

PERSONNEL COMMITTEE

12/16/2015

304 E Grand River, Conference Room 4A, Howell, Michigan 48843

8:00 AM

AGENDA

1. **CALL MEETING TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **CALL TO THE PUBLIC**
 4. **APPROVAL OF MINUTES**
 - Meeting Minutes Dated: November 18, 2015
 - Closed Session Minutes Dated: November 18, 2015
 5. **REPORTS**
 6. **RESOLUTIONS FOR CONSIDERATION**
-
- 07 **Human Resources**
RESOLUTION TO AFFIRM THE RECLASSIFICATION ANALYSIS FOR THE POSITION OF OFFICE MANAGER–DRAIN COMMISSIONER
-
- 08 **Human Resources**
RESOLUTION TO AFFIRM THE RECLASSIFICATION ANALYSIS FOR THE POSITION OF SWIFT AND SURE CASE MANAGER – COURT CENTRAL SERVICES
-
- 09 **Human Resources**
RESOLUTION AUTHORIZING THE SIGNING OF THE 2016 ADMINISTRATIVE SERVICES AGREEMENT AND SCHEDULE A - RENEWAL TERM JANUARY 2016 to DECEMBER 2016 WITH BLUE CROSS BLUE SHIELD OF MICHIGAN
-
10. **DISCUSSION**
 - Payment of Reclassification Discussion
 11. **CLOSED SESSION**
 - Bargaining Update
 12. **ADJOURNMENT**

MEETING MINUTES

LIVINGSTON COUNTY

NOVEMBER 18, 2015 – 8:00 A.M.

ADMINISTRATION BUILDING – CONFERENCE ROOM 4A
304 E. Grand River Avenue, Howell, MI 48843

PERSONNEL SUBCOMMITTEE MEETING

COMM. VANHOUTEN COMM. GRIFFITH COMM. LAWRENCE COMM. GREEN

KEN HINTON, JOHN EVANS, CINDY CATANACH, JENNIFER PALMBOS

1. **CALL TO ORDER:** Meeting called to order by: Comm. VanHouten at 8:03 am.

2. **APPROVAL OF AGENDA:**

MOTION TO APPROVE THE AGENDA
MOVED BY: LAWRENCE / SECONDED BY: GRIFFITH
ALL IN FAVOR - MOTION PASSED

3. **CALL TO THE PUBLIC:** None

4. **APPROVAL OF MEETING MINUTES of August 19, 2015:**

MOTION TO APPROVE THE MINUTES OF OCTOBER 21, 2015
MOVED BY: GRIFFITH / SECONDED BY: LAWRENCE
ALL IN FAVOR – MOTION PASSED

5. **REPORTS:** Jennifer Palmbo gave Harassment training update – 513 completed at this time.

6. **HUMAN RESOURCES:** Resolution To Approve the Job Reclassification Of The Circuit Court Secretary, Grade IV To Circuit Court Administration Secretary/Court Recorder, Grade VI

MOTION TO APPROVE THE ABOVE RESOLUTION
MOVED BY GRIFFITH / SECONDED BY LAWRENCE
ALL IN FAVOR – MOTION PASSED

7. HUMAN RESOURCES: Resolution To Modify The Non-Union Employees, Elected Officials, And Judges Benefit Plans For 2016 Fiscal Year

**MOTION TO APPROVE THE ABOVE RESOLUTION
MOVED BY LAWRENCE / SECONDED BY GRIFFITH
ALL IN FAVOR – MOTION PASSED**

8. DISCUSSION: COUNTY VEHICLES:

- **KEN HINTON REVIEWED THE CURRENT POLICY WHICH WAS LAST APPROVED IN 1987 AND PASSED OUT A LIST OF WHICH POSITIONS ARE CURRENTLY ASSIGNED VEHICLES WITH PERSONAL USE ALLOWED.**

9. CLOSED SESSION:

**ROLL CALL TO GO INTO CLOSED SESSION AT: 8:40 AM
C. GRIFFITH – YES K. LAWRENCE – YES R. VANHOUTEN – YES B. GREEN - YES
MOTION PASSED**

**RETURN TO OPEN SESSION AT: 9:18 AM
MOVED BY: LAWRENCE / SECONDED BY: GREEN**

10. ADJOURNMENT

**MOTIONED BY LAWRENCE / SECONDED BY GREEN
TO ADJOURN AT 9:19 AM
ALL IN FAVOR – MOTION PASSED**

Respectfully Submitted,

**JENNIFER PALMBOS
DIRECTOR OF HUMAN RESOURCES/LABOR RELATIONS**

RESOLUTION

NO:

LIVINGSTON COUNTY

DATE:

RESOLUTION TO AFFIRM THE RECLASSIFICATION ANALYSIS FOR THE POSITION OF OFFICE MANAGER – DRAIN COMMISSIONER

WHEREAS, the Drain Commissioner’s office submitted a request for reclassification of an Administrative Specialist to an Office Manager position; and

WHEREAS, the position was evaluated consistent with Livingston County’s classification and compensation system including job evaluation and grade structure; and

WHEREAS, this position has been evaluated by Municipal Consulting Services, LLC, who is recommending this position be retitled from Administrative Specialist to Office Manager – Drain Commissioner but remain classified as a Grade 5.

THEREFORE BE IT RESOLVED that the Livingston County Personnel Committee hereby approves the retitling of an Administrative Specialist in the Drain Commissioner’s office, currently held by Deborah Ursin, to Office Manager – Drain Commissioner, as well as the amended job description, and affirms Municipal Consulting Service’s recommendation that the position remain at Grade 5 of the non-union wage scale.

#

#

#

MOVED:

SECONDED:

CARRIED:

MUNICIPAL CONSULTING SERVICES LLC

November 20, 2015

Ms. Jennifer Palmbos
Director of Human Resources/Labor Relations
Livingston County
304 East Grand River Avenue, Suite 205
Howell, MI 48843

Dear Ms. Palmbos,

This letter is in regard to your request for our firm to conduct a reclassification analysis for the position of Office Manager – Drain Commissioner in the Livingston County organization. In completing the classification analysis for this position I have performed the following tasks:

- Reviewed job-related information including the job evaluation information developed and submitted by the Environmental Projects Manager.
- Discussed the position with you to ascertain educational requirements and FLSA status.
- Reviewed information regarding Livingston County's classification and compensation system including job evaluation totals and the grade structure.
- Point-factored the classification utilizing the accumulated understanding of the position, the pay structure and the job evaluation (point factor) plan.
- Developed a recommended pay grade level for the classification.

The results of the classification analysis for the position are included in the attached Table A. The position was evaluated based on ten compensable job factors. These are the same factors and values that were utilized to develop Livingston County's new pay grade structure.

BACKGROUND FOR THE POSITION OF OFFICE MANAGER – DRAIN COMMISSIONER

The position of Office Manager – Drain Commissioner is a new position that will replace one Administrative Specialist classification in the organization. Essentially, one current incumbent will be elevated to the new position and will serve as a leader of office operations. Related to this, the position will have responsibility for coordinating the workload of one full-time and one-half time position. As a new position, duties are clearly defined in the new job description as opposed to the previously-used generic job description developed for Administrative Specialist.

As noted, the employee that will hold the new job was previously classified as an Administrative Specialist. It must be noted that there are a number of Administrative Specialist classifications at the County, some of which are more complex in job duties and job latitude than others. This issue was discussed during the study when it was decided to combine the Administrative Assistant and Administrative Specialist classifications. It was also understood that the classification would be graded on the highest level of complexity experienced by any of the incumbents. Essentially, department directors differ in the level of delegation concerning this position and the grade 5 classification recognized the highest level of responsibility for any Administrative Specialist in the organization.

This is mentioned, because in point factoring the position of Office Manager – Drain Commissioner, the evaluation is performed based on the particular duties of the now separate position. Key points are as follows:

- The position will oversee the work of two office employees. As an Administrative Specialist (the former classification), we have already awarded points as an office leader. These points would also apply to the new position of Office Manager. This level of leadership is consistent with the duties outlined in the job description. This is a limited amount of leadership considering that there is only one other full-time employee and one part-time employee in the office operation.
- For education and experience, the job description proposed by the Environmental Projects Manager lists an Associate's Degree as minimum education. We do not see a reason why the minimum educational level should be increased and have expressed our views to Human Resources. We have then proceeded to evaluate the position based on a high school diploma, with college or business school training less than an Associate's Degree and four years of experience. This was the level used for Administrative Specialist. It represents a well-experienced and competent administrative employee.

POINT FACTOR ANALYSIS AND RESULTS

As noted above, we have evaluated the position using the ten point factors which comprise the County's job evaluation plan. The results of this evaluation are summarized in the attached Table A. In summary, the analysis has resulted in a point total of 1,437 for the Office Manager – Drain Commissioner. This would place the new position in grade 5 of the County's pay grade structure at the same point ratings and grade level as previous.

The key to this evaluation is the former rating as an Administrative Specialist. The most notable difference between the old job and new is the addition of the office leader responsibility (other duties fall well within the scope of Administrative Specialist job complexity). The question will arise as to why the incumbent is graded at the same level as another job which she now leads. The answer lies in the generic classification of Administrative Specialist. At the time of the study, the incumbent benefited point-wise from inclusion in this generic group, gaining credit for leadership points without actually having the responsibility. Now that the responsibility has been given, the points are more accurately assigned.

Lastly, discussion may focus on educational requirements or FLSA status that are now being proposed. We are measuring “minimum” requirements for the position and consider these changes both unnecessary and inconsistent with other jobs in the grade structure. If the County disagrees, we will certainly follow your lead regarding any decisions on changes to these job attributes.

* * * * *

We have appreciated the opportunity to assist Livingston County in this important classification request. Please feel free to contact me at 734.904.4632 if you have questions or wish to discuss the findings and conclusions.

Very truly yours,



Mark W. Nottley, Principal
Municipal Consulting Services LLC

TABLE A
LIVINGSTON COUNTY
POINT TOTALS FROM RECLASSIFICATION ANALYSIS PROCESS OF NOVEMBER, 2015 (DRAINS)

| Classification Reviewed: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Recommended Total Points: | Recommended Grade: |
|-------------------------------------|-----|-----|-----|----|-----|----|----|-----|----|----|---------------------------|--------------------|
| Office Manager - Drain Commissioner | 267 | 240 | 200 | 30 | 240 | 60 | 90 | 250 | 60 | 0 | 1437 | 5 |

**LIVINGSTON COUNTY
JOB DESCRIPTION**

OFFICE MANAGER – DRAIN COMMISSIONER

Supervised By: Drain Commissioner and Chief Deputy Drain Commissioner

Supervises: Functions as a designated office leader

FLSA Status: Non-Exempt

Position Summary:

Under the supervision of the Drain Commissioner and Chief Deputy Drain Commissioner is responsible for performing and coordinating administrative support efforts in the Drain Commissioner's office. Responsible for leadership of administrative support staff, and oversees general front desk operations to provide exceptional service to the general public.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties, which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

- 1) Serves as a formal leader of administrative support staff of the Drain Commissioner's Office by participating in the interviewing and hiring process. Also assists the Chief Deputy Drain Commissioner in reviewing and evaluating performance of administrative support staff, as well as consulting with superiors on employee relations matters.
- 2) Coordinates the work assignments of administrative support staff, including the review and approval of requested time off.
- 3) Recommends changes in Drain Commissioner's Office policies and procedures to increase efficiencies and improve customer service. Under direction of the Drain Commissioner and Chief Deputy Drain Commissioner, develops standard operating procedures to implement the recommended changes.
- 4) Assists the Chief Deputy Drain Commissioner in tracking the progress of drain projects and coordinating the preparation and publication of proper notices and orders for petitioned projects pursuant to the Michigan Drain Code. Assists the Chief Deputy Drain Commissioner and right-of-way consultants with land acquisition activities, including but not limited to: ordering title work and corresponding with title the company, preparation of easement documents and related correspondence, and corresponding with legal counsel related to condemnation activities. Maintains a database on project milestones and statutory action requirements.

- 5) Coordinates preparation for annual Drain Special Assessment Hearings. Prepares assessment schedule with assistance of Chief Deputy Drain Commissioner and Accounting Supervisor, and prepares notices and correspondence associated with special assessment hearings mandated by the Michigan Drain Code.
- 6) Trains administrative support staff to perform the duties associated with each position.
- 7) Provides backup to administrative support staff in their absence, including answering phones, directing customer inquiries, and issuing permits.
- 8) Responsible for completing other tasks as described herein, or delegating tasks to administrative support staff where appropriate. These tasks include, but are not limited to the following:
 - a) Takes minutes at meetings when requested. This may include but is not limited to the following meetings: Board of Public Works, Lake Improvement, Lake Level, public information meetings, etc. Prepares and publishes notifications as required by state statute. Also prepares materials for meetings, and publishes minutes, resolutions, and other information when required. Meetings are often conducted after work hours and on weekends.
 - b) Prepares materials and assists in the preparation for County-wide Solid Waste Program events conducted through the Drain Commissioner's office such as the Household Hazardous Waste and E-waste collections.
 - c) Acts as FOIA coordinator for the Drain Commissioner's office and the Department of Public Works. Coordinates with County FOIA coordinator per FOIA policy set by Board of Commissioners.
 - d) Maintains and organizes office contracts and tracks contract status, including pertinent dates and milestones.
 - e) Assists the Field Supervisor in tracking and keeping the office up-to-date on safety training requirements such as first-aid, confined space entry, etc. Acts as office point of contact for MIOSHA inquiries pertaining to office operations.
 - f) Performs basic office duties such as copying, filing, faxing, typing standard documents, preparing, sorting, distributing mail, and entering data into various software programs or spreadsheets.
 - g) Manages document archival system. Categorizes records to be filed, and scans contracts, permits, and other records using document management system.
- 9) Performs other duties as directed by the Drain Commissioner or Chief Deputy Drain Commissioner.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

Requirements include the following:

- High school diploma supplemented by vocational or college-level training in office management or similar discipline and four years experience in providing administrative support in a complex customer service-focused operation.
- The County, at its discretion, may consider an alternative combination of formal education and work experience.
- Skill in effectively communicating ideas and concepts orally and in writing. Must demonstrate technical writing skills.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with County employees, contractors to the County, representatives of other governmental units, professional contacts, elected officials, and the public.
- A level temperament which allows for effective communication with upset customers and ability to de-escalate heated encounters at the front counter.
- Ability to assess situations, solve problems and work effectively under stress and within deadlines.
- Skill in the use of office equipment and technology, including Microsoft Suite applications, the County's financial software, permitting software, project management software, and other programs utilized by the Drain Commissioner's Office.
- Ability to plan and organize the work of others.
- Ability to work with multiple priorities and meet frequent work deadlines.

Physical Demands and Work Environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to communicate in person and by telephone, read regular and small print, view and produce written and electronic documents and enter data on a computer keyboard with repetitive keystrokes. The employee must be mobile in an office setting, stand, sit, stoop and kneel, use hands to finger, handle, or feel and reach with hands and arms. The employee must lift or push/pull objects of up to 15 lbs.

without assistance. Accommodation will be made, as needed, for employees required to lift or move objects that exceed this weight.

The typical work environment of this job is a business office setting where the noise level is quiet and sometimes moderate.

RESOLUTION

NO:

LIVINGSTON COUNTY

DATE:

RESOLUTION TO AFFIRM THE RECLASSIFICATION ANALYSIS FOR THE POSITION OF SWIFT AND SURE CASE MANAGER – COURT CENTRAL SERVICES

WHEREAS, the Court Central Services submitted a request for reclassification of an Administrative Specialist to a Swift and Sure Case Manager position; and

WHEREAS, the position was evaluated consistent with Livingston County’s classification and compensation system including job evaluation and grade structure; and

WHEREAS, this position has been evaluated by Municipal Consulting Services, LLC, who is recommending this position be retitled from Administrative Specialist to Swift and Sure Case Manager but remain classified as a Grade 5.

THEREFORE BE IT RESOLVED that the Livingston County Personnel Committee hereby approves the retitling of an Administrative Specialist in Court Central Services to a Swift and Sure Case Manager, as well as the amended job description, and affirms Municipal Consulting Service’s recommendation that the position remain at Grade 5 of the non-union wage scale.

#

MOVED:

SECONDED:

CARRIED:

MUNICIPAL CONSULTING SERVICES LLC

November 19, 2015

Ms. Jennifer Palmbo
Director of Human Resources/Labor Relations
Livingston County
304 East Grand River Avenue, Suite 205
Howell, MI 48843

Dear Ms. Palmbo,

This letter is in regard to your request for our firm to conduct a reclassification analysis for the position of Swift and Sure Case Manager in the Livingston County organization. In completing the classification analysis for this position I have performed the following tasks:

- Reviewed job-related information including the job evaluation information developed and submitted by the Court Programs Administrator.
- Discussed the position with you to ascertain educational requirements and other job aspects.
- Reviewed information regarding Livingston County's classification and compensation system including job evaluation totals and the grade structure.
- Point-factored the classification utilizing the accumulated understanding of the position, the pay structure and the job evaluation (point factor) plan.
- Developed a recommended pay grade level for the classification.

The results of the classification analysis for the position are included in the attached Table A. The position was evaluated based on ten compensable job factors. These are the same factors and values that were utilized to develop Livingston County's new pay grade structure.

BACKGROUND FOR THE POSITION OF SWIFT AND SURE CASE MANAGER

The position of Swift and Sure Case Manager was classified as a generic Administrative Specialist position in the original classification and compensation study submitted to the County in January, 2015. The Court Programs Administrator has now requested that this position be reclassified as a separate, specialized job due to the unique duties and responsibilities.

The duties of the position focus on administering the Swift and Sure Sanctions Probation Program. The Swift and Sure Sanctions Probation Program (SSSPP) is an intensive probation supervision program that targets high-risk felony offenders with a history of probation violations

or failures. SSPP participants are closely monitored, including being subjected to frequent random testing for drug and alcohol use and being required to attend frequent meetings with probation and/or case management staff. SSSPP aims to improve probationer success by promptly imposing graduated sanctions for probation violations and encouraging alternative modes of behavior.

The Swift and Sure Case Manager is responsible for engaging participants with drug and alcohol testing, obtaining treatment referrals, and other services as necessary. The Swift and Sure Case Manager is also responsible for helping participants to schedule transportation, register for healthcare, refer participants to educational or employment assistance programs, assign SSSPP program homework, and work with participants to build résumés. The Swift and Sure Case Manager works with Michigan Department of Correction (MDOC) agents to coordinate program aspects and support participants through the program.

In regard to point factoring, the position was previously classified as an Administrative Specialist. It must be noted that there are a number of Administrative Specialist classifications at the County, some of which are more complex in job duties and job latitude than others. This issue was discussed during the study when it was decided to combine the Administrative Assistant and Administrative Specialist classifications. It was also understood that the classification would be graded on the highest level of complexity experienced by any of the incumbents. Essentially, department directors differ in the level of delegation concerning this position and the grade 5 classification recognized the highest level of responsibility in the organization.

This is mentioned, because in point factoring the position of Swift and Sure Case Manager, the evaluation is performed based on the particular duties of the now separate position. This impacts the point factor as follows:

- For education and experience, the two submitted documents differ. One retains the levels used for the generic Administrative Specialist (high school diploma with additional college-level or vocational training) while the other, prepared by the incumbent, states an Associate's Degree with two years experience. We do not see a reason why the minimum educational level should be increased. Consequently we have evaluated the position based on the former. It is possible that an incumbent could have a higher educational level – but what we are measuring is the minimum requirement for the job.
- The generic Administrative Specialist position was awarded 30 points for supervision (formal leader) based on the highest score of all incumbents in this class. The Swift and Sure Case Manager does not have this level of leader/supervisory responsibility (minimum of one full-time equivalent to qualify). It is mentioned that there may be interns in the future but this does not reach the required level of leadership.
- Points for Responsibility for Others have been increased by 20 to account for the potential impact of actions on the service population.

- Technology has been slightly reduced. The generic Administrative Specialist contains jobs that must work with more complex software platforms. The suggested level for the Swift and Sure Case Manager is still complex and is similar to point levels for positions such as the Victims Rights Advocate Coordinator and Veterans Benefits Counselor – positions that also service populations that require service coordination between agencies and must work with similar, functional data base software.
- Points have been added for work environment due to the stated requirement to visit the jail facility and interact with inmates.

POINT FACTOR ANALYSIS AND RESULTS

As noted above, we have evaluated the position using the ten point factors which comprise the County's job evaluation plan. The results of this evaluation are summarized in the attached Table A. In summary, the analysis has resulted in a point total of 1,437 for the Swift and Sure Case Manager. This would place the new position in grade 5 of the County's pay grade structure.

* * * * *

We have appreciated the opportunity to assist Livingston County in this important classification request. Please feel free to contact me at 734.904.4632 if you have questions or wish to discuss the findings and conclusions.

Very truly yours,



Mark W. Nottley, Principal
Municipal Consulting Services LLC

TABLE A
LIVINGSTON COUNTY
POINT TOTALS FROM RECLASSIFICATION ANALYSIS PROCESS OF NOVEMBER, 2015

| Classification Reviewed: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Recommended Total Points: | Recommended Grade: |
|-----------------------------|-----|-----|-----|---|-----|----|----|-----|----|----|------------------------------|-----------------------|
| Swift and Sure Case Manager | 267 | 240 | 200 | 0 | 240 | 80 | 80 | 250 | 60 | 20 | 1437 | 5 |

**LIVINGSTON COUNTY
JOB DESCRIPTION**

SWIFT AND SURE CASE MANAGER

Supervised By: Courts Program Administrator

Supervises: May oversee the work of interns

FLSA Status: Non-Exempt

Position Summary:

Under the supervision of the Courts Program Administrator, is responsible for administrative tasks associated with the Swift and Sure Sanctions Probation Program (SSSPP). Engages participants with drug and alcohol testing, treatment, and other services as necessary. Responsible for helping participants to schedule transportation, obtain referrals for treatment and register for healthcare. Refers participants to educational or employment assistance programs; assigns SSSPP program homework, and works with participants to build résumés. Works with Michigan Department of Correction (MDOC) agents to coordinate case management for participants involved in the program. Performs records management and all other assigned duties in support of program administration.

Essential Job Functions:

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties, which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

1. Meets with Swift and Sure participants to provide orientation, and assessment on a regular basis, per the State Court Administrator's Office (SCAO) requirements.
2. Gathers demographic and case information on potential participants who are referred to the Swift and Sure program and enters data into the program's data collection systems.
3. Provides ongoing documentation of a participant's individual progress, engagement in services, appropriateness of services received, program compliance, and transitioning back into the community.
4. Monitors and oversees participants to ensure that participants are in compliance with probation and program conditions.
5. Provides participants with referrals for testing, treatment, and other services. Assists participants in registering for medical insurance as appropriate.
6. Monitors participant compliance with judicial orders.

7. Works with Michigan Department of Corrections (MDOC) probation agents to determine whether an individual is eligible and appropriate for recommendation to the Swift and Sure program.
8. Responsible for administering program intake.
9. May be required to visit Swift and Sure participants and referrals in the Livingston County Jail.
10. Works with participants to find viable transportation options, utilizing LETS tokens and taxi rides.
11. Assists in collecting, validating, recording, and maintaining data for program participants to meet and exceed the minimum standard data requirements as published by SCAO. Assures that all information is up to date and available to the Judge and SSSPP team.
12. Works with the Judge's office to ensure that all paperwork and documents relating to the program are accurately assimilated into court and/or program files.
13. Responsible for SSSPP sanction hearings including scheduling and creating a report and recommendation to the Judge, Prosecutor, and Probation Department.
14. Assists in creating and implementing program policies and procedures associated with the program. Attends all program planning meetings.
15. Responsible for following all SSSPP grant and budget requirements in performing assigned duties.
16. Assists the Courts Program Administrator with program reports and budget planning and assists with ongoing program planning and development.
17. Serves as a program coordinator for and among SSSPP stakeholders, including the court, MDOC, Prosecutor's Office, and law enforcement.
18. Prepares and distributes program reports and statistics as required by the court, SCAO, or at the request of SSSPP stakeholders.
19. Maintains professional communication and working relationships with Judges, Community Corrections, MDOC, Court and County personnel, law enforcement agencies, treatment providers, social service agencies, and others in the community, including monitoring agencies.
20. Works with the specialty courts program team to approve, record, file and submit invoices.
21. May oversee the work of assigned interns.

22. Performs other duties as directed.

Required Knowledge, Skills, Abilities and Minimum Qualifications:

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

Requirements include the following:

- High school diploma supplemented by vocational or college-level training in office management or similar discipline and four years experience in providing administrative support in a court and/or criminal justice setting.
- The County, at its discretion, may consider an alternative combination of formal education and work experience.
- A Michigan Vehicle Operator's License.
- Good analytic skill and the ability to suggest new and improved administrative techniques as well as quickly grasp the fundamentals of administrative systems for the Swift and Sure Sanctions Probation Program.
- Working knowledge of office procedures, file setup and maintenance, bookkeeping principles and application and administrative support techniques.
- Skill in effectively communicating assigned areas of responsibility orally and in writing and working within a team concept.
- Strong skills in proofreading, performing arithmetic calculations, maintaining accounts and records and following and suggesting refinements to procedural systems.
- Ability to establish effective working relationships and use good judgment, initiative and resourcefulness when dealing with County employees, prisoners and program participants, representatives of other governmental units and the judicial system, professional contacts, elected officials and the public.
- Demonstrated skill and experience in the use of office equipment and technology, including Microsoft Suite applications and the ability to master particular software programs utilized by the courts, and new technologies.

Physical Demands and Work Environment:

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to communicate in person and by telephone, read regular and small print, view and produce written and electronic documents and enter data on a computer keyboard with repetitive keystrokes. The employee must be mobile in an office setting, stand, sit, stoop and kneel, use hands to finger, handle, or feel and reach with hands and arms. The employee must lift or push/pull objects of up to 15 lbs. without assistance. Accommodation will be made, as needed, for employees required to lift or move objects that exceed this weight.

The typical work environment of this job is a business office setting where the noise level is quiet and sometimes moderate but the employee must occasionally travel to other locations including possibly the County jail, where environmental conditions may differ.

RESOLUTION

NO:

LIVINGSTON COUNTY

DATE:

RESOLUTION AUTHORIZING THE SIGNING OF THE 2016 ADMINISTRATIVE SERVICES AGREEMENT AND SCHEDULE A - RENEWAL TERM JANUARY 2016 to DECEMBER 2016 WITH BLUE CROSS BLUE SHIELD OF MICHIGAN - Human Resources

WHEREAS, Livingston County contracts with Blue Cross Blue Shield of Michigan to administer health, dental, and vision benefits to its employees and retirees; and

WHEREAS, Livingston County has received the 2016 Administrative Services Agreement and Schedule A to renew Livingston County's contract with Blue Cross Blue Shield of Michigan for Administrative Services.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners hereby authorizes the Board Chair to sign the attached Administrative Services Agreement and Schedule A - Renewal Term January 2016 - December 2016, after review by legal counsel.

#

#

#

**MOVED:
SECONDED:
CARRIED:**

Administrative Services Contract –Quarterly Settled Weekly Wire Program

Livingston County

This Contract commences on 1/1/2016 (the “Effective Date”) and is made between Blue Cross Blue Shield of Michigan, a Michigan non-profit mutual insurance corporation, with offices at 600 Lafayette East, Detroit, Michigan 48226-2998 (“BCBSM”) and Livingston County with offices at 304 E. Grand River STE 205, Howell, MI 48843 (“Group”), as the plan sponsor and administrator of its group health care plan (“Plan”).

BCBSM and Group have agreed that BCBSM shall administer Claims processing for the Plan. This Contract sets forth the administrative responsibilities of BCBSM and Group’s financial and other obligations with respect to BCBSM’s role as a service provider to the Plan.

By entering into this Contract, Group and BCBSM hereby agree that, to the extent the Plan is governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), their relationship is that of Group as “Plan Fiduciary” and BCBSM as “Service Provider” as those terms are used in Department of Labor guidance including 29 C.F.R. §2550.408b-2.

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, Pharmacy Benefits if applicable, the Administrative Fee set forth in Schedule A, any Additional Administrative Compensation (“AAC”) as set forth in Schedule A, Michigan Claims Tax, Pharmacy benefit fees as set forth in Schedule A, Health Care Provider Interest, and other fees and charges as set forth in Schedules A and B.
- B. **“BCBS Plan”** means a company that has been licensed by BCBSA other than BCBSM.
- 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 from a health care provider for a health care service provided to an Enrollee, with an incurred date for the service during the term of this Contract. Claims billed to Group include all amounts that BCBSM reimburses health care providers including both service-based and value-based reimbursement. BCBSM negotiates provider reimbursement rates on its own behalf and may set the rate for health care services to cover any BCBSM obligation to health care providers. BCBSM does not retain any portion of Claims as compensation. Provider reimbursement is governed by separate agreements with providers, BCBSM standard operating procedures for Claims, and BCBSM Quality Programs.

Claims received from an out-of-state BCBS Plan for a health care service provided to an Enrollee out-of-state are paid according to that BCBS Plan’s health provider contracts and processed according to BlueCard Program standard operating procedures. Pursuant to the BlueCard Program, as described in Schedule B, out-of-state Claims may include a BlueCard Access Fee for processing the claim. Out-

of-state Claims are reported and billed to the Group as they are received by BCBSM from the out-of-state BCBS Plan.

- F. **“Contract”** means this Administrative Services Contract – Weekly 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 Universal Group Application or Part C of the Group Enrollment and Coverage Agreement, which is incorporated into this Contract.
- I. **“Employee”** means the following which are eligible and enrolled for Coverage under the terms of the Plan or as required by law: (i) employees as designated by Group; (ii) retirees and their surviving spouses as designated by the Group; and (iii) COBRA beneficiaries.
- J. **“Enrollee”** means an individual that Group enrolled as an employee, spouse or dependent in the Plan pursuant to Article II.B, either as an Employee or as a dependent of an Employee.
- K. **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, 29 USC 1101, *et seq*, and regulations promulgated thereunder.
- L. **“Estimated Outstanding Liability (EOL)”** means an estimate of the Group's future liability, including but not limited to, IBNR Claims which will be paid by BCBSM on behalf of the Group during the Transition Assistance Period and which is the Group's obligation to pay pursuant to the provisions of this Contract.
- M. **“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.
- N. **“IBNR Claims”** means Claims which are incurred during the term of this Contract, including during the Transition Assistance Period, but have not been reported to the Group as Amounts Billed or paid and which remain the Group's liability.
- O. **“PPACA”** means the Patient Protection and Affordable Care Act, as amended, Public Law 111-148 of 2010, *et seq*, and regulations promulgated thereunder.
- P. **“Quality Programs”** refer to BCBSM programs funded with value-based provider reimbursement. Quality Programs are governed by separate agreements with health care providers and are designed to improve health care outcomes and control health care costs.
- 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 initiating the Termination Assistance Period.
- 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.
- S. **“Transition Assistance Period (TAP)”** means a period of twenty-four (24) months after Termination has been effectively demanded under Article IV, during which BCBSM shall provide those services, and Group shall perform those obligations, set forth in Article IV, Section B.

ARTICLE II
GENERAL RESPONSIBILITIES

A. Claims Administrator Status.

If the Plan is governed by ERISA, based on Group's disclosure of ERISA status in this Contract, Group hereby delegates to BCBSM the responsibility and discretionary authority as claims administrator to make final benefit determinations and plan interpretations necessary to make those benefit determinations. BCBSM's claims administrator responsibilities extend only to the full and fair review of claims and administrative appeals as set forth in ERISA §433. By assuming these specifically delegated responsibilities as claims administrator, BCBSM does not thereby assume any other duty of the Group as Plan Administrator or any other fiduciary function Group performs on behalf of its Plan. Any determination or interpretation made by BCBSM pursuant to its claim determination 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 fiduciary responsibilities and duties under ERISA not specifically delegated to BCBSM in this Contract.

BCBSM shall not be responsible for Group's failure to meet any of its financial obligations or Plan Administrator responsibilities with respect to the Plan.

B. Eligibility and Enrollment.

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

C. Claims Processing.

During the term of this Contract, requests for payment from Michigan providers will be directly submitted to BCBSM and shall be processed according to BCBSM's standard operating procedures for Claims. Requests for payment from out-of-state providers may, depending on the type of request for payment, be directly submitted to the appropriate out-of-state BCBS Plan and shall be processed pursuant to the BlueCard Program as set forth in Schedule B.

D. Disputed Claims.

Group shall notify BCBSM in writing of any Claim that Group disputes within 60 days of Group's access to 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 reasonably 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 financial responsibility 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).

E. Subrogation.

BCBSM shall be subrogated to all of Group's, the Plan'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 the Group 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 in writing. Absent written agreement, should Group elect to pursue such recovery litigation, BCBSM agrees to cooperate in Group's recovery efforts. BCBSM will remit to Group the funds recovered from third parties, less any expenses BCBSM has incurred in the recovery effort, including any attorney fees. BCBSM may assign or subcontract a portion of its duties under this provision of the Contract to third parties. Group will assist BCBSM or its assignee or subcontractor as reasonably necessary for BCBSM, its assignee, or subcontractor to carry out its duties under this provision.

Group authorizes BCBSM to act on behalf of Group and/or the Plan 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 such litigation 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 in writing. Group will reasonably cooperate with BCBSM with respect to any such litigation. BCBSM may assign or subcontract a portion of its duties under this provision to third parties. Group authorizes BCBSM to settle or compromise any litigation 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. Group may, with BCBSM's consent, request that BCBSM select counsel and defend litigation. BCBSM retains the right to deny this request and enforce Group's obligation to defend the Litigation.
3. 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.
4. Regardless of who is obligated to defend the litigation, Group and BCBSM shall reasonably 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.
5. BCBSM shall have full authority to settle or compromise such Litigation, without Group's specific 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; or
 - c. Settlement of the Litigation could have a material adverse impact on Plan costs or administration.

If Group's consent to settle or compromise Litigation 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 BCBSM 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.

6. 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 to settle or compromise Litigation 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.

7. When BCBSM defends 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 of amounts that are the financial responsibility of Group, including but not limited to Claims, (via judgment, award, etc.) shall be paid by Group.
8. Subject to paragraph 7 above, when the Group defends 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 \$50 per Claim.

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 in connection with audit findings 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.

Group shall provide BCBSM with a copy of any internal audit or review of the services performed under any agreement with BCBSM.

H. Disclosures.

Group shall disclose the following to Enrollees in writing:

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 Plan benefits.
5. Group is responsible for enrollment.

I. Health Care Provider Interest.

Group acknowledges that various states including Michigan have enacted prompt payment legislation with respect to the payment of Claims that may require the payment of interest to providers under circumstances dictated by statute. BCBSM will invoice the Group for any interest required by statute and Group shall pay such interest. Additionally, out-of-state Claims may be inclusive of any interest owed by statute or required by the terms of provider contracts with the out-of-state BCBS Plan. Out-of-state Claims are reported and billed to Group as submitted to BCBSM by the out-of-state BCBS Plan.

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, unless 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. Amounts Billed.

1. Claims:

The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A.

BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Through this contract, Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. BCBSM does not retain any portion of Claims as compensation. All amounts collected from Group in Claims are used to satisfy provider obligations. Group agrees to pay Claims as defined herein.

Out-of-state Claims processed through the BlueCard Program, shall be calculated according to the BlueCard Program policies and procedures, as set forth in Schedule B.

2. Additional Administrative Compensation:

Group shall pay Additional Administrative Compensation (“AAC”) as set forth in Schedule A unless the Group has elected a Full Fixed Administrative Fee in lieu of AAC. AAC is calculated as a percentage of BCBSM discounts on Michigan hospital Claims with a cap and floor as set forth in Schedule A.

3. Health Care Provider Interest:

See Article II.I.

4. Taxes and Surcharges:

State and Federal governments may impose surcharges or taxes on Claims. The State of Michigan imposes a tax on all Michigan Claims for Michigan residents. Tax rates are governed by applicable law.

Such surcharges or taxes, where imposed by law, may be invoiced to Group or billed and reported to Group in Claims. Group agrees to pay all such surcharges or taxes.

5. Pharmacy Benefits Services:

If Group elects BCBSM pharmacy benefits, Amounts Billed shall include pharmacy Claims and any claims processing, pharmacy fees, and rebate processing fees set forth in Schedule A.

6. Amounts Billed shall also include any fee or charge identified in Group’s Schedule A, including but not limited to Group’s Administrative Fee.

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. Pharmacy Benefits.

To the extent Group has engaged BCBSM to administer prescription drug claims for its Plan, BCBSM or its subcontractor shall process all prescription drug claims according to Group’s benefit design and BCBSM’s participating pharmacy contracts.

Group acknowledges that payments to participating pharmacies may include prescription drug costs, dispensing fees, and incentive fees for dispensing a generic drug or compounding a prescription drug.

Group authorizes BCBSM to act and serve as Group’s exclusive agent for the purpose of negotiating with and obtaining rebates from pharmaceutical manufacturers. Group understands and agrees that BCBSM may directly contract with pharmaceutical manufacturers or BCBSM may contract with various subcontractors that have contracts with pharmaceutical manufacturers. BCBSM’s rebate

administrators retain a portion of the total rebates collected from drug manufacturers as a rebate administration fee. BCBSM will pass on to Group rebates net of rebate administration fees. If BCBSM receives rebate adjustments or de minimis amounts of unidentifiable rebates that cannot practicably be tied to particular claims, BCBSM will proportionally allocate those rebate amounts to customers with pharmacy benefits.

Pharmacy administration fees and rebate administration fees are set forth in Schedule A.

ARTICLE III **FINANCIAL RESPONSIBILITIES**

A. Group Responsibilities.

Group shall be liable for all risks, financial obligations, Amounts Billed, fees, and interest set forth in this Contract, including Schedules A, B, and C. Group shall also be liable for 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, including Schedules A, B, and C. 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.

During the first two Quarterly Payment Periods of this Contract, Group shall pay to BCBSM each week the "Estimated Weekly 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. Interest.

Pursuant to the instructions in Schedule A, Group shall pay the Estimated Weekly Payment to a designated BCBSM bank account, which funds other BCBSM accounts. To the extent any of those bank accounts are interest bearing, BCBSM retains any interest earned and will not pay or credit any interest to Group. Additionally, banks holding BCBSM accounts may retain float interest earned on transactions with the funds in those accounts.

D. Schedule A Renewals.

Thirty (30) days prior to each Renewal Date, BCBSM shall send Group a Schedule A for the new Contract Year with all pricing terms, including BCBSM's administrative fee, applicable AAC, interest rates, and any new Michigan hospital advance. Such Schedule A may specify the pricing terms for a single Contract Year or, with the agreement of BCBSM and Group, may specify the pricing terms for multiple Contract Years. The renewal term Schedule A as received by the Group shall be considered fully executed and effective on the Renewal Date unless the Group notifies BCBSM prior to the Renewal Date that the contract will not be renewed.

E. Group's Weekly Wire and Other Payments.

Group shall make weekly 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 (2%) 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.

F. 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, to the extent known by BCBSM at that time, the Amounts Billed with respect to the covered lines of business for the immediate prior Quarterly Period.
2. Annual Settlements. Group shall receive its Annual Settlement approximately one hundred twenty (120) days after the end of each Contract Year, which may include a reconciliation of the administrative fee based on BCBSM's enrollment records for the Contract Year at the time the reconciliation is performed. Because reconciliation of Group's hospital Claims depends on BCBSM's final settlement with the hospitals, a separate settlement process called CSR, explained below, captures that reconciliation.

If the Group has an arrangement whereby it pays AAC, the total AAC reported to Group with the Annual Settlement equals the total amount of AAC collected from Group during the year in Amounts Billed less any AAC that was refunded to Group pursuant to a stop-loss insurance policy with BCBSM. If the total AAC exceeds the maximum AAC set forth in Schedule A, BCBSM shall return the excess AAC to Group. If the total AAC is less than the minimum AAC set forth in Schedule A, Group shall pay BCBSM the shortfall. Neither Group nor BCBSM shall pay any interest on these payments/refunds.

3. Customer Savings Refund. Customer Savings Refund (CSR) is the annual report reconciling Group's Amounts Billed during the 12-month period 7/1 - 6/30 with any of the following items settled during the same period: (1) retroactive adjustments made in the Michigan Hospital Settlement (MHS), explained below, (2) drug rebates received pursuant to Group's Pharmacy Benefits arrangement, (3) class action recoveries, and (4) any other settlements from litigation and provider audits for which claim readjudication is not practicable.

If a refund is due, Group will receive a CSR payment in the year following the close of the CSR period. In the case of a liability resulting from the MHS, the liability will be reported to Group in the year following the close of the CSR period. A liability will accumulate with interest and be offset against future CSR payments. BCBSM may in its sole discretion elect not to offset any MHS liability against some or all drug rebates.

MHS liabilities will continue to accumulate from year to year unless Group elects to pay the liability or CSR payments in subsequent years exceed the amount of Group's outstanding MHS liability. BCBSM may in its sole discretion invoice Group for some or all of Group's CSR liability, which invoice shall be paid within thirty (30) days of receipt by Group.

The MHS is designed to reconcile amounts BCBSM paid to a hospital during a year with the total amount of reimbursement due to the hospital. Pursuant to separate agreements between BCBSM and Michigan hospitals, BCBSM makes periodic estimated payments to each hospital based on expected claims for all BCBSM customers. At the end of the contract year with the hospital, BCBSM settles the amount the hospital received in payments with actual claims experience, hospital reward and incentive payments under Quality Programs, and hospital obligations to Quality Programs. The MHS will result in a gain or loss applied to Group's CSR.

Group will not receive a CSR or incur adjusted liability attributable to a particular hospital until after the finalization of the MHS for a particular hospital. Group's refund or liability attributable to a particular hospital gain or loss, respectively, is proportionate to Group's utilization for that hospital.

G. Changes in Enrollment or Coverages – Effect on Pricing Terms.

If there is more than a 10 percent (10%) change in the number of Enrollees from the number stated in Schedule A during any month of the Contract Year or a change in Coverages, BCBSM may immediately revise any affected pricing terms in the Schedule A 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. The revised Schedule A will be treated as executed by Group and effective as of the date it is received by Group.

**ARTICLE IV
TERMINATION AND TERMINATION ASSISTANCE**

A. Termination & Notice.

1. With or Without Cause. Either party may with or without cause provide notice of intent to terminate this Contract by giving written notice to the other party. For the ninety (90) days following such written notice, each Party's obligations and entitlements will remain unaltered. At the conclusion of this ninety (90) day notice period, no claims with service dates following the conclusion of the ninety (90) day notice period will be approved and the Transition Assistance Period ("TAP") will begin, which will conclude 24 months later, at which time the contract will be terminated.
2. Nonpayment, Partial Payment, Insolvency, or Bankruptcy. Notwithstanding any other Contract provisions, if Group fails to timely pay any amounts owed or becomes insolvent or files for bankruptcy protection, BCBSM may at its option, after giving five (5) days notice in writing, cause the contract to immediately enter the TAP.
3. Termination within the First Contract Year. If Group gives notice of termination of the Contract before the end of the first Contract Year or if BCBSM terminates the contract under paragraph (2.) 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 in order to compensate BCBSM for the costs of setting up and implementing the arrangement. 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. Transition Assistance Period.

Once written notice of termination has been given under Section A of this Article and the notice period has expired, the parties will continue to perform, and this Contract will continue, with respect to each party's obligations related to the wind-down of this Contract as set forth in this Section for the TAP. Upon the expiration of the TAP, this Contract shall terminate. The date on which the applicable notice period has expired following a termination trigger and on which the TAP commences will be called the "TAP Effective Date."

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 after the TAP Effective Date.
2. Obligation to Pay. Notwithstanding any other provisions contained herein, Group's obligation to pay amounts incurred under the Contract shall survive during the TAP, and Group shall continue to timely pay all amounts owed. All Claims incurred prior to the TAP Effective Date, but not paid before that date, shall be processed by BCBSM or other BCBS Plans pursuant to the terms and conditions in this Contract and separate agreements with providers. Group agrees that it shall have no right to have any Claims incurred before the TAP Effective Date processed by a replacement carrier or administrator.

BCBSM retains the right to cease paying Claims if, during the TAP, Group fails to timely pay BCBSM for Amounts Billed and/or if Group is insolvent and/or files for bankruptcy protection. Group represents and warrants that it understands that it will be solely liable for any Claims BCBSM does not pay as a result of Group's failure to make timely payment to BCBSM, and Group will indemnify, defend, and hold BCBSM harmless for any Litigation or other adversary proceeding brought by an Enrollee whose claim was not paid by BCBSM as a result of Group's failure to timely pay BCBSM. This paragraph is independent of BCBSM's rights under Art. IV.A.2.

3. Claim Payments. For the first three (3) months following the TAP Effective Date, Group shall make weekly payments in the same manner as prior to the TAP Effective Date, except that (i) if the TAP Effective Date occurs before the end of a Quarterly Payment Period, the weekly amounts then being made will continue to be made during the first three (3) months following TAP Effective Date and (ii) Group shall pay the fixed administrative fee for only the first two months after the TAP Effective Date. AAC, if any, will continue to be paid for the TAP. Thereafter, for the next twenty-one (21) months, Group shall make monthly payments to BCBSM for Amounts Billed.

Within ninety (90) days following the TAP Effective Date, BCBSM will prepare a settlement in the form of a quarterly settlement, for the period from the last quarterly settlement through the TAP Effective Date. Within sixty (60) days after the six-month and twelve-month periods following the TAP Effective Date, BCBSM will make new calculations of the EOL, MHS and any other settlements included in CSR, so that Group is aware of any estimated liability and continuing obligation for payment.

If any EOL balance shows a surplus over any funds then held by BCBSM, the amount of the surplus will be refunded to Group within thirty (30) days. Any Amounts Billed during the TAP will first be charged against any funds then held by BCBSM and, after such funds are exhausted, BCBSM may invoice Group as frequently as each month for Amounts Billed.

4. Settlement-Last Contract Year. Within one hundred eighty (180) days following the TAP Effective Date, BCBSM shall prepare a settlement statement for the last Contract Year. Such settlement statement shall include any compensation to BCBSM, including administrative fees.
5. Interest. If the total amount of the estimated Amounts Billed included in the payments made during the TAP 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. The total amount of any excess will be included in the settlement for the last Contract Year.
6. Final Calculation and Notifications of EOL. Within ninety (90) days after the expiration of the Transition Assistance Period, BCBSM will prepare a final EOL and will refund any positive balance or invoice Group for any negative balance. Any negative balance will be due within ten (10) days of the date of invoice. The payment to Group or to BCBSM as provided in the immediately preceding sentence shall fully and finally settle, release, and discharge each party from any and all claims that are known, unknown, liquidated, non-liquidated, incurred-but-not-reported, adjustments, recoupments, receivables, recoveries, rebates, hospital settlements, and other sums of money due and owing between the parties and arising under this Contract.
7. Group Duty to Notify/Indemnity. Group shall notify BCBSM if, as a result of its insolvency or other status, another party is required by law to receive any refunds, payments, or returned funds from BCBSM under this Article IV. Group shall indemnify, defend, and hold BCBSM harmless for any liability, including attorney fees, resulting from Group's failure to notify BCBSM under this paragraph.

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
GENERAL PROVISIONS

A. Entire Agreement.

This entire Contract, including Schedules, 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. Indemnity.

Group agrees to indemnify, defend and hold BCBSM harmless from any claims resulting from Group's breach of any term of this Contract and/or breach of any obligation or duty not expressly delegated to BCBSM in this Contract, including, but not limited to, Group's obligation to manage enrollment, to disclose Plan information to Enrollees, to respond to requests for Plan documents, and to read and understand the terms of this Contract.

The indemnity and hold harmless provisions of this Contract shall survive the termination of the Contract.

C. 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.

D. 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

E. Amendment.

This Contract may be amended only by a written agreement duly executed by authorized representatives of each party provided, however that this Contract may be amended by BCBSM upon written notice to Group in order to facilitate compliance with applicable law including changes in regulations, reporting requirements or data disclosure as long as such amendment is applicable to all BCBSM groups that would be similarly affected by the legal change in question. BCBSM will provide thirty (30) calendar days notice of any such amendment and regulatory provision, unless a shorter notice is necessary in order to accomplish regulatory compliance.

Upon request by Group BCBSM will consult with Group regarding the regulatory basis for any amendment to this Contract as a result of regulatory requirements.

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. Group agrees that, where applicable, the federal common law applied to interpret this Contract shall adopt as the federal rule of decision Michigan law on the interpretation of contracts. .

I. HIPAA.

1. Group Certification.

Group certifies that it is the Plan Sponsor and Plan Administrator, performs Plan administration functions, needs access to Enrollee protected health information to carry out such administration functions, and has amended the 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. 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.

K. Group Disclosure of Other Coverage Vendors.

Group agrees that, to the extent that BCBSM does not administer all of Plan's "essential health benefits," as that term is defined by the PPACA, Group shall identify for BCBSM all those vendors ("Vendors") that are also providing or administering essential health benefits to the Plan's participants, the benefits the Vendors are providing to them, the number of participants receiving such benefits, and the cost sharing arrangements for such benefits.

In addition, Group shall cause its officers, directors, employees, and representatives and Vendors' officers, directors, employees and representatives to fully and timely cooperate with BCBSM and provide it with the necessary information for BCBSM to ensure its compliance and that of the Plan with PPACA to the extent BCBSM is obligated to do so by law or by contract. This information

includes, but is not limited to, social security numbers or other forms of government identification numbers of each Plan participant and beneficiary.

Group is solely responsible to ensure Group's maximum out-of-pocket amount is in compliance with PPACA. If BCBSM agrees to assist Group in determining whether Group's maximum out-of-pocket amount is in compliance with PPACA, then Group authorizes all Vendors to, and shall inform the Vendors in Group's contract with them that they must, effective on the beginning of the Group's first plan year on or after January 1, 2014, disclose to BCBSM on a daily basis (or some other regularly scheduled period as determined by BCBSM) all claims data for the essential health benefit(s) of Plan participants and beneficiaries that they possess.

L. Other Data Requirements.

Group agrees to provide to BCBSM all data reasonably necessary for BCBSM to comply with the requirements of PPACA or other applicable federal or state laws. Such data includes, but is not limited to, all Enrollee data needed to comply with any reporting or other requirements of PPACA, *e.g.*, the employer's share of any premium and social security or tax identification numbers. Group certifies that if it fails to provide all the data requested and if it has provided such information to BCBSM in response to a previous request, then Group shall be deemed to have certified to BCBSM that such information previously supplied remains correct and can be relied upon.

Group and Group's Vendors will maintain relevant books, records, policies, procedures, internal practices, and/or data logs relating to this Contract in a manner that permits review for a period of seven (7) years or (ten (10) years in the case of Medicare/Medicaid transactions) after the expiration of this Contract. With reasonable notice and during usual business hours, BCBSM, or its designated third party (with appropriate confidentiality obligations), may audit those relevant books, records, policies, procedures, internal practices, and/or data logs of Group and/or its Vendors, as necessary, to verify calculations related to the imposition of any taxes and fees under PPACA or other federal or state laws and to ensure compliance with this Contract and any applicable federal and state laws. Group shall cooperate with BCBSM in all reasonable respects in connection with such audits.

BCBSM's failure to detect, failure to notify Group of detection, or failure to require Group's remediation of any unsatisfactory practices does not relieve Group of its responsibility to comply with this Contract or applicable law, does not constitute acceptance of such practice, and does not constitute a waiver of BCBSM's enforcement rights under this Contract or applicable law.

If Group conducts, or contracts to have conducted, an internal audit or review of the services performed under any agreement with BCBSM, Group shall provide BCBSM with a copy of such audit or review within thirty (30) days of BCBSM's written request. This also applies to audits/reviews performed by or at the request of any federal or state regulatory agencies of BCBSM services. The selection of an independent auditor by Group to conduct an internal audit of Group does not preclude BCBSM from conducting an audit in accordance with the terms contained herein.

The provisions of this Section shall survive the termination of this Contract.

M. Grandfather Status; Women's Preventative Care Religious Exemption.

Group acknowledges and agrees that unless a written certificate of grandfather status and indemnity in form and substance satisfactory to BCBSM was previously provided to BCBSM by Group or, for a Group new to BCBSM as of January 1, 2013, was provided to and accepted by BCBSM concurrently with the signing of this Contract, Group will be considered non-grandfathered for all purposes.

In addition, Group acknowledges that the health care coverages provided to its Enrollees will include recommended women's preventive health services without cost sharing (as required by PPACA) unless the Plan (i) is a grandfathered group health plan that has not provided such coverage or (ii) qualifies as either an exempt group health plan or one eligible for the temporary safe harbor under PPACA and has provided a certificate to that effect in form and substance satisfactory to BCBSM.

N. **Summary of Benefits and Coverage.**

Group is solely responsible for compliance with the federal Summary of Benefit and Coverage (SBC) rules, including SBC creation and distribution. BCBSM does not assume any responsibility for SBC rule compliance relating to the Plan, or for creation or disclosure of compliant SBCs. BCBSM disclaims any liability or responsibility for any non-compliance by Plan with SBC rules and regulations relating to creation, disclosure or other requirements.

O. **Plan Year.**

Group's Plan Year, as that term is defined in PPACA, is the one year period beginning on the Effective Date and ending one year (or less) later on the last day of the month immediately preceding the month in which the Effective Date falls ("Effective Date Month"). Each Plan Year thereafter shall begin on the first day of the Effective Date Month and end one year later.

If Group's Plan Year that is not consistent with that reflected in the preceding paragraph, Group will promptly notify BCBSM in writing. Group will notify BCBSM at least six months in advance of any change in the Plan Year.

P. **Knowing Assent.**

Group 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. Group acknowledges that it is its obligation as Plan Fiduciary to determine whether the financial arrangements set forth in this Contract and Schedules are an appropriate Plan expense and for the exclusive benefit of the Plan. Group acknowledges that it has had any questions about this Contract posed to BCBSM fully answered to Group's satisfaction.

Neither party has executed this Contract in reliance on any representations, warranties, or statements other than those expressly set forth herein.

Q. **Group Health Plan Type; Attestation.**

Is Groups' Plan governed by ERISA? Yes. No.

Group attests that, to the best of its knowledge, this response is correct and acknowledges that BCBSM will rely on this response to determine requirements applicable to Group and the performance of this Contract.

AGREED AND ACCEPTED.

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: |

- 12 . 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. The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A. BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. See Exhibit 1 for additional information.
- 13 . BCBSM will charge an additional administrative fee if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor. The additional fee will be \$6.00 per contract per month.
- 14 . If you have a Consumer-Directed Health (CDH) spending account, you may be billed a separate fee for the applicable contracts.
- 15 . Prescription drug rebate administration fees are \$0.25 per BCBSM Clinical Formulary claims that are administered by Express Scripts and up to 5.5% of gross rebates for BCBSM's Custom Formulary, Custom Select Formulary, Part D formularies, specialty drugs and other medical benefit drugs that are administered by Highmark. The administrative fee is withheld from the rebate payments received from BCBSM's rebate administrators.
- 16 . If the number of monthly contracts varies by +/- 10% from the estimate stated in 6(A), BCBSM reserves the right to change the administrative fee.

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.