

**TUSCOLA COUNTY BOARD OF COMMISSIONERS
MEETING AGENDA**

THURSDAY, APRIL 26, 2012 – 8:30 A.M.

**H. H. PURDY BUILDING BOARD ROOM
125 W. Lincoln Street
Caro, MI**

125 W. Lincoln Street
Caro, MI 48723

Phone: 989-672-3700
Fax : 989-672-4011

- 8:30 A.M. Call to Order – Chairperson Bardwell
Prayer – Commissioner Allen
Pledge of Allegiance – Commissioner Peterson
Roll Call – Clerk White
Adoption of Agenda
Action on Previous Meeting Minutes (See Correspondence #1)
Brief Public Comment Period
Consent Agenda Resolution (See Correspondence #2)
New Business
 -Health Dept. Plan of Organization (See Correspondence #3)
 -Health Dept. Annual Report 2010/2011
 -Human Resources Director Letter of Resignation (See
 Correspondence #4)
 -Purchase of Mosquito Abatement Vehicle (See Correspondence #5)
 -BC/BS Michigan Operating System (See Correspondence #6)
 -Request to Use Courthouse Lawn (See Correspondence #7)
 -Amendment to the Agreement for Inmate Health Care Services (See
 Correspondence #8)
 -2012 County Equalization Report
 -Court Budget Related to Bar Dues (See Correspondence #9)
 -2020 Resolution of Recognition
Old Business
Correspondence/Resolutions

COMMISSIONER LIAISON COMMITTEE REPORTS

PETERSON

Enterprise Facilitation
Human Development Commission

MEMS

Michigan Association of Counties – Aging Work Group
Michigan Association of Counties – Environmental

LEPC
NACo
Local Unit of Government Activity Report
Parks & Recreation
Dispatch Authority Board
County Planning Commission

ALLEN

Board of Public Works
Local Unit of Government Activity Report
Human Services Coordinating Council
Great Start Collaborative – Tuscola County
Parks & Recreation

BARDWELL

Caro DDA
Brownfield Redevelopment Authority
Economic Development Corporation
MAC Economic Development/Taxation
MAC 7TH District
Local Unit of Government Activity Report
Michigan Association of Counties – Board of Directors
NACo
MAC Judiciary & Public Safety Committee
NACo Agricultural Committee
NACo Rural Action Caucus
MAC Agriculture & Tourism

KERN

Thumb Area Consortium
Human Development Commission
Health Board
Senior Services Advisory
Local Unit of Government Activity Report
Community Corrections Advisory Board
Behavioral Health Board
DHS/Medical Care Facility Liaison
Tuscola 2020

PETZOLD

Recycling Advisory
Mid-Michigan Mosquito Control Technical Advisory Committee
Michigan Works
Multi-County Solid Waste
TRIAD
Local Unit of Government Activity Report

Road Commission
Health Board

Closed Session (If Necessary)
-Pending Litigation

Other Business as Necessary

Extended Public Comment

Adjournment

Note: If you need accommodations to attend this meeting please notify the Tuscola County Controller/Administrator's Office (989-672-3700) two days in advance of the meeting.

CORRESPONDENCE

- #1 April 10, 2012 Full Board Minutes
- #2 Consent Agenda Resolution
- #3 Tuscola County Health Dept. Plan of Organization
- #4 Human Resources Director Letter of Resignation
- #5 Mosquito Abatement Vehicle Purchase
- #6 BC/BS Michigan Operating System
- #7 Request to Use Courthouse Lawn
- #8 Amendment to the Agreement for Inmate Health Care Service
- #9 Court Memo Regarding Bar Dues
- #10 Special Board of County Road Commissioners Meeting
- #11 Personal Property Tax Repeal Bills
- #12 March 29, 2012 Road Commission Minutes
- #13 State of Michigan Request to Revoke Industrial Facilities Exemption
- #14 Region VII Area Agency on Aging Annual Meeting Invitation
- #15 MAC April 20, 2012 Legislative Update

DRAFT
TUSCOLA COUNTY BOARD OF COMMISSIONERS

April 10, 2012 Minutes
H. H. Purdy Building

Chairman Thomas Bardwell called the meeting of the Board of Commissioners of the County of Tuscola, Michigan, held at the H.H. Purdy Building in the City of Caro, Michigan, on the 10th day of April, 2012 to order at 8:32 o'clock a.m. local time.

Prayer by Commissioner Kern
Pledge by Commissioner Bardwell

COMMISSIONERS PRESENT: District #2 Thomas Bardwell, District #3 Tom Kern, District #4 Roy Petzold, District #5 Gerald Peterson

COMMISSIONERS ABSENT: District #1 Roger Allen

12-M-065

Motion by Peterson seconded by Kern to adopt the agenda as amended. Motion carried.

12-M-066

Motion by Kern seconded by Peterson to approve the minutes of the 3/29/2012 regular meeting. Motion carried.

Brief Public Comment – the Court Administrator made the board aware of efforts to obtain visiting judges free of charge (with the exception of mileage).

12-M-067

Motion by Kern seconded by Peterson to approve the lease between Tuscola County and Thumb Cellular to enable Thumb Cellular to use county property for the construction of a 120' communications tower per the provisions of the lease (lease has been reviewed by corporate counsel). Also, all appropriate signatures are authorized. Major terms of the lease include:

Use of 30' by 30' area near the Sheriff Building

Term of 5 years with the right to extend the agreement up to 30 years

\$325 per month lease payment revenue plus annual 3% increase and reduced sheriff air card monthly cost to \$325

Taxes to be paid by Thumb Cellular

New tower removal responsibility of Thumb Cellular. Motion carried.

12-M-068

Motion by Kern seconded by Petzold that Majestic Construction who was the sole bidder be awarded the bid for painting and bathroom remodeling in

District Court (budgeted project for 2012) for an amount of \$19,608. Motion carried.

12-M-069

Motion by Kern seconded by Peterson that per the request of the prosecutor, the extradition costs of \$400 be paid from the prosecutor budget. Also, budget amendments be made by transferring \$100 from the prosecutor contractual services account and \$300 from general fund contingency. Motion carried.

Phone conference with Region VII Area Agency on Aging Executive Director Andrew Orvosh.

Extended Public Comment – Mike Miller stressed the Board needs to be contributing funds to the Equipment/Capital Repair Fund. He was directed to generate a list of needed repairs.

Meeting adjourned at 9:54 a.m.

Margie A. White
Tuscola County Clerk

'DRAFT'

COUNTY OF TUSCOLA

STATE OF MICHIGAN

RESOLUTION TO ADOPT CONSENT AGENDA

At a regular meeting of the Board of Commissioners of the County of Tuscola, Michigan, held at the H.H. Purdy Building in the Village of Caro, Michigan, on the 26th day of April, 2012 at 8:30 a.m. local time.

COMMISSIONERS PRESENT:

COMMISSIONERS ABSENT:

It was moved by Commissioner _____ and supported by Commissioner _____ that the following Consent Agenda Resolution be adopted:

CONSENT AGENDA

Agenda Reference: A

Entity Proposing: COMMITTEE OF THE WHOLE 4/12/12

Description of Matter: Move that the following 2012 general fund budget changes be implemented:

- Increase the 2012 property tax revenue by \$143,822 from \$5,237,899 to \$5,381,721

- Increase building codes SCMCCI revenues and expenditures from \$225,000 to \$269,000
- Reduce tax administration fee revenue from \$65,000 to 48,000
- Increase revolving delinquent tax fund revenue from \$765,000 to \$790,000
- Increase diverted felon revenue from \$63,000 to \$73,000

IT IS FURTHER RESOLVED that any motion, resolution, or other act of Tuscola inconsistent with this Resolution is hereby rescinded, modified, replaced or superseded by this Resolution.

YEAS:

NAYS:

ABSTENTIONS:

RESOLUTION ADOPTED.

Thomas Bardwell, Chairperson
Tuscola County Board of Commissioners

Margie White
Tuscola County Clerk

Tuscola County Health Department

Board of Commissioners Monthly Report for April 2012

Prepared by: Gretchen Tenbusch, RN, MSA, Health Officer

Visit our website at www.tchd.us

Outcomes for the Month:

- The Health Department participated in the Wet Wild exercise on April 11, 2012.

Issues under consideration by the Local Health Department:

- The County Health Rankings for 2012 have been released. According to the County Health Rankings, 24% of the Children in Tuscola County (under age 18) live in poverty and 40% receive free or reduced lunches. Also noted is that 20% of our County's adults smoke and 28% report little time on physical activity.
- A bat as sent in for rabies testing and turned out to be negative. MDCH is reporting 3 bats and 2 skunks were found so far this year to be positive for rabies in Michigan. One rabid bat is from Bay County and one rabid skunk is from Lapeer County.
- We are preparing for our Accreditation site visit the week of July 23-27, 2012.

Issues to be brought to Board of Commissioners:

- A motion is needed by the BOC to approve the Tuscola County's Plan of Organization (4/2012) as approved and signed by the BOH Chairperson and authorize the BOC Chairperson to sign the approval form. This Plan of Organization has to be submitted to the Michigan Department of Community Health every three years at least 2 months prior to our onsite Accreditation.

April 16, 2012

Michael Hoagland
125 W. Lincoln St.
Caro, MI 48723

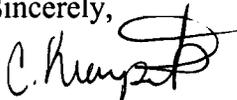
I am writing to formally notify you of my resignation as the Human Resources Director for Tuscola County to be effective May 18, 2012 with May 14-18 as vacation days. I have accepted a position with McKenzie Health Systems in Sandusky.

I appreciate the opportunities I have had during my time with Tuscola County and am grateful for the experiences I have gained from my co-workers and the employees of the County and Courts.

I will try to make myself available for any consultations after the effective date of my resignation, if the need arises, as I know my leaving puts the Department in a difficult position.

I wish the County the best of success in all future endeavors.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Krampits". The signature is written in a cursive style with a large, stylized initial "C".

Carrie Krampits

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Mike Hoagland

From: Richard Colopy [rcolopy@tuscocounty.org]

Sent: Thursday, April 19, 2012 12:06 PM

To: mhoagland@tuscocounty.org

Subject: Malibu

Mike,

Regarding the sale of the Chevy Malibu, we talked with the salesman from the dealership where we recently purchased five new trucks, and asked him for a trade-in value. The low number was \$6,200, which we are comfortable asking for this vehicle, owing to the fact that we are anxious to open up some much needed parking space. Frankly, we are also pleased that another County agency has a need for the car.

Please, let us know if this asking price is agreeable with you.

Respectfully,

Rich

Administrative Services Contract –MOS Monthly Wire Program

Tuscola County

This Contract commences on the Effective Date and is made between Blue Cross Blue Shield of Michigan, a Michigan non-profit health care corporation, with offices at 600 Lafayette East, Detroit, Michigan 48226-2998 (“BCBSM”) and Tuscola County with offices at 125 W. Lincoln St, Caro MI, 48723 (“Group”), as the plan sponsor and administrator of its group health care plan.

BCBSM and Group have agreed that BCBSM shall administer Claims processing for Group’s Health Care Plan. This Contract sets forth the administrative responsibilities of BCBSM and Group’s financial responsibilities with respect to the administration of the Health Care Plan.

BCBSM and Group agree as follows:

ARTICLE I
DEFINITIONS

- A. **“Amounts Billed”** means the amount that Group shall reimburse and pay BCBSM for Claims which have been processed and paid by BCBSM or another BCBS Plan under the terms of this Contract.
- B. **“BCBS Plan”** means a company that has been licensed by BCBSA.
- C. **“BCBSA”** means the Blue Cross and Blue Shield Association.
- D. **“BlueCard Program”** means the national program established by BCBSA under which Enrollee Claims are processed by BCBS Plans when Enrollees receive health care services outside of the geographic area that BCBSM serves. BCBSA mandates the policies, procedures and disclosures of the BlueCard Program and amends them from time to time. Schedule B sets forth BCBSA’s required disclosures for the BlueCard Program and is incorporated into this Contract. If BCBSA amends the disclosures, such amendments shall automatically become a part of this Contract upon BCBSM giving 60 days prior written notice to Group.
- E. **“Claim”** means a request for payment for a health care service provided to an Enrollee, with an incurred date for the service during the term of this Contract.
- F. **“Contract”** means this Administrative Services Contract (ASC) – Monthly Wire Program, as may be amended from time to time, and any Schedules, Parts, Exhibits and Addenda attached hereto and incorporated herein by reference.
- G. **“Contract Year”** means the period from the Effective Date to the first Renewal Date, or the period from one Renewal Date to the next Renewal Date. If termination occurs other than at the end of a Contract Year, Contract Year means that period from the Effective Date or the most recent Renewal Date through the date of termination.
- H. **“Coverages”** means the health care benefits set forth in Part C – Group Enrollment and Coverage Agreement, which is incorporated into this Contract.
- I. **“Effective Date”** means the date that Group migrates to BCBSM’s Michigan Operating System.
- J. **“Employee”** means the following which are eligible and enrolled for Coverage: (i) employees as designated by Group; (ii) retirees and their surviving spouses as designated by the Group; and (iii) COBRA beneficiaries.
- K. **“Enrollee”** means an individual that Group enrolled in Group’s Health Care Plan, either as an Employee or as a dependent of an Employee.

- L. **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended, 29 USC 1101, *et seq.*, and regulations promulgated thereunder.
- M. **"Estimated Outstanding Liability (EOL)"** means an estimate of the Group's liability for the amount of IBNR Claims which will be paid by BCBSM after the date of termination and which is the Group's obligation to pay pursuant to the provisions of this Contract.
- N. **"Health Care Plan"** means the Group's Health Care Plan.
- O. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, as amended, Public Law 104 -191 of 1996, *et seq.*, and regulations promulgated thereunder.
- P. **"IBNR Claims"** means Claims which are incurred during the term of this Contract but have not been reported to the Group as Amounts Billed or paid and which remain the Group's liability.
- Q. **"Quarterly Payment Period"** means each three (3) month period, commencing on the Effective Date and continuing during the term of this Contract and includes the first three (3) months following the date of termination.
- R. **"Renewal Date"** means the date one year after the Effective Date, and the same date of every subsequent year. The Renewal Date may be changed by mutual agreement of BCBSM and Group.

ARTICLE II
GENERAL RESPONSIBILITIES

A. ERISA Standards.

If Group's Health Care Plan is subject to ERISA, it is understood and agreed that BCBSM is not the plan administrator or the plan sponsor as those terms are defined under ERISA. To the extent that Group has delegated to BCBSM the responsibility and discretionary authority to provide a full and fair review of a denied Claim, BCBSM agrees only to be the named fiduciary of the decision denying the Claim as contemplated by 29 USC 1133. Any determination or interpretation made by BCBSM pursuant to this discretionary authority is binding on the Enrollee, Group, and BCBSM unless it is demonstrated that the determination or interpretation was arbitrary and capricious. Group retains all other responsibilities and duties under ERISA not specifically delegated to BCBSM.

The responsibilities of BCBSM are limited to providing administrative services for the processing and payment of Claims. BCBSM shall not be responsible for Group's failure to meet any of its financial obligations with respect to Group's Health Care Plan or Enrollee disclosures.

B. Eligibility and Enrollment.

Prior to the Effective Date, Group shall notify BCBSM of all Enrollees that will be covered by Group's Health Care Plan. During the term of this Contract, following agreed upon procedures, Group shall notify BCBSM of all changes in Group's Health Care Plan enrollment. Until BCBSM has been properly notified of changes to Group's Health Care Plan enrollment, BCBSM shall continue to process Claims for Enrollees as listed on BCBSM's computer membership programs. Group represents that any eligibility and status changes it requests are compliant with and permissible under applicable state and federal law, including the Patient Protection and Affordable Care Act; and, agrees that it will only request eligibility and status change requests that are compliant with and permissible under applicable state and federal law, including the Patient Protection and Affordable Care Act.

C. Claims Processing.

During the term of this Contract, Claims that are directly submitted to BCBSM shall be processed according to BCBSM's standard operating procedures. Claims that are directly submitted to a BCBS Plan shall be processed pursuant to the BlueCard Program.

D. Disputed Claims.

Group shall notify BCBSM in writing of any Claim that Group disputes within 60 days of Group's receipt of a paid Claims listing. BCBSM shall investigate such Claims and respond to Group within a reasonable time period. Upon BCBSM's request, Group shall execute any necessary documents that will allow BCBSM to recover any amounts that may be owed by a third party with respect to such disputed Claim. If BCBSM recovers any amount from a third party or if BCBSM determines that the disputed Claim is not Group's liability or is incorrect, then BCBSM shall give Group a credit for the recovered or corrected amount (reduced by any stop loss credits given by BCBSM relating to such disputed Claim) on a subsequent invoice.

E. Subrogation.

BCBSM shall be subrogated to all of Group's or an Enrollee's rights with respect to any Claim, however, BCBSM is not obligated to institute or become involved in any litigation concerning such Claim. BCBSM will use reasonable efforts to identify claims in which Group's Health Care Plan may have a subrogation or reimbursement interest. BCBSM will evaluate information provided by the Enrollee and other sources to determine whether a subrogation or reimbursement interest exists. BCBSM will not be obligated to undertake any such recovery litigation unless mutually agreed to by BCBSM and Group. Absent agreement, should Group elect to pursue such recovery litigation, BCBSM agrees to cooperate in Group's recovery efforts. BCBSM will remit to Group or its Health Care Plan the funds recovered from third parties, less any expenses it has incurred in the recovery effort. Group and Health Care Plan will assist BCBSM as will be reasonably necessary for BCBSM to carry out its duties under this provision. BCBSM may assign or subcontract a portion of its duties under this provision of the Contract to third parties.

Group authorizes BCBSM to act on behalf of Group in any health care class action litigation of which BCBSM has knowledge, including but not by way of limitation, drug manufacturer and product liability litigation. BCBSM will take reasonable steps to notify Group of such class action litigation. Group will notify BCBSM if Group desires to independently pursue its Claims and BCBSM will reasonably cooperate with Group. As part of BCBSM's subrogation duties, BCBSM will use reasonable efforts to identify Claims that may be included in such class action litigation. BCBSM may institute and participate in such class action litigation, however, Group acknowledges that BCBSM is not obligated to do so unless BCBSM and Group otherwise agree. Group will reasonably cooperate with BCBSM. BCBSM may assign or subcontract a portion of its duties under this section to third parties. Group authorizes BCBSM to settle or compromise any Claims and BCBSM will remit to Group any funds recovered, less any expenses that BCBSM has incurred in participation of such class action litigation.

F. Litigation.

If a third party initiates a claim, suit, or proceeding against the Plan, Group, or BCBSM relating to benefits payable under the Plan or any of the administrative services subject to this Contract ("Litigation"):

1. Each party shall provide prompt written notice of the Litigation to the other party if served with such Litigation.
2. After consultation between Group and BCBSM, if Group determines that the Litigation does not involve state tax issues, mandated benefit issues or the Litigation does not threaten to have a material adverse impact on Plan costs or administration, BCBSM shall select counsel and defend the litigation.
3. After consultation between Group and BCBSM, if Group determines that the Litigation involves state tax issues, mandated benefit issues or the Litigation threatens to have a material adverse impact on future Plan costs or administration, Group shall select counsel to defend the litigation and timely notify BCBSM of its selection.

4. Whenever Group or BCBSM is a party in any Litigation, regardless of who is obligated to defend the litigation, Group and BCBSM each reserve the right, at its own cost and expense, to retain counsel to protect its own interests.
5. Regardless of who is obligated to defend the litigation, Group and BCBSM shall fully cooperate with each other to provide all relevant information and documents within their respective control that are not subject to a privilege or confidentiality obligation; and to reasonably assist each other to defend, settle, compromise, or otherwise resolve the Litigation. Whenever either party is served with any Litigation, the party served shall take all steps necessary to prevent a default in the Litigation prior to determining which party will defend such Litigation.
6. When BCBSM is obligated to defend the Litigation, BCBSM shall have full authority to settle or compromise such Litigation, without Group's consent, unless:
 - a. \$50,000 or more is at issue in the Litigation;
 - b. State tax issues or mandated benefit issues are part of the Litigation and Group has requested BCBSM to defend the Litigation;
 - c. Settlement of the litigation could have a material adverse impact on future Plan costs or administration.

If Group's consent is required, such consent shall not be unreasonably withheld. If Group withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by BCBSM, Group shall pay the additional cost of any subsequent settlement, compromise or judgment including all of BCBSM's reasonable attorney fees and costs for proceeding with the Litigation.

7. When Group is obligated to defend the Litigation, Group shall have full authority to settle or compromise such Litigation without BCBSM's consent, unless BCBSM has notified Group that the Litigation may have a material adverse impact on BCBSM.

If BCBSM's consent is required, such consent shall not be unreasonably withheld. If BCBSM withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by Group, BCBSM shall pay the additional cost of any subsequent settlement, compromise or judgment including all of Group's reasonable attorney fees and costs for proceeding with the Litigation.

8. Subject to paragraph 6 above, when BCBSM is obligated to defend the Litigation, the cost and expenses of such defense shall be paid by BCBSM. The cost and expenses of such defense shall include reasonable attorney fees and other reasonable litigation costs, however, any settlement or payment for benefits or Claims shall be paid by Group.
9. Subject to paragraph 7 above, when Group is obligated to defend the Litigation, the cost and expenses of such defense shall be paid by Group. The cost and expenses of such defense shall include reasonable attorney fees and other reasonable litigation costs and any settlement or payment for benefits or Claims shall be paid by Group.

G. Group Audits.

Group, at its own expense, shall have the right to audit Claims incurred under this Contract; however, audits shall not occur more frequently than once every twelve months and shall not include Claims from previously audited periods or Claims paid prior to the last 24 months. Both parties acknowledge that Claims with incurred dates over two years old may be more costly to retrieve and that it may not be possible to recover over-payments for these Claims; however, BCBSM shall use best efforts to retrieve such Claims.

All audits shall be conducted pursuant to BCBSM corporate policy and other requirements at the time of the audit. The parties acknowledge staffing constraints may exist in servicing concurrent Group initiated audits. Therefore after notice from Group requesting an audit, BCBSM will have 60 to 90 days, depending on scope and sample size, to begin gathering requested documentation and to schedule the on-site phase of the audit.

Sample sizes shall not exceed 200 Claims and shall be selected to meet standard statistical requirements (i.e., 95% Confidence Level; precision of +/- 3%). Group shall reimburse BCBSM for Claims documentation in excess of 200 Claims at \$20 per randomly selected claim and \$50 per focused or electronically selected Claim. However, reimbursement shall be waived for any agreed-upon Claims.

Following the on-site activity and prior to disclosing the audit findings to Group, the auditor shall meet with BCBSM Management and present the audit findings. BCBSM, depending upon the scope of the audit, shall be given a reasonable period of time to respond to the findings and provide additional documentation to the Auditor before the Auditor discloses the audit findings to the Group.

BCBSM shall have no obligation to make any payments to Group unless there has been a recovery from the provider, Enrollee, or third-party carrier as applicable. No adjustments or refunds shall be made on the basis of the auditor's statistical projections of sampled dollar errors. An audit error will not be assessed if the Claim payment is consistent with BCBSM policies and procedures, or consistent with specific provisions contained in this Contract or other written Group instructions agreed to by BCBSM.

Prior to any audit, Group and BCBSM must mutually agree upon any independent third party auditor that Group wishes to perform the audit. Additionally, prior to audit, Group and any third party auditor shall sign all documents BCBSM believes necessary for the audit which will, at a minimum, provide for: the scope of the audit; the costs for which BCBSM is to be reimbursed by Group; the protection of confidential and proprietary information belonging to BCBSM, and of any patient specific information; and the indemnification and hold harmless of BCBSM from any claims, actions, demands or loss, including all expenses and reasonable attorney fees, arising from any suit or other action brought by an individual or provider to the extent caused by Group or its auditor.

H. Disclosures.

Group shall disclose the following to Enrollees:

1. BCBSM services being provided.
2. BCBSM does not insure any Enrollees.
3. Group is responsible for the payment of Claims.
4. Group is responsible for changes in benefits.

I. Health Care Provider Interest.

Group acknowledges that various states have enacted prompt payment legislation with respect to the payment of Claims, and BCBSM or other BCBS Plans may have provider contracts that require the payment of interest on Claims in certain situations. If BCBSM invoices Group for interest required by statute or provider contracts, Group shall pay such interest.

J. Confidentiality.

The terms of this Contract and the items set forth below are confidential and shall not be disclosed or released to a third party without the prior written consent of BCBSM, or as otherwise required by law.

1. Claim Information
Enrollee personal or individually identifiable health information.

2. Provider Proprietary Information
Health care provider names, addresses, tax identification numbers, and financial amounts paid to such providers.
3. BCBSM and Other BCBS Plan Proprietary Information
BCBSM's or any other BCBS Plan's methods of reimbursement, amounts of payments, discounts and access fees; BCBSM's administrative fees and, if applicable, stop loss fees; those processes, methods, and systems developed for collecting, organizing, maintaining, relating, processing and transacting comprehensive membership, provider reimbursement and health care utilization data.

K. Health Care Provider Discounts.

1. BCBSM shall pass through in Amounts Billed any health care provider discounts (at the time the Claim is incurred) that BCBSM receives from its contracted providers, or from any BCBS Plan that has an arrangement with its health care providers where such providers are reimbursed an amount less than charges. Group shall pay Additional Administrative Compensation as set forth in Schedule A and which is calculated as a percentage of the BCBSM discounts on Michigan hospital Claims. Additional Administrative Compensation will be included in Amounts Billed.
2. Amounts Billed for Claims processed through the BlueCard Program shall be calculated according to the BlueCard Program policies and procedures, as noted in Schedule B.
3. Group acknowledges that BCBSM or a BCBS Plan may have programs with providers such as quality improvement programs, incentive compensation arrangements, or other similar programs for which some portion of the cost may be payable from the amounts paid to providers or in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider credits, and member management fees. Often the compensation amount is determined after the medical service has been performed and after Group has been invoiced.

L. Coordination with Medicare.

Group shall timely notify BCBSM whether Medicare is the primary payer for Claims of any Enrollee. BCBSM shall change such Enrollee's eligibility record within 15 business days of BCBSM's receipt of Group's notice. Group shall indemnify and hold harmless BCBSM for any claim, demand, judgment, penalty or other liability that arises out of Group's failure to provide timely notice to BCBSM.

M. Certificate of Creditable Coverage.

Group shall notify BCBSM of any individual that is no longer covered by the Health Care Plan and BCBSM shall then issue a certificate of creditable coverage to such individual. Group shall indemnify and hold harmless BCBSM for any claim, demand, judgment, penalty or other liability that arises out of Group's failure to provide timely notice to BCBSM.

ARTICLE III
FINANCIAL RESPONSIBILITIES

A. Group Responsibilities.

Group shall be liable for all risks, financial obligations, Amounts Billed, hospital advances, administrative fees and any additional administrative compensation set forth in Schedule A, any late fees, any statutory court costs and attorney's fees awarded by a court to Enrollees; and all other liabilities which BCBSM may assume or which might otherwise attach with respect to the administration of Coverages pursuant to this Contract. Group shall make full payment and satisfaction to BCBSM for all amounts resulting from such risks, financial obligations, and liabilities.

B. Scheduled Payments by Group.

ASC Quarterly Settled – MOS Monthly Wire with Stoploss January 2012 Form

During the first two Quarterly Payment Periods of this Contract, Group shall pay to BCBSM each month the "Estimated Monthly Payment" which consists of (1) the pro rata cost of the Group's estimated Amounts Billed for the Quarterly Payment Period; (2) the pro rata costs of the Group's estimated administrative charge and, if applicable, of the stop loss fees for the Contract Year; (3) the amount BCBSM determines necessary to maintain the prospective hospital reimbursement funding for the Quarterly Payment Period ("Michigan hospital advance"); and (4) any other amounts owed by the Group pursuant to this Contract. Thereafter, approximately thirty (30) days before each Quarterly Payment Period, BCBSM will notify Group of any adjustments in the above amounts to be paid during the next Quarterly Payment Period. The estimated amounts owed relating to Claims for each Quarterly Payment Period are based on the total of Amounts Billed during the prior available twelve (12) months, adjusted for costs and utilization.

C. Schedule A Renewals.

Thirty days prior to each Renewal Date, BCBSM shall send Group a Schedule A for the new Contract Year with BCBSM's new administrative fee, applicable additional administrative fees, applicable stop loss fees and stop loss attachment points, and any new Michigan hospital advance. Such Schedule A may specify the administrative fee for a single Contract Year or, with the agreement of BCBSM and Group, may specify administrative fees for multiple Contract Years. Group shall execute the renewal term Schedule A before the Renewal Date.

D. Group's Monthly Wire and Other Payments.

Group shall make monthly wire transfer payments of all amounts due to BCBSM within one business day of the payment day set forth in the Quarterly Settlement Payment Schedule. In addition, Group shall pay to BCBSM any separately invoiced amounts within fifteen (15) days of invoice or settlement receipt. If Group's payment is more than one business day late, Group shall pay a late fee of the lesser of two percent of any outstanding amount due or the maximum amount permitted by law. In addition, BCBSM may cease to process Claims retroactive to the last date for which full payment was made.

E. Settlements.

1. Quarterly Settlements. Approximately sixty (60) days after the close of each Quarterly Payment Period, BCBSM will provide a settlement that sets forth amounts paid by Group and the Amounts Billed with respect to the covered lines of business for the immediate prior Quarterly Period.
2. Annual Settlements. Approximately 120 days after the end of each Contract Year, BCBSM will provide a settlement that reconciles any additional administrative compensation, taxes and assessments and any other amounts owed to BCBSM or to Group. Any such amounts owed will be included in the next Quarterly Payment Period calculation.

F. Changes in Enrollment or Coverages - Effect on Administrative Fees.

If there is more than a 10 percent (10%) decrease in the number of Employees from the number stated in Schedule A during any month of the Contract Year or a change in Coverages, BCBSM may revise the monthly administrative fee, estimated number of Employees and, if applicable, stop loss fees to reflect such changes in Enrollment and/or Coverages. Any revisions will be effective beginning with the next Quarterly Payment Period following thirty (30) day notification by BCBSM to the Group.

G. Michigan Hospital Settlement Adjustments.

In its normal course of business BCBSM makes retroactive adjustments to hospital Claims that had previously been paid by Group. With respect to such retroactive adjustments (1) BCBSM shall refund to Group any hospital Claim overpayment once each year; or (2) if the retroactive adjustment

indicates an amount that is due and owing by Group, BCBSM may invoice the group or offset any professional provider settlements against such retroactive adjustment and then carry forward any remaining hospital Claim underpayment to the following Contract Year.

ARTICLE IV **TERMINATION AND POST TERMINATION**

A. Termination.

1. **With or Without Cause.** Either party may with or without cause, upon the first day of the month following 90 days prior written notice, terminate this Contract. If this Contract is terminated according to this subsection, BCBSM and other BCBS Plans shall then continue to process and pay Claims.
2. **Nonpayment or Partial Payment.** Notwithstanding any other Contract provisions, if Group fails to timely pay any amounts owed, BCBSM may, after five days notice in writing, terminate this Contract. If this Contract is terminated according to this subsection, BCBSM may, in its sole discretion, continue to process and pay Claims, and direct other BCBS Plans to process and pay Claims.
3. **Termination within the First Contract Year.** If Group terminates the Contract before the end of the first Contract Year or if BCBSM terminates the Contract for nonpayment before the end of the first Contract Year, Group's total administrative fee liability to BCBSM shall be twelve months of administrative fees at the rate stated in Schedule A. Group's termination liability for administrative fees shall be determined using the average monthly enrollment prior to termination times twelve months, and shall be net of administrative fees paid prior to termination.

B. Post Termination.

1. **End of Coverage.** Notwithstanding any other provisions contained herein, neither BCBSM nor any BCBS Plan shall have any obligation for payment for any health care services which are incurred following termination of this Contract.
2. **Obligation to Pay.** Notwithstanding any other provisions contained herein, Group's obligation to pay amounts incurred under the Contract shall survive termination, and Group shall continue to timely pay all amounts owed. Because of the arrangements for payment of services between BCBS Plans and their participating health care providers, all Claims shall be processed by BCBSM or other BCBS Plans pursuant to the terms and conditions herein. Group agrees that it shall have no right to have any such Claims processed by a replacement carrier or administrator. BCBSM retains the right to cease paying Claims if Group fails to timely pay BCBSM for Amounts Billed.
3. **Claim Payments.** For the first three months following the date of termination, Group shall make monthly wire transfer payments in the same manner as prior to the date of termination, except that (i) if the termination occurs before a settlement has been made for the last Quarterly Payment Period, the monthly amounts then being made will continue to be made during the first three (3) months following termination unless BCBSM determines a different amount is to be so paid and (ii) Group shall pay the administrative fee for only the first two months after the date of termination. Thereafter, for the next three months Group shall make monthly payments to BCBSM for Amounts Billed. After six months from the date of termination, BCBSM shall offset any Claim payments against the Michigan hospital advance until the Michigan hospital advance is depleted. If the Michigan hospital advance is depleted, BCBSM shall resume invoicing Group monthly for Amounts Billed. At the end of 24 months after termination, BCBSM shall refund any remaining portion of the Michigan hospital advance to Group. After 24 months from the date of termination, BCBSM shall invoice Group for any Claims paid, and Group shall pay BCBSM the Amounts Billed within 10 days of the date of the invoice.

4. **Settlement-Last Contract Year.** Within 180 days following the date of termination, BCBSM shall prepare a settlement statement for the last Contract Year. Such settlement statement shall include applicable stop loss fees and attachment point calculations, additional administrative compensation, and administrative fees, including post termination administrative fees.
5. **Michigan Hospital Settlement Adjustments.** Following termination of this Contract, BCBSM shall refund to Group any hospital Claim overpayment once each year or shall invoice Group for any hospital Claim underpayment after offsetting any professional provider settlements, prescription drug rebates or any other amount due and owing to Group. Group shall pay such invoice within 30 days of Group's receipt.
6. **Estimated Outstanding Liability.** Within ninety (90) days following termination, BCBSM will prepare a settlement in the form of a quarterly settlement, for the period from the last quarterly settlement through the date of termination, and make an initial calculation of the EOL which will take into account the monthly payments during the first three (3) months following termination and advise the Group of its continuing liability for the EOL so estimated.

The EOL will be recalculated at this time and will take into account gains, if any, resulting from the total settlement as determined above. If the recalculation shows a deficit over any funds then held by BCBSM, the Group will be advised of the amount of the deficit and of its continuing obligation for payment of the EOL. If the recalculation shows a surplus over any funds then held by BCBSM, the amount of the surplus will be refunded to the Group by BCBSM within thirty (30) days net of, if applicable, any losses resulting from the total settlement as determined above.

7. **Interest.** If the total amount of the estimated Amounts Billed included in the monthly payments made during the first three (3) month period following termination exceed the actual Amounts Billed during the period, BCBSM will pay the Group interest at the then rate for short term government treasury bonds (STIGB), which is currently calculated as a rolling twelve-month average of the 90-day T-Bill yield rate on the average monthly balance of any excess. It is understood that BCBSM has the right to change the STIGB calculation methodology provided that such change is applied uniformly and consistently to similar Administrative Services Contracts of other BCBSM clients. The total amount of any excess will be included in the settlement for the last Contract Year.
8. **Interim Calculations and Notifications of EOL.** Within sixty (60) days after each of the six (6) month, twelve (12) month and eighteen (18) month periods following termination, BCBSM will prepare settlements for each period, in the form of a quarterly settlement, and make new calculations of the EOL so that Group is aware of any estimated potential liability for Amounts Billed and plan accordingly.

BCBSM's settlements will advise Group of any deficit amount over any funds then held by BCBSM and Group's continuing obligation for payment. If any settlement shows a surplus over any funds then held by BCBSM, the amount of the surplus will be refunded to Group by BCBSM within thirty (30) days. Any Amounts Billed will first be charged against any funds then held by BCBSM and, after exhausted, BCBSM will invoice Group for Amounts Billed each month.

BCBSM will continue to pay Group STIGB on any positive balance of EOL and any monthly invoices will be subject to late payment charges if not paid within thirty (30) days.

9. **Final Calculation and Notifications of EOL.** Within ninety (90) days after the 24-month period following termination, BCBSM will prepare a settlement, also in the form of a quarterly settlement, and make a final calculation of the EOL and advise the Group of its continuing liability for payment. Any funds then held by BCBSM will be returned to the Group within thirty (30) days. Any claims received thereafter will be invoiced to Group and Group shall pay such amount within thirty (30) days of its receipt.

C. Conversion to Underwritten Group.

If Group converts from a self-funded group to a BCBSM underwritten group, Group shall continue to be obligated for any EOL and Group shall timely pay the amounts due and owing under this Contract in addition to any premium payments as a BCBSM underwritten group.

ARTICLE V
STOPLOSS PROTECTION

A. Stoploss Protection Specified in Schedule A.

BCBSM shall provide the Aggregate Stoploss protection and Specific Stoploss protection selected by Group as set forth on Schedule A to the ASC. Stoploss protection shall apply only to Amounts Billed that are paid in the normal and usual course of BCBSM's business during a single Contract Year, regardless of when the Claim was incurred. Stoploss protection does not apply to any Claims incurred prior to, but paid after termination of the ASC.

B. Monthly Stoploss Fee.

BCBSM shall, for each month of a Contract Year, provide an invoice stating the stoploss fees. Stoploss fees shall be calculated as follows: the monthly fee per Employee multiplied by the estimated number of Employees. The monthly fee per Employee is stated in Schedule A.

C. Timely Payment and Remedy.

Group shall pay stoploss fees owed within one business day of the due date. If payment is not received within one business day of the due date, BCBSM shall assess late fees in the same manner as described in Article III. BCBSM, whenever any payment is more than five days overdue, may discontinue Stoploss protection retroactive to the last paid date.

D. Renewal Term Adjustments.

BCBSM shall, prior to each Renewal Date, provide the monthly stoploss fee for the next Contract Year. BCBSM shall also provide the Aggregate Stoploss Attachment Point for the Contract Year, if applicable. Group may change the Specific Stoploss Attachment Point for the next Contract Year by notifying BCBSM before the Renewal Date. All Attachment Points and stoploss fees shall be stated in Schedule A and shall be effective on the Renewal Date. The Schedule A for a given Contract Year must be executed by Group before the end of the first month of that Contract Year in order for stoploss protection to be in effect for that Contract Year.

E. Changes in Enrollment or Coverages - Effect on Stoploss Protection.

In the event of a more than 10 percent change in the number of Employees from the number stated in Schedule A during any month of the Contract Year or a change in Coverages, the monthly stoploss fees and Aggregate Stoploss Attachment Point may be revised by BCBSM to account for such changes in the number of Employees or in the Coverages. Any revisions to the stoploss fees shall be effective beginning with the first month following 30 day notification by BCBSM to Group. The Aggregate Stoploss Attachment Point shall be revised retroactive to the first month of the Contract Year.

F. Specific Stoploss Credits.

BCBSM shall, approximately 25 days after the end of each month, determine whether any Amounts Billed during that month are not Group's liability because Amounts Billed for an Employee and any dependents exceeded the Specific Stoploss Attachment Point. BCBSM shall credit Group for any such excess Amounts Billed.

G. Claim Payments Recovered or Adjusted in Subsequent Contract Years.

1. When a Claim payment for which Group received a Specific Stoploss credit is recovered by BCBSM, BCBSM shall have the right to retain the recovered amount up to the amount of the stoploss credit. There shall be no time limit on BCBSM's right to retain such recoveries.
2. If Group has selected Aggregate Stoploss protection and in a given Contract Year Group's liability for Amounts Billed is reduced due to total Amounts Billed exceeding the maximum liability under the Aggregate Stoploss, BCBSM may in subsequent years offset credits processed through its Michigan hospital settlement and physician recovery calculations against the credit given to Group for Aggregate Stoploss liability limitation. Such offsets will only be made for adjustments to Claims which were incurred in the Contract Year in which Group's Amounts Billed exceeded the Aggregate Stoploss maximum liability. If Group has selected Aggregate Stoploss protection including Drug Claims, then Drug rebates and recoveries in subsequent years may be similarly offset.

H. Annual Settlements.

BCBSM shall, approximately 120 days after the end of each Contract Year, provide a settlement for the Contract Year for any amounts due under the Aggregate Stoploss protection. Group shall pay any settlement results due BCBSM within 15 days of BCBSM's invoice therefor.

**ARTICLE VI
GENERAL PROVISIONS**

A. Entire Agreement.

This Contract includes and incorporates any Schedules, Addenda, Exhibits, and Amendments and represents the entire understanding and agreement of the parties regarding matters contained herein. This Contract supersedes any prior verbal or written agreements and understandings between the parties and shall be binding upon the parties, their successors or assigns.

B. Service Mark Licensee Status.

BCBSM is an independent licensee of BCBSA and is licensed to use the "Blue Cross" and "Blue Shield" names and service marks in Michigan. BCBSM is not an agent of BCBSA and, by entering into this Contract, Group agrees that it made this Contract based solely on its relationship with BCBSM or its agents. Group agrees that BCBSA is not a party to this Contract, has no obligations under this Contract, and that no BCBSA obligations are created or implied under this Contract.

C. Notices.

Unless otherwise provided in this Contract, any notice required shall be given in writing and sent to the other party either by hand-delivery, electronic mail message to designated representative of the other party, or postage pre-paid US first class mail at the following address or such other address as a party may designate from time to time.

If to Group:

Current address shown on
BCBSM Group Header

If to BCBSM:

Blue Cross Blue Shield of Michigan
600 Lafayette East, Mail Code B612
Detroit, Michigan 48226-2998

D. Bankruptcy or Insolvency.

Neither BCBSM nor any other BCBS Plan shall have any obligation to continue paying Claims in the event of Group's bankruptcy or other insolvency. BCBSM, in its sole discretion, may continue paying Claims in such instance.

E. **Amendment.**

This Contract may be amended only by a written agreement duly executed by authorized representatives of each party.

F. **Severability.**

The invalidity or nonenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

G. **Waiver.**

The waiver by a party of any breach of this Contract by the other party shall not constitute a waiver as to any subsequent breach.

H. **Law.**

This Contract is entered into in the State of Michigan and, unless preempted by federal law, shall be construed according to the laws of Michigan. Group agrees to abide by all applicable state and federal law, including but not limited the Patient Protection and Affordable Care Act.

I. **HIPAA.**

1. **Group Certification.**

Group certifies that it is the Health Care Plan sponsor, performs Health Care Plan administration functions, needs access to Enrollee protected health information to carry out such administration functions, and has amended the Health Care Plan documents to comply with the requirements of 45 CFR 164.504(f)(2). BCBSM is therefore authorized to provide Group with the minimum necessary Enrollee protected health information for Group to perform its plan administration functions.

2. **Business Associate Agreement.**

The parties shall enter into a business associate agreement.

J. **Surcharges and Taxes.**

The Federal government or various states may impose health related surcharges or taxes with respect to medical services or Claims to cover the cost of, but not by way of limitation, indigent care or graduate medical education. Group acknowledges that such surcharges or taxes may be added to the cost of Claims or separately invoiced to Group. Group shall pay such surcharges or taxes.

K. **Advisors.**

Each party acknowledges that it has had full opportunity to consult with such legal and financial advisors as it has deemed necessary or advisable in connection with its decision knowingly to enter into this Contract. Neither party has executed this Contract in reliance on any representations, warranties, nor statements made by the other party hereto other than those expressly set forth herein.

M. **Force Majeure.**

Neither BCBSM nor Group shall be deemed to have breached this Contract or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Contract if prevented from doing so by acts of God or the public enemy, fires, floods, storms, earthquakes, riots,

strikes, boycotts, lock-outs, wars and war-operations, restraints of government, power or communication line failure, judgment, ruling, order of any federal or state court or agency of competent jurisdiction, change in federal or state law or regulation subsequent to the execution of this Contract, or other circumstances beyond the party's reasonable control for so long as such "force majeure" event reasonably prevents performance.

BCBSM:

GROUP:

By: (Signature)	By: (Signature)
Name: (Print)	Name: (Print)
Title:	Title:
Date:	Date:

By: (Signature)	By: (Signature)
Name: (Print)	Name: (Print)
Title:	Title:
Date:	Date:

SCHEDULE A-Renewal Term (Effective with Transition to MOS (Michigan Operating System) through August 2012)
Administrative Services Contract (ASC)

1. Group Name: Tuscola County Courthouse
 2. Group Number: To Be Assigned
 3. Contract Effective Date: September 1, 1995
 4. ASC Funding Arrangement: Monthly Wire
 5. Line(s) of Business:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Facility
<input type="checkbox"/> Facility Foreign
<input type="checkbox"/> Facility Domestic
<input checked="" type="checkbox"/> Physician
<input checked="" type="checkbox"/> Master Medical | <input checked="" type="checkbox"/> Prescription Drugs
<input checked="" type="checkbox"/> Dental
<input checked="" type="checkbox"/> Vision
<input type="checkbox"/> [Hearing] |
|--|--|

*Domestic Facility Code(s):

6. Administrative Fees:

	Cost Per Contract	Monthly Contracts	Monthly Premium
A. Administrative Fee	\$35.21	145	\$5,105
B. Additional Agent Fee	\$0.00	145	\$0
TOTAL			\$5,105

C. Additional Administrative Compensation:

Nine percent (9%) of the BCBSM discounts on Michigan hospital claims, but the Additional Administrative Compensation per contract will not be less than \$11.19 or greater than \$11.88

7. Stop-loss Coverage(s):

A. Stop-loss Coverage Purchased

- | | |
|---|---|
| <input checked="" type="checkbox"/> Standard
<input checked="" type="checkbox"/> Specific and Aggregate
<input type="checkbox"/> None | <input type="checkbox"/> Specific Only
<input type="checkbox"/> Aggregate Only |
|---|---|

B. Coverage Lines of Business

- | | |
|---|--|
| <input checked="" type="checkbox"/> Facility
<input type="checkbox"/> Facility Foreign Payment
<input type="checkbox"/> Facility Domestic Charge
<input checked="" type="checkbox"/> Physician | <input checked="" type="checkbox"/> Master Medical
<input type="checkbox"/> Prescription Drugs
<input type="checkbox"/> All Lines of Business (Aggregate Only) |
|---|--|

C. Attachment Point(s) (per contract)

Specific: \$20,000 150% Aggregate: \$10,531

	Cost Per Contract	Monthly Contracts	Monthly Fee
D. Total Stop-loss Fee	\$320.67	145	\$46,497

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

Tuscola County Courthouse

Group Number - To Be Assigned

- 8. Late Payment Charges/Interest:
 - A. Late Payment Charge 2%
 - B. Yearly Statutory Interest Charge (Simple Interest) 12%
 - C. Provider Contractual Interest

9. BCBSM Account: 1840-09397-3 Comerica 0720-00096
Wire Number Bank American Bank Assoc

- 10. In the event the Schedule A in the form as submitted to Group by BCBSM ("this Schedule A") is not signed by Group and delivered to BCBSM on or before the 15th day after the Renewal Date, Group's administrative fee shall increase by \$2 per contract per month during the Term until the first day of the month following BCBSM's receipt of this Schedule A as signed by Group. Notwithstanding the foregoing, Group's total increase in its administrative fee shall not exceed \$10,000 per month.
- 11. BCBSM will charge an additional administrative fee of \$4.00 per contract per month if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor.
- 12. Your rate does not include taxes or assessments under consideration by federal and state governments that, if enacted, would be added to your bill.

BCBSM:
 BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

THE GROUP:
 BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

Tuscola County Courthouse

Group Number - To Be Assigned

Schedule B

Blue Cross Blue Shield of Michigan Administrative Services Contract

BlueCard Disclosures

BCBSM has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever Enrollees access healthcare services outside the geographic area BCBSM serves, the claim for those services may be processed through one of these Inter-Plan Programs and presented to BCBSM for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Enrollees under this contract are described generally below.

Typically, Enrollees when accessing care outside the geographic area BCBSM serves obtain care from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Enrollees may obtain care from non-participating healthcare providers. BCBSM's payment practices in both instances are described below.

A. BlueCard® Program

Under the BlueCard® Program, when Enrollees access covered healthcare services within the geographic area served by a Host Blue, BCBSM will remain responsible to Group for fulfilling BCBSM's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, our action will be consistent with the spirit of this description.

Liability Calculation Method Per Claim

The calculation of the Enrollee liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to BCBSM by the Host Blue.

The calculation of Group's liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSM by the Host Blue. Sometimes, this negotiated price may be greater than billed charges if the Host Blue has negotiated with its participating healthcare provider(s) an inclusive allowance (e.g., per case or per day amount) for specific healthcare services.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to BCBSM by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

- (i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or

- (ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or
- (iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices. However, such prospective adjustments will not affect the price used to determine the amounts that the Enrollee and Group pay. The BlueCard Program requires that the price submitted by a Host Blue to BCBSM is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an estimated price or an average price on a claim, it may also hold some portion of the amount that Group pays in a variance account, pending settlement with its participating healthcare providers. Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received are due to or from Group. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices.

A small number of states require Host Blues either (i) to use a basis for determining Enrollee liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, BCBSM would then calculate Enrollee liability and Group's liability in accordance with applicable law.

Return of Overpayments

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by-claim or prospective basis.

Unless otherwise agreed to by the Host Blue, BCBSM may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize its relationship with its healthcare providers.

BlueCard Program Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to BlueCard Program vendors, as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Groups. Such revisions typically are made annually as a result of Program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group benefit period under this contract.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential BCBSM receives from the Host Blue, based on the current rate in accordance with the Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any claim. All other BlueCard Program-related fees are included in BCBSM's administrative fee.

A BlueCard Program access fee may be charged only if the Host Blue's arrangement with its healthcare provider prohibits billing Enrollees for amounts in excess of the negotiated payment. However, a healthcare provider may bill for non-covered healthcare services and for Enrollee cost sharing (for example, deductibles, copayments, and/or coinsurance) related to a particular claim.

When BCBSM is charged a BlueCard Program access fee, BCBSM may pass the charge along to you as a claim expense or as a separate amount. The access fee will not exceed \$2,000 for any claim. If BCBSM receives an access fee credit, BCBSM will give Group a claim expense credit or a separate credit.

Instances may occur in which the claim payment is zero or BCBSM pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, BCBSM will pay the Host Blue's access fee and pass it along to Group as stated above even though you paid little or had no claim liability.

B. Negotiated National Account Arrangements

As an alternative to the BlueCard Program, your Enrollee claims for covered healthcare services may be processed through a negotiated National Account arrangement with a Host Blue.

If BCBSM and Group have agreed that a Host Blue(s) shall make available a custom healthcare provider network(s) in connection with this contract, then the terms and conditions set forth in BCBSM's negotiated National Account arrangement(s) with such Host Blue(s) shall apply. In negotiating such arrangement(s), BCBSM is not acting on behalf of or as an agent for Group, the Group's health care plan(s) or Enrollees.

Group agrees that BCBSM will not have any responsibility in connection with the processing and payment of claims when Enrollees access such network(s), except as may be set forth in the relevant participation agreement.

Enrollee Liability Calculation

Enrollee liability calculation will be based on the negotiated price/lower of either billed covered charges or negotiated price made available to BCBSM by the Host Blue that allows Group's Enrollees access to negotiated participation agreement networks of specified participating healthcare providers outside of BCBSM's service area.

Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the Programs' standard procedures for revising such fees and compensation, which do not provide for prior approval by any Groups. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group's benefit period under this Contract.

In addition, the participation agreement with the Host Blue may provide that BCBSM must pay an administrative and/or a network access fee to the Host Blue, and Group further agrees to reimburse BCBSM for any such applicable administrative and/or network access fees. For this type of negotiated participation arrangement, any such administrative and/or network access fees will not be greater than the comparable fees that would be charged under the BlueCard Program.

C. Non-Participating Healthcare Providers Outside BCBSM's Service Area

Enrollee Liability Calculation

1. In General

When covered healthcare services are provided outside of BCBSM's service area by non-participating healthcare providers, the amount(s) an Enrollee pays for such services will generally be based on either the Host Blue's non-participating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, the Enrollee may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph.

2. Exceptions

In some exception cases, BCMSM may pay claims from non-participating healthcare providers outside of BCBSM's service area based on the provider's billed charge, such as in situations where an Enrollee did not have reasonable access to a participating provider, as determined by BCBSM in its sole and absolute discretion or by applicable state law. In other exception cases, we may pay such claims based on the payment we would make if BCBSM were paying a non-participating provider inside of its service area where the Host Blue's corresponding payment would be more than BCBSM's in-service area non-participating provider payment, or in our sole and absolute discretion, we may negotiate a payment with such a provider on an exception basis. In any of these exception situations, the [employee/member/subscriber] may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph.

Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not

provide for prior approval by any groups. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group's benefit period under this Contract.

In addition, BCBSM must pay an administrative fee to the Host Blue, and Group further agree[s] to reimburse BCBSM for any such administrative fee.

In addition, a participation agreement with the Host Blue may provide that BCBSM must pay an administrative and/or a network access fee to the Host Blue, and Group further agrees to reimburse BCBSM for any such applicable administrative and/or network access fees. For this type of negotiated participation arrangement, any such administrative and/or network access fees will not be greater than the comparable fees that would be charged under the BlueCard Program.

April 16, 2012

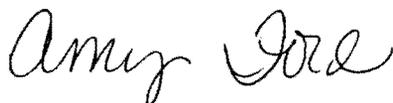
Tuscola County Board of Commissioners
125 W. Lincoln Street
Caro, Michigan 48723

Board of Commissioners,

Our Caro Girl Scout Troop, 50575, is working on our Bronze Award and we have chosen the soldiers overseas as our project. We are collecting items to send to the soldiers through businesses in Caro. We would like to cap off this project by having a "stuff a van for the troops" campaign on the Courthouse lawn on May 19 from 10 am-3pm. The troop would be out there with an empty van, collecting further donations to then be used to make care packages for our well deserving soldiers. We would very much appreciate it if you would give us permission for this event.

Please contact Amy Ford at 810-404-5824 with your decision. We would like to have press coverage of this event and need time to contact the media.

Thank You For Your Consideration,

A handwritten signature in cursive script that reads "Amy Ford".

Troop 50575

SECOND AMENDMENT TO THE AGREEMENT FOR INMATE HEALTH CARE SERVICES AT TUSCOLA COUNTY, MICHIGAN

This is the Second Amendment to the Agreement for Inmate Health Care Services at Tuscola County, Michigan effective July 1, 2010 through June 30, 2011 as amended July 1, 2011 (hereinafter "AGREEMENT") between Health Professionals, Ltd., P.C., (hereinafter "HPL") and Tuscola County, Michigan (hereinafter the "COUNTY").

WHEREAS, HPL as part of its corporate re-branding has merged into Correctional Healthcare Companies, Inc.; and

WHEREAS, Correctional Healthcare Companies, Inc., and HPL have common corporate ownership, officers and directors; and

WHEREAS, the parties desire to change the name reflected in the AGREEMENT from Health Professionals, Ltd., P.C., to Correctional Healthcare Companies, Inc., a Delaware Corporation doing business in the State of Michigan as Correctional HC Companies, Inc.

NOW THEREFORE, IN CONSIDERATION of the foregoing facts, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree that effective January 1, 2012 and for the duration of the AGREEMENT, the AGREEMENT shall be amended as follows:

All references to Health Professionals, Ltd., P.C., in the AGREEMENT are hereby deleted and replaced with "Correctional Healthcare Companies, Inc., a Delaware Corporation doing business in the State of Michigan as Correctional HC Companies, Inc." and all references in the AGREEMENT to the abbreviation HPL are hereby deleted and replaced with "CHC".

Effective May 1, 2012, Paragraphs 2.0.1 and 8.0 of the AGREEMENT shall also be deleted and amended to state as follows:

- 2.0.1 A total of 30 hours per week of Licensed Practical Nurse services to be assigned by CHC.
- 8.0 ANNUAL AMOUNT/MONTHLY PAYMENTS. The base annual amount to be paid by the COUNTY to CHC under this AGREEMENT is Sixty-Six Thousand One Hundred Sixty-Four Dollars and fifty-two cents (\$66,164.52) for a period of twelve (12) months. Each monthly payment shall be at Five Thousand Five Hundred Thirteen Dollars and seventy-one cents (\$5,513.71), pro-rated for any partial months and subject to any reconciliations as set forth below. The first monthly amount is to be paid to CHC on the 1st day of May, 2012 for services administered in the month of

May, 2012. Each monthly payment thereafter is to be paid by the COUNTY to CHC before or on the 1st day of the month of the month of service.

8.0.1 Effective January 1, 2013, the base annual amount to be paid by the COUNTY to CHC from January 1, 2013 through December 31, 2013 shall be the base annual amount paid as set forth in paragraph 8.0, plus an increase of the lesser of 3.5% or CPI as defined in paragraph 8.0.2.

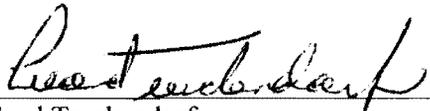
8.0.2 CPI INCREASES. A CPI increase shall be calculated by multiplying the annual amount of the previous year by a fraction, the numerator of which is the Price Index (as defined below) for the month which is two months immediately preceding the AGREEMENT renewal date, and the denominator of which is the Price Index for the same month for the year immediately preceding the AGREEMENT renewal date. However, the annual amount due for any year will not be less than the annual amount for the prior year. The "Price Index" is defined as the Consumer Price Index – All Urban Consumers, U.S. City Average, Medical Care Services (1982-84=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor.

Except for the provisions amended by this document, all other provisions of the AGREEMENT shall remain in full force and effect and unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in their names or their official acts by their respective representatives, each of whom is duly authorized to execute the same.

AGREED TO AND ACCEPTED AS STATED ABOVE:

County of Tuscola, Michigan

By: 

Leland Teschendorf

Title: Tuscola County Sheriff

Date: 4/19/2012

Health Professionals, Ltd., P.C.

By: _____

Douglas D. Goetz

Title: Chief Executive Officer

Date: _____

By: _____

Thomas Bardwell

Title: Chairperson

Date: _____

Correctional Healthcare Companies, Inc.

By: _____

Douglas D. Goetz

Title: Chief Executive Officer

Date: _____

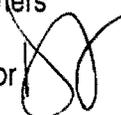
*Copy to all
Comm. #9*

STATE OF MICHIGAN
54TH CIRCUIT COURT
71B DISTRICT COURT
TUSCOLA COUNTY PROBATE COURT
440 NORTH STATE STREET
CARO, MI 48723
TELEPHONE: (989) 672-3800

HON. KIM DAVID GLASPIE
CHIEF JUDGE

DONNA L. FRACZEK, COURT ADMINISTRATOR

MEMORANDUM

DATE: April 17, 2012
TO: Tuscola County Board of Commissioners
FROM: Donna L. Fraczek, Court Administrator 
RE: Bar Dues

On January 26th, 2012 the BOC voted to amend the 2012 budget to eliminate county payment for any state and local bar dues. Budgets were amended accordingly.

I am requesting that the Board amend their motion to maintain the monetary cuts, however, allow the Court to determine what is paid out of these line items in the Court's budgets.

Thank-you.

SPECIAL BOARD MEETING

A special meeting of the Board of County Road Commissioner's has been scheduled for the purpose of meeting with County Commissioners and Township Supervisors on Thursday, May 17, 2012 at 10:00 a.m. at the Road Commission office located at 1733 S. Mertz Road, Caro, MI 48723

PPT Repeal Bills Prepped For Tuesday Intro

An eight-bill package repealing the industrial portion of the personal property tax (PPT) is set for introduction in the Legislature on Tuesday with Senate Finance Committee Chair Jack **BRANDENBURG** (R-Harrison Twp.) planning an aggressive committee schedule this week and next.

The legislation is modeled after what Lt. Gov. Brian **CALLEY** laid out to the Michigan Municipal League (MML) last month in which a Dec. 31, 2012, repeal would be put in place for all industrial and commercial property with \$40,000 or less per parcel, a \$70 million hit to locals (See "[Calley Offers Locals 'Strong Say' In PPT Replacement Revenue Formula](#)," 3/20/12).

Industrial PPT collection is approximately \$400 million a year, with the money being collected by local units of government. Starting in 2016, the nine-year phase out for all industrial property would kick in. The tax money lost would be made up by expiring tax credits, which would go into a special pool and be allocated by the locals at an 81 percent return rate.

Brandenburg said he wants to hold his first hearing on a PPT repeal as soon as Wednesday with as many as three hearings next week. He said he expects a great amount of interest in the subject and wants to hear plenty of testimony before moving on the bills.

"Manufacturers have been screaming about this for a good 20 years," he said. "We're one of the only states that taxes industrial property and it puts these guys at a disadvantage right out of the shoot."

MML is against a PPT repeal without a Constitutional guarantee that the impacted communities won't take a hit. Brandenburg said he understands their concerns, but the legislation is needed "if we want to compete globally."

Brandenburg said considering Ohio moved through its PPT repeal in five years, Michigan's proposal "is a very fair proposition for everyone concerned."

Sen. Steve **BIEDA** (D-Warren), an architect of the 35 percent PPT refundable credit in the Michigan Business Tax (MBT), said taxing industrial equipment is a "tax that had its day in the sun" and is something that needs to be modernized.

That said, he's concerned about the impact a complete repeal will have on local communities and the services they provide. Asked if 81 percent replacement is good enough, Bieda said simply, "No." With the heavy revenue sharing cuts locals have taken combined with shrinking property taxes, locals are being forced to cut police and fire while asking for more operating revenue through millage increases.

"It's better than having nothing in the mix. It's better than where they started, which was going to be crippling," he said. "We just have to be extraordinarily sensitive to the local services and public safety."

Mike **JOHNSTON** of the Michigan Manufacturers Association (MMA) said on today's [MIRS](#)

Monday podcast that he predicts movement out of the Senate before the summer recess. The House will make progress on the bills after the election and have legislation ready to be signed by Gov. Rick **SNYDER** by year's end.

"I'm very confident," Johnston said. "The Snyder administration is very much behind this thing. Second, the leaders of both the House and the Senate have said this is one of their top priorities. That's a pretty good formula for success."

Johnston said Michigan's tax structure improved with the passage of the 6 percent flat income tax, but in order to allow the state to compete across the world for manufacturing jobs, the PPT must go. Before the passage of the corporate income tax, Michigan was in the middle of the pack as far as industrial tax liability.

"We're moving up the ranks, but the PPT drags us down," he said. "The truth is the PPT is a barrier to investment and a barrier to new jobs."

Summer **MINNICK** of MML said on the *MIRS Monday* podcast last week that a coalition called "Replace Don't Erase" is pushing for a full replacement mechanism. In 2010, River Rouge had 57 percent of its revenue come from the PPT. Litchfield had 50 percent, Ewart had 35 percent and Auburn Hills had 22 percent.

"This is one of those instances where my members are calling me saying, 'We're not as excited as we need to be about this issue,'" Minnick said. "They are very cognizant of what's going on. They're talking to their legislators already because it's critically important to their plans for long-term survival."

March 29, 2012

A regular meeting of the Board was held in their offices at 1733 S. Mertz Rd., Caro, Michigan on Thursday, March 29, 2012 at 8:00 A.M.

Present: Road Commissioners John Laurie, Gary Parsell, Mike Zwerk, Julie Matuszak, and Pat Sheridan; County Highway Engineer Michele Zawerucha, Superintendent/Manager Jay Tuckey, Director of Finance/Secretary-Clerk Michael Tuckey.

Motion by Parsell seconded by Zwerk that the minutes of the March 15, 2012 regular meeting of the Board be approved. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Payroll in the amount of \$93,017.03 and bills in the amount of \$135,523.32 covered by vouchers #12-12, #02, and #03 were presented and audited.

Motion by Zwerk seconded by Matuszak that the payroll and bills be approved. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Brief Public Comment Segment:

- (1) Mr. Jonathan Link appeared before the Board regarding the Hoppe Road construction project scheduled for this season. Mr. Link requests that the Road Commission reconsider the construction plans regarding the removal of trees from his property. The Board requested that the Engineer review the plans, meet Mr. Link on site, and report back to the Board.
- (2) Almer Township Supervisor Jim Miklovic appeared before the Board to report a dead tree limb over the road on Remington Road.

Motion by Parsell seconded by Sheridan that the bids for 2012 Hot Mixed Asphalt taken on Tuesday, March 27, 2012 be accepted; and to forward the local road bid results to the respective Township Boards for approval. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Motion by Zwerk seconded by Sheridan that the bids for the Box Culvert Installation on Leonard Road over the Tuttleville Drain in Akron Township taken at the March 15, 2012 regular meeting of the Board be awarded to the low bidder, Worth Construction, Inc. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

At 8:15 A.M. the following bids were opened for 2012 Hot Mixed Asphalt Machine Patches:

<u>Bidder</u>	<u>Sm. Patches 0 - 5 tons</u>	<u>Sm. Patches 6 - 10 tons</u>	<u>Med. Patches 11 - 49 tons</u>	<u>Lg. Patches 50 tons +</u>
Yaroeh Paving & Asphalt	\$ 217.00 / ton	\$ 169.00 / ton	\$ 134.00 / ton	\$ 108.00 / ton
Chippewa Asphalt Paving	\$ 225.00 / ton	\$ 170.00 / ton	\$ 130.00 / ton	\$ 110.00 / ton
Mr. Asphalt & Sealcoating	\$ 200.00 / ton	\$ 150.00 / ton	\$ 112.00 / ton	\$ 100.00 / ton
Esch Landscaping, LLC	\$ 290.00 / ton	\$ 190.00 / ton	\$ 150.00 / ton	\$ 125.00 / ton
Pyramid Paving Company	\$ 580.00 / ton	\$ 464.00 / ton	\$ 183.00 / ton	\$ 147.00 / ton
Astec Asphalt, Inc.	\$ 230.00 / ton	\$ 185.00 / ton	\$ 114.00 / ton	\$ 100.00 / ton

Motion by Parsell seconded by Zwerk that the bids for 2012 Hot Mixed Asphalt Machine Patches be accepted and awarded in the best interest of the Tuscola County Road Commission, as recommended by the County Highway Engineer. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Motion by Zwerk seconded by Parsell that the bids for 2012 Polymer-Coated Corrugated Metal Pipe taken at the March 15, 2012 regular meeting of the Board be awarded to St. Regis Culvert, Inc. for Items #1, #2, and #3, and awarded to Jensen Bridge Company for Item #4. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

At 8:30 A.M. the following bids were opened for the 2012 Furnishing & Placing Crushed Limestone and/or Crushed Gravel:

<u>Item No.</u>	<u>Location</u>	<u>Burroughs Materials</u>	<u>Fisher Transportation</u>	<u>Wirt Stone Dock</u>
2011 CRUSHED LIMESTONE:				
1.	Stockpile Akron	\$ 9,075.00	\$ 11,865.00	\$ 11,385.00
2.	Stockpile DNR	8,850.00	12,112.50	11,385.00
3.	Clark Rd.	9,825.00	14,115.00	12,562.50
4.	Hoppe Rd.	19,275.00	28,230.00	25,125.00
5.	Hoppe Rd.	19,275.00	28,230.00	24,315.00
6.	Thomas Rd.	19,800.00	27,825.00	24,315.00
7.	Graf Rd.	9,600.00	14,362.50	12,562.50
8.	Farver Rd.	9,600.00	14,422.50	13,065.00
9.	Stockpile Colling	1,165.00	1,623.00	1,518.00
10.	Cemetery Rd.	40,875.00	52,850.00	47,625.00
11.	Shays Lake Rd.	41,750.00	52,725.00	47,625.00
12.	Elmwood Rd.	33,250.00	51,300.00	44,925.00
13.	Jacob Rd.	32,000.00	49,350.00	44,925.00
14.	Jacob Rd.	31,750.00	49,750.00	44,925.00

Motion by Parsell seconded by Zwerk that the bids for the 2012 Furnishing & Placing Crushed Limestone be accepted, tabulated, and referred to the Township Boards for approval. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Management and the Board discussed the Vassar Division Foreman position. Superintendent/Manager Jay Tuckey reported to the Board that Roger Adams is retiring from this position in June 2012. Tuckey further recommended the following position transfers: Ron Spaulding to Vassar Division Foreman, Al Jacobs to Deford Division Foreman, and Jason Root to Caro Working Foreman. The Board tabled the discussion until after the 8:45 A.M. bid opening.

At 8:45 A.M. the following bid was opened for HMA Base Crushing, Shaping, and Compaction:

<u>Bidder</u>	<u>Mobil. to County</u>	<u>Brown Road</u>	<u>Colwood Road</u>	<u>Total Bid</u>	<u>Inform Bid Local Mile</u>	<u>Inform Bid Mobil.</u>	<u>Inform Bid Total</u>
Wadel Stabilization	7,500.00	20,658.75	42,097.50	70,256.25	35,640.00	1,000.00	36,640.00
Pavement Recycling, Inc.	0.00	18,045.00	36,755.00	54,800.00	37,150.00	0.00	37,150.00
Astec Asphalt	500.00	21,724.00	43,443.00	65,667.00	32,349.00	500.00	32,849.00

Motion by Zwerk seconded by Parsell that the bids for HMA Base Crushing, Shaping, and Compaction be accepted, reviewed by Management, and tabled until the next regular meeting of the Board. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Management and the Board further discussed replacing the Vassar Division Foreman position tabled from earlier this meeting. After further discussion, the following motion was introduced:

Motion by Zwerk seconded by Sheridan to internally post the upcoming open position of Vassar Division Foreman. Ayes: Sheridan, Matuszak, Zwerk. Nays: Parsell, Laurie. --- Carried.

Mr. Michael Bogie with NextEra Energy Resources appeared before the Board to discuss the Wind Turbine Project scheduled for this year. Mr. Bogie presented to the Board a proposed Road Agreement with the Road Commission during this project. The Board raised issues with three major items of the proposed agreement. First, the Board requested that the Tuscola County Road Commission will complete any needed road repairs during the project. Secondly, the Board requested legal advice regarding the issuance of a performance bond as a method of reimbursement. Thirdly, the Board requested that the burden of proof of any road damage shall be on the developer. After review and discussion, the following motion was introduced:

Motion by Parsell seconded by Sheridan that Management, the Road Commission Attorney, and the Board will further review the proposed Road Agreement with NextEra Energy Resources and report back at the next regular meeting of the Board. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Motion by Parsell seconded by Matuszak that the Board go into closed session at 9:45 A.M. for the purpose of discussing office personnel issues as requested by the employee. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

At 10:25 A.M. the Board returned to open session.

Motion by Parsell seconded by Sheridan that the meeting be adjourned at 11:05 A.M. Sheridan, Matuszak, Zwerk, Parsell, Laurie --- Carried.

Chairman

Secretary-Clerk of the Board



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

April 10, 2012

Tai Nguyen
Nu-Way Plastics
1111 S. Colling Rd
Caro, MI 48723

Dear Sir/Madam:

The State Tax Commission has received a resolution from City of Caro requesting revocation of the real and/or personal property component(s) of industrial facilities exemption certificate number 2009-233 issued to Nu-Way Plastics, located at 1111 S. Colling Rd.

As required by Section 15(3) of Public Act 198 of 1974, as amended, the State Tax Commission is offering the certificate holder the opportunity for a hearing regarding this revocation. A request to schedule a hearing must be received by this office **in writing not later than 30 days from the date of this letter**. Evidence verifying that the facility continues to qualify for the industrial facility exemption must be provided.

If a written response is not received within the allowed timeframe, the State Tax Commission will issue an Order of Revocation effective December 31, 2012, for the 2013 tax year.

Sincerely,

Kelli Sobel, Executive Secretary
State Tax Commission

By Certified Mail

cc: Clerk, City of Caro
Assessor, City of Caro
Tuscola County Equalization Department
Tuscola County Board of Commissioners
Caro School District
Tuscola Intermediate School District



#14

**On behalf of the Board of Directors, Region VII
Area Agency on Aging cordially invites you to
their Annual Meeting**

DATE: Thursday, May 3, 2012

TIME: 11:00 a.m. Registration

11:30 a.m. Buffet Luncheon

**PLACE: Buck's Run
1559 S. Chippewa Road
Mt. Pleasant, MI 48858**

GUEST & KEYNOTE SPEAKER:

**Kari Sederberg, Director
Office of Services to the Aging**

ENTERTAINMENT:

**Jayne Orvosh
mezzo-soprano**



_____ **Yes, I plan to attend**

_____ **No, I am unable to attend**

NAME _____

NAME _____

**Please RSVP by April 27th
Phone 1-800-858-1637 or Mail**

#15



MAC

MICHIGAN ASSOCIATION OF COUNTIES

MAC LEGISLATIVE UPDATE

April 20, 2012

In this week's update:

- **MAC Wins on Revenue Sharing Boilerplate**
- **MAC Holds Press Conference and Testifies in Senate's First Hearing on PPT Repeal**
- **Indigent Defense Commission Update**
- **RSVP for the MAC Veterans Task Force Meeting Next Week**
- **Nursing Home Survey Reform Bill Moves From Senate Committee**
- **Residential Burn Ban Signed Into Law**
- **House Committee to Hold Hearing on ORV Expansion Bill**
- **Michigan Public Health Week Celebrates Local Heroes and Champions**
- **2012 MAC Legislative Conference Evaluation**
- **Panel Suggestions for Next MAC Annual Conference**

MAC Wins on Revenue Sharing Boilerplate

After working closely with the Chairs of the General Government subcommittees, and meeting with the administration over our concerns with the revenue sharing boilerplate language, the Senate and the House have made significant changes so that each county should qualify for the employee concession piece of their revenue sharing allocation.

The House version of the FY 13 budget would protect 70 percent of their appropriated revenue sharing from the incentive program and allow for counties to earn 10 percent of their revenue sharing for compliance with each of the three categories: accountability and transparency; cooperation and consolidation; and employee concessions.

The Senate protects 80 percent from the program and would allow counties to earn 6.66 percent of their revenue sharing for compliance with each of the three categories.

The House and Senate are in virtual agreement on the language for the first two categories, but the third category differs slightly. The employee concession category in the House version simply requires counties to be in compliance with PA 152 (the 80/20 health care law) whereas the Senate requires compliance with either the PA 152 law, OR compliance with the changes in defined benefit multipliers, a ten percent cap on contribution for retirement for new employees and certain restrictions when calculating final average compensation.

Either version, the House or the Senate, is much better than the version recommended by the Governor's office earlier this year. MAC would like to thank Sen. Pappageorge and Rep. Poleski for their willingness to work with MAC on the specific language. MAC continues to work for an increase in the overall revenue sharing appropriations level.

MAC Holds Press Conference and Testifies in Senate's First Hearing on PPT Repeal

On Tuesday of this week, the Senate introduced an eight-bill package designed to give commercial and industrial personal property taxpayers a significant tax cut. On Wednesday morning, MAC Board Member Jon Campbell (R-Allegan) delivered a very convincing argument at the coalition's press conference calling on the Legislature to guarantee the funding replacement through a constitutional amendment. The press conference was well covered. Check our legislative update on the MAC website for a listing of press articles attached.

Also on Wednesday, MAC President Mattie Hatchett (D-Oakland) and Legislative Coordinator Deena Bosworth testified on the bills in the Senate Finance Committee. Immediately following the Lieutenant Governor's presentation to the Committee on his proposal for eliminating a large portion of the personal property tax, MAC testified in opposition to the proposal based on our unmet need for a guaranteed funding replacement.

One of the bills in the package would provide for a statutory mechanism for replacement funding to the local units of government that would lose revenue under this proposal. In order for counties to actually see any of the revenue replaced, a future legislature would have to take steps to annually appropriate the funds into the replacement fund. This is far short of guaranteed funding as counties have learned through the state's poor track record of fulfilling its' statutory promises of funding for things like revenue sharing, payment in lieu of taxes (PILT), public health, Medicaid reimbursement and county jail reimbursement.

The only way to guarantee that PPT replacement funding would get to the counties would be through a constitutional guarantee. A constitutional amendment would have the authority to bind future legislators and ensure replacement funding to the locals.

MAC encourages you to contact your legislators and explain to them why we can't support the repeal of the personal property tax without a guaranteed funding replacement. Attached is a phone script to use when speaking with your legislator.

Indigent Defense Commission Update

Gov. Snyder's Indigent Defense Commission met on Friday morning to continue discussion of potential recommendations for improvements to the system. MAC received the appointment for local units of government, and was pleased that the Governor chose Commissioner Maggie Jones (R-Livingston County), the Chair of the MAC Judiciary Committee, as his appointment for that seat.

MAC testified at the first meeting emphasizing the precarious nature of county finances and encouraged the Commission to factor that into the equation along with our concerns about potential unfunded mandates. Additionally, MAC submitted a letter this week reiterating those issues and commenting on potential unfunded mandates in the proposed policy recommendations to date.

The Commission will next meet on May 18 and is scheduled to conclude its business on June 22. MAC will continue to advocate for counties, the funding unit, during the Commission's process.

RSVP for the MAC Veterans Task Force Meeting Next Week

If you have not done so already, don't forget to RSVP for the MAC Veterans Task Force Meeting next **Wednesday April 25th from 9:30 a.m. - Noon at the Downtown Lansing Radisson Hotel.**

If you are interested in participating in the Task Force, it is highly recommended that you attend. We will be providing lunch, please RSVP to pohl@micounties.org so we can account for the right amount of people.



Phone Script for Calls with State Lawmakers

Hello, this is *your name of name of your community* calling for *Rep./Sen. XXX*.

I am urging *Rep./Sen. XXX* to oppose any effort by the Michigan Legislature to repeal the personal property tax (PPT) until it includes a full, guaranteed replacement of the funds for counties.

As *Rep./Sen. XXXXX* knows, the PPT is currently paid by local businesses, is administered and collected by local governments, and stays in local communities for local services.

The funding replacement is said to come from expiring business tax credits in the future. This would require an annual appropriation from the legislature for the replacement revenue but there would be no guarantee the funding would actually get appropriated. In fact, we are being asked to trust that this promise made by today's Legislature will be honored four years from now by a legislature that will be made up of nearly 50% new representatives.

Eliminating the PPT without a full and guaranteed replacement of the funds for local services would slash an estimated \$400 million from local communities and schools across Michigan. As you know, county revenue sharing is already subject to an annual appropriation based on a statutory formula and each year the legislature ignores its promise.

Without question, the PPT is a burdensome tax that is difficult to administer and collect, but to sacrifice local services would be even more devastating to the community. If it is to be scrapped, you and the rest of the Legislature must replace the funds in full with revenues that are guaranteed for local services.

I would like to meet with you in the coming weeks to discuss this issue with you. When might be a convenient time and date, either in Lansing or here in the district?

I also look forward to telling your constituents you voted to head off local tax increases by voting against replacing the PPT with funds that went to Lansing instead of to local services.