly employees, but rather are engaged as independent-contractors or consultants. These

individuals could be engaged directly by the employer or they could be engaged through a subcontractor or a temporary employment agency. Where an employer has the ability to outsource a part of its current workload (deliveries, security, packaging, service or maintenance work) to a truly independent entity, and its headcount then falls below the 50 FTE requirement, it will not be considered a Large Employer. However, strategic changes like these cannot be implemented overnight. They often require months of planning and several adjustments to achieve the desired result without having a negative impact on morale or profitability.

While these restructuring strategies remain viable, other once promising strategies have since been dismissed. For example, employers at one time considered combining the independent-contractor and temporary-employee exceptions by employing certain individuals directly for certain months and then leasing them to temporary agencies during the requisite "seasonal" months to avoid inclusion in the FTE calculation. But that option is likely to soon disappear. While the IRS has not issued precise regulations on this issue, it has stated that so-called "anti-abuse provisions" will be forthcoming, and that these rules will consider the similarity of work performed by the two employers and apply hours of similar work for one employer to the other employer's workforce for FTE calculation purposes.

Similarly, many employers have considered forming several new companies and dividing their existing workforce among companies in a manner that no one company has more than 50 FTEs. But the IRS has closed this gap, as well. According to the IRS, for Large Employer calculation purposes, an employer must combine all companies that are members of the same "Control Group," based on common ownership. Where the combined total FTEs in a Control Group equals or exceeds 50, each individual company is subject to the ACA, even if no one company by itself has enough employees to meet the threshold.

Thus, while some options have been foreclosed, others – like outsourcing to truly independent companies or utilizing seasonal employees – are still viable approaches. In order to take advantage of these options, an employer must implement the necessary changes in 2013. This will allow the company to take full advantage of the FTE-calculation measurement period – all twelve months of 2013 or any consecutive six-month period in 2013. It will also allow the company ample time to find the right partners for outsourcing part of their work or to find, hire and train the right individuals for seasonal work.

DETERMINING WHO YOU MUST COVER

If an employer truly does employ 50 or more FTEs (and none of the strategies discussed above can be utilized), then it will have to offer the required level of affordable healthcare coverage to its full time employees or pay the penalty proscribed under the Act. Still, even Large Employers don't have to offer coverage to everyone who is employed by the company. Large Employers need only offer coverage to full-time employees.

Accordingly, a Large Employer with a substantial part-time workforce, though technically required to offer coverage, could avoid the cost of covering some or even most of its workforce – where it has a small number of full-time employees and a large part-time contingent. If restructuring, hiring or training is required to establish such balance between the full-time and part-time elements of an employer's workforce, it should begin almost immediately. This is another situation where the window of opportunity for making these changes is rapidly closing.

For some employers, determining which employees are full-time (and thus entitled to benefits) is fairly easy, because all employees are working a fixed 40-hour per-week schedule or a set part-time schedule. What about employees whose schedules cannot be predetermined and are not reasonably expected to average 30 hours per week over the entire year? For these "Variable Hour" employees the proposed regulations offer a special "safe harbor method" for determining coverage. Under this method, an employer would determine each employee's full-time status by looking back at the employee's hours reported over a period of three to twelve consecutive months – the "Standard Measurement Period." If the employer determines that the employee averaged at least 30 hours per week (or at least 130 hours per month) during the Standard Measurement Period, then the employee must be treated as a full-time during the following "Stability Period," which is generally the same length as the Standard-Measurement Period, but never less than six months in length. What this means for employers is that if you are a Large Employer and you want to control costs by utilizing variable hour employees, you need to begin the process immediately so that you can control the hours worked by such employees during whatever measurement timeframe you choose in order to ensure that they do not work enough hours to trigger full-time status.

On the issue of whom to cover, a common misconception about the ACA is that it requires employers to offer affordable coverage to all full-time employees, as well as the spouses and dependents of those employees. An employer is not required to offer coverage, affordable or otherwise, to the spouse of a full-time employee. An employer is required to offer coverage for the dependents of a full-time employee, but that coverage need not be affordable. In other words, even under the ACA, an employer could require that a full-time employee pay 100 percent of the cost of dependent coverage.

CONTROLLING THE COSTS OF COVERAGE: LARGE AND SMALL EMPLOYERS

Large Employers

Ultimately, of course, many employers will be required (or may choose) to offer coverage to at least some of their employees. Even in this situation, though, there opportunities for an employer to control the costs associated with that coverage. In order to satisfy the ACA's basic coverage requirements, the employer's healthcare plan must offer "Minimum Essential Coverage" to full-time employees and their dependents (but not spouses). The ACA also requires that the coverage for the employee be affordable. Specifically, the Act prohibits the employer from charging the employee premiums which exceed 9.5% of his household income. This affordability definition can be problematic for employers because typically they do not know how much income is earned by

(continued on page 12)

("Surviving Implementation" continued from page 11)

other members of an employee's household. To remedy this issue, the IRS has recently offered employers another safe harbor, this time for complying with the affordability requirements. Under this safe harbor, an entire plan will be deemed affordable as long as the "the employee portion of the individual-coverage premium…" does not exceed 9.5 percent of the employee's current W–2 wages from the employer. Together, these rules create certain opportunities for employers to control the cost of coverage.

If an employer is currently providing coverage for individual employees that does not contain the essential elements required by the ACA or it is providing such coverage, but it is not affordable, one approach to close the gap is to increase the employer contribution to employee coverage (to buy the additional required benefits or to make it affordable) and then cut back on or eliminate the employer contribution to spousal or dependent coverage for the employee. If managed correctly this strategy allows the employer to avoid penalties without increasing the overall contribution made by either the employer or the employee for healthcare coverage. You are simply reallocating the same health care dollars in a different manner. If you are going to utilize this strategy, though, it will be important to consult closely with your broker on structuring the plans and to educate your employees on the impact of the changes prior to its implementation.

If an employer is providing coverage in excess of that required by the Act, but is concerned about the cost of having to offer such coverage to employees who were not previously eligible, the company may actually decide to reduce the current level of benefits to the bare minimum required under the ACA. Employees could then choose to buy up to a better plan, or live with the minimum required coverage. The money saved by decreasing the overall level of benefits or increasing the cost of coverage could then be utilized to extend coverage to the group of employees who were not eligible under the company's current plan.

Small Employers

While Large Employers have to contend with strict requirements concerning whom to cover and what kind of coverage to provide, smaller employers have more flexibility. That does not mean that such entities are immune from the effects of the ACA. Ironically, controlling the cost of coverage may be most difficult for the small employers that are not subject to the Act, but still believe it is important to provide health insurance for employees in order to remain competitive in the marketplace.

How can that be? While the "individual mandate" portion of the Act and its penalty-provisions have been debated endlessly in the media and online, another equally important provision of the ACA has been all but ignored. The insurance provisions of the ACA call for a major modification to the way in which insurance companies rate employers for health insurance purposes. The nuanced practice of "experience rating" on a company-by-company basis will no longer be allowed. Instead, the cost of coverage for those buying fully-insured plans will be based on a "community rating." So, the pool for determining your health insurance costs is not your company, but the overall community in which you live. This will mean a decrease in costs for some companies and an increase for others. Overall, many actuaries are predicting that this change will result in an average cost increase of 38 percent for those employers who are buying a fully-insured product.

Larger self-insured companies will not be impacted by this provision. But for some smaller companies that need to provide insurance, this change could be devastating with net-profit margins as tight as they are in the current economy. Companies that are struggling with the impact of community rating are utilizing creative approaches to control health care costs. Some are discontinuing health insurance but providing employees with a cash subsidy to purchase such insurance on one of the public exchanges. Typically, it is not enough to purchase the same coverage that the employee had before, but it is not as drastic as cancelling coverage altogether. The payment is income to the employee and will be taxed accordingly.

Some of the major carriers in our area are following this issue closely and will offer another option for small employers. This option will allow employers with as few as 25 employees to utilize a product which allows them to enter the self-insured ranks, but they will have a very low stop-gap policy which will provide reinsurance for any employee whose costs exceed a certain amount (for example $10,000) or for the group as a whole once it exceeds a certain aggregate amount. Again, this is a solution that will take some time to analyze and implement, so employers considering this option should begin discussions with their broker and/or carrier immediately.

In the final analysis there is no one best practice for companies under the ACA. The best strategy is the one that satisfies s a company's specific needs and minimizes its health care costs to the greatest degree possible. There is one issue that all companies do need to consider: January 1, 2014 is getting closer every day and a company's survival could well depend on when and how well it plans for the ACA's implementation. — ■

MEDICAID Expansion

The first quarter of 2013 *started with a flurry of activity, legislation and regulatory issues that could have a significant impact on the Dayton area business community. As the business community representative in the region to over 2,800 businesses, the Dayton Chamber has been actively engaged in the potential of Medicaid expansion in Ohio.*

In February 2013, Governor Kasich inserted into the Executive Budget a provision that would expand Medicaid coverage to over 300,000 eligible adults in Ohio that are between 100%-138% of poverty. The cost of this expansion would reimbursed 100% by the federal government and would eventually decrease to a 90% reimbursement from the federal government. As the federal Medicaid expansion reimbursement erodes over the next seven years from 100% to 90%, it is paramount that the 10% funding gap is balanced through existing state revenues without an increased burden on the business community. As many business owners have been paying for uncompensated care through the private market and they are already funding federal Medicaid expansion reimbursements through assessments outlined in the Affordable Care Act, it only seemed appropriate that expansion of Medicaid would be in the best interest of the business community.

Dayton Area Chamber of Commerce supports the Medicaid expansion in the "as-introduced" budget and encourages the Ohio General Assembly to pursue a reasonable expansion of Medicaid coverage in Ohio, without increased burdens on the Ohio business community and an inclusion of a circuit breaker that allows Ohio to reconsider and opt-out of this expansion if the federal government reduces the current rates of reimbursement to the states. Additionally, the Chamber believes strongly that the Ohio General Assembly should consider a Medicaid Rainy Day fund, which will hold a portion of net short term state fiscal gains, which are predicted to accrue over the next 10 years, in a designated reserve account to offset future Medicaid costs after 2022.

Following the 2012 U.S. Supreme Court ruling on the Affordable Care Act, ever increasing health insurance rates and a growing population of uncovered adults, this issue has emerged as an opportunity for Ohio. The Medicaid expansion was in the "as introduced" version of the budget and was removed from the budget during considerations by the Ohio House of Representatives Finance & Appropriations Committee*. — ■

* *Note: At the time of this article, Medicaid expansion was removed from the budget. Status of Medicaid expansion may have changed following further consideration by the Ohio General Assembly.*

HEALTHCARE Exchanges

The ACA's healthcare insurance coverage exchanges —
The ACA directs all Americans, with only a few exceptions, to obtain healthcare insurance coverage for 2014 and beyond.

THE SCHELLER BRADFORD GROUP
CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

This article is the fourth in a series authored by Clark Schaefer Hackett and The Scheller Bradford Group to provide guidance on implementation of The Affordable Care Act (ACA).

More than half of the population will meet the responsibility of obtaining healthcare insurance by enrolling in a health insurance benefit offered through their employers. Tens of millions of other Americans already purchase their own private insurance, or receive coverage through government programs such as Medicaid and Medicare, putting them in compliance with the law's individual mandate.

But the remaining population – most new to this type of product – will be expected to individually navigate their health insurance enrollment later this year, or face a tax in 2014.

Acknowledging the affordability issue, the ACA provides tax credits toward coverage premiums for those with family incomes between 100% and 400% of the federal poverty level (FPL). Additionally, those between 100% and 250% of FPL are also eligible for cost sharing subsidies. Insurance premiums will be tax deductible for all individuals purchasing coverage through an exchange, subject to the excess of 10% of adjusted gross income rule.

With this carrot and stick approach, this legislation will push, nudge, cajole and entice an estimated 50 million previously uninsured people into the healthcare insurance marketplace beginning in the Fall of 2013.

So how will these folks find and enroll in appropriate healthcare coverage?

To provide a clear and structured environment for the sale and purchase of medical insurance, the ACA compels creation of healthcare policy marketplaces called exchanges. All qualified individuals and small businesses will be able to purchase private health insurance through these exchanges.

THE PRODUCT CHOICES OFFERED THROUGH THE EXCHANGE

Exchanges will determine eligibility and enroll individuals in appropriate healthcare coverage plans. Only Qualified Health Plans (QHPs), providing comprehensive coverage and meeting all applicable private market reforms specified in the ACA, will be certified to be sold in exchanges.

The four levels of health insurance plans within an exchange will be expressed as "Metal Plans", Bronze (58% to 62% actuarial value), Silver (68% to 72% actuarial value), Gold (78% to 82% actuarial value), and Platinum (88% to 92% actuarial value). Additionally, a catastrophic plan option may be available for individuals under 30 years of age, or otherwise eligible due to financial hardship.

Most exchange plans will, at minimum, provide coverage for these ten essential health benefits: ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance use disorder services including behavioral health treatment, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services and chronic disease management, and pediatric services including oral care and vision.

The ACA limits the amount of cost-sharing that exchange plans generally may impose on enrolled individuals. These cost sharing limits prohibit any deductible applicable to preventive health services; deductibles, in small group health plans, that are greater than $2,000 for self-only coverage, or $4,000 for any other coverage in 2014 (annually adjusted thereafter); and annual cost-sharing limits that exceed existing limits specified in the tax code, relating to certain high deductible health plans (HDHPs, Health Savings Account eligible, mirroring current HSA limits).

There are still gaps in our understanding of the plans that are to be available for enrollment on exchanges. In the coming months we hope to see exactly what the plans offered will look like, which major health insurance carriers will participate in the state exchanges where they do business and, very importantly, what the pricing will be.

STRUCTURING AND OPERATING THE EXCHANGES

Exchanges may be established either by individual states as a state exchange, or by the Secretary of Health and Human Services (HHS) as a federally-facilitated exchange. State exchanges may operate independently or enter into contracts with other states. A federally-facilitated exchange may be operated solely by the federal government, or by the federal government in conjunction with a state, as a partnership. The ACA provides federal funding for all options.

To date, 17 states and D.C. have received conditional approval from HHS to operate state exchanges, and seven states appear to be pursuing partnership exchanges, with the remaining states indicating they will operate federally-facilitated exchanges. Regionally, Ohio and Indiana have opted for a federally-facilitated exchange, while Kentucky will run its own state exchange.

A state such as Kentucky, operating its own exchange, has a number of operational decisions to make. The organizational structure can be established as either a governmental agency or a nonprofit entity, and must establish a governing board and standards of conduct. It must offer a health insurance marketplace for both individuals and small businesses, but can choose to merge these into one exchange or establish separate entities (an American Health Benefit Exchange for individuals, and a Small Business Health Options Program, called a SHOP Exchange, for businesses). The exchange could include one or more subsidiary exchanges as long as each serves a geographically distinct area and meets certain size requirements. The state must also decide if it will contract with certain entities to carry out one or more operational responsibilities, or run every aspect of the exchange itself.

The ACA gives various federal agencies, primarily HHS, responsibility for standardizing, to some degree, the various exchanges across the nation. Responsibilities include disseminating the exchange regulations, developing criteria and systems, and awarding grants to states to help them create and implement exchanges.

One responsibility of every exchange will be notifying an employer if an employee has been found eligible for advance payment of premium credits or cost-sharing subsidies (because this circumstance would indicate an employer had not offered adequate and affordable medical benefits to its employees, resulting in a tax penalty for the company). The exchange must identify the employee, indicate the employee's eligibility, explain that the employer may be subject to penalty, and notify the employer of the right to appeal the determination.

THE EXCHANGE SHOPPING EXPERIENCE

According to HHS, the federally-facilitated exchange will operate through a website and a toll-free phone hotline. State exchanges must make their marketplace available to consumers via call center, but it's up to the states to create additional avenues of communication, such as Web access. It's generally assumed that most states will indeed choose to operate a website.

The first Open Enrollment for participation in an exchange will be held beginning October 1, 2013 through March 31, 2014. It is required that employers notify employees of the initial exchange open enrollment, but the notification deadline has been postponed until later summer of 2013. Subsequent open enrollment periods will be held from October 15th through December 7th of each ensuing year. Individuals would need to document a "qualifying event" in order to enroll in an exchange outside of an open enrollment period.

Small businesses will be able to purchase healthcare coverage through a SHOP exchange. For 2014 and 2015, states may define small business as either fewer than 100 or fewer than 50 employees. In 2016, all states will define small business as fewer than 100 employees. Businesses of 100 employees and larger may be allowed to purchase coverage through the SHOP exchange beginning in 2017. A small business's health insurance premiums remain tax deductible both inside and outside of the exchange. — ■

THE AFFORDABLE CARE ACT —

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MEMBER Profile

Battelle & Battelle LLP Celebrates 100 Years in Dayton — *A lot has changed in Dayton, Ohio since 1913. The Great Miami River flooded the streets a record 20 feet high, the accomplishments of two aviation pioneers forever changed the world, and numerous influential inventers patented cutting edge products and processes. Over a century of challenges and innovation, Battelle & Battelle LLP has found a way to remain one of the leading certified public accounting and business advisory firms in Southwest Ohio. As they celebrate 100 years, the firm reflects on their Gem City roots and looks ahead to what the next 100 years will bring*

In June of 1913, three months into Daytonians' recovery efforts from a catastrophic flood, Louis G. (L.G.) Battelle pursued his dreams by opening a small office in the Conover Building on Main Street. In 1916, he became the first Dayton resident to become a Certified Public Accountant – earning certificate #163. As business grew, it became a family affair as he was joined by his sons, Gordon and Don Battelle. Early office locations included spaces in landmark buildings such as the old Gas & Electric Building, the Union Central Building and the former Fred Rike residence at 403 West First Street. L.G. went on to author the historical book, *The Story of Ohio Accountancy*, and passed at the age of 91 in 1957. As his dream flourished with new partners and moves to bigger offices, L.G.'s legacy is carried out 100 years later at Battelle & Battelle's current location at 2000 West Dorothy Lane. Today, the firm employs 80 associates, including 10 partners.

So how does an accounting firm stay relevant for a century with ever changing accounting standards and tax regulations? Battelle & Battelle attributes smart succession planning, top notch recruiting and a strong commitment to clients, colleagues and the community. Decades ago, the firm implemented a retirement transition process – enabling 15 retired partners thus far to successfully transition client relationships without skipping a beat. Effective planning and a focus on recruiting top talent is Battelle & Battelle's cornerstone for on-going leadership change.

In the community, Battelle & Battelle associates can be found serving on numerous boards and participating in many community activities. The firm has supported many Dayton not-for-profit organizations for decades, including Daybreak, the Miami Valley's only emergency shelter for runaway and homeless youth. As a part of Battelle & Battelle's 100th anniversary, the firm established the 100 for 100 program, encouraging associates to donate an average of 100 hours of community service.

Learning from the past and planning for the future, Battelle & Battelle is focused on providing value-added services to middle-market, dynamic organizations – providing the expertise needed to create growth and increase profitability. With a second office in Troy and their planned expansion into greater Cincinnati and the tri-state region, Battelle & Battelle's commitment to Dayton remains deeply rooted. In fact, they still serve some of L.G. Battelle's first clients such as Standard Register and The Lorenz Corporation. Congratulations to Battelle & Battelle on 100 successful years! — ■

ECONOMIC Indicators

The Chamber's monthly publication, "Economic Indicators," provides useful information in the areas of employment trends, new construction, home sales, sales tax collection and much more. These indicators allow analysis of economic performance and predictions of future performance. Here is a sampling from the February 2013 report.

GDP

GROSS DOMESTIC PRODUCT — ANNUAL PERCENTAGE CHANGE

4th Qtr '12	3rd Qtr '12	2nd Qtr '12	1st Qtr '12	4th Qtr '11
+0.1	+2.0	+1.3	+2.0	+4.1

CPI

CONSUMER PRICE INDEX FEB 2013

January 2013 monthly change ..... +0.7%

Annual percent change 2013 ..... +2.0%

SALES TAX COLLECTIONS

COUNTY	RATE (%)	JAN '13	JAN '12	12 MO. CHANGE	YTD '13	YTD '12	YTD CHANGE
Butler	0.75	3,411,358	3,050,661	+11.82%	3,411,358	3,050,661	+11.82%
Clark	1.50	2,237,069	2,175,317	+2.84%	2,237,069	2,175,317	+2.84%
Darke	1.50	727,479	731,271	–0.52%	727,479	731,271	–0.52%
Greene	1.00	2,468,053	2,485,204	–0.69%	2,468,053	2,485,204	–0.69%
Miami	1.25	1,531,600	1,505,771	+1.72%	1,531,600	1,505,771	+1.72%
Montgomery	1.00	7,107,255	7,031,523	+1.08%	7,107,255	7,031,523	+1.08%
Preble	1.50	462,271	451,136	+2.47%	462,271	451,136	+2.47%
Warren	1.00	3,140,315	3,118,284	+0.71%	3,140,315	3,118,284	+0.71%
Region ($,000s)		21,085,400	20,549,167	+2.61%	21,085,400	20,549,167	+2.61%

Cost of Living Index

FEBRUARY 2013

Columbus, OH	89.6
Dayton, OH	93.2
Cleveland, OH	101.6
Richmond, VA	102.1
Miami, FL	109.0
Baltimore MD	116.2
Chicago, IL	117.1
San Francisco, CA	163.3
U.S. AVERAGE	100.0

UNEMPLOYMENT RATE

	FEB '13	FEB '12	'13 AVERAGE
Dayton MSA (Metropolitan Statistical Area)	7.9%	8.7%	7.5%
Ohio	7.6%	8.5%	7.1%
U.S.	8.1%	8.7%	8.0%

VALUE OF NEW CONSTRUCTION

DAYTON MSA NEW CONSTRUCTION	YTD FEB '13	YTD FEB '12	YTD CHANGE
Non-residential	34,872,000	114,997,000	–70%
Residential	28,009,000	31,151,000	–10%
Total	62,881,000	146,148,000	–57%

HOME SALES

DAYTON MSA	JAN '13	JAN '12	% CHANGE	YTD '13	YTD '12	% CHANGE
No. of homes sold	717	577	+24.26%	717	577	+24.26%
Total home sales ($,000s)	78,311	56,319	+39.05%	78,311	56,319	+39.05%
Average sale price ($)	109,221	97,607	+11.90%	109,221	97,607	+11.90%

PURCHASING Opportunities

Chamber members can avail themselves *of these special purchasing opportunities and offers:*

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Through the Chamber's partnership with Anthem Blue Cross and Blue Shield, another "members only" benefit is available. Our group Health Insurance program provides:

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- Reduce Turnover & Training Expense

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DUMMY Curve

Act like a Dummy? — *Sounds like bad advice, especially for salespeople. Let's look a little deeper.*

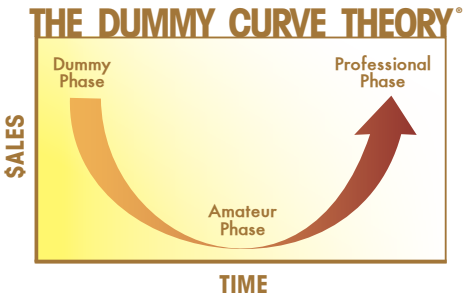
by Roger Wentworth, President, Sandler Training

Sandler Training
Finding Power In Reinforcement

Let me tell you about a startup with a great idea. An idea that was so simple and filled such a great need that everyone that saw it said, "Why didn't I think of that?" But the inventors had no experience in the field in which the product applied. No background, no understanding of the intricacies of potential customer's businesses, or the language of the industry. They were, in fact, dummies!

So instead of assuming they knew why prospects would buy, they embraced their ignorance and told the prospects they didn't fully understand the value of the product to them, or any negatives that might exist. They said, "Would you help us understand what you like and what you don't like, so that we might make it fit your specific needs, which would help us both?"

And so they had meeting after meeting with prospective customers, not trying to sell anything, just asking for advice. A funny thing began to happen. As they met with people, they were not treated as salespeople, but as someone who needed help. And two thirds of those prospects said, "we want to be your customer, we're ready to buy!"



This phenomenon is called the "Dummy Curve®." And it's applicable to all sales, not just startups. There are a few things in sales that are constants. One is human nature.

It's human nature to resist being sold, to be leery of salespeople and to hide true motives for buying. The fact of the matter is people buy for their reasons, and they make decisions emotionally and justify those decisions intellectually. It's impossible for a salesperson to understand the true motives for a prospect to do business with them without acting like a dummy and asking – yes, asking. Sounds simple, but most salespeople assume they know those reasons and try to push them onto the prospect. The prospects naturally resist and it turns into a contest when the salesperson tries to overcome objections.

People new to sales naturally act like a dummy because that's all they can do. It's a common phenomenon that these people do pretty well the first few months of selling because they can't sell, they can only try to help people. Once they get all the product training, hear the stories of how great their product or service is, and learn all the company defined reasons why people should buy, they are no longer dummies. We call that the amateur phase. That's when the sales numbers fall off, because now they're not trying to help others, they're trying to sell them.

The true professional acts like a dummy on purpose. They ask questions that they probably already know the answer to, but it must be confirmed, and it must be true for that prospect. "You can't sell anybody anything… until they discover they want it." —■

SOIN AWARD Winner Update

The Soin Award for Innovation *continues to make a big impact on local entrepreneurs. Dayton has been a hotbed of innovation throughout its history, and the Soin Award for Innovation has played a crucial role in continuing that tradition.*

Since 2007, the Raj Soin Family and Soin International and the Education & Public Improvement foundation (EPI) of the Dayton Area Chamber of Commerce have collaborated to offer the Soin Award for Innovation. The award is designed to identify, honor and financially assist a company in the Dayton region that demonstrates the historical innovative spirit of our community.

Let's take a look back at five winners of the Soin Award for Innovation and how this achievement has changed their businesses.

2012
NANOSPERSE
Arthur Fritts, President and CEO

NanoSperse LLC was the recipient of the 2012 Soin Award for Innovation, and as their name implies, they are in the emerging field of Nanotechnology. Nanoscience and nanotechnology are the study and application of extremely small things which can be used across all the other science fields. How small? One nanometer is a billionth of a meter – particles the size of DNA.

NanoSperse LLC began operations in 2004 after licensing technology from the University of Dayton Research Institute (UDRI). Arthur Fritts, President and CEO of NanoSperse LLC met with John Leland, the director of UDRI, and the two of them immediately identified some possible synergies.

Mr. Fritts believes he has found a real niche for NanoSperse. "Many companies make carbon nanotubes and nano particles, but there was no industrial supply mechanism to go from the supplier of the nano material to the end user. NanoSperse's core skill is the development of the core fundamental production process to take nanotubes or a nano fiber and "functionalize it" in a scale like nowhere else in the world."

How big of an impact did winning Soin Award and the corresponding $25,000 have on NanoSperse? "It was very powerful for us to be recognized by the Dayton Community." The award money was used for hiring additional key staff, as well as a new marketing plan, including investments in new materials, and website development.

2011
COMMUTER ADVERTISING
Russell Gottesman, President and CEO

Russ and his wife were headed home from a baseball game on a crowded train in Chicago when the idea for a new business struck him. The train was packed with people passing various store fronts and Russ thought, "here's a captive audience, why not advertise to them?" So began a business called Commuter Advertising (CA) – the 2011 Soin Award for Innovation winner.

Starting his business at The Entrepreneur Center (TEC) like many other entrepreneurs in the Dayton region, Russ created a 2-pronged business model. First, perfect the technology to send 10-second wireless commercials to city buses, and second, win transit contracts to sell those sponsorship messages to local businesses. Revenue is then shared with cash-strapped transit agencies, in the form of a new public/private sponsorship. Russ shared his business plan with the Greater Dayton Regional transit Authority (GDRTA) and the two signed a contract in January of 2009.

Today, Commuter Advertising has contracts in many cities including; Dayton, Toledo and Cincinnati; Champaign, IL; Pittsburgh, PA; and a 10 year contract in Chicago. An audience of approximately 200 million riders a year hears these messages.

Winning the Soin Award for Innovation was a tremendous milestone. "The Soin Award for Innovation means something for this community. When our company is talking to other transit systems, it allows us to say, our local community supports us. The Soin Award validates Commuter Advertising nationally and locally."

The $25,000 from the Soin Award was used to help hire additional employees – before the Soin Award, CA had 6-8 employees. They now have 12-15 in the Dayton office.

2010
COMPOSITE ADVANTAGE
Scott Reeves, President

Composite Advantage is a fiberglass manufacturer, which makes products for the infrastructure and construction market and is best known for the creation of bridges for vehicle and pedestrian use. Markets that traditionally used steel, concrete and wood can be replaced with fiberglass composites, which are lightweight, long-lasting and corrosion resistant.

Scott Reeves and Andy Loff started Composite Advantage in 2005 at the National Composite Center (NCC) in Kettering, OH. After two years at an incubator, with a growing business and the need for more space, Composite Advantage purchased a facility in Old North Dayton in 2007. For Composite Advantage, the award was primarily used for sales and marketing purposes, which is traditionally a weaker spot for technology companies. "The community recognition we received after winning increased our creditability and acceptance, especially when it came to obtaining loans and business insurance."

2009
IYA TECHNOLOGIES
Emmanuel Itapson, Executive Vice President

IYA Technologies specializes in the areas of micro encapsulation, specialty coating and heat transfer technology. Their new R&D has changed the field of heat transfer technology as we know it.

Emmanuel Itapson said, "Winning the Soin Award for Innovation put IYA Tech on the map for sure. IYA is now in the rearview mirror of the other players in the industry."

The $25,000 award was used to complete the technical trials of a laser product used in laser printers and copiers. The award brought a completely new product to IYA's portfolio. Consequently, one of the top three makers of laser copiers in the world, Xerox, has recently qualified IYA Tech's system for use in their largest commercial photocopy machines.

2008
MOUND LASER AND PHOTONICS CENTER, INC.
Larry Dosser, President

Mound Laser & Photonics Center, Inc. (MLPC) is in the business of laser-based micro-fabrication for numerous markets including medical devices, microelectronics, automotive, aerospace, and defense. MLPC has come a long way since 2001, when Dr. Larry R. Dosser purchased the company, and had one laser workstation, 3 employees and occupied about 3,000 square feet. Today, after a 5 million capital investment, MLPC has over 40 employees, greater than 12,000 square feet of laboratory and office space, and 17 laser workstations.

"The Soin Award is such a good thing for the community," said Larry. "Small business should continue to apply for the award." Winning the award allowed Mound Laser and Photonics to be recognized as a leader in advanced manufacturing in the Dayton region, and because of this regional leadership, MLPC is bringing national photonics initiatives to Dayton. Award money was used to hire 4 intern positions with 2 of those interns becoming full time employees.

The Dayton Area Chamber of Commerce would also like to acknowledge the 2007 Soin Award winner, **WEBCORE**. The Chamber would like to thank Raj Soin and Soin International for their generous underwriting of this award since 2007. This generosity allows us to continue to commemorate the past, present and future innovative spirit of business in the Dayton region. — ■

NEW MEMBERS List

For members' complete information, visit **www.daytonchamber.org**

BuyCASTINGS.com, Inc.
MANUFACTURERS REP

Carlyle House, Inc.
ASSISTED LIVING FACILITIES

CJH Mechanical, Inc.
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CWG, LLC
TREE SERVICE

Deeter Nurseries, Inc.
LANDSCAPE CONTRACTOR

Dryden Builders, Inc.
CONSTRUCTION – COMMERCIAL

Ductz of Central Dayton & Oxford
AIR CONDITIONING & HEATING

EHealth Data Solutions
SOFTWARE DEVELOPER, TRAINING

Energy Alliances, Inc.
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Strategic Public Partners, LLC
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The Human Race Theatre Company
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The Widow's Home of Dayton
NURSING HOME

Third Street Family Health Services
MEDICAL SERVICES/CLINIC

Triad Governmental Systems, Inc.
COMPUTER NETWORKING

Valassis
ADVERTISING/MARKETING

Valco Industries, Inc.
METAL CUTTING

Valmac Industries, Inc.
MACHINE SHOP115

World's Toughest Rodeo
ENTERTAINMENT

On the Job Training Program Gives Employers Funds to Fill Slots Quickly

TROTWOOD – Training costs can be a real speed bump for area employers, but many are finding help and getting slots filled quickly through the federally-funded On-the-Job Training (OJT) program.

Administered through the Montgomery County Job and Family Services' Workforce Development Division, OJT provides up to 50 percent reimbursement for a new hire's wages while they are in training (up to six months). Workforce Development can set up an agreement with an employer in just a few business days, they can pre-screen candidates the employer already has, and they can even send someone to interview from their available candidate pool.

"Sometimes employers just don't have the funds to post a position and train someone for a slot when the person might not be a skilled contributor for months," said Heath MacAlpine, Assistant Director for Workforce Development. "We use available resources to remove that barrier, and that has made us very successful in retaining existing employers and even luring new employers to our area."

A total of 28 area employers used the OJT program in 2012, allowing them to hire and train 111 long-term employees. OJT participants must meet Workforce Investment Act (WIA) eligibility criteria. Reimbursement is based on wage level and training difficulty as determined by the Department of Labor.

"We can get employers up to $8,000 in funding for each hired employee to help with training, and our recruitment and pre-screening services can save an additional $3,400," said Rocky Rockhold, Supervisor for Special Projects at Montgomery County Workforce Development. "Employers pick every candidate, but we can be a great help in narrowing the field. We can even help them set up a specialized training program that they organize and conduct at their workplaces."

Local OJT success stories include Ziehler Landscaping, Precision Gage and Tool, Veolia ES Technical Solutions, TDI-GE Aviation, Value Added Packaging and companies from other industries.

"If you're on the fence about hiring, Montgomery County Job and Family Services is easy to work with," said Vicki Waltz, President of Precision Gage and Tool. "They do background checks and pre-qualify candidates. They make it so you can get employees job-ready fast."

To learn more about the OJT program and Montgomery County Workforce Development, call Rocky Rockhold at (937) 225-4077. — ■

Volunteers

4TH QUARTER 2012 *(pictured left to right)* —

Dan McCabe —
CareSource

Randy Parker —
Wright-Patterson Air Force Base

Brian Brandenburg —
Transamerica Financial Advisors

Linda Kahn *(not pictured)* —
The Ohlmann Group, Inc.

CALENDAR of Events

For more information or to register, visit us online at www.daytonchamber.org.

JUNE
11

Small Business Toolkit:
Analyzing Financial Statements

DATE/TIME..... Tues., June 11, 11:00 am - 1:00 pm
LOCATION..... UD's River Campus
1700 S. Patterson Blvd., Room M2265

JUNE
14

Breakfast Briefing

DATE/TIME..... Fri., June 14, 7:15 - 9:15 am
SPEAKER..... Doug Fecher, Pres./CEO, Wright Patt Credit Union
TOPIC..... Credit Unions: Dayton's Best Kept Secret
LOCATION..... Dayton Racquet Club

JUNE
19

Safety Breakfast with the Experts

DATE/TIME..... Wed., June 19, 8:00 - 9:00 am
SPEAKER..... Bill Wilkerson, Cincinnati Area OSHA Director
TOPIC..... Annual OSHA Update
LOCATION..... Crowne Plaza, Dayton

JUNE
26

Group Rating 2 Hour Required Training/
Hot Topic Seminar

DATE/TIME..... Wed., June 26, 8:00 - 10:00 am
SPEAKER..... Gary Auman; Dunlevey, Mahan & Furry
TOPIC..... Practical OSHA Issues and Compliance
LOCATION..... Crowne Plaza, Dayton

JULY
12

Breakfast Briefing

DATE/TIME..... Fri., July 12, 7:15 - 9:00 am
SPEAKER..... Debbie Feldman, Pres. & CEO, Children's Medical
TOPIC..... TBA
LOCATION..... Dayton Racquet Club

JULY
17

Safety Breakfast with the Experts

DATE/TIME..... Wed., July 17, 8:00 - 9:00 am
SPEAKER..... Nick Seitz, Firefighter Safe
TOPIC..... Recognizing When to Call 911
LOCATION..... Crowne Plaza, Dayton

AUGUST
06

Small Business Toolkit:
The Affordable Care Act & Your Business 2.0

DATE/TIME..... Tues., August 6, 11:00 am - 1:00 pm