



# COMPLYING WITH THE AFFORDABLE HEALTHCARE ACT

The Affordable Care Act's (ACA) employer mandate has been postponed but businesses, especially small businesses, should be preparing now. Attorney Harry Nelson, of the health care law firm Fenton Nelson explains, "Employers need to understand that compliance with the ACA involves more than filing a few reports and auditing your company's health insurance practices." Nelson foresees a complete culture change for most businesses, as they question and perhaps change their assumptions, policies and practices. The ACA's administrative burdens, not just its taxes, fees and substantive mandates, will weigh most heavily on small- and medium-sized companies. So, where to start? First, don't bury your head in the sand. Act now. Do the research, seek advice, educate yourself enough to realize how much you do not know about compliance with this law and then find a responsible professional to guide you to the appropriate decisions for your company.

Basic determinations and decisions that will be required of each company include:

1. How does the law apply to your business?
2. Is your business (combined with affiliated companies) large enough to be covered?
3. Is your current health care plan compliant?
4. Is your current plan "grand fathered,"

or will it be subject to all the new coverage and cost sharing mandates?

5. If you are deemed a "small" employer, is buying coverage through an Exchange a good option?
6. What do you have to report and pay to the government, when?
7. What notices must you give to employees?
8. Who are your employees? Do they include leased employees? What about contractors?

The ACA's "play or pay" employer mandate applies unless the employer (together with certain affiliated employers) has less than 50 employees, including the aggregated hours of part-time workers. "Full-time" employees for ACA purposes means 30 weekly "hours of service" – i.e. paid work time, paid non-work time, FMLA leave, military leave, and jury duty leave. Companies that want to avoid substantial, non-deductible taxes must determine what "minimum essential coverage" options are, then pick at least one that provides "minimum actuarial value" and that is affordable for its lowest-paid, full time employees. To avoid exposure to substantial, daily, civil money penalties, employers must determine the "grand fathered" status of the existing health care plan, if it is to be offered in 2014. Balancing the pros and cons of fully-insured versus self-insured plans will be required for many employers.

*continued on page 3*

## 2 inside this issue

Director's Corner

## 4

Stronger Economies Together (SETS)  
RIA Supports Entrepreneurship

## 5

Supervisory Management Training Program

## 6

Growing Companies

## 7

Mississippi-Made Manufacturers and Suppliers Catalog

## 8

Hassell Franklin Nominated to the American Furniture Hall of Fame

Produced by the  
Franklin Furniture Institute  
Mississippi State University  
Bill Martin, Director  
662.325.6787  
wmartin@cfr.msstate.edu

## Institute Faculty and Staff

**Chip Bailey**  
Outreach Coordinator  
Franklin Furniture Institute  
662.325.6489  
ebailey@cfr.msstate.edu

**Bill Martin**  
Director  
Franklin Furniture Institute  
662.325.3348  
wmartin@cfr.msstate.edu

**Amy Garrard**  
Outreach Coordinator  
Franklin Furniture Institute  
662.325.8453  
agarrard@cfr.msstate.edu

**Debbie Miller**  
Project Coordinator  
Franklin Furniture Institute  
662.325.6787  
dmiller@ffi.msstate.edu

## Affiliated Faculty and Staff

**Allen Greenwood**  
Industrial & Systems Engineering  
greenwood@ise.msstate.edu

**Dan Seale**  
Forest Products  
dseale@cfr.msstate.edu

**David Jones**  
Forest Products  
pdj55@msstate.edu

**Bob Tackett**  
Forest Products  
btackett@cfr.msstate.edu

**Beth Miller**  
Interior Design  
bmiller@caad.msstate.edu

**Justin Taylor**  
Architecture, Art & Design  
jtaylor@caad.msstate.edu

**John Moore**  
Center for Advanced Vehicular  
Systems Extension  
jpm186@msstate.edu

**John Usher**  
Industrial Engineering  
usher@enr.msstate.edu

**Sarah Pittman**  
Architecture, Art & Design  
sarahp@sarc.msstate.edu

**Clay Walden**  
Center for Advanced Vehicular  
Systems Extension  
walden@cavse.msstate.edu

**Franklin Quin Jr.**  
Forest Products  
fquin@cfr.msstate.edu

**John Wyatt**  
Instructional Systems &  
Workforce Development  
wyatt@colled.msstate.edu

**Jeffrey Rupp**  
Division of Business Research  
jeffrey.rupp@msstate.edu

**Jilei Zhang**  
Forest Products  
jzhang@cfr.msstate.edu



## DIRECTOR'S CORNER

Bill Martin, Director

In the previous Furniture Highlights Newsletter, we mentioned that the Franklin Furniture Institute, along with several other Mississippi State organizations, was recently awarded a grant through four federal agencies: Economic Development Administration, US Department of Agriculture, Delta Regional Authority and the Appalachian Regional Commission. The mission of the "Accelerating Jobs

and Innovation through Community and Economic Development in Rural Mississippi" Rural Jobs Accelerator (RJA) grant is to create and retain more than 500 jobs, thereby creating an economic development impact of over \$30 million in private investment and cost savings to rural and economically distressed areas in Mississippi. So, what does this mean to the furniture industry? **It means that FFI can offer many of our services, as well as programs and technical assistance services from the other MSU units at little or no cost for the duration of the grant period, which, in some cases, is up to 3 years.**

The RJA partners recently held meetings in the Pontotoc and Indianola areas for interested local and regional community developers. The purpose was to explain the services available to companies and to solicit their help in identifying companies and individuals who might benefit from the program. Those in attendance agreed to help distribute materials to their contacts to develop a list of potential companies to participate. So, look for specific information about the services and programs available to you and your community from FFI as well as through your local PDD's. This issue of the newsletter focuses primarily on explaining some of the entrepreneurial, business, and technical assistance programs that are available to companies in a sixty-one county area.

FFI staff recently attended the Mississippi Manufacturers Association annual meeting in Biloxi. The primary topic of conversation focused on the rapidly approaching deadlines for compliance with the Patient Protection and Affordable Care Act. Several experts participated in a panel discussion moderated by Pepper Crutcher of Balch & Bingham, who is quickly becoming one of the most sought after resources for ACA compliance in the state. We interviewed Pepper to seek his advice on the steps that small companies need to take to begin compliance. The article that appears in this issue of the newsletter is not meant to explain any one facet of the ACA, but to point small companies in the right direction as to where to begin to develop a strategy for making careful, informed, and educated decisions on health care compliance strategy. To simplify, don't ignore this mandate and get expert help, now.

Please take a look at the programs described here and consider taking advantage of some of the services while they can be offered for free or at a very nominal cost. Remember, our goal at the Institute is to maintain and grow the furniture industry in our state and together, **We Can Make It Happen.**



The Franklin Furniture Institute is an institute of Mississippi State University's Forest Products Department, Forest and Wildlife Research Center and MSU Extension Service.

# COMPLYING WITH THE AFFORDABLE HEALTHCARE ACT

(continued from page 1)

For small companies, two trends seem to be emerging as they try to wrestle with compliance while staying profitable enough to stay in business. Many companies with less than 50 employees looking at the costs and burdens of the ACA are now considering self-insurance plans. Andrew Thompson, CEO of TS Insurance group, a health insurance consulting firm in Heathrow, Fla. confirms, "Small companies are looking more seriously at self-funding. Those with good loss histories regarding their employees' health plans are particularly interested. Self-insured health plans shift the responsibility of paying for medical claims from the insurer to the employer. Small employers usually have a good idea whether their employees have serious health problems." This knowledge helps them to make a better informed decision about whether self insurance is a viable option.

Another option emerging, especially in industries with relatively low wage workers, is the so-called "skinny med" plan. Pepper Crutcher, partner at Balch & Bingham LLP and leader of the firm's ACA Strategists, explains that large group policies providing first dollar preventive services without other, costly traditional coverages (e.g. hospitalization) may be deemed "minimum essential coverage" and that premiums for such plans could be quite low, making them "affordable" for even the lowest-paid workers. As Crutcher cautioned in the firm's blog ([www.acareview.com](http://www.acareview.com)) the government may be hostile to this maneuver. He advises employers considering this strategy to expect close scrutiny of whether each skinny med plan provides Minimum Actuarial Value ("MAV").

Planning your company's ACA compliance is not a two-week project. Two months may turn out to be too little time, and you're unlikely to know how long you will need until you're well into the process. Most large companies have hired experts or have tasked in-house professionals to focus on ACA compliance. Many small businesses however, cannot afford these actions but really do need expert assistance in determining how to navigate these changes. For small companies, a good place to start is your insurance carrier or self-insured plan administrator (TPA). These firms have a vested interest in helping you to optimize the options that they offer. Talk to your friends and colleagues in the business community. Read professional blogs. Don't delay due to fear of high costs. The professionals who can help now, and who have the time

to help today, are unlikely to be more available or less costly later this year. Some firms are offering flat rates for standard services such as those presented in the table below.

<u>Service Type</u>	<u>Employee # or Other Basis</u>
Applicable Large Employer Audit Bargaining Obligation Review	<70 per unit
Full-Time Employee Analysis	<100
	<250
	<500
	<1,000
Grandfather Status Determination	per plan
PHS Act Amendments Compliance	per plan
Code Section 105(h) Discrimination Test	per plan
Controlled / Affiliated Service Group Test	per group
Independent Contractor Analysis	per job classification

The June 6, 2013 Mississippi Manufacturers Association ACA panel discussion was led by MMA General Counsel Pepper Crutcher, 601.965-8158.

Panelists included:

**David W. Donnell**

Partner at Adams and Resse, LLP, Jackson  
Phone: (601) 292-0705

**Wayne Bowling**

Senior Vice President, Employee Benefits  
Willis of Alabama  
Phone: (205) 871-3300

**Bryan Lagg**

Vice President, Sales and Support  
Blue Cross, Blue Shield of Mississippi, Jackson  
Phone: (601) 932-3704

**Scott Moak**

Vice President/Producer, Ross & Yerger, Jackson  
Phone: (601) 948-2900

Berkowitz, M. The Healthcare Bill Checklist: What to Do Now. <http://hiring.monster.com/hr/hr-best-practices/workforce-management/employee-benefits-management/healthcare-bill.aspx>. (last accessed 7/22/13)

Crutcher, R.P. The "Skinny Med" Plan: Mimimum Essential Coverage, but...<http://www.acareview.com/2013/05/the-skinny-med-plan-minimum-essential-coverage-without-minimum-actuarial-value/>. (last accessed 7/22/13).

## Stronger Economies Together (SET)

Stronger Economies Together (SET) enables communities and counties in rural America to work together in developing and implementing an economic development blueprint for their multi-county region that strategically builds on the current and emerging economic strengths of that region. Creating, attracting and retaining jobs as a single rural county, in isolation from other nearby counties, is becoming increasingly ineffective. In today's global marketplace, economic development progress is more likely to be realized when rural and metro counties work together as a region to assess their resources and then design and implement plans that build on their assets and comparative economic strengths.

SET was launched in 2010 by USDA Rural Development and the nation's four Regional Rural Development Centers and their land-grant university partners. This exciting initiative is now in place in more than 50 regions in 28 states.

The benefits of SET are numerous.

- More than 25 hours of valuable, step-by-step coaching to guide production of a practical and viable regional economic development plan
- In-depth data tailored to the region, describing its current and emerging clusters, comparative economic advantages, and detailed demographic and socio-economic information
- Tools to uncover local assets and resources that can advance the region's economic strategies
- Up to 40 hours of technical assistance from Extension educators, USDA RD state staff and the Regional Rural Development Centers to guide the implementation of regional goals and strategies
- Peer-to-peer networking with other SET regions nationwide

For more information on the SET program, contact Rachel Welborn, Southern Rural Development Center, 662.325.5885, [rachelw@srdc.msstate.edu](mailto:rachelw@srdc.msstate.edu).

## RJA SUPPORTS ENTREPRENEURSHIP

A major objective of the Rural Jobs Accelerator Program is to develop, nurture and support entrepreneurs within Mississippi, thus bringing new businesses, more jobs, increased capital investment, and growth opportunities. A variety of services and training programs are available to new and aspiring entrepreneurs.

The renowned Marion Ewing Kauffman Foundation's FastTrac New Venture program will be offered at no cost for up to 15 participants in each of four general locations within the state: Tupelo, Greenville, Natchez, and Starkville. The Kauffman FastTrac NewVenture program is designed to provide guidance and support in an interactive group-oriented environment to aspiring and early stage entrepreneurs. The course is taught over several weeks and consists of about 30 hours of instruction, interaction, and network building activities designed to equip participants to succeed in business start-up. The course helps entrepreneurs who have an idea for a business to develop the business concept, determine if the idea is viable, and outline the crucial steps to launch a successful business. FastTrac has a proven track record, as shown by more than 300,000 entrepreneurs who have utilized their programs to start and grow their businesses.

Start-Up Weekends will also be held in each of the four major geographic areas targeted by the RJA grant. Startup Weekend is an intense 54-hour event, also powered by the Kauffman Foundation, which brings together serial entrepreneurs, programmers, developers, graphic artists and business-minded people to build and develop ideas for a weekend of company creation. Startup Weekend's mission is to provide a high-energy, collaborative environment that facilitates experiential education and meaningful connections. Participants also build long-lasting relationships and may even walk away with a job or an investment. The Tupelo area session is tentatively scheduled for December 13, 2013.

Staff working through the RJA grant are also available to provide mentoring to entrepreneurs. These individuals have many years' experience in the entrepreneurship arena and provide valuable insight and expertise into business concept development, planning, and strategy. In addition to mentoring services, the RJA team can provide entrepreneurs with well-developed, viable business plans with the opportunity to present their idea to investment groups for possible business venture funding.

# Supervisory Management Training Program

FFI's Supervisory Management Training Program is being offered through the Rural Jobs Accelerator Grant at no charge to a limited number of manufacturers. This training program offers a complete course in manufacturing management targeted towards first line supervisors and middle managers. The specialized supervisory management course teaches the basics of leadership and knowledge on how to effectively execute and communicate guidance and direction in a plant setting.

Participants can expect to improve their skill levels in communication, leadership, and management of people.

Generally, the course is delivered by dividing the four topic areas into four, 3-hour modules. Each module can be taught in one 3-hour session or three 1-hour sessions but delivery can be tailored to fit the company's schedule. Modern manufacturing techniques such as lean, just-in-time, five S, plant layout, and flexible manufacturing are covered in the course, as well as communication skills, conflict management, leadership skills and motivation theory. The only pre-requisite for the course is a basic high school level education.

Because this training program is specifically designed to benefit the manufacturing first line supervisor who is responsible for elements of production and personnel, often without the benefits of a formal education, the rewards from the program can be substantial. By learning efficient manufacturing techniques, businesses gain competitive advantages leading to continued and increased success in today's highly competitive global environment.

Designed specifically for those individuals in first-line supervisory management positions, and those desiring to move into such positions, this course has been delivered to more than 500 participants in numerous companies throughout Mississippi, resulting in measurable improvements in knowledge, skills, leadership, and communication within the companies.

**“We could not be more pleased with the content and delivery of the materials and overall excitement from the class.”**

Here's what one company spokesperson had to say about the training course. “We could not be more pleased with the content and delivery of the materials and overall excitement from the class. We have had several of these employees to be promoted since these classes. One graduate is now over our total plant maintenance. Another has had two promotions and is currently a superintendent over half the recliner division. After having grown in his responsibilities,

one graduate is now directing one of our major customer service efforts. Other advancements include being promoted to float over all pattern makers and a promotion to leader in the recliner division over line 1. Still another graduate has been promoted to head up our testing lab. All were enriched by the training and some have left us to work in other fields, but all benefited from the time spent. A definite “win-win” for all.”

The course is being provided to a limited number of companies at no cost for a short time period, through the Rural Jobs Accelerator Grant. For more information on this program contact Dr. Ennis E. “Chip” Bailey, [ebailey@ffi.msstate.edu](mailto:ebailey@ffi.msstate.edu) or 662.325.6789.



## Growing Companies

A series of technology transfer projects and best practices workshops are available to Mississippi companies through the Rural Jobs Accelerator Program (RJA) with the primary goal of providing technical expertise, education, and training to encourage strengthening and growth of companies in the state. Focused on engineering and technical manufacturing assistance and training, this portion of the RJA program is led primarily by faculty and staff from MSU's Advanced Vehicular Systems Extension Center (CAVS-E). CAVS-E provides the best practices; education, training, and professional development programs; access to advanced engineering tools & concepts related to product design, manufacturing, and assembly processes; and proven experience and knowledge-based concepts in effective plant layout, manufacturing plans, and business and industrial systems to Mississippi's manufacturers.

**Value stream mapping and plant master planning services** are available through CAVS-E and the RJA grant. In addition, a few of the professional development training activities provided through the grant include:

- **Statistical Process Control** - A two-day course structured to help participants understand SPC-based problem solving. Topics include variables control charting techniques such as Xbar and R; X and Moving R; and attributes control charting.
- **Rapid Problem Solving** - The objective of this five day workshop is to teach professionals a very powerful methodology and set of problem solving tools, termed Statistical Engineering. This step-by-step approach to variation reduction has been designed to help practitioners effectively solve chronic problems in existing high- to medium-volume manufacturing and assembly processes.
- **Introduction to Mini-Tab** - This one-day workshop teaches participants how to use Minitab statistical software to perform common real-world statistical analysis through hands-on practical examples. Topics include Data Summary, Graphical Analysis, Gage Repeatability & Reproducibility, Design of Experiments (DOE), Process Capability, Statistical Process Control (SPC) and Regression Analysis.

- **Lean Manufacturing** – The goal of this workshop is to develop participant skills in the recognition and elimination of “Waste”, and to improve “Flow” in their company operations.
- **Simulation Modeling** – This hands-on workshop provides participants with the capability to use simulation to analyze and improve the flow of production processes. The Flexsim modeling package is used throughout the class period.
- **Six Sigma** – This training program seeks to develop participant skills in the advanced problem solving techniques that have been popularized under the banner of Six Sigma.

**Business Plan development and strategic planning** are available, not only to new entrepreneurs, but to those companies already in business, with the goal of helping to ensure company success and growth. An eight step, 14-task “Strategic Planning Model” development program can be delivered on- or off-site to interested companies. This program helps companies to either develop or create a company vision, analyzes the business environment, sets goals, defines obstacles, builds strategies, and prioritizes work plans for implementation. Assistance is available to small business and entrepreneurs to write and/or revise business plans.

The Franklin Furniture Institute houses an **Export Resource Service** (ERS) with a Certified Export Manager who can assist manufacturers and suppliers in developing export markets and expanding export sales. The ERS serves as a central distribution point for export opportunities, information, resources, and links to current trade data, statistics and sources of assistance available to the local, regional, and national furniture industry. This resource center offers comprehensive assistance with market assessment, problem solving, and logistical issues.

**Operation Jump Start** is a practical, hands-on, micro-entrepreneur development program designed to help entrepreneurs test the feasibility of their business ideas and plan to launch new ventures.

For more information on the technical and engineering services available to Mississippi companies, contact Clay Walden, 601-407-2700, cwalden@cavse.msstate.edu.

# Mississippi-Made Manufacturers and Suppliers Catalog

As part of the “Growing Companies” focus in the Rural Jobs Accelerator Program, MSU team members have developed a web-based online catalog where businesses and industries can showcase their Mississippi-made products to the world. Linked closely with the FFI’s Export Resource Service, the “Mississippi-Made Catalog” provides an opportunity for companies to promote their product lines in an attractive, easy-to-navigate searchable database of products made in-state.

This web-based catalog service is available to interested companies throughout Mississippi at no charge. The database currently consists of products including furniture, home furnishings accessories, home office products, pet items, gourmet foods, and Mississippi farm-raised catfish. High resolution photos of each product are posted along with descriptive text and specifications. Manufacturers and suppliers may be searched by company name, city name, or product type. The catalog also includes an overall listing of companies along with contacts and website links. Mississippi Development Authority and the U.S. Dept. of Commerce’s Mississippi Export Assistance Center provide valuable contacts to international companies who are then able to source the catalog and search for companies and products. Once the user finds a product of interest, by clicking on the products, the user is linked directly to the company/product website where they can correspond directly with the company.

This attractive, easy-to-use, searchable catalog is an effective tool to highlight the many exceptional products made in our state, thereby increasing awareness of the opportunities to do business in Mississippi. This service can help to increase regional, national and international sales and it is absolutely free. To include your products in the Mississippi-Made Catalog, contact Debbie Miller at 662.325.6787 or [dmiller@ffi.msstate.edu](mailto:dmiller@ffi.msstate.edu).

[catalog.ffi.msstate.edu](http://catalog.ffi.msstate.edu)



Discrimination based upon race, color, religion, sex, national origin, age, disability, genetic information or veteran's status is a violation of federal and state law and MSU policy and will not be tolerated. Discrimination based upon sexual orientation or group affiliation is a violation of MSU policy and will not be tolerated.

## Franklin Nominated for American Furniture Hall of Fame

Hassell H. Franklin is a candidate for election this year into the American Furniture Hall of Fame.

Franklin joins five other candidates who are leaders in the furniture and home furnishings industry. The nominees who will all be made Industry Fellows are Aminy I. Audi, John D. Bassett III, Milo Ray Baughman Jr., A. Leon Capel Jr., Hassell H. Franklin and Eugene Rosenberg.

New members will be announced and officially inducted into the Hall of Fame at the annual banquet Oct. 20, 2013 during the High Point Market. Each nominee will be recognized and presented with a Hall of Fame pin and plaque. New inductees will receive the Affie award.

Officials said the candidates were selected from open nominations and by the Industry Fellows Selection Committee based on their contributions to the growth and development of the furniture industry in America with a focus on four standards: enduring excellence, superior accomplishments, innovation and creativity, and philanthropic generosity.

Hassell H. Franklin, chairman and CEO of Franklin Corp., launched a small, family-owned business in 1970,

which now supplies American-made motion upholstery worldwide and has sustained double-digit growth nearly every year. It is among the largest privately owned U.S. furniture manufacturers with more than 1,300 employees. Franklin has received the AHFA Distinguished Service Award, the Upholstered Furniture Action Council Industry Service Award and was elected to the Mississippi Business Hall of Fame. He has served as a director on a number of business and civic boards. He established a \$1 million endowment at Mississippi State University for the Franklin Furniture Institute, a research and training center benefitting the furniture industry.

