

EATON COUNTY BOARD OF COMMISSIONERS
PUBLIC SAFETY COMMITTEE
MINUTES OF APRIL 4, 2013

PRESENT: Chairperson Commissioner Jeremy Whittum, Vice Chairperson Mike Hosey, Commissioner Howard Spence, Commissioner Roger Harris,

ALSO PRESENT: Sheriff Tom Reich, Controller John Fuentes, Undersheriff Jeff Cook, April Heinze, Marie Douville, Theresa O'Dell, Helen Schneider, Captain Teresa Catey

Absent: Commissioner Wayne Ridge, Commissioner Jim Osieczonek, Commissioner Dale Barr

The meeting was called to order at 4:02 p.m. by Chairperson Whittum.

Pledge of Allegiance

Commissioner Hosey made a motion to accept the minutes of the March 7, 2013 meeting. Commissioner Harris seconded the motion.

Motion carried

PUBLIC COMMENT- none

SHERIFF'S OFFICE UPDATES

Sheriff Reich advised the Committee that there is a Detective retiring next week and the department will begin the process of interviewing candidates, to fill the vacancy.

Undersheriff Cook gave the Committee case updates from Detective Bureau and Patrol.

REIMBURSEMENT REPORT/BOARDING UPDATE/COURT SECURITY REPORT

BOARDING UPDATE

Controller Fuentes reviewed financial reports on inmate boarding. Year to date collected is \$179,985 for MDOC boarding and \$31,310.48 for individuals. He stated that MDOC boarding projections exceed the budget by \$35,000 currently and for individual revenues will be evaluated as the 2013/14 budget is developed. Undersheriff Cook advised that additional revenue is being sought for boarding and he will keep the Committee updated.

Controller Fuentes also pointed out that the jail count is at 55% of capacity for the month of March, 2013

COURT SECURITY REPORT

The activity indicated a thirty-three percent increase, with 20,905 people scanned, due mainly to the calibration of the scanner was done last month with one gun, 122 knives, twelve chemical agents and seventy-four other items confiscated. This resulted in a significant number of individuals being re-scanned rather than a general increase in traffic for the month.

OVERTIME REPORT

Overtime variance shows the county and delta detective overtime variance above projected budget figures. Overall Controller Fuentes projects a \$23,000 favorable variance. He further stated that the overtime total expenditure is difficult to trend within the budget. The Controller does project a \$70,000 favorable variance in total salary expenditures.

COMMUNITY CORRECTIONS SSAMA GRANT APPLICATION

A Resolution to Authorize Application for SAMHSA Treatment Drug Court Grant was presented to this Committee. Marie Douville advised the Committee that this is a no match for grant and explained more participants and the areas that they will be targeting, along with first time drug users. She further stated that this is a Federal grant. The grant, if received, would replace the current Byrne Drug Court Grant received through the State. The SAMHSA Grant is intended to reduce the health and social cost of substance abuse and dependence. The funding request not to exceed \$325,000 providing funding for two existing full time caseworkers, project director administration cost from October 1, 2013 through September 30, 2016.

A motion was made by Commissioner Hosey and seconded by Commissioner Harris to recommend approval of the resolution to the Board of Commissioners.

Motion carried.

CENTRAL DISPATCH UPDATE

Director Steve Leese resigned and the Personnel Department has begun soliciting for a new director nationwide. Recruitment closes 14th of April and then interviews will begin. Controller Fuentes has asked the Public Safety Committee Chair and the EMS, Fire and Law Enforcement committees for their input and participation. It is hoped that the Director will be on board by the middle of May. Commissioner Spence expressed his interest in obtaining a diverse pool of applicants exploring the candidates' attitude toward diversity during the interview process.

LAW DAY RESOLUTION

A draft resolution recognizing May 1st as Law Day in Eaton County was presented and discussed. Commissioner Spence brought up that the resolution draft should be broader to include courts and law enforcement dealing with the rule of law, especially at the county level. He felt that Law Day and the Resolution such include recognition those in law enforcement, and not be limited to the Courts.

Discussion held on adding wording to the resolution.

Topic was tabled at this time for revision of wording.

MISCELLANEOUS

Road Crew – Commissioner Harris spoke with Blair Ballou of the Road Commission regarding dead tree removal – Mr. Ballou said that the State used to take care of the removal of trees. Using the jail Road Crew was discussed. Captain Catey stated that the Road Crew schedule is full and there would be additional cost associated with expanding the County's Road Crew. Commissioner Hosey advised that the State Road Crews have been cut out of the budget. Discussion held.

Resolution to Authorize U.S. Department of Justice Bulletproof Vest Partnership Grant was presented to this Committee. The Grant will provide up to \$6,000 for the purchase of bulletproof vests with a fifty percent required match. The County has participated in the past and if passed this would provide up to 20 vests. Discussion held.

A motion was made by Commissioner Hosey and seconded by Commissioner Harris to recommend approval to the Board of Commissioners.

Motion Carried

Blue Cross and Blue Shield Agreement

Controller Fuentes updated the Committee on the inmate medical program contract entered into with Blue Cross and Blue Shield. A report demonstrating the savings to the County by utilizing the program was distributed and Controller Fuentes requested approval to renew the program with current provider. Discussion held.

A motion was made by Commissioner Hosey and Commissioner Harris supported the renewal.

Motion Carried.

The Committee took back up the Resolution to Recognize Law Day 2013 on May 1, 2013.

Additional wording was given by Commissioner Spence as follows:

“And; Whereas the Rule of Law is essential to the good order and safety within our communities here in Eaton County; And; Whereas Eaton County desires to recognize the service of the brave and dedicated public servants within our Sheriff's Office local law enforcement and agencies and County Court system.”

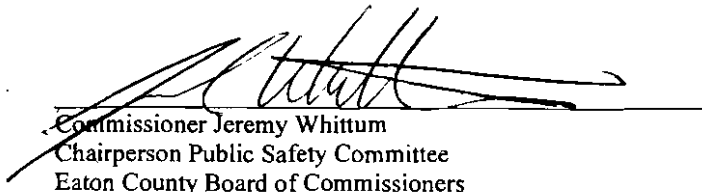
A motion was made by Commissioner Spence and seconded by Commissioner Hosey to recommend approval of the resolution with the additional wording to the Board of Commissioners.

Motion Carried

PUBLIC COMMENT

None.

Chairperson Whittum called for an adjournment at 5:45



Commissioner Jeremy Whittum
Chairperson Public Safety Committee
Eaton County Board of Commissioners

/to'd

Fiscal Year
2012/2013

JAIL MILLAGE FUND - BOARDING

FEBRUARY 2013

PAYEE	REVENUE ACCOUNT	CURRENT BUDGET	PERCENT COLLECTED	ANNUALIZED PROJECTED COLLECTIONS	FISCAL YEAR PROJECTED VARIANCE	FISCAL YEAR ACTUAL	ANNUALIZED PROJECTED BILLINGS	Percent Collected vs. Billed
Prisoner Boarding Fund	Housing Only							
JAIL REDUCTION & COMM. TREATMENT PROGRAM	Housing	\$0.00	\$435.00	%		\$1,044.00	\$435.00	100%
PAROLE VIOLATORS	MDOC HOUSING	\$305,000.00	\$88,830.00	29.1%		(\$91,808.00)	\$154,455.00	58%
DIVERTED FELONS	MDOC HOUSING	\$310,000.00	\$90,720.00	29.3%		(\$92,272.00)	\$111,980.00	81%
TOTAL BOARDING		\$615,000.00	\$179,550.00	29.3%		(\$163,036.00)	\$266,435.00	67%

GENERAL FUND - OTHER

INDIVIDUALS	SENTENCED INMATES	CURRENT BUDGET	PERCENT COLLECTED	ANNUALIZED PROJECTED COLLECTIONS	FISCAL YEAR PROJECTED VARIANCE	FISCAL YEAR ACTUAL	ANNUALIZED PROJECTED BILLINGS	Percent Collected vs. Billed
	HOUSING	\$75,000.00	\$16,736.41	22.3%		(\$34,832.62)	\$349,686.00	5%
	OUTIL IMPAIRED	\$25,000.00	\$5,476.00	21.9%		(\$11,857.60)	\$11,437.00	48%
	FALSE ALARMS	\$8,000.00	\$5,565.00	69.6%		\$5,356.00	\$5,700.00	98%
	ABAN. VEHICLES	\$8,200.00	\$2,036.25	24.8%		(\$3,313.00)	\$1,800.00	113%
	INMATE MEDICAL	\$10,000.00	\$1,496.82	15.0%		(\$6,407.63)	\$7,220.65	21%
TOTALS		\$126,200.00	\$31,304.48	24.8%		(\$51,054.85)	\$375,843.65	8%

JAIL COUNT SUMMARY

Mar-13

Day	Building Total	Eaton County Pop.	Female Inmates	Statewide	MDOC	Jackson	Housing Other	Federal	% of Capacity Used by Eaton Cty Inmates
1	224	200	36	0	24	0	0	0	53%
2	238	216	41	0	22	0	0	0	58%
3	246	223	39	0	23	0	0	0	60%
4	215	192	34	0	23	0	0	0	51%
5	212	189	35	0	23	0	0	0	51%
6	209	187	33	0	22	0	0	0	50%
7	217	190	34	0	27	0	0	0	51%
8	214	185	30	0	29	0	0	0	49%
9	240	210	39	0	30	0	0	0	56%
10	243	213	40	0	30	0	0	0	57%
11	223	194	35	0	29	0	0	0	52%
12	220	192	39	0	28	0	0	0	51%
13	227	197	38	0	30	0	0	0	53%
14	223	195	40	0	28	0	0	0	52%
15	222	194	35	0	28	0	0	0	52%
16	235	214	37	0	21	0	0	0	57%
17	236	215	34	0	21	0	0	0	57%
18	223	202	30	0	21	0	0	0	54%
19	210	188	30	0	22	0	0	0	50%
20	221	194	31	0	27	0	0	0	52%
21	224	199	33	0	25	0	0	0	53%
22	224	201	31	0	23	0	0	0	54%
23	244	226	40	0	18	0	0	0	60%
24	248	230	37	0	18	0	0	0	61%
25	226	208	36	0	18	0	0	0	56%
26	215	215	33	0	18	0	0	0	57%
27	226	206	33	0	20	0	0	0	55%
28	232	212	32	0	20	0	0	0	57%
29	227	204	35	0	23	0	0	0	55%
30	243	219	35	0	24	0	0	0	59%
31	244	220	39	0	24	0	0	0	59%

TOTAL		1094	0	739	0	0	0	0	0%
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Bldg Total	7051
Avg/Day	227

Eaton Cty. Total	6330		55%
Avg/Day	204	% of Capacity	

Housing Total	739
Avg/Day	24

Female Total	1094
Avg/Day	35

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Court Security Screening Monthly Report 2013

	People Scanned	Guns Confiscated / Returned	Knives Confiscated / Returned	Chemical Agents	Other
January	14876	2	123	10	47
February	13638	0	78	10	46
March	20905	1	122	12	74
April					
May					
June					
July					
August					
September					
October					
November					
December					

2012/2013 Analysis of Sheriff Department Overtime by Division

Through pay end date 3/31/2013 12.5

Projections based on YTD data

Department	Year-to-Date Overtime	Payrolls	Estimated Per Payroll	Total Payrolls	Projected	Budget	Variance
301	73,703.86	12.50	6,536.31	26.10	170,597.66	190,000.00	19,402.34
301 -Detective	16,090.76	12.50	1,487.26	26.10	38,817.51	30,000.00	(8,817.51)
302	67,919.98	12.50	5,713.60	26.10	149,124.92	157,976.00	8,851.08
303	51,414.15	12.50	4,433.13	26.10	115,704.75	125,000.00	9,295.25
303 -Detective	16,975.62	12.50	1,358.05	26.10	35,445.09	30,000.00	(5,445.09)
General Fund	<u>226,104.37</u>		<u>19,528.35</u>		<u>509,689.92</u>	<u>532,976.00</u>	<u>23,286.08</u>
Jail Millage II	19,956.74	12.50	2,796.54	26.10	72,989.67	102,501.00	29,511.33

2012/2013 Analysis of Sheriff Department Overtime by Division

Through pay end date		3/31/2013	12.5					
Department		Amended Budget	Y-T-D	% of Budget	% of Payroll Charged	Projected to end of year	Final Total	Variance
301.704	Regular	1,943,537.00	917,845.65	47.23%	47.89%	1,006,968.07	1,924,813.72	18,723.28
301.706	Overtime	190,000.00	73,703.86	38.79%			170,597.66	19,402.34
301.706.002	Detective OT	30,000.00	16,090.76	53.64%			38,817.51	(8,817.51)
302.704	Regular	1,762,386.00	835,888.70	47.43%	47.89%	915,710.91	1,751,599.61	10,786.39
302.706	Overtime	157,976.00	67,919.98	42.99%			149,124.92	8,851.08
303.704	Regular	1,875,358.00	877,588.99	46.80%	47.89%	979,872.82	1,857,461.81	17,896.19
303.706	Overtime	125,000.00	51,414.15	41.13%			115,704.75	9,295.25
303.706.002	Detective OT	30,000.00	16,975.62	56.59%			35,445.09	(5,445.09)
Total		6,114,257.00					6,043,565.06	70,691.94
Jail Millage Fund								
281.301	Regular	836,754.00	380,763.82	45.50%	47.89%	439,327.04	820,090.86	16,663.14
	Overtime	102,501.00	19,956.74	19.47%	47.89%		72,989.67	29,511.33

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EATON COUNTY BOARD OF COMMISSIONERS

APRIL 4, 2013

**RESOLUTION TO AUTHORIZE APPLICATION FOR SAMHSA TREATMENT
DRUG COURT GRANT**

Introduced by the Public Safety Committee

WHEREAS, the Center for Substance Abuse Treatment Substance Abuse and Mental Health Services Administration has SAMHSA Treatment Drug Court Grant funds available; and

WHEREAS, Eaton County operates a unified trial court having jurisdiction over probationers and the Community Corrections Department has operated an Adult Drug Court; and

WHEREAS, the Community Corrections Department is desirous of expanding and enhancing substance abuse treatment services in the existing Adult Drug Court which uses the treatment drug court model in order to provide alcohol and drug treatment to defendants and offenders; and

WHEREAS, the SAMHSA's Program primary intent is to reduce the health and social cost of substance abuse and dependence to the public, and increase the safety of America's citizens by reducing substance abuse related crime and violence; and

WHEREAS, the grant funding request not to exceed \$325,000 per year, providing for up to, two full time caseworkers, and project director administration cost with no County match for the award period of October 1, 2013 through September 30, 2016; and

WHEREAS, if received the funding of the SAMHSA grant would replace the Byrne Drug Court Grant currently funded by the State of Michigan; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners authorize the Community Corrections Department to submit the SAMHSA grant application;

BE IT FURTHER RESOLVED, that if the County's participation in the grant is discontinued or requires a County General Fund contribution, the continuation of the grant funded positions will be reviewed by the appropriate committees to determine the necessity of General Fund commitment; and

BE IT FURTHER RESOLVED, that the Controller be authorized to approve any necessary budget amendments to increase expenditures and increase grant revenue if the grant is approved by the Center for Substance Abuse Treatment Substance Abuse and Mental Health Services Administration; and

BE IT FURTHER RESOLVED, that the Chairperson of the Board of Commissioners be authorized to sign any necessary documents.

EATON COUNTY BOARD OF COMMISSIONERS

April 17, 2013

RESOLUTION TO RECOGNIZE LAW DAY 2013

Introduced by the Public Safety Committee

WHEREAS: Law Day is a day of public acknowledgement of our nation's and Eaton County's heritage of justice, liberty and equality under the law, and May 1st has been declared "Law Day" by the United States Congress; and

WHEREAS: The American Bar Association has declared the theme for Law Day 2013 as "Realizing the Dream: Equality for All"; and

WHEREAS: This year's theme recognizes the inextricable link between freedom and equality, the importance of living up the promise of equality under the law enshrined in our nation's founding documents, and the challenges that remain in realizing that ideal;

WHEREAS: The year 2013 marks the 150th anniversary of the issuance of the Emancipation Proclamation, as well as the 50th anniversary of the March on Washington for Jobs and Freedom and Rev. Dr. Martin Luther King Jr.'s "I Have A Dream" speech; and

WHEREAS: All Americans are entitled to equal protection of the law and to the unalienable rights of life, liberty, and the pursuit of happiness.

NOW, THEREFORE BE IT RESOLVED, that the Eaton County Board of Commissioners do hereby proclaim May 1, 2013, as Law Day in Eaton County.

EATON COUNTY BOARD OF COMMISSIONERS

APRIL 4, 2013

**RESOLUTION TO AUTHORIZE U.S. DEPARTMENT OF JUSTICE
BULLETPROOF VEST PARTNERSHIP GRANT**

Introduced by the Public Safety Committee

WHEREAS, the United States Department of Justice, Office of Justice Programs has Bulletproof Vest Partnership Grant funds available; and

WHEREAS, the Eaton County Sheriff Department has developed a plan to utilize these funds; and

WHEREAS, the Public Safety Committee has reviewed and approved the plan; and

WHEREAS, the grant will provide up to \$6,000 for the purchase of Bulletproof Vest with a fifty percent required match.

NOW, THEREFORE, BE IT RESOLVED, that the Bulletproof Vest Partnership Grant is authorized for submission; and

BE IT FURTHER RESOLVED, that the budget for the Bulletproof Vest Partnership Grant fund will be established based on the plan approved by the Public Safety Committee; and

BE IT FURTHER RESOLVED, that the Controller be authorized to approve any necessary budget amendments to increase expenditures and increase grant revenue if the grant is approved by the U.S. Department of Justice; and

BE IT FURTHER RESOLVED, that the Chairperson of the Board of Commissioners or his designee is authorized to sign all necessary contracts and documents.



**Blue Cross
Blue Shield
of Michigan**

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PROVIDER SAVINGS - DETAIL (USING LOCAL CHARGES, SUB LIABILITIES)

Eaton County Inmates

Customer ID: 279726

Regular Business Only

Paid 06/2011 - 01/2012

Incurred 06/2011 - 01/2012

PHI Eligible Customer ID: 279726								
FACILITY								
PAID MONTH	APPROVED CHARGES	PROVIDER SAVINGS	APPROVED TO PAY	SUBSCRIBER COPAY	SUBSCRIBER DEDUCTIBLE	SANCTION	PAYMENT AMOUNT	PROVIDER SAVINGS NET OF AAF%**
201106	\$1,520	\$265	\$1,255	\$0	\$0	\$0	\$1,255	17.4%
201106	\$2,069	\$360	\$1,708	\$0	\$0	\$0	\$1,708	17.4%
201109	\$6,996	\$1,219	\$5,777	\$0	\$0	\$0	\$5,777	17.4%
201111	\$7,127	\$1,241	\$5,885	\$0	\$0	\$0	\$5,885	17.4%
201112	\$2,077	\$362	\$1,715	\$0	\$0	\$0	\$1,715	17.4%
201201	\$2,135	\$1,358	\$777	\$0	\$0	\$0	\$777	63.6%
	\$21,923	\$4,805	\$17,117	\$0	\$0	\$0	\$17,117	21.9%

*APPROVED CHARGES = THE SUBMITTED CHARGES MINUS ANY INELIGIBLE CHARGES

**AAF = ADMINISTRATIVE ACCESS FEE FOR FACILITY ONLY

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PROVIDER SAVINGS - DETAIL (USING LOCAL CHARGES, SUB LIABILITIES)

Eaton County Inmates

Customer ID: 279726

Regular Business Only

Paid 06/2011 - 01/2012

Incurred 06/2011 - 01/2012

PHI Eligible Customer ID: 279726								
PROFESSIONAL								
PAID MONTH	APPROVED CHARGES	PROVIDER SAVINGS	APPROVED TO PAY	SUBSCRIBER COPAY	SUBSCRIBER DEDUCTIBLE	SANCTION	PAYMENT AMOUNT	PROVIDER SAVINGS %
201106	\$134	\$81	\$52	\$0	\$0	\$0	\$52	60.8%
201107	\$539	\$344	\$194	\$0	\$0	\$0	\$194	63.9%
201108	\$810	\$508	\$301	\$0	\$0	\$0	\$301	62.8%
201109	\$380	\$214	\$166	\$0	\$0	\$0	\$166	56.3%
201111	\$1,219	\$721	\$498	\$0	\$0	\$0	\$498	59.1%
201112	\$461	\$213	\$248	\$10	\$0	\$0	\$238	48.2%
201201	\$520	\$299	\$221	\$0	\$0	\$0	\$221	57.5%
	\$4,060	\$2,380	\$1,680	\$10	\$0	\$0	\$1,670	58.6%

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PROVIDER SAVINGS - DETAIL (USING LOCAL CHARGES, SUB LIABILITIES)

Eaton County Inmates

Customer ID: 279726

Regular Business Only

Paid 01/2012 - 12/2012

Incurred thru 12/2012

PHI Eligible Customer ID: 279726								
FACILITY								
PAID MONTH	APPROVED CHARGES	PROVIDER SAVINGS	APPROVED TO PAY	SUBSCRIBER COPAY	SUBSCRIBER DEDUCTIBLE	SANCTION	PAYMENT AMOUNT	PROVIDER SAVINGS NET OF AAF%**
201201	\$2,136	\$1,358	\$777	\$0	\$0	\$0	\$777	63.6%
201205	\$1,218	\$237	\$981	\$0	\$0	\$0	\$981	19.5%
201206	\$1,052	\$208	\$844	\$0	\$0	\$0	\$844	19.8%
201207	\$2,200	\$436	\$1,764	\$0	\$0	\$0	\$1,764	19.8%
201208	\$373	\$74	\$299	\$0	\$0	\$0	\$299	19.8%
201209	\$1,330	\$244	\$1,086	\$0	\$0	\$0	\$1,086	18.3%
201210	\$8,663	\$6,654	\$2,009	\$0	\$0	\$0	\$2,009	76.8%
201211	\$5,350	\$1,057	\$4,293	\$0	\$0	\$0	\$4,293	19.7%
201212	\$1,493	\$684	\$809	\$0	\$0	\$0	\$809	45.8%
	\$23,813	\$10,851	\$12,862	\$0	\$0	\$0	\$12,862	46.0%

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DATE : 2/26/2013 11:32 AM

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**Blue Cross
Blue Shield
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PROVIDER SAVINGS - DETAIL (USING LOCAL CHARGES, SUB LIABILITIES)

Eaton County Inmates

Customer ID: 279726

Regular Business Only

Paid 01/2012 - 12/2012

Incurred thru 12/2012

PHI Eligible Customer ID: 279726									
PROFESSIONAL									
PAID MONTH	APPROVED CHARGES	PROVIDER SAVINGS	APPROVED TO PAY	SUBSCRIBER COPAY	SUBSCRIBER DEDUCTIBLE	SANCTION	PAYMENT AMOUNT	PROVIDER SAVINGS %	
201201	\$520	\$299	\$221	\$0	\$0	\$0	\$221	57.5%	
201202	\$354	\$120	\$234	\$10	\$0	\$0	\$224	33.8%	
201203	\$65	\$19	\$46	\$10	\$0	\$0	\$36	29.2%	
201205	\$949	\$289	\$661	\$0	\$0	\$0	\$661	30.4%	
201206	\$645	\$127	\$517	\$0	\$0	\$0	\$517	19.8%	
201207	\$220	\$133	\$88	\$0	\$0	\$0	\$88	60.2%	
201208	\$704	\$355	\$349	\$10	\$0	\$0	\$339	50.4%	
201209	\$429	\$284	\$145	\$0	\$0	\$0	\$145	66.2%	
201210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#Error	
201211	\$503	\$316	\$187	\$0	\$0	\$0	\$187	62.8%	
201212	\$3,130	\$1,191	\$1,939	\$0	\$0	\$0	\$1,939	38.0%	
	\$7,519	\$3,132	\$4,388	\$30	\$0	\$0	\$4,358	41.6%	

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DATE : 2/26/2013 11:32 AM

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AGENT FEE PROCESSING AGREEMENT

This agent fee processing agreement ("Agreement") is effective June 1, 2013, and is made among Blue Cross Blue Shield of Michigan, a Michigan non-profit corporation with offices at 600 Lafayette East, Detroit, Michigan 48226 ("BCBSM"), Eaton County Inmates with offices at 1045 Independence Blvd. Charlotte, MI ("Group") and Waldecker Agency with offices at 6011 West River Dr, Belmont, MI ("Agent").

Whereas, Group and Agent have negotiated an agent fee ("Agent Fee") that Group will pay Agent;

Whereas, BCBSM is willing to assist Group with the payment process of the Agent Fee;

Now therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Group and Agent have negotiated and agreed to the following Agent Fee for the period beginning 6/1/2013 until terminated by any party as set forth below:
 - a. \$ \$350.00 per month; or
 - b. \$ _____ per contract per month (only for non-quarterly settled Groups)
2. Group and Agent acknowledge and agree that such Agent Fee is reasonable compensation for Agent's services.
3. In addition to the services that BCBSM performs pursuant to an administrative services contract ("ASC") with Group, BCBSM is willing to assist Group with the payment process for the Agent Fee.
4. BCBSM will add the Agent Fee to Group's ASC invoice as follows:
 - a. If Group's ASC is a weekly or monthly invoice program, the Agent Fee will be added to the invoice that contains the ASC administrative fee;
 - b. If Group's ASC is a quarterly settled weekly or quarterly settled monthly invoice program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website (Note: Group's Quarterly Payment Schedule will not reflect the Agent Fee, however, the Group's quarterly reconciliation will include a separate line item for the Agent Fee payments that were made in the previous quarter);
 - c. If Group's ASC is an advance deposit program or monthly cap program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website;
5. Group will pay BCBSM the Agent Fee in addition to Group's required ASC payments and on the same schedule, terms and conditions as set forth in the ASC.
6. BCBSM will process all Agent Fee payments on a pass-through basis and BCBSM will only pay the Agent if BCBSM receives such amount from Group. The Agent Fee will be reported on the 5500 and BCBSM will issue IRS 1099s to the Agent.
7. Group may change the Agent and/or Agent Fee by completing and giving BCBSM a new, fully executed Agent Fee Agreement 30 days prior to the 1st of the month in which the new Agent and/or Agent Fee will be payable.
8. Group and Agent acknowledge that BCBSM's process does not allow for any retro-changes to the Agent or Agent Fee.
9. This Agreement may be terminated by any party by giving the other parties 30 days prior written notice.
10. The terms and conditions of this Agreement shall be confidential and shall not be disclosed or released to any third party without the prior written consent of all parties.
11. General Terms.
 - a. Waiver. The failure of any party at any time to require performance of any provision of this Agreement shall not affect in any way that party's full right to require such performance at any time thereafter.
 - b. Compliance with Laws. Agent shall comply with all state and federal laws and regulations

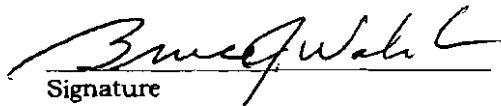
applicable to Agent's representation of BCBSM. Agent shall also comply with all rules and instructions issued by BCBSM, including but not limited to underwriting rules, regarding the marketing, sale and servicing of any Products offered through BCBSM

- c. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable for any reason, that provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.
- d. Merger Clause. This Agreement and the application to which it is attached and any addenda, schedules, rules or other agreements provided for in this Agreement or incorporated hereunder, shall be the entire agreement of the parties and supersedes all previous agreements whether oral or written, among BCBSM, Group, and Agent.
- e. Assignment. The Agent Fee shall not be assignable to any third party without the prior written consent of all parties.
- f. Law. This Agreement is entered into in the State of Michigan and shall be construed according to the laws of Michigan.
- g. Amendment. This Agreement may be amended only by a written amendment duly executed by authorized representatives of each party.
- h. Warranties. BCBSM MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF ITS SERVICES OR DELIVERABLES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ITS PERFORMANCE.
- i. Indemnification. Group and Agent shall indemnify, defend, and hold BCBSM harmless from and against any and all claims, actions, loss, damage, liability, cost or expense resulting from Group or Agent's acts or omission with respect to this Agreement, unless caused by BCBSM's gross or willful misconduct. In addition, BCBSM shall not be liable for any indirect, incidental, reliance, special, consequential or punitive damages (including lost revenue, lost profit, or loss of business opportunity) of any Party, including third parties, whether or not such damages are foreseen or unforeseen.

Group

Agent

Signature



Signature

Bruce J. Waldecker, President/Agent
Waldecker Agency

Print Name and Title

Print Name and Title

Date: _____

Date: 3-28-2013

Blue Cross Blue Shield of Michigan

Signature

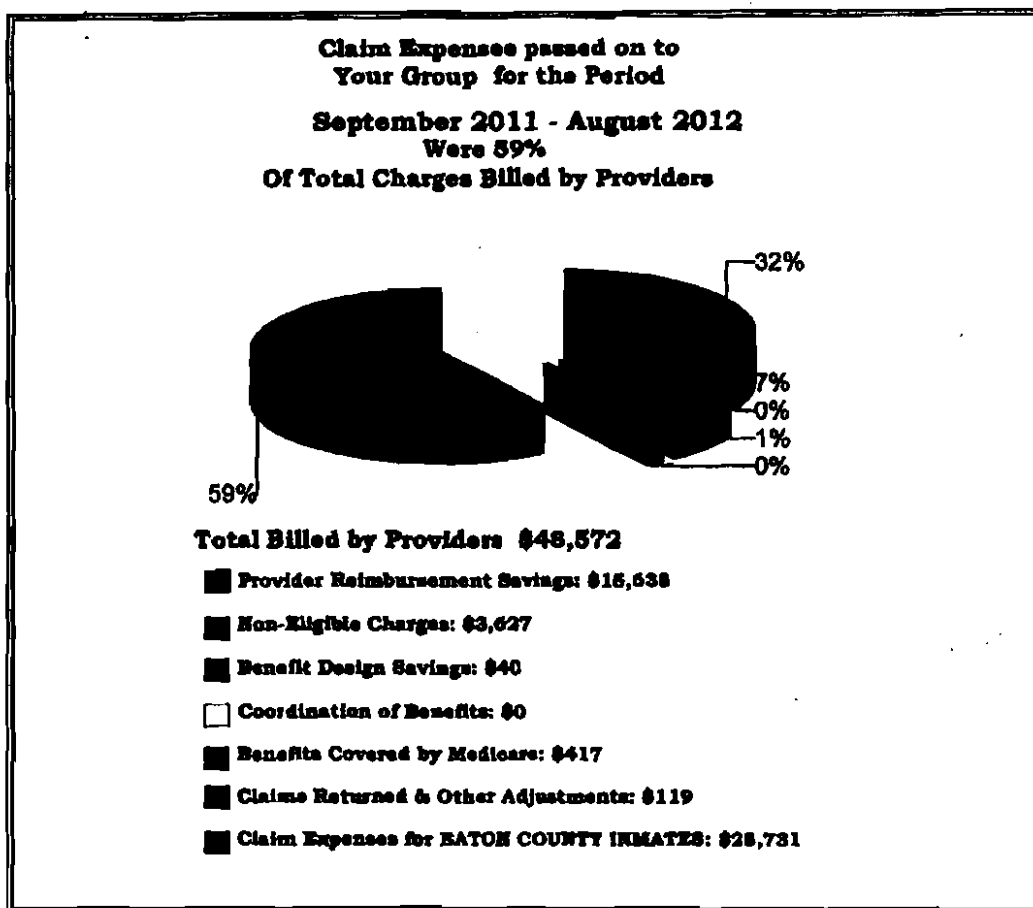
Print Name and Title

Date: _____

EATON COUNTY INMATES

BCBSM Administrative Services Contract Renewal
June 2013 - May 2014

The following documents provide important information regarding your administrative fee, stop-loss coverage, and projected claims for the upcoming renewal year. These figures have been developed based on your group's claims incurred in the period 09/2011 - 08/2012. Several exhibits detailing the characteristics of your utilization for this experience period, as well as prior periods and normative data, are included for your review. The reports provided may offer insight as to how we can continue to improve on the value you and your members get for your health care dollar. We're working hard to keep your costs as low as possible. (Savings illustrated below are detailed in the Savings Summary.)



**Provider Reimbursement Savings Alone Saved Over 44%
On Approved Medical Charges**

BlueCard program savings for your members who received care in another Blue Plan's area, outside of Michigan, are included above. These savings represent only a portion of the overall savings gained through our cost containment programs, which are designed to yield the most effective, efficient health care at the lowest possible cost. These include Provider Audit, Utilization Review, Precertification, and Case Management.

Administrative Fee

	<u>Current</u> <u>06/01/2012 - 05/31/2013</u>	<u>Renewal</u> <u>06/01/2013 - 05/31/2014</u>	<u>Adjustment</u>
Percentage of Amount	11.00%	11.00%	0.00%

Your BCBSM Administrative Fee is all-inclusive. Your fee includes all of these advantages and more:

- * HIPAA Certificates
- * ID Cards
- * Employee Communications
- * Claims Processing
- * Check Writing
- * Local Account Representatives
- * Utilization Management Reports
- * Precertification
- * Utilization Review
- * Case Management
- * Membership Processing
- * Actuarial Services
- * Anti-Fraud Services
- * Cost Containment
- * Group Conversion Privileges
- * Customer Service Representatives
- * BlueHealthConnection

Advance Deposit & Hospital Prepayment

Your group will be required to maintain an advance deposit equivalent to 50 days of amounts billed. In order to obtain the most attractive discount available, BCBSM pre-funds payments to hospitals. Pre-funding requires a deposit for your group which is adjusted annually.

Advance Deposit Funding (50 / 365 x \$119,205)	\$16,329
Hospital Prospective Funding Deposit (30 / 365 x \$60,750)	\$4,993

Projected Cost

Variable Cost

Medical Claims

Cost:

Facility	\$60,750
Physician	\$32,681

Total Medical Claims Cost \$93,431

Prescription Drug Claims Cost \$25,774

Total Variable Cost **\$119,205**

Fixed Cost:

Administrative Fees \$13,111

Total Fixed Cost **\$13,111**

TOTAL PROJECTED COST **\$132,316**

The figures do not include federal and state taxes, fees or assessments that will be included in your future bills.

Estimated Annual MI Claims Tax Assessment **\$1,192.05**

**SCHEDULE A-Renewal Term (Effective June 2013 through May 2014)
Administrative Services Contract (ASC)**

1. **Group Name:** Eaton County Inmates
 2. **Group Number:** 007033191
 3. **Contract Effective Date:** June 1, 2011
 4. **ASC Funding Arrangement:** Advance Deposit
 5. **Line(s) of Business:**

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

*Domestic Facility Code(s):

6. **Administrative Fees:**

	<u>Cost Per Contract</u>	<u>Monthly Contracts</u>	<u>Monthly Premium</u>
A. Administrative Fee	11.00%	0	<u>\$1.515</u>
B. Additional Administrative Compensation: Nine (9%) of BCBSM discounts on Michigan Hospital Claims.			
TOTAL			<u>\$1.515</u>

7. **Stop-loss Coverage(s):**

- A. **Stop-loss Coverage Purchased**
- | | |
|---|---|
| <input type="checkbox"/> Standard | <input type="checkbox"/> Specific Only |
| <input type="checkbox"/> Specific and Aggregate | <input type="checkbox"/> Aggregate Only |
| <input checked="" type="checkbox"/> None | |

- C. **Attachment Point(s) (per contract)**
- | | |
|-----------|---------------|
| Specific: | 0% Aggregate: |
|-----------|---------------|

	<u>Cost Per Contract</u>	<u>Monthly Contracts</u>	<u>Monthly Fee</u>
D. Total Stop-loss Fee	\$0.00	0	<u>\$0</u>

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

Eaton County Inmates

Group Number - 007033191

8. Advance Deposit \$16,329
Hospital Advance \$4,993
Total Deposit Held for the Contract Year: \$21,322

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

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

- 11. The Group acknowledges that BCBSM or a Blue Cross and Blue Shield Plan may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced.
- 12. 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.
- 13. 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.
- 14. 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.

Eaton County Inmates

Group Number - 007033191