

On behalf of SLT:

As many of you are aware, the continuing resolution currently funding the federal budget is scheduled to end at the fiscal year on September 30, 2025. The House and Senate have passed competing budget resolutions in the last few weeks to prevent any issues with funding the federal government after October 1st but have yet to reach an agreement. In the past, this impasse only indirectly impacted BABHA as generally entitlement funds such as Medicare, Social Security, and Medicaid continue to be processed during a shutdown of the federal government. However, it does raise the political temperatures in Washington DC until a formal budget deal has been reached and we desperately need any eventual agreements to continue to include the expanded Medicare Telehealth flexibilities that we have been under since 2020. In addition, all the states need time to start working on the changes to Medicaid and the Affordable Care Act that will go into place in 2027.

The Michigan State budget is in a very similar situation. The Senate and House versions that were passed have a nearly \$6 Billion difference (\$85 Billion v. \$79 Billion) that needs to be reconciled before the new 2026 fiscal year can begin. Most of the differences are related to road funding and the MI Department of Health and Human Services (MDHHS) budget. It has been several years since the Michigan State government last shutdown due to budget concerns and seems increasingly possible that it may occur again this year. This result is more likely to impact BABHA directly as both Medicaid and general fund payments from MDHHS could be delayed. Both the House and Senate have sessions scheduled yet this week and we are hoping that some type of compromise can be reached to prevent any impact on public mental health services after October 1st.

There continues to be mounting pressure against the MDHHS proposal to competitively procure the community mental health/prepaid inpatient health plan Medicaid services. The Walk a Mile rally drew over 2,500 persons in Lansing last week and prominent leaders such as Senator Debbie Stabenow, the National Alliance for the Mentally Ill, and the MI Association of Counties have published editorials opposing this process. In addition, the Community Mental Health Association of Michigan just released a new public message against the procurement this week (link below) and House leaders have been considering legislative options to prevent this process from going forward.

In the meantime, the initial evidentiary hearing on the legal action against MDHHS in the Court of Claims is scheduled for October 9. I plan to attend this hearing as it will provide more information concerning the procurement process and what additional actions may be needed from a political, advocacy or legal front for a positive resolution.

Please forward any questions that you might have to your SLT member or directly to your Board Member. We will keep all staff posted as events continue to progress.

CMHA Video Link:

<https://mcguire.wetransfer.com/previews/81b02f7e3160ea56713e892de064483820250924100104/33cc9d?itemId=39bec2bd6fd3b577b3a0dd47df1714f220250924100116>