



## BOARD OF DIRECTORS REGULAR MEETING

Thursday, June 20, 2024 at 5:00 pm  
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

### AGENDA

#### Page

1. CALL TO ORDER & ROLL CALL
2. PUBLIC INPUT (3 Minute Maximum Per Person)
3. REGULAR BOARD MEETING, 5/16/2024 – Distributed
  - 3.1 Motion on revised minutes as distributed
4. PERSONNEL & COMPENSATION COMMITTEE, 5/30/2024 – Distributed – Crete, Ch/Conley, V Ch
  - 4.1 Res# 2406001: Approve the compensation increase recommendation of 2% – *See page 4 resolution sheet*
  - 4, 5-18 4.2 Res# 2406002: Approve the Employee Handbook revisions – *See page 4 resolution sheet & pages 5-18*
  - 4.3 Motion on minutes as distributed
5. HEALTH CARE IMPROVEMENT & COMPLIANCE COMMITTEE, 6/3/2024 – Distributed – Pawlak, Ch/Girard, V Ch
  - 4 5.1 Res# 2406003: Approve the Corporate Compliance Plan – *See page 4 resolution sheet & plan attached to back of packet*
  - 5.2 Consideration of motion to receive the information that a special Board meeting has been scheduled for Thursday, June 27, 2024 for purposes of corporate compliance training
  - 5.3 Motion on minutes as distributed
6. RECIPIENT RIGHTS ADVISORY & APPEALS COMMITTEE, 6/6/2024 – Distributed – McFarland, Ch/Mrozinski, V Ch

There were no motions forward to the full Board

  - 6.1 Motion on minutes as distributed
7. FINANCE COMMITTEE, 6/12/2024 – Distributed – Banaszak, Ch/Mrozinski, V Ch
  - 19-20 7.1 Motion to accept investment earnings balances for period ending May 31, 2024 – *See pages 19-20*
  - 4, 21 7.2 Res# 2406004: Approve the Finance June 2024 contract list – *See page 4 resolution sheet & page 21*
  - 7.3 Motion on minutes as distributed



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- 8. BYLAWS & POLICIES COMMITTEE, 6/12/2024 – Distributed – Banaszak, Ch/Mrozinski, V Ch  
There were no motions forward to the full Board  
8.1 Motion on minutes as distributed
- 4 9. PROGRAM COMMITTEE, 6/13/2024 – Distributed – Girard, Ch/Mrozinski, V Ch  
9.1 Res# 2406005: Approve the clinical privileges for Mukesha Lathia, M.D. and Nathalie Menendes, Psy. D, LP – *See page 4 resolution sheet*  
9.2 Motion on minutes as distributed
- 4, 22-28 10. AUDIT COMMITTEE, 6/18/2024 – Distributed – McFarland, Ch/Pawlak, V Ch  
4, 29-32 10.1 Res# 2406006: Accept financial statements – *See page 4 resolution sheet & pages 22-28*  
4, 33 10.2 Res# 2406007: Accept electronic fund transfers – *See page 4 resolution sheet & pages 29-32*  
10.3 Res# 2406008: Approve disbursement & health care claims payments – *See page 4 resolution sheet & page 33*  
10.4 Motion on minutes as distributed
- 34 11. BOARD MEETING CONTRACT LIST, 6/20/2024  
11.1 Consideration of a motion to approve the Board meeting June 2024 contract list – *See page 34*
- 35-38 12. REPORT FROM ADMINISTRATION  
12.1 Conflict Free Access & Planning Advocacy – *See pages 35-38*  
39-42 12.2 Proposed Waskul Settlement– *See pages 39-42*  
12.3 Rose Home
- 43-47 13. UNFINISHED BUSINESS  
13.1 2024 Strategic Plan Revisions – *See pages 43-47*  
Consideration of a motion to approve the revisions to Bay-Arenac Behavioral Health 2024 Strategic Plan pages 22-24 and 33-34



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#### 14. NEW BUSINESS

##### 14.1 Special Recipient Rights (RR) Advisory & Appeals Committee Meeting

A special RR Advisory & Appeals Committee meeting has been scheduled for 5:00 pm on Monday, June 24, 2024 for appeals training.

##### 14.2 Special Board Meeting

A special Board Meeting has been scheduled for 5:00 pm on Thursday, June 27, 2024 for corporate compliance training.

##### 14.3 Holiday/Offices Closed

BABH Offices are closed on Thursday, July 4, 2024 in observance of Independence Day

##### 14.4 RR Advisory & Appeals Committee

The July RR Advisory & Appeals Committee has been rescheduled for 5:00 pm on Monday, July 15, 2024 due to the Independence Day holiday.

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##### 14.5 Meeting Schedule – *See page 48*

All Board and Board Committee meetings will be held in Room 225 at the Behavioral Center, 201 Mulholland, Bay City, MI 48708 for the month of July, 2024

#### 15. ADJOURNMENT



**BOARD OF DIRECTORS  
REGULAR MEETING**

Thursday, June 20, 2024 at 5:00 pm  
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**RESOLUTIONS**

**Personnel & Compensation Committee, May 30, 2024**

Res# 2406001: Resolved by Bay Arenac Behavioral Health to approve the compensation increase recommendation of 2% for all staff except contracts and direct support professionals/residential technicians effective June 1, 2024.

Res# 2406002: Resolved by Bay Arenac Behavioral Health to approve the proposed revisions to the Employee Handbook.

**Health Care Improvement & Compliance Committee, June 3, 2024**

Res# 2406003: Resolved by Bay Arenac Behavioral Health to approve the Corporate Compliance Plan.

**Finance Committee, June 12, 2024**

Res# 2406004: Resolved by Bay Arenac Behavioral Health to approve the Finance June 2024 contract list.

**Program Committee, June 13, 2024**

Res# 2406005: Resolved by Bay Arenac Behavioral Health to approve the following clinical privileges:

1. Mukesha Lathia, M.D. – Renewal privileges for a two-year term to expire June 30, 2024
2. Nathalie Menendes, Psy. D, LP – Renewal privileges for a two-year term to expire June 30, 2024

**Audit Committee, June 18, 2024**

Res# 2406006: Resolved by Bay Arenac Behavioral Health to approve the Financial Statements for period ending May 31, 2024.

Res# 2406007: Resolved by Bay Arenac Behavioral Health to approve the electronic fund transfer (EFTs) for period ending May 31, 2024.

Res# 2406008: Resolved by Bay Arenac Behavioral Health to approve the disbursements and health care payments from May 20, 2024 through June 21, 2024.

17.1 Personal Appearance/Dress Code

BABH employees are expected to present a neat, clean, and businesslike appearance while on the job at all times and adhere to good personal hygiene habits in order to promote a positive public image. All clothing and shoes should be clean and in good repair. Employees presenting to the public such as court appearances, meetings with community representatives or accrediting bodies, employment interviews, etc. are to be dressed in business professional or business casual ~~business~~ attire and reflect the atmosphere of the work being conducted. Employees working in the community to deliver services to consumers, business casual attire and jeans (free of rips, tears, fraying) are allowable. Staff working on an Alternative Remote Work schedule will be expected to abide by the Personal Appearance/Dress Code while on virtual meetings.

Style Definition: Heading 2

~~The following are not considered appropriate business attire for any BABH employee:~~

- ~~❖ Denim jeans of any color (except for designated casual days and those instances noted under exceptions below)~~
- ~~❖ Tank tops/muscle shirts/crop tops~~
- ~~❖ Sweat pants, sweat shirts, or other active wear~~
- ~~❖ T shirts with slogans/pictures~~
- ~~❖ Short skirts (higher than mid-thigh)~~
- ~~❖ Shorts~~
- ~~❖ Sheer, provocative (low cut, tight), or revealing clothing~~
- ~~❖ Excessively baggy clothing~~
- ~~❖ Flip flops or other beach shoes~~
- ~~❖ Leggings worn as pants~~

Commented [JL1]: I recommend replacing the list of what is not acceptable with the table format below.

Tennis shoes, unless medically necessary

**Proposed format change:**

<u>Business Professional / Business Casual Attire Chart</u>	
<u>Appropriate</u>	<u>Inappropriate</u>
<u>Pants/Skirts/Dresses</u>	
<ul style="list-style-type: none"> <li>• <u>Dress pants, khakis, corduroys, or capris</u></li> <li>• <u>Suits, dresses, skirts (mid-thigh or longer)</u></li> <li>• <u>Jeans (clean and free of rips, tears, fraying; not excessively tight, revealing)</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Sweatpants</u></li> <li>• <u>Exercise apparel or activewear</u></li> <li>• <u>Beachwear</u></li> <li>• <u>Shorts</u></li> <li>• <u>Ripped pants of any kind</u></li> <li>• <u>Very short skirts (higher than mid-thigh)</u></li> <li>• <u>Leggings unless paired with an appropriate length skirt or dress (see appropriate column)</u></li> <li>• <u>Excessively baggy clothing</u></li> </ul>
<u>Shirts/Tops/Jackets</u>	
<ul style="list-style-type: none"> <li>• <u>Polo collar knit or golf shirts</u></li> <li>• <u>Button down shirts</u></li> <li>• <u>Sweaters, long or short sleeve</u></li> <li>• <u>Short-sleeve blouses or shirts</u></li> <li>• <u>Turtlenecks</u></li> <li>• <u>Blazers or sports coats</u></li> <li>• <u>Jackets</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Shirts with offensive writing or large logos</u></li> <li>• <u>T-shirts or sweatshirts with slogans/pictures</u></li> <li>• <u>Beachwear, tank tops</u></li> <li>• <u>Exercise apparel or activewear</u></li> <li>• <u>Crop tops, clothing showing midribs, halter tops</u></li> <li>• <u>Tank tops or muscle shirts</u></li> </ul>

	<ul style="list-style-type: none"> <li>• <u>Sheer, provocative (low cut, tight) or revealing clothing</u></li> </ul>
<u>Shoes / Accessories</u>	
<ul style="list-style-type: none"> <li>• <u>Loafers or tie shoes</u></li> <li>• <u>Dress shoes, pumps (low to high heeled)</u></li> <li>• <u>Dress sandals with heel strap</u></li> <li>• <u>Deck shoes, dress boots</u></li> <li>• <u>Casual, open back shoes (mules, sling backs)</u></li> <li>• <u>Athletic or walking shoes – solid neutral color (black, brown, white, grey)</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Flip flops or floppy sandals</u></li> <li>• <u>Beach shoes</u></li> <li>• <u>Slippers</u></li> <li>• <u>Shoes with significant signs of wear and tear (rips, tears, fraying, or stained)</u></li> <li>• <u>Baseball hats or caps</u></li> </ul>

Employees whose job or work assignments require uniforms, protective clothing, or equipment must wear such attire when necessary or as required.

Exceptions

In the event an employee is required to perform work that necessitates the need for durable clothing, with supervisor approval, the employee may be allowed to dress in more casual attire to fit the setting and the work being conducted. For example, staff may wear jeans and athletic shoes when they are participating in a physical or off-site work activity such as training, moving, assisting with skill building activities such as cleaning an apartment, etc. Employees are to seek supervisor approval prior to deviating from the established dress code. If the program is hosting an event for persons receiving services (such as a picnic) an alternative to business casual may be considered and, if appropriate, will be reviewed for approval through the service director. Business casual is the standard for all other occasions.

If an employee believes a certain manner of dress, personal appearance or hygiene is necessary because of religious beliefs, medical condition or an otherwise legally protected reason, the employee must notify Human Resources of this reason, in writing, before reporting to work. BABH may require appropriate proof of this belief, condition or otherwise protected reason. Employees should also refrain from using strong smelling perfumes, after-shave or deodorant. No more than a light odor should be noticeable. Strong cigarette smoke odor is not acceptable.

Employees who do not conform to the expectations contained herein will be sent home to change. Such employees will be required to use banked leave time during this absence from work. Continued violation of the dress code will result in disciplinary action.

## ALCOHOL AND DRUG-FREE WORKPLACE

### 26.1 Policy

BABH has a legal responsibility to provide a safe work environment. Use of illegal drugs, drug dependence and drug or alcohol abuse can seriously impair an employee's work performance and general physical and mental health. To receive a federal grant or contract, BABH must ensure employees are free from drug dependence, illegal drug use or drug or alcohol abuse. This procedure has been developed to ensure an employee's fitness for duty as a condition of employment and to ensure drug tests are ordered based on a reasonable and objective cause, following an established written policy and procedure.

Illegal drugs, marijuana and alcohol in the workplace present a danger to us all. Drugs and alcohol impair safety and health, lower productivity, work quality, and undermine public confidence. BABH will not tolerate the illegal use of drugs.

Effective immediately, all BABH premises, including work sites and vehicles, are declared to be alcohol and drug-free workplaces.

No employee shall manufacture, possess, sell, distribute, dispense, use or be impaired by alcohol, marijuana or illegal prohibited drugs on BABH property, while on BABH business, while in a BABH vehicle, or during working hours, including rest and meal periods. "Illegal prohibited drugs" are those substances that are illegal to sell or possess under **State or Federal law** (which, currently would include marijuana, even if an employee is registered in the Michigan Medical Marijuana Program) and those drugs which require a prescription if the employee does not possess a valid prescription.

If the employer has reason to believe an employee may be under the influence of drugs or alcohol, the employer will request the employee to undergo drug and/or alcohol testing. Should the employee refuse to undergo testing, said employee will be presumed to have violated this policy and shall be subject to immediate discharge. Should the employee agree to testing, he/she must agree to release the test results to the employer. The employer shall arrange for the testing and shall transport the employee to the test. The employee shall be suspended without pay during the testing procedures and while awaiting the test results.

### 26.2 Testing And Reporting Of Convictions.

It is the policy of Bay-Arenac Behavioral Health that its designated medical authority, may require the employee to submit to breath, urine, ~~or~~ blood, or hair sample testing on the following to ensure a drug-free workplace:

- All pre-placement applicants;
- Any employee, post workplace property damage accident
- Any employee, post workplace accident resulting in injury or illness if the employee's supervisor and/or Human Resources determine there is a reasonable possibility that employee drug or alcohol use caused or could have contributed to the reported accident
- Any employee, for reasonable suspicion.

Any employee convicted of violating a criminal drug statute must inform the Chief Executive Officer of such conviction (including plead guilty and nolo contendere) within five (5) days of the conviction. Failure to so inform BABH subjects the employee to disciplinary action, up to and including termination for the first offense. By law, BABH must notify the granting agency within ten (10) days of receiving such notice from any employee or otherwise receiving notice of such a conviction.

### 26.3 Drug Testing Protocol

1. This protocol applies to BABH's requests for submission of either a urine, ~~or~~ blood, or a hair specimen.
2. BABH shall be solely responsible for all costs incurred in conjunction with the securing of all of the required specimen(s) and the necessary laboratory analysis and report(s).
3. BABH shall have the responsibility for initially selecting a laboratory that will properly conduct the drug test and furnish reliable results. The laboratory selected must also provide the ancillary services needed, including specimen retention of "positive" samples for at least six (6) months. The laboratory shall have the capability of timely (within forty-eight (48) to seventy-two (72) hours after specimen collection) providing hard-copy reports of specimen analysis results.
4. BABH shall make the necessary advance arrangements for approved medical collection of the urine/blood/hair sample by qualified medical personnel in an agency-approved setting in a medical office, clinic or lab. Sample collection and testing shall take place upon the employee/applicant's receipt of notice from BABH of a drug test request. The notice to the employee/applicant shall be verbal with written confirmation.
5. The medical facility's personnel credentials and procedures shall be reviewed in order to satisfy the need for a proper "chain of custody" and to minimize the risk of an adulterated sample.
6. BABH shall have the absolute right to approve or reject the selection of a laboratory to conduct the testing on urine, ~~or~~ blood, or hair specimens collected.
7. The employee/applicant shall cooperate with the arrangements and procedure necessary to assure thorough "chain of custody" documentation in order to positively link the employee/applicant's sample to the ultimate test result. Documentation shall be required to include signatures, dates and times of all persons who handle the specimen from the time the specimen(s) are collected until results are reported and what actions were taken in each step of the specimen and testing process.
8. The employee/applicant shall sign whatever form is necessary to authorize the clinic, medical facility and/or doctor's office and the laboratory to disclose the test results immediately to BABH. The employee/applicant's refusal to sign the form and/or the employee/applicant's withdrawal or rescission of previously executed authorization shall constitute a violation of the Board's Policy and is a basis for immediate termination of the employment relationship.



9. If the test results from a first test are positive, the employee/applicant may be asked to provide a list of prescription and over-the-counter medication the employee/applicant is taking at the time of testing. The purpose of requiring this list of medications shall be to identify possible causes of “false positives” due to a “cross-reactivity” with the medications that the employee/applicant is taking. A copy of the results of the drug test shall be furnished to the employee/applicant immediately upon request.
10. BABH shall treat the drug test results as highly confidential information. It shall file drug test results in the same manner in which it files other confidential medical data about employees and/or applicants.
11. BABH shall ensure the confidentiality of drug test results and shall protect against the unauthorized disclosure of test results both internally and outside of BABH. Within the agency, access to the test results shall be restricted to individuals with a “need to know the results”.
12. A “positive” result shall not be released or relied upon until a confirmatory test has verified its accuracy. Confidential hard-copy results of testing shall be provided to BABH within forty-eight (48) to seventy-two (72) hours after specimen pickup.
13. If a test is negative, BABH shall pay the employee his/her normal straight time wages for the period of the suspension. A drug awareness program for all employees on the dangers of drug abuse in the workplace is available. To assist employees in overcoming drug abuse problems, BABH may offer an Employee Assistance Program. (See the Human Resources department for additional information)

BABH supports the purpose and goals of the Act and by this procedure, announces its intention to comply with the Act and make continuing “good faith” efforts to provide a drug-free workplace. All employees are expected to cooperate and give this policy their full support.

## TRAVEL

### 15.1 Policy

It is the policy of Bay-Arenac Behavioral Health (BABH) to reimburse employees for reasonable travel expenses incurred as a result of their official duties in accordance with the specific provisions enumerated herein.

### 15.2 Definitions

Remote Employee: Remote employees are those staff who perform home and community based work and have an approved ~~Virtual Office Remote Work~~ agreement on file with Human Resources. During a declared agency emergency this would be any employee when on-site presence is restricted. A ~~Virtual Office Remote Work~~ Agreement would not be required during this time.

### 15.3 Mileage

The Agency may reimburse mileage up to the current rate established by the Internal Revenue Service (IRS) to those employees required to use their privately-owned vehicle in conducting agency business. The rate may change from time-to-time.

1. When traveling to out-of-county activities, transportation must be shared whenever possible. Economical use of Agency funds has priority over personal convenience or preference.
2. All mileage must be shown from city-to-city outside of the county of the normal work location and will be allowed on the basis of the current state highway map of Michigan/standard travel routes/odometer readings. Reimbursement for travel in the county of the regular work location will be on the basis of point-to-point traveled. In some instances (see Standardized Travel routes) mileage will be allowed using standardized routes in the interest of saving time. Under no circumstances shall mileage exceed 120% of the standard state highway map mileage. Vicinity mileage necessary for conduct of official business is allowable and must be shown as a separate item on the voucher. Vicinity mileage may include reasonable travel to an area restaurant if meals are not provided or available at the work/lodging location. Unnecessary and/or excessive vicinity mileage will not be approved for payment.
  - a. Incidental charges that qualify for reimbursement (with receipt) are parking (receipt except for reasonable meter charges), bridge and toll-road fares and park permits when specific travel makes these expenditures necessary.
  - b. The following charges are not reimbursable: gasoline, lubrication, repairs, antifreeze, parking tickets or tickets for other vehicle infractions, towage and other similar expenditures relating to the privately-owned automobile.
3. Under no circumstances is mileage allowed between residence and normal work location. This is considered a commuting expense and non-reimbursable.
4. Allowable mileage may include work related travel that occurs at the beginning and/or end of the scheduled work day. Staff's normal work commute would be from their home to their assigned BABH work location. In the event that staff start or end the day with home visits or travel contacts apart from their normal office location, and the distance

traveled to that location is more than the employee's normal work commute, mileage may be requested for reimbursement. In this case, mileage for the standard work commute will be deducted. Only mileage in excess of the staff's normal work commute will be reimbursable at the beginning and/or end of the day. During a declared agency emergency when on-site presence is restricted this section applies to all employees who, at that time, do not have a ~~Virtual Office~~Remote Work Agreement on file with HR.

5. Employee travel is to be a usually traveled, direct route. If a person travels by an indirect route for his/her own convenience, any extra costs shall be borne by him/her and reimbursement will be based only on charges incurred by a usually traveled route.
6. Staff temporarily assigned to cover at an alternative work location will be reimbursed for miles in excess of the typical commute from home to their ~~normal~~ assigned work location.
7. In no case will employees claim or be paid for more mileage than actually traveled for work-related purposes.
8. Employee travel to and from any destination exceeding one-hundred (100) miles outside of the boundaries of the county of the ~~normal~~ assigned work location must be approved by the employee's supervisor prior to departure. Travel in excess of three hundred (300) miles from the regular work location must be approved by the Chief Executive Officer (CEO); however, all trips which have been approved by the Board through the budget process and specifically detailed in the budget need not be reviewed by the CEO.
9. It is advisable that employees who use their personal cars on Agency business purchase adequate insurance. The Agency does not assume liability for physical damage to a traveler's vehicle or for bodily injury or property damage while it is being used for Agency business.

#### Calculating Mileage for Remote Employees

1. For each day a remote employee is required to travel on Agency related business, mileage from an employee's residence to his or her first Agency related stop is considered a commuting expense and is not reimbursable. Once an employee has reached his or her first Agency related stop, mileage between Agency related stops is reimbursable except that mileage from an employee's last Agency related stop of the day and his or her residence is considered a commuting expense and is not reimbursable. This section does not apply to remote employees during a declared agency emergency when on-site presence is restricted. Refer to section 4.
2. Upon prior written approval by the CEO and within the sole discretion of the Agency, an exception to this provision may be made for remote employees who are required to travel to remote locations outside their day-to-day job function on Agency related business.

#### Other Forms of Transportation

1. Local public transportation is reimbursable; taxi fares, including tips, are reimbursable when the use of public transportation or airport shuttle service is impractical or unavailable.

2. For travel outside the State of Michigan, the most reasonable mode of transportation will be utilized based on cost, scheduling, etc. If air travel is identified as the most reasonable mode of transportation, the maximum allowance will be established coach class air rate using the most affordable and sensible departure and arrival airports. Coach class air travel shall be used when available. If first class passage is desired when coach class is available, reimbursement will be at coach class rate only.

#### Surface Travel in Lieu of Air Travel

1. If advanced written approval has been obtained from the CEO, an employee may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, and taxis incurred while in transit by surface transportation may be reimbursed. Such costs shall not exceed the cost of airfare, based on the regular coach fare available for the location of travel from a standard commercial air carrier, plus transportation costs to and from the terminals. Any additional time required will be the employee's responsibility.

#### Rental Cars

1. A vehicle may be rented when renting would be more advantageous to the Agency than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested. Hand-held or uninstalled GPS devices will not be reimbursed. On contract rental vehicles used in the continental United States, charges for additional insurance are not allowable, including any charge for a collision damage waiver.

15.4 Meals

Reimbursement for meals will be made under the conditions enumerated below:

1. Persons required to attend prearranged meetings held in Arenac or Bay County may be reimbursed for meal expenses in connection with such meetings. The employee must be representing BABH at these meetings and it must be established that it was not practical for the person to return to his/her work site or residence for the meal. Official travel that takes the individual outside the boundaries of the county of the regular work location during the entire mealtime hours will render eligibility for reimbursement for meals up to the standard meal reimbursement rates, as identified in the State of Michigan Schedule of Travel Rates attached to this procedure. Reimbursement may also be made at the standard meal reimbursement rate, as published by the Michigan Department of Management and Budget. Standard reimbursement rates will be published annually.

Mealtime is defined as follows:

Breakfast	6:30 AM – 9:00 AM
Lunch/Dinner	11:00 AM – 1:30 PM
Supper	5:00 PM – 7:00 PM

2. Reimbursement for meals, including gratuities at a rate of not more than 20%, with a receipt will be at reasonable rates up to the standard meal reimbursement rate as identified in the attachment to this policy and procedure; however, under NO circumstances will non-food items and/or alcoholic beverages be included in claims for reimbursement for meals.

15.5 Accommodations

Reimbursement may be made for actual expenditures for overnight accommodation subject to the following restrictions and limitations:

1. If the destination is more than one hundred and twenty (120) miles from the ~~normal~~ assigned work location (or residence, whichever is closer) and/or it is determined that travel must commence prior to 7:00 a.m., or upon written approval of the CEO prior to travel (or at the time of travel due to unforeseen circumstances), the employee may request overnight accommodations. If official business terminates after 5:00 PM and the location is more than one hundred and twenty (120) miles from the ~~normal-assigned~~ work location (or residence, whichever is closer), or upon approval of the CEO, the employee may request overnight accommodations. Accommodations may also be requested when attending a multi-day meeting and the destination is more than 60 miles from the ~~normal~~ assigned work location or residence, whichever is closer. In such cases, accommodations may be approved for the night(s) in between meeting dates.
2. Reimbursement is limited to the cost of a single room at the prevailing rate for accommodations normally used in business; however, a) double accommodations may be utilized when appropriate; b) if a double is shared with an agency employee, each may claim reimbursement for one-half of the rate; c) if the cost of a double is shared with a non-agency employee, reimbursement may be claimed for the actual expenditure, or an amount equal to the rate for a single occupancy accommodation, whichever is less. Room service charges are not authorized.

Accommodations will typically be arranged by finance department staff, based on the criteria noted above. Employees who have been approved for travel and lodging accommodations are expected to check-in to the facility as identified in their trip confirmation. Unless due to circumstances beyond the employee's control, failure to utilize accommodations paid for by BABH will result in the employee being held responsible for any cost incurred by BABH for the identified lodging.

Individuals attending meetings, conventions and so-forth are expected to use package plans for registration, lodging and meals whenever available.

#### 15.6 Budget for Travel Related Expenses

Expenses associated with attendance at meetings, conferences and seminars within the State of Michigan shall be requested by the designated manager or department head during the preparation of the annual budget. Employee travel outside the State of Michigan requires prior approval of the CEO. Failure to obtain prior approval may result in the non-reimbursement of any or all expenses incurred.

Travel vouchers must be approved by the supervisor and submitted to the Finance Department by the fifth business day of the month to receive payment in that month. The travel voucher should be filled out completely, to include the point of origin, destination and reason for travel; time frame of travel; and number of miles traveled for each trip. Travel reimbursement for accurate and complete travel vouchers is made once a month.

Reimbursement will only be made for accurate and complete travel vouchers submitted within three (3) months, including the month in which the travel occurred. Employees may request a one-time exception to this timeframe from the CEO. Approval is at the discretion of the CEO.

Miscellaneous expenses incidental to official travel will be held to the minimum required for efficient conduct of BABH business. The supervisor approving the travel voucher is responsible for ensuring all items or expenses are necessary and correct. In addition to the preceding rules, the following rules are established as guides for the traveler:

1. Necessary taxicab fares, as identified in Section 15.3 above, including tips totaling no more than 20% and parking expenses will be allowed. Receipts must be submitted with the employee's travel voucher.
2. Where unavoidable, documented fees and reasonable tips to valets will be reimbursed. However, charges for cleaning and pressing clothing and similar personal expenses are not reimbursable.
3. Enrollment or registration fees for conventions and meetings are allowable for official representatives of BABH. Receipts must be submitted with the employee's travel voucher.

#### Accounting for time while on Travel Status

1. Generally, for non-exempt employees, travel time is only compensable to the extent the hours spent traveling corresponds with the employee's normal working hours. The

primary exception to this rule is when an employee spends time traveling for a special day trip at the employer's request. Under this scenario, all time spent traveling is compensable, EXCEPT the time spent traveling to and from the employee's home to the airport, train station, etc. If the employee drives, as opposed to flying or taking the train, all of the travel time associated with the special day trip would be compensable. To determine normal working hours, refer to the employee's normal work schedule.

15.7 Preparation of Travel Expense Voucher

The Agency Travel Expense Voucher has been designed for easy preparation; however, any questions with regards to its content or completeness should be referred to the employee's immediate supervisor. The expense voucher will not be processed unless all information is legible and complete and the approval of the supervisor is obtained.

Abuse of Policy

Any abuse, intentional adjustment of work schedules to increase mileage or time worked, or falsification of expenses under this Policy will result in disciplinary action, up to and including termination of employment.

Standardized Travel Routes

Bay City To	Miles One Way
Caro	33
Standish	35
North Bay	13
North Bay to Standish	24
North Bay to Horizon Home	17

**ACCEPTED MILEAGE TO LANSING**

From the Behavioral Health Center in Bay City to:

MACMHB, <del>507 S. Grand Ave. 426 S. Walnut,</del> Lansing	101
Lansing Center, 111 N. Grand Ave, Lansing	101
Kellogg Center, S. Harrison Rd. Lansing	93
Mid State Health Network, 530 W. Ionia St., Lansing	101.5

From the Madison Building in Bay City to:

MACMHB, <del>507 S. Grand Ave. 426 S. Walnut,</del> Lansing	102.5
Lansing Center, 111 N. Grand Ave, Lansing	102.5
Kellogg Center, S. Harrison Rd. Lansing	94.5
Mid State Health Network, 530 W. Ionia St., Lansing	103

From the Arenac Center in Standish to:

MACMHB, <del>507 S. Grand Ave. 426 S. Walnut,</del> Lansing	137.5
Lansing Center, 111 N. Grand Ave, Lansing	137.5
Kellogg Center, S. Harrison Rd. Lansing	129.5
Mid State Health Network, 530 W. Ionia St., Lansing	138

From North Bay in Kawkawlin to:

MACMHB, <del>507 S. Grand Ave. 426 S. Walnut,</del> Lansing	115
Lansing Center, 111 N. Grand Ave, Lansing	115
Kellogg Center, S. Harrison Rd. Lansing	105
Mid State Health Network, 530 W. Ionia St., Lansing	116

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#### 16.22 Agency Closure

In the event that BABH closes due to inclement weather or other unforeseen circumstances, employees who are actively ~~at working~~ will be compensated through the end of their regularly scheduled shift. This time will be recorded as "~~otherweather~~" on the time sheet.

Employees in 24/7 operations who are required to work regardless of whether the agency closes will be compensated for actual hours worked. Such employees will bank earned time off (ETO) for the time worked through the duration of the weather closure, end of the normal business day—5:00 P.M.

Employees who are on approved ETO on a day that the agency closes will be paid ETO hours as scheduled, credited with the number of hours in the normal business day that the employee would normally be scheduled to work, from the time that the agency closed. This time is recorded under "other" on the time sheet.

~~Employees working via virtual office are not affected by an agency closure unless they are required to travel. In this case, employees will follow the Severe Weather Response Guide. Employees are expected to continue working per their designated schedule. Virtual office employees will be compensated at their normal rate of pay and will not bank ETO for hours worked in the case of an agency closure.~~

If it is pre-announced that Bay-Arenac Behavioral Health is closed and staff are instructed not to report to work, employees will receive compensation for their full scheduled shift. This time is recorded under "~~otherweather~~" on the time sheet.

#### HOLIDAYS

#### 23.4 Eligibility and Pay

Employees who do not perform work on a holiday shall be paid for the holiday at their current rate of pay provided, however, the employee works the scheduled work day before and the scheduled work day after the holiday or be on authorized and approved paid leave. Employees who are required to work on a BABH paid holiday, either the date it is observed or actual date of the holiday, will be paid at double time and a half (2.5 x) their normal rate for all hours required to work on the holiday. If an employee works the observed and actual holiday, only one day will be paid at double time and a half (2.5 x). If an employee works the observed holiday, they will not receive holiday pay for the actual holiday and vice versa. When calculating holiday pay during actual worked time, only time worked between 12:00 AM (midnight) to 11:59 PM on the actual or observed holiday will be used for calculating double time and a half. If an employee's actual worked hours on the actual or observed holiday total less than 8 hours then the employee

will receive additional straight time pay in order to ensure the employee is paid for a total of 8 hours. Employees on leaves of absence shall not be eligible for holiday pay.

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**Bay-Arenac Behavioral Health Authority**  
**Estimated Cash and Investment Balances May 31, 2024**

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Balance May 1, 2024	6,599,578.61
Balance May 31, 2024	5,942,137.59
Average Daily Balance	5,620,468.18
Estimated Actual/Accrued Interest May 2024	19,631.29
Effective Rate of Interest Earning May 2024	4.19%
Estimated Actual/Accrued Interest Fiscal Year to Date	165,877.34
Effective Rate of Interest Earning Fiscal Year to Date	4.19%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840	6,146,590
Cash in		6,140,991	9,939,499	6,328,711	12,694,585	11,257,050	21,945,755	11,552,037	11,480,507	4,835,627	19,658,739	13,131,069	13,733,115
Cash out		(6,879,319)	(8,821,236)	(6,837,497)	(12,104,052)	(11,993,562)	(16,681,841)	(12,645,602)	(11,203,146)	(9,401,946)	(16,716,214)	(13,094,320)	(14,391,408)
Ending Balance Operating Fund		2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296
Investments													
Money Markets		2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839	7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296
Average Rate of Return General Funds		2.41%	2.51%	2.60%	2.69%	3.82%	3.96%	4.01%	4.04%	4.05%	4.08%	4.08%	4.08%
3.66%													
5,145,279		5,024,820	4,880,009	4,808,545	3,285,926	5,917,883	6,430,680	6,756,419	6,038,598	6,050,472	6,064,203	5,992,215	

Cash Available - Other Restricted Funds

	Rate	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		432,047	433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922
Cash in		1,598	1,663	1,849	1,797	1,864	1,812	1,880	1,888	1,773	1,903	1,850	1,919
Cash out													
Ending Balance Other Restricted Funds		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
Investments													
Money Market		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
91.00	0.70%												
91.00	1.10%												
91.00	1.15%												
91.00	1.35%												
90.00	1.70%												
91.00	2.05%												
90.00	2.15%	-	-	-	-	-	-	-	-	-	-	-	-
365.00	80.00%												
Total Other Restricted Funds		433,645	435,308	437,156	438,953	440,817	442,629	444,508	446,396	448,169	450,072	451,922	453,841
Average Rate of Return Other Restricted Funds		3.68%	3.76%	3.88%	3.97%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4.50%													
427,717		428,476	429,265	430,073	440,817	441,723	442,651	443,587	444,504	445,432	446,359	447,294	
Total - Bal excludes payroll related cash accounts		3,256,071	4,375,997	3,869,059	4,461,390	3,726,743	8,992,468	7,900,782	8,180,031	3,615,485	6,559,912	6,598,512	5,942,138
Total Average Rate of Return		2.34%	2.41%	2.51%	2.58%	4.04%	4.08%	4.20%	4.21%	4.17%	4.20%	4.19%	4.19%

**Bay-Arenac Behavioral Health  
Finance Council Board Meeting  
Summary of Proposed Contracts  
June 12, 2024**

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
<b>SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES</b>						
Clinical Services						
1	N	<b>QuickMar</b> Pharmacy Services for Horizon Home	\$0	\$4 per resident per month	7/1/24 - ongoing	Y N
2	N	<b>Respite Camp</b> Disability Services Resource Center - GF Cost	Variable	Variable	6/17/24 - 9/30/24	Y N
3	M	<b>Touchstone</b> Increase to temporary unit rate for clubhouse services	\$6.24/unit	\$6.45/unit	7/1/24 - 9/30/24	Y N
4	R	<b>MDHHS</b> Eligibility Specialist Position	\$74,150/yr	\$74,900/yr	10/1/24-9/30/25	Y N
5*	N	<b>Rose Hill</b> Specialized Residential services for 1 BABHA individual	\$0	\$713/day	TBD - 9/30/24	Y N
6	M	<b>Game Changer Pediatric Therapy Center</b> Addition of 2:1 Staffing to CLS Single Case Agreement	\$0	\$16.50/unit	6/10/24 - 12/10/24	Y N
7	N	<b>Kathleen Buday</b> Art Therapy	\$0	\$100/session	7/1/24 - 9/30/24	Y N
8	N	<b>Aidaly Care</b> CLS Services	\$0	\$6/unit	7/1/24 - 9/30/24	Y N
9	N	<b>Milestones ABA Clinic of Michigan, LLC</b> ABA Services	\$0	State rates eff. 10/1/22	7/1/24 - 9/30/24	Y N
Admin/Other Services						
10	D	<b>Sage Software</b> HRMS Premium - Annual Subscription	\$15,664/year	\$14,503.89/year	7/22/24 - 7/21/25	Y N
11	R	<b>Sage Software</b> HRMS Business Care Silver - Time and Attendance	Previously included in above annual subscription.	\$5,525.10/year	7/22/24 - 7/21/25	Y N
12	R	<b>Sage Software</b> Fixed assets, licensing & support	\$3,680/year	\$3,974/year	7/22/24 - 7/21/25	Y N
13	S	<b>Waystar</b> Clearing House for submitting 3rd party insurance claims  Monthly Subscription pricing includes: *Professional (Batch) Claims: 500 *Paper Claims: 0 *Electronic Remittance Advice: 500 *Eligibility Inquiries: 500	Annual Fee \$265 Monthly Fee \$200  \$0.27/add'l transaction \$0.56 each, \$0.27/add'l page printed \$0.07/add'l transaction \$0.27/add'l transaction	Same	7/23/24 - 7/22/25	Y N
14	R	<b>Rural Wisconsin Health Cooperative</b> Credentials verification - annual subscription fee - appointment - reappointment	\$500.00 \$141.21/each \$129.75/each	Same \$146.86/each \$134.94/each	7/1/24 - 6/30/25	Y N
15	R	<b>CentralSquare</b> Medworxx Policy & Procedure software support	\$5,132	\$5,388	9/1/24 - 8/31/25	Y N
16**	M	<b>MMRMA</b> Property and Liability Coverage	\$94,377	\$98,172	7/1/24 - 7/1/25	Y N
<b>SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)</b>						
<b>SECTION III. STATE OF MICHIGAN GRANT CONTRACTS</b>						
<b>SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL</b>						

R = Renewal with rate increase since previous contract  
D = Renewal with rate decrease since previous contract  
S = Renewal with same rate as previous contract  
ES = Extension

M = Modification  
N = New Contract/Provider  
NC = New Consumer  
T = Termination

**Footnotes:**

- \*5 This setting has not yet received HCBS provisional approval.
- \*\*16 BABH is in a 2 year contract with MMRMA which expires 7/1/25. The 2 year renewal states the second year rate may increase but no more than 5%. Using the formula provided by MMRMA, this renewal increased 4.92%

**Bay-Arenac Behavioral Health  
Financial Statements  
For Period Ending 5/31/2024**

Certified for Accuracy

  
Accounting Manager  
  
Chief Financial Officer

Bay-Arenac Behavioral Health Statement of Net Assets

Bay-Arenac Behavioral Health Consolidated Income Statement:

By Month to Date

By Year to Date

Bay-Arenac Behavioral Health Reconciliation of Fund Balance:

Bay-Arenac Behavioral Health Reconciliation of Unreserved Fund Balance:

Bay-Arenac Behavioral Health Fund Balance Summary:

Bay-Arenac Behavioral Health Cash Flow Statement

Bay-Arenac Behavioral Health Projected Cash Flows

**Bay Arenac Behavioral Health  
Statement of Net Assets**

Column Identifiers		
A	B	C

		<u>May 31, 2024</u>	<u>Sept 30, 2023</u>	
1	<b>ASSETS</b>			
2	<b><u>Current Assets</u></b>			
3	Cash and cash equivalents	\$4,543,784.19	\$3,022,671.86	
4	Consumer and insurance receivables	227,547.70	250,600.73	
5	Due from other governmental units	6,352,130.38	7,068,212.79	
6	Contract and other receivables	228,667.52	589,887.89	
7	Interest receivable	0.00	0.00	
8	Prepaid items	176,276.56	172,069.24	
9	<b>Total Current Assets</b>	<b>11,525,406.35</b>	<b>11,103,442.51</b>	(3+4+5+6+7+8)
10	<b>Noncurrent Assets</b>			
11	<b><u>Cash and cash Equivalents - restricted</u></b>			
12	Restricted for compensated absences	1,507,204.35	1,492,316.16	
13	Restricted temporarily - other	102,205.21	88,421.11	
14	<b>Cash and Cash Equivalents - restricted</b>	<b>1,609,409.56</b>	<b>1,580,737.27</b>	(12+13)
15	<b><u>Capital Assets</u></b>			
16	Capital assets - land	424,500.00	424,500.00	
17	Capital assets - depreciable, net	6,366,374.54	6,384,206.87	
18	Capital assets - construction in progress	-	-	
19	GASB 87 Right to Use Bldg	2,272,819.47	2,272,819.47	
20	Accumulated depreciation	(4,452,559.66)	(4,327,820.27)	
21	<b>Capital Asset, net</b>	<b>4,613,134.35</b>	<b>4,753,706.07</b>	(16+17+18+19+20)
22	<b>Total Noncurrent Assets</b>	<b>6,222,543.91</b>	<b>6,334,443.34</b>	(14+21)
23	<b>TOTAL ASSETS</b>	<b>17,747,950.26</b>	<b>17,437,885.85</b>	(9+22)
24	<b>LIABILITIES</b>			
25	<b><u>Current Liabilities</u></b>			
26	Accounts payable	0.00	3,748,831.73	
27	Accrued wages and payroll related liabilities	82,653.73	83,713.19	
28	Other accrued liabilities	3,886,009.84	569,539.06	
29	Due to other governmental units	224,831.00	250,747.00	
30	Deferred Revenue	2,503.73	2,503.73	
31	Current portion of long term debt	16,212.86	16,212.86	
32	Other current liabilities	-	-	
33	<b>Total Current Liabilities</b>	<b>4,211,211.16</b>	<b>4,671,547.57</b>	(26+27+28+29+30+31+32)
34	<b><u>Noncurrent Liabilities</u></b>			
35	Long term debt, net of current portion	236,122.25	246,873.29	
36	GASB 87 Noncurrent Lease Liability	1,699,121.29	1,699,121.29	
37	Compensated absences	1,350,293.36	1,462,345.88	
38	<b>Total Noncurrent Liabilities</b>	<b>3,285,536.90</b>	<b>3,408,340.46</b>	(35+36+37)
39	<b>TOTAL LIABILITIES</b>	<b>7,496,748.06</b>	<b>8,079,888.03</b>	(33+38)
40	<b>NET ASSETS</b>			
41	<b><u>Fund Balance</u></b>			
42	Restricted for capital purposes	3,966,653.00	3,966,653.00	
43	Unrestricted fund balance - PBIP	2,827,136.47	2,377,601.32	
44	Unrestricted fund balance	3,457,412.73	3,013,743.50	
45	<b>Total Net Assets</b>	<b>\$10,251,202.20</b>	<b>\$9,357,997.82</b>	(42+43+44) and (23-39)

Bay Arenac Behavioral Health  
For the Month Ending May 31, 2024  
Summary of All Units

		Column Identifiers					
A	B	C	D	E (C-D)	F (C / D)	G	
	May Actual	2024 YTD Actual	2024 YTD Budget	Variance	% to Budget	2024 Monthly Budget	
Income Statement							
1	<b>REVENUE</b>						
2	<b>Risk Contract Revenue</b>						
3	Medicaid Specialty Supports & Services	4,537,372.54	37,594,952.97	34,848,533.33	2,746,419.64	108%	4,358,066.67
4	Medicaid Autism	1,045,708.59	7,310,331.51	8,450,124.00	860,207.51	113%	808,265.50
5	State Genl Fund Priority Population	271,008.00	1,219,540.00	1,084,036.27	135,503.73	112%	135,504.53
6	GF Shared Savings Lapse	0.00	0.00	51,179.36	(51,179.36)	0%	6,397.42
7	<b>TOTAL Risk Contract Revenue</b>	<b>5,854,089.13</b>	<b>46,124,824.48</b>	<b>42,433,872.97</b>	<b>3,690,951.51</b>	<b>109%</b>	<b>5,304,234.12</b> (3+4+5+6)
8	<b>Program Service Revenue</b>						
9	Medicaid, CWP FFS	0.00	0.00	0.00	0.00	0%	0.00
10	Other Fee For Service	37,838.37	234,517.97	230,916.53	3,601.44	102%	28,864.57
11	<b>Total Program Service Revenue</b>	<b>37,838.37</b>	<b>234,517.97</b>	<b>230,916.53</b>	<b>3,601.44</b>	<b>102%</b>	<b>28,864.57</b> (9+10)
12	<b>Other Revenue</b>						
13	Grants and Earned Contracts	135,455.90	1,101,122.00	1,230,157.97	(129,035.97)	90%	153,789.75
14	SSI Reimbursements, 1st/3rd Party	6,059.80	49,910.80	45,919.80	3,991.20	109%	5,739.95
15	County Appropriation	65,587.83	524,702.60	524,702.64	0.00	100%	65,587.83
16	Interest Income - Working Capital	20,135.21	241,808.08	76,608.33	165,199.75	318%	9,576.04
17	Other Local Income	1,230.11	458,105.60	313,755.71	144,349.92	146%	39,219.46
18	<b>Total Other Revenue</b>	<b>228,488.85</b>	<b>2,375,649.16</b>	<b>2,191,144.25</b>	<b>184,504.90</b>	<b>108%</b>	<b>273,893.03</b> (13+14+15+16+17)
19	<b>TOTAL REVENUE</b>	<b>6,120,396.35</b>	<b>48,734,991.60</b>	<b>44,855,933.74</b>	<b>3,879,057.86</b>	<b>109%</b>	<b>5,608,991.72</b> (7+11+18)
20	<b>EXPENSE</b>						
21	<b>SUPPORTS &amp; SERVICES</b>						
22	<b>Provider Claims</b>						
23	State Facility - Local portion	5,896.89	119,891.38	128,192.03	8,300.65	94%	16,024.00
24	Community Hospital	278,331.79	5,142,877.23	3,832,982.41	(1,309,914.82)	134%	479,120.30
25	Residential Services	1,208,405.53	10,079,847.78	10,112,905.46	33,057.68	100%	1,284,113.18
26	Community Supports	2,329,402.80	16,949,538.50	15,088,056.76	(1,861,481.82)	112%	1,886,007.10
27	<b>Total Provider Claims</b>	<b>3,822,037.01</b>	<b>32,292,154.97</b>	<b>29,182,116.66</b>	<b>(3,130,038.31)</b>	<b>111%</b>	<b>3,645,264.58</b> (23+24+25+26)
28	<b>Operating Expenses</b>						
29	Salaries	1,222,544.90	9,559,926.13	9,775,345.82	215,419.69	98%	1,221,918.23
30	Fringe Benefits	409,828.37	3,169,787.17	3,176,138.05	6,350.88	100%	397,267.26
31	Consumer Related	4,883.39	31,454.50	32,602.03	1,147.45	96%	4,075.25
32	Program Operations	144,634.34	1,114,377.50	879,033.57	(235,343.95)	127%	109,879.20
33	Facility Cost	41,474.37	438,745.76	443,302.11	4,556.35	99%	55,412.78
34	Purchased Services	8,615.25	15,804.20	14,706.45	(1,097.80)	107%	1,838.31
35	Other Operating Expense	85,988.58	923,559.20	927,273.89	3,714.69	100%	115,909.24
36	Local Funds Contribution	17,906.00	143,248.00	143,248.00	0.00	100%	17,906.00
37	Interest Expense	675.55	5,506.10	5,814.33	308.21	95%	726.79
38	Depreciation	15,132.22	147,223.50	175,208.36	27,984.84	84%	21,901.05
39	<b>Total Operating Expenses</b>	<b>1,961,482.95</b>	<b>15,549,832.25</b>	<b>16,574,672.61</b>	<b>25,040.36</b>	<b>100%</b>	<b>1,946,834.08</b> (29+30+31+32+33+34+35+36+37+38)
40	<b>TOTAL EXPENSES</b>	<b>5,783,519.96</b>	<b>47,841,787.22</b>	<b>44,736,789.27</b>	<b>(3,104,997.95)</b>	<b>107%</b>	<b>5,582,088.68</b> (27+39)
41	<b>NET SURPLUS/(DEFICIT)</b>	<b>336,876.39</b>	<b>893,204.38</b>	<b>119,144.47</b>	<b>774,059.91</b>	<b>750%</b>	<b>14,893.06</b> (19-40)

**Notes:**  
 Medicaid Revenue includes an accrual for **additional funds** if a **shortage exists (reduction)** of funds if a **surplus** exists from/(to) Mid-State Health Network as follows:  
 Net Medicaid (shortage) to request from MSHN: \$5,963,493.21  
 Medicaid (shortage): (\$850,074.66)  
 Healthy Michigan (shortage): (\$1,562,440.10)  
 Autism (shortage): (\$3,450,978.45)



**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF FUND BALANCE  
AS OF MAY 31, 2024**

	<b>TOTALS</b>
Fund Balance 09/30/2023	9,357,997.82
Net (loss)/income May 2024	893,204.38
Net Increase/(Decrease) Funds Restricted for Capital Purposes	<u>-</u>
Calculated Fund Balance 5/31/2024	10,251,202.20
Statement of Net Assets Fund Balance 5/31/2024	10,251,202.20
Difference	-

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**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF UNRESTRICTED FUND BALANCE  
AS OF MAY 31, 2024**

	<b><u>TOTALS</u></b>
Unrestricted Fund Balance 9/30/2023	5,391,344.82
Net (loss)/income May 2024	893,204.38
Increase/Decrease in net assets	<u>-</u>
Calculated Unrestricted Fund Balance 5/31/2024	6,284,549.20
Statement of Net Assets Unrestricted Fund Balance 05/31/2024	6,284,549.20
Difference	-

**Bay-Arenac Behavioral Health  
Fund Balance Summary**

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	Sept. 30, 2023 Unrestricted Fund Balance	May 31, 2024 Permanently Restricted	May 31, 2024 Temporarily Restricted	May 31, 2024 Unrestricted/ Reserved	May 31, 2024 Total Fund Balance
Unrestricted	3,013,744	-	-	3,457,413	3,457,413
Capital Purposes	844,325	-	-	844,325	844,325
Invested in Capital Assets	3,122,328	-	-	3,122,328	3,122,328
Performance Incentive Pool	<u>2,377,601</u>	-	-	<u>2,827,136</u>	<u>2,827,136</u>
Balances	9,357,998	-	-	10,251,202	10,251,202

**BAY-ARENAC BEHAVIORAL HEALTH  
Cash Flow**

	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25
<b>Estimated Funds:</b>													
Beginning Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions/(Subtractions)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month End Inv. Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Cash Balance	8,385,769	5,488,296	4,968,038	4,301,839	2,811,523	2,291,264	1,624,865	8,534,750	8,014,491	6,398,092	5,707,976	5,187,717	4,521,319
Total Medicaid	4,949,586	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000	4,991,000
Total General Fund	135,505	135,504	135,505	135,505	135,504	135,505	135,505	135,504	135,505	135,505	135,504	135,505	135,506
Estimated Misc. Receipts	231,190	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759	89,759
Client Receipts	57,252	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Interest	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712
<b>Total Estimated Cash</b>	<b>11,977,014</b>	<b>10,893,413</b>	<b>10,267,014</b>	<b>9,690,615</b>	<b>8,216,639</b>	<b>7,580,240</b>	<b>6,913,842</b>	<b>13,939,866</b>	<b>13,303,467</b>	<b>11,687,068</b>	<b>11,113,092</b>	<b>10,476,694</b>	<b>9,810,295</b>
<b>Total Estimated Available Funds</b>	<b>11,377,014</b>	<b>10,893,413</b>	<b>10,257,014</b>	<b>9,590,615</b>	<b>8,216,639</b>	<b>7,580,240</b>	<b>6,913,842</b>	<b>13,939,866</b>	<b>13,303,467</b>	<b>11,687,068</b>	<b>11,113,092</b>	<b>10,476,694</b>	<b>9,810,295</b>
<b>Estimated Expenditures:</b>													
1st Payroll	551,938	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Special Pay	-	-	-	-	-	-	-	-	-	-	-	-	-
ETO Buyouts	182,418	-	-	-	-	-	-	-	-	-	-	-	-
2nd Payroll	546,886	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Board Per Diem	2,277	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343	3,343
3rd Payroll	-	-	-	550,000	-	-	-	-	550,000	-	-	-	-
1st Friday Claims	685,102	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Mortgage Pmt	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032	2,032
2nd Friday Claims	1,774,701	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Board Week Bay Batch	812,999	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Board Week Claims	575,227	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000
Credit Card	-	-	-	-	-	-	-	-	-	-	-	-	-
4th Friday Claims	749,417	875,000	875,000	725,000	875,000	875,000	875,000	875,000	875,000	875,000	875,000	875,000	875,000
5th Friday Claims	454,203	-	-	400,000	-	-	400,000	-	400,000	-	-	-	-
Local FFP payment to MSHN	53,717	-	-	53,717	-	-	53,717	-	-	53,717	-	-	53,717
Transfer to State of MI	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from/(to) Reserve Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Settlement with MSHN	-	-	-	-	-	-	(8,000,000)	-	-	-	-	-	-
Transfer to (from) MMA	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to (from) HRA	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	-
Transfer to (from) Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to (from) Capital Acct	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Estimated Expenditures</b>	<b>6,488,717</b>	<b>6,926,376</b>	<b>6,966,376</b>	<b>6,779,092</b>	<b>6,926,376</b>	<b>6,956,376</b>	<b>(1,620,908)</b>	<b>5,925,375</b>	<b>6,905,375</b>	<b>5,979,092</b>	<b>6,925,376</b>	<b>6,966,376</b>	<b>6,979,092</b>
<b>Estimated Month End Cash Balance</b>	<b>5,488,296</b>	<b>4,968,038</b>	<b>4,301,839</b>	<b>2,811,523</b>	<b>2,291,264</b>	<b>1,624,865</b>	<b>8,534,750</b>	<b>8,014,491</b>	<b>6,398,092</b>	<b>5,707,976</b>	<b>5,187,717</b>	<b>4,521,319</b>	<b>3,831,203</b>

# Bay-Arenac Behavioral Health

## Cash Flow Forecasting For the Month of June

	<u>Bank Balance</u>	<u>Investment Balance</u>
<b>Estimated Cash Balance June 1, 2024</b>	<b>5,488,296</b>	-
Investment Purchased/Interest	-	-
Investments coming due during month	-	-
<b>Estimated Cash Balance June 30, 2024</b>	<b>5,488,296</b>	-
Estimated Cash Inflow:		
Medicaid Funds:	4,991,000	
General Fund Dollars:	135,504	
Board Receipts:	205,900	
Client Receipts:	55,000	
Funds from Investment:	-	
Interest:	17,712	
<b>Total Estimated Cash Inflow:</b>	<b>5,405,116</b>	
Estimated Cash Outflow:		
Payroll Dated: <b>06/07/24</b>	(550,000)	
Payroll Dated: <b>06/21/24</b>	(550,000)	
Board Per Diem Payroll: <b>06/21/24</b>	(3,343)	
Payroll Dated:	-	
Claims Disbursements: <b>06/07/24</b>	(750,000)	
Claims Disbursements: <b>06/14/24</b>	(1,320,000)	
Claims Disbursements: <b>06/21/24</b>	(975,000)	
A/P Disbursements: <b>06/21/24</b>	(900,000)	
Mortgage Payment: <b>06/24/24</b>	(2,032)	
Claims Disbursements: <b>06/28/24</b>	(875,000)	
Claims Disbursements:	-	
Local FFP Payment:	-	
Transfer to Reserve Acct:	-	
HRA transfer:	-	
Transfer to MSHN:	-	
Transfer to State of MI:	-	
Purchased Investment:	-	
<b>Total Estimated Cash Outflow:</b>	<b>(5,925,375)</b>	
<b>Estimated Cash Balance on June 30, 2024</b>	<b>4,968,038</b>	-

**Bay Arenac Behavioral Health**  
**201 Mulholland, Bay City, MI 48708**  
**Electronic Funds Transfers including Cash Transfers/Wires/ACHs**  
**May 2024**

<u>Funds Paid from/ Transferred from:</u>	<u>Funds Paid to/ Transferred to:</u>	<u>Amount</u>	<u>Date of Payment</u>	<u>Description</u>	<u>Authorized By</u>
Flagstar Bank	Flagstar Bank	686,212.30	5/2/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	825,000.00	5/3/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	16,987.88	5/6/2024	Credit Card Payment	Marci Rozek
Flagstar Bank	Flagstar Bank	550,000.00	5/8/2024	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	3,525.02	5/9/2024	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	548,412.75	5/9/2024	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,791,626.83	5/9/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	1,025,000.00	5/14/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	50,000.00	5/14/2024	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Flagstar Bank	200,000.00	5/14/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	200,000.00	5/17/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	JP Morgan Chase	53,717.00	5/17/2024	Transfer from General Account to MSHN - local match drawdown	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,276.81	5/17/2024	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	952,242.10	5/17/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	140,000.00	5/20/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	550,000.00	5/22/2024	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,031.96	5/22/2024	Transfer from General Acct for Mortgage payment	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	3,525.02	5/23/2024	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	543,161.07	5/23/2024	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	3,245,000.00	5/24/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,228,122.12	5/24/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	170,000.00	5/30/2024	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Flagstar Bank	671,848.28	5/30/2024	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	10,000.00	5/31/2024	Credit Card Payment	Marci Rozek
Flagstar Bank	Flagstar Bank	740,000.00	5/31/2024	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	182,418.07	5/31/2024	Transfer from General Account to Payroll Account	Marci Rozek

**Total Withdrawals: 14,391,107.21**

  
 Submitted By: Marci Rozek or Christopher Pinter

Chief Financial Officer or Chief Executive Officer

**Bay Arenac Behavioral Health**  
**201 Mulholland, Bay City, MI 48708**  
**Electronic Funds Transfers for Vendor ACH Payments**  
**May 2024**

<b>Funds Paid from:</b>	<b>EFT #</b>	<b>Funds Paid to:</b>	<b>Amount</b>	<b>Date of Pmt</b>	<b>Authorized By</b>
Flagstar Bank	E5648	AUGRES CARE CENTER, INC	3,842.14	5/3/2024	Marci Rozek
Flagstar Bank	E5649	HAVENWYCK HOSPITAL	9,040.50	5/3/2024	Marci Rozek
Flagstar Bank	E5650	Bay Human Services, Inc.	226.20	5/3/2024	Marci Rozek
Flagstar Bank	E5651	MICHIGAN COMMUNITY SERVICES IN	45,141.73	5/3/2024	Marci Rozek
Flagstar Bank	E5652	LIBERTY LIVING, INC.	55,785.18	5/3/2024	Marci Rozek
Flagstar Bank	E5653	NORTH SHORES CENTER LLC	6,621.00	5/3/2024	Marci Rozek
Flagstar Bank	E5654	DISABILITY NETWORK	15,021.60	5/3/2024	Marci Rozek
Flagstar Bank	E5655	SAMARITAS	3,990.24	5/3/2024	Marci Rozek
Flagstar Bank	E5656	PHC OF MICHIGAN - HARBOR OAKS	8,300.00	5/3/2024	Marci Rozek
Flagstar Bank	E5657	MPA GROUP NFP, Ltd.	38,732.21	5/3/2024	Marci Rozek
Flagstar Bank	E5658	LIST PSYCHOLOGICAL SERVICES	5,130.96	5/3/2024	Marci Rozek
Flagstar Bank	E5659	SAGINAW PSYCHOLOGICAL SERVICES	27,243.68	5/3/2024	Marci Rozek
Flagstar Bank	E5660	PARAMOUNT REHABILITATION	15,082.81	5/3/2024	Marci Rozek
Flagstar Bank	E5661	DO-ALL, INC.	8,836.92	5/3/2024	Marci Rozek
Flagstar Bank	E5662	Winningham, Linda Jo	826.00	5/3/2024	Marci Rozek
Flagstar Bank	E5663	Nutrition for Wellness	520.70	5/3/2024	Marci Rozek
Flagstar Bank	E5664	WILSON, STUART T. CPA, P.C.	87,257.24	5/3/2024	Marci Rozek
Flagstar Bank	E5665	CAREBUILDERS AT HOME, LLC	801.96	5/3/2024	Marci Rozek
Flagstar Bank	E5666	AUTISM SYSTEMS LLC	10,189.91	5/3/2024	Marci Rozek
Flagstar Bank	E5667	CENTRIA HEALTHCARE LLC	12,151.30	5/3/2024	Marci Rozek
Flagstar Bank	E5668	PERSONAL ASSISTANCE OPTIONS INC	77,196.80	5/3/2024	Marci Rozek
Flagstar Bank	E5669	Flourish Services, LLL	9,099.69	5/3/2024	Marci Rozek
Flagstar Bank	E5670	GAME CHANGER PEDIATRIC THERAPY	6,281.70	5/3/2024	Marci Rozek
Flagstar Bank	E5671	Spectrum Autism Center	26,671.96	5/3/2024	Marci Rozek
Flagstar Bank	E5672	ENCOMPASS THERAPY CENTER LLC	71,619.69	5/3/2024	Marci Rozek
Flagstar Bank	E5673	Acorn Health of Michigan	250.08	5/3/2024	Marci Rozek
Flagstar Bank	E5674	SAGINAW CO CMH AUTHORITY	5,103.51	5/10/2024	Marci Rozek
Flagstar Bank	E5675	AUGRES CARE CENTER, INC	3,718.20	5/10/2024	Marci Rozek
Flagstar Bank	E5676	HOPE NETWORK BEHAVIORAL HEALTH	48,295.11	5/10/2024	Marci Rozek
Flagstar Bank	E5677	Hope Network Southeast	130,943.67	5/10/2024	Marci Rozek
Flagstar Bank	E5678	BEACON SPECIALIZED LIVING SVS	18,033.30	5/10/2024	Marci Rozek
Flagstar Bank	E5679	Bay Human Services, Inc.	346,313.61	5/10/2024	Marci Rozek
Flagstar Bank	E5680	MICHIGAN COMMUNITY SERVICES IN	294,214.50	5/10/2024	Marci Rozek
Flagstar Bank	E5681	CENTRAL STATE COMM. SERVICES	37,416.20	5/10/2024	Marci Rozek
Flagstar Bank	E5682	VALLEY RESIDENTIAL SERVICES	85,119.40	5/10/2024	Marci Rozek
Flagstar Bank	E5683	LIBERTY LIVING, INC.	39,255.60	5/10/2024	Marci Rozek
Flagstar Bank	E5684	SUPERIOR CARE OF MICHIGAN LLC	8,232.00	5/10/2024	Marci Rozek
Flagstar Bank	E5685	Closer to Home, LLC	18,534.00	5/10/2024	Marci Rozek
Flagstar Bank	E5686	DISABILITY NETWORK	17,420.76	5/10/2024	Marci Rozek
Flagstar Bank	E5687	SAMARITAS	17,021.50	5/10/2024	Marci Rozek
Flagstar Bank	E5688	HEALTHSOURCE	38,988.00	5/10/2024	Marci Rozek
Flagstar Bank	E5689	FOREST VIEW HOSPITAL	7,402.50	5/10/2024	Marci Rozek
Flagstar Bank	E5690	PHC OF MICHIGAN - HARBOR OAKS	308.22	5/10/2024	Marci Rozek
Flagstar Bank	E5691	MPA GROUP NFP, Ltd.	25,199.23	5/10/2024	Marci Rozek
Flagstar Bank	E5692	LIST PSYCHOLOGICAL SERVICES	2,642.99	5/10/2024	Marci Rozek
Flagstar Bank	E5693	SAGINAW PSYCHOLOGICAL SERVICES	25,486.83	5/10/2024	Marci Rozek
Flagstar Bank	E5694	PARAMOUNT REHABILITATION	20,172.86	5/10/2024	Marci Rozek
Flagstar Bank	E5695	ARENAC OPPORTUNITIES, INC	11,237.64	5/10/2024	Marci Rozek
Flagstar Bank	E5696	DO-ALL, INC.	26,536.15	5/10/2024	Marci Rozek
Flagstar Bank	E5697	TOUCHSTONE SERVICES, INC	25,359.36	5/10/2024	Marci Rozek
Flagstar Bank	E5698	Winningham, Linda Jo	359.00	5/10/2024	Marci Rozek
Flagstar Bank	E5699	Nutrition for Wellness	1,087.80	5/10/2024	Marci Rozek
Flagstar Bank	E5700	WILSON, STUART T. CPA, P.C.	74,151.25	5/10/2024	Marci Rozek
Flagstar Bank	E5701	AUTISM SYSTEMS LLC	112.24	5/10/2024	Marci Rozek
Flagstar Bank	E5702	CENTRIA HEALTHCARE LLC	15,369.09	5/10/2024	Marci Rozek
Flagstar Bank	E5703	PERSONAL ASSISTANCE OPTIONS INC	10,285.30	5/10/2024	Marci Rozek
Flagstar Bank	E5704	Flourish Services, LLL	8,065.00	5/10/2024	Marci Rozek
Flagstar Bank	E5705	GAME CHANGER PEDIATRIC THERAPY	152,354.09	5/10/2024	Marci Rozek
Flagstar Bank	E5706	Spectrum Autism Center	13,675.79	5/10/2024	Marci Rozek
Flagstar Bank	E5707	ENCOMPASS THERAPY CENTER LLC	68,621.97	5/10/2024	Marci Rozek
Flagstar Bank	E5708	Acorn Health of Michigan	341.50	5/10/2024	Marci Rozek
Flagstar Bank	E5709	MERCY PLUS HEALTHCARE SERVICES LLC	45,915.41	5/10/2024	Marci Rozek
Flagstar Bank	E5710	STATE OF MICHIGAN DEPT OF COMM HEALTH A	10,356.52	5/10/2024	Marci Rozek
Flagstar Bank	E5711	NETSOURCE ONE, INC.	1,775.00	5/10/2024	Marci Rozek
Flagstar Bank	E5712	AZZ CLEANING & RESTORATION, INC.	5,178.00	5/17/2024	Marci Rozek
Flagstar Bank	E5713	FLEX ADMINISTRATORS INC	1,024.50	5/17/2024	Marci Rozek



Flagstar Bank	E5714	NETSOURCE ONE, INC.	37,814.07	5/17/2024	Marci Rozek
Flagstar Bank	E5715	Badour Heating & Cooling	65.00	5/17/2024	Marci Rozek
Flagstar Bank	E5716	BICKEL, MEREDITH	473.02	5/17/2024	Marci Rozek
Flagstar Bank	E5717	Brooks, Kaytie	42.79	5/17/2024	Marci Rozek
Flagstar Bank	E5718	Bryan, Kelly	1,133.23	5/17/2024	Marci Rozek
Flagstar Bank	E5719	BYRNE, RICHARD	294.80	5/17/2024	Marci Rozek
Flagstar Bank	E5720	COOK, BRIANNA	141.37	5/17/2024	Marci Rozek
Flagstar Bank	E5721	Cook, Jordyn	103.85	5/17/2024	Marci Rozek
Flagstar Bank	E5722	Deshano, Jennifer	148.61	5/17/2024	Marci Rozek
Flagstar Bank	E5723	DocuSign, Inc.	2,199.47	5/17/2024	Marci Rozek
Flagstar Bank	E5724	Dunnem, Emily	455.53	5/17/2024	Marci Rozek
Flagstar Bank	E5725	FRIEBE, HEATHER	103.85	5/17/2024	Marci Rozek
Flagstar Bank	E5726	Griffus, Penny	67.67	5/17/2024	Marci Rozek
Flagstar Bank	E5727	GUERTIN, SUSAN	319.03	5/17/2024	Marci Rozek
Flagstar Bank	E5728	HARLESS, MICHELLA	302.84	5/17/2024	Marci Rozek
Flagstar Bank	E5729	HECHT, KERENSA	353.76	5/17/2024	Marci Rozek
Flagstar Bank	E5730	HEWTTY, MARIA	155.64	5/17/2024	Marci Rozek
Flagstar Bank	E5731	HOSPITAL PSYCHIATRY PLLC	42,000.00	5/17/2024	Marci Rozek
Flagstar Bank	E5732	Iris Telehealth Medical Group, PA	71,558.00	5/17/2024	Marci Rozek
Flagstar Bank	E5733	J.E.JOHNSON CONTRACTING, INC.	515.00	5/17/2024	Marci Rozek
Flagstar Bank	E5734	KOIN, STACEY E.	254.60	5/17/2024	Marci Rozek
Flagstar Bank	E5735	Konwinski, Nicole	209.04	5/17/2024	Marci Rozek
Flagstar Bank	E5736	KRASINSKI, STACY	116.58	5/17/2024	Marci Rozek
Flagstar Bank	E5737	Lagalo, Lori	364.82	5/17/2024	Marci Rozek
Flagstar Bank	E5738	Lasceski, Jennifer	297.02	5/17/2024	Marci Rozek
Flagstar Bank	E5739	LIBERTY LIVING, INC.	3,841.90	5/17/2024	Marci Rozek
Flagstar Bank	E5740	MOSCISKI, DEIDRA	234.50	5/17/2024	Marci Rozek
Flagstar Bank	E5741	National Business Furniture	306.98	5/17/2024	Marci Rozek
Flagstar Bank	E5742	Niemiec, Kathleen	84.42	5/17/2024	Marci Rozek
Flagstar Bank	E5743	NIX, HEATHER	316.24	5/17/2024	Marci Rozek
Flagstar Bank	E5744	Nixon, Heidi	166.50	5/17/2024	Marci Rozek
Flagstar Bank	E5745	PRO-SCAPE, INC.	252.09	5/17/2024	Marci Rozek
Flagstar Bank	E5746	Reese, Marie	56.28	5/17/2024	Marci Rozek
Flagstar Bank	E5747	ROSE, KEVIN	81.07	5/17/2024	Marci Rozek
Flagstar Bank	E5748	Schneider, Maryssa	264.38	5/17/2024	Marci Rozek
Flagstar Bank	E5749	Schumacher, Pamela	98.62	5/17/2024	Marci Rozek
Flagstar Bank	E5750	SHRED EXPERTS LLC	447.00	5/17/2024	Marci Rozek
Flagstar Bank	E5751	Staples	5,968.14	5/17/2024	Marci Rozek
Flagstar Bank	E5752	Tenney, Ben	224.45	5/17/2024	Marci Rozek
Flagstar Bank	E5753	Thomas, Linda	117.79	5/17/2024	Marci Rozek
Flagstar Bank	E5754	Trout, Amber	330.31	5/17/2024	Marci Rozek
Flagstar Bank	E5755	Truhn, Emelia	214.74	5/17/2024	Marci Rozek
Flagstar Bank	E5756	VanWert, Laurie	49.69	5/17/2024	Marci Rozek
Flagstar Bank	E5757	VASCONCELOS, FLAVIA	339.56	5/17/2024	Marci Rozek
Flagstar Bank	E5758	VOGEL, HOLLI	639.85	5/17/2024	Marci Rozek
Flagstar Bank	E5759	Yeo & Yeo Technology	227.50	5/17/2024	Marci Rozek
Flagstar Bank	E5760	Bryan, Kelly	30.00	5/17/2024	Marci Rozek
Flagstar Bank	E5761	Bay Human Services, Inc.	23,911.94	5/17/2024	Marci Rozek
Flagstar Bank	E5762	LIBERTY LIVING, INC.	40,307.13	5/17/2024	Marci Rozek
Flagstar Bank	E5763	HEALTHSOURCE	65,664.00	5/17/2024	Marci Rozek
Flagstar Bank	E5764	FOREST VIEW HOSPITAL	29,610.00	5/17/2024	Marci Rozek
Flagstar Bank	E5765	CEDAR CREEK HOSPITAL	39,025.75	5/17/2024	Marci Rozek
Flagstar Bank	E5766	MPA GROUP NFP, Ltd.	41,499.68	5/17/2024	Marci Rozek
Flagstar Bank	E5767	LIST PSYCHOLOGICAL SERVICES	1,964.51	5/17/2024	Marci Rozek
Flagstar Bank	E5768	SAGINAW PSYCHOLOGICAL SERVICES	18,646.82	5/17/2024	Marci Rozek
Flagstar Bank	E5769	PARAMOUNT REHABILITATION	20,383.52	5/17/2024	Marci Rozek
Flagstar Bank	E5770	DO-ALL, INC.	8,575.00	5/17/2024	Marci Rozek
Flagstar Bank	E5771	New Dimensions	12,033.03	5/17/2024	Marci Rozek
Flagstar Bank	E5772	TOUCHSTONE SERVICES, INC	3,120.00	5/17/2024	Marci Rozek
Flagstar Bank	E5773	Winningham, Linda Jo	1,587.00	5/17/2024	Marci Rozek
Flagstar Bank	E5774	Nutrition for Wellness	687.10	5/17/2024	Marci Rozek
Flagstar Bank	E5775	WILSON, STUART T. CPA, P.C.	94,841.42	5/17/2024	Marci Rozek
Flagstar Bank	E5776	AUTISM SYSTEMS LLC	8,218.87	5/17/2024	Marci Rozek
Flagstar Bank	E5777	PERSONAL ASSISTANCE OPTIONS INC	50,725.60	5/17/2024	Marci Rozek
Flagstar Bank	E5778	Flourish Services, LLL	9,797.92	5/17/2024	Marci Rozek
Flagstar Bank	E5779	GAME CHANGER PEDIATRIC THERAPY	76,991.46	5/17/2024	Marci Rozek
Flagstar Bank	E5780	Spectrum Autism Center	30,676.38	5/17/2024	Marci Rozek
Flagstar Bank	E5781	ENCOMPASS THERAPY CENTER LLC	47,838.35	5/17/2024	Marci Rozek
Flagstar Bank	E5782	Acorn Health of Michigan	122.62	5/17/2024	Marci Rozek
Flagstar Bank	E5783	MERCY PLUS HEALTHCARE SERVICES LLC	46,878.42	5/17/2024	Marci Rozek
Flagstar Bank	E5784	Hope Network Southeast	454.33	5/24/2024	Marci Rozek
Flagstar Bank	E5785	Fitzhugh House, LLC	21,551.49	5/24/2024	Marci Rozek
Flagstar Bank	E5786	Bay Human Services, Inc.	121,040.65	5/24/2024	Marci Rozek
Flagstar Bank	E5787	MICHIGAN COMMUNITY SERVICES IN	128,811.29	5/24/2024	Marci Rozek
Flagstar Bank	E5788	CENTRAL STATE COMM. SERVICES	179.38	5/24/2024	Marci Rozek

Flagstar Bank	E5789	VALLEY RESIDENTIAL SERVICES	280.84	5/24/2024	Marci Rozek
Flagstar Bank	E5790	LIBERTY LIVING, INC.	69,293.20	5/24/2024	Marci Rozek
Flagstar Bank	E5791	HEALTHSOURCE	22,572.00	5/24/2024	Marci Rozek
Flagstar Bank	E5792	FOREST VIEW HOSPITAL	27,495.00	5/24/2024	Marci Rozek
Flagstar Bank	E5793	CEDAR CREEK HOSPITAL	23,204.50	5/24/2024	Marci Rozek
Flagstar Bank	E5794	MPA GROUP NFP, Ltd.	31,337.02	5/24/2024	Marci Rozek
Flagstar Bank	E5795	LIST PSYCHOLOGICAL SERVICES	1,317.60	5/24/2024	Marci Rozek
Flagstar Bank	E5796	SAGINAW PSYCHOLOGICAL SERVICES	25,596.11	5/24/2024	Marci Rozek
Flagstar Bank	E5797	PARAMOUNT REHABILITATION	19,609.38	5/24/2024	Marci Rozek
Flagstar Bank	E5798	DO-ALL, INC.	4,231.79	5/24/2024	Marci Rozek
Flagstar Bank	E5799	New Dimensions	16,855.01	5/24/2024	Marci Rozek
Flagstar Bank	E5800	TOUCHSTONE SERVICES, INC	6,552.00	5/24/2024	Marci Rozek
Flagstar Bank	E5801	Winningham, Linda Jo	1,308.00	5/24/2024	Marci Rozek
Flagstar Bank	E5802	WILSON, STUART T. CPA, P.C.	76,177.49	5/24/2024	Marci Rozek
Flagstar Bank	E5803	CAREBUILDERS AT HOME, LLC	29,672.52	5/24/2024	Marci Rozek
Flagstar Bank	E5804	AUTISM SYSTEMS LLC	42.50	5/24/2024	Marci Rozek
Flagstar Bank	E5805	CENTRIA HEALTHCARE LLC	27,212.91	5/24/2024	Marci Rozek
Flagstar Bank	E5806	PERSONAL ASSISTANCE OPTIONS INC	3,592.52	5/24/2024	Marci Rozek
Flagstar Bank	E5807	Flourish Services, LLL	9,929.26	5/24/2024	Marci Rozek
Flagstar Bank	E5808	GAME CHANGER PEDIATRIC THERAPY	1,088.00	5/24/2024	Marci Rozek
Flagstar Bank	E5809	Spectrum Autism Center	16,030.72	5/24/2024	Marci Rozek
Flagstar Bank	E5810	ENCOMPASS THERAPY CENTER LLC	72,512.10	5/24/2024	Marci Rozek
Flagstar Bank	E5811	Acorn Health of Michigan	58.36	5/24/2024	Marci Rozek
Flagstar Bank	E5812	HEWTTY, MARIA	12.71	5/24/2024	Marci Rozek
Flagstar Bank	E5813	NETSOURCE ONE, INC.	4,910.50	5/24/2024	Marci Rozek
Flagstar Bank	E5814	UNITED WAY OF BAY COUNTYRENT	2,125.00	5/24/2024	Marci Rozek
Flagstar Bank	E5815	HAVENWYCK HOSPITAL	16,272.90	5/31/2024	Marci Rozek
Flagstar Bank	E5816	MICHIGAN COMMUNITY SERVICES IN	1,382.76	5/31/2024	Marci Rozek
Flagstar Bank	E5817	SAMARITAS	5,352.92	5/31/2024	Marci Rozek
Flagstar Bank	E5818	HEALTHSOURCE	11,286.00	5/31/2024	Marci Rozek
Flagstar Bank	E5819	FOREST VIEW HOSPITAL	1,937.00	5/31/2024	Marci Rozek
Flagstar Bank	E5820	PHC OF MICHIGAN - HARBOR OAKS	9,130.00	5/31/2024	Marci Rozek
Flagstar Bank	E5821	MPA GROUP NFP, Ltd.	29,387.48	5/31/2024	Marci Rozek
Flagstar Bank	E5822	LIST PSYCHOLOGICAL SERVICES	1,531.01	5/31/2024	Marci Rozek
Flagstar Bank	E5823	SAGINAW PSYCHOLOGICAL SERVICES	28,380.33	5/31/2024	Marci Rozek
Flagstar Bank	E5824	PARAMOUNT REHABILITATION	17,293.36	5/31/2024	Marci Rozek
Flagstar Bank	E5825	ARENAC OPPORTUNITIES, INC	5,637.10	5/31/2024	Marci Rozek
Flagstar Bank	E5826	DO-ALL, INC.	30,524.22	5/31/2024	Marci Rozek
Flagstar Bank	E5827	TOUCHSTONE SERVICES, INC	37,653.88	5/31/2024	Marci Rozek
Flagstar Bank	E5828	Winningham, Linda Jo	311.00	5/31/2024	Marci Rozek
Flagstar Bank	E5829	WILSON, STUART T. CPA, P.C.	139,245.33	5/31/2024	Marci Rozek
Flagstar Bank	E5830	AUTISM SYSTEMS LLC	776.57	5/31/2024	Marci Rozek
Flagstar Bank	E5831	CENTRIA HEALTHCARE LLC	13,791.91	5/31/2024	Marci Rozek
Flagstar Bank	E5832	Flourish Services, LLL	11,694.21	5/31/2024	Marci Rozek
Flagstar Bank	E5833	GAME CHANGER PEDIATRIC THERAPY	72,788.84	5/31/2024	Marci Rozek
Flagstar Bank	E5834	Spectrum Autism Center	15,998.19	5/31/2024	Marci Rozek
Flagstar Bank	E5835	ENCOMPASS THERAPY CENTER LLC	76,088.16	5/31/2024	Marci Rozek
Flagstar Bank	E5836	Acorn Health of Michigan	126.16	5/31/2024	Marci Rozek
Flagstar Bank	E5837	MERCY PLUS HEALTHCARE SERVICES LLC	46,513.13	5/31/2024	Marci Rozek
Flagstar Bank	E5838	STATE OF MICHIGAN DEPT OF COMM HEALTH A	9,658.37	5/31/2024	Marci Rozek
Flagstar Bank	E5839	KING COMMUNICATIONS	304.50	5/31/2024	Marci Rozek

Total Withdrawals:

4,402,477.43

*Marci Rozek*

Submitted By: Marci Rozek or Christopher Pinter  
Chief Financial Officer or Chief Executive Officer



June 18, 2024

To: Sara McRae, Executive Assistant to the CEO  
 From: Karl White, Accounting Manager  
 Ellen Lesniak, Finance Manager  
 Re: Disbursement Audit Information for Audit Committee

**The following is a summary of disbursements as presented**

Administration and Services for Behavioral Health

**06/21/24 Checks Sequence: #99755-99841, ACH E5897-E5950**

Employee travel, conference	\$ 13,828.82
Purchase Order Invoices	\$ 6,941.72
Invoices for Routine Maintenance, services, purchase requisition invoices	\$ 196,587.45
Recurring invoices, utilities, phone, leases	\$ 444,044.12

**SUBTOTAL - Monthly Batch \$ 661,402.11**

**ITEMS FOR REVIEW:**

**EFT transfer - Credit Card 06/05/2024 \$ 16,644.51**

**Weekly Special Checks:**

05/17/2024 Checks 99666-99668, E5760	\$ 270,239.01
05/24/2024 Checks 99683-99697, E5812-E5814	\$ 54,574.43
05/31/2024 Checks 99707-99714, E5839	\$ 21,012.07
06/07/2024 Checks 99724-99737, E5862-E5864	\$ 25,009.00
06/14/2024 Checks 99749-99754	\$ 9,608.77
06/21/2024 Checks 99842-99843, E5951	\$ 28,626.49

**SUBTOTAL - Special Checks \$ 409,069.77**

**Health Care payments**

05/17/2024 Checks 99669-99670, ACH Pmts E5761-E5783	\$ 676,225.52
05/24/2024 Checks 99671-99678, ACH Pmts E5784-E5811	\$ 1,061,720.37
05/31/2024 Checks 99698-99706, ACH Pmts E5815-E5838	\$ 650,836.21
06/07/2024 Checks 99715-99722, ACH Pmts E5840-E5861	\$ 526,422.93
06/14/2024 Checks 99738-99748, ACH Pmts E5865-E5896	\$ 1,785,401.86

**SUBTOTAL - Health Care Payments \$ 4,700,606.89**

**TOTAL DISBURSEMENTS \$ 5,787,723.28**

Prepared by: Karl White

Reviewed by: Ellen Lesniak

**Bay-Arenac Behavioral Health**  
**Board of Directors Meeting**  
**Summary of Proposed Contracts (Not Approved at Finance Committee Meeting)**  
**6/20/2024**

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Low/Mod/High)
<b>SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES</b>						
Admin/Other Services						
1	R	<b>American Red Cross</b> Licensed Training Provider Agreement & authorized provider fees - CPR/First Aid training - CPR only training	\$36/person \$28/person	\$38/person \$30/person	6/21/24 - 6/20/25	Y  N

R = Renewal with rate increase since previous contract  
 D = Renewal with rate decrease since previous contract  
 S = Renewal with same rate as previous contract  
 ES = Extension

M = Modification  
 N = New Contract/Provider  
 NC = New Consumer  
 T = Termination

**Footnotes:**



BEHAVIORAL HEALTH

Chief Executive Officer  
Christopher Pinter

Board of Directors  
Richard Byrne, Chair  
Robert Pawlak, Vice Chair  
Patrick McFarland, Treasurer  
Christopher Girard, Secretary  
Tim Banaszak  
Patrick Conley  
Jerome Crete  
Sally Mrozinski  
Kathy Niemiec  
Carole O'Brien  
Marie (Toni) Reese  
Pamela Schumacher

Board Administration  
Behavioral Health Center  
201 Mulholland  
Bay City, MI 48708  
800-448-5498 Access Center  
989-895-2300 Business

Arenac Center  
PO Box 1188  
1000 W. Cedar  
Standish, MI 48658

North Bay  
1961 E. Parish Road  
Kawkawlin, MI 48631

William B. Cammin Clinic  
1010 N. Madison  
Bay City, MI 48708

Wirt Building  
909 Washington Ave.  
Bay City, MI 48708

www.babha.org

June 19, 2024

Michigan Department of Health and Human Services  
Behavioral and Physical Health and Aging Services Administration  
Program Policy Division  
PO Box 30479, Lansing MI 48909-7979

RE: Submissions of Renewal Applications for Children’s Waiver Program (CWP),  
Habilitation Supports Waiver (HSW), Waiver for Children with Serious  
Emotional Disturbances (SEDW); Section 1915(i) State Plan Amendment  
(SPA), Parent Support Partner (PSP) SPA, and Targeted Case Management  
(TCM) SPA

To Whom It May Concern:

These public comments are submitted on behalf of Bay-Arenac Behavioral Health Authority (BABHA), a community mental health services program (CMHSP) serving over 5,000 Michigan residents on an annual basis. These comments are limited to the Section 1915(i) State Plan Amendment (SPA) and its proposed conflict of interest standards.

**The current conflict of interest design outlined by MDHHS on the 1915(i) State Plan Attachment 3.1- i.2 page 3 significantly mischaracterizes the legal relationship between the state and the 46 CMHSPs serving all 83 counties in Michigan.** It erroneously implies a financial or pecuniary self-interest to public organizations that have actually assumed a statutory transfer of governmental responsibility from the state to the counties for the delivery of public mental health services.

**The CMHSP system has its foundations in a State and County partnership to fund and deliver public mental health services in Michigan per MCL §330.1116(2)(b), 1206, 1302 and 1308.** This included a deliberate decision to close state hospitals and integrate individuals into the community nearly 60 years ago. This policy was subsequently expanded to permit counties to assume full management responsibilities, create community mental health authorities, and implement regional managed care programs under Medicaid waiver authorities. MDHHS is now re-interpreting this long-established legislative policy to imply that in **some** instances county CMHSPs have a pecuniary conflict of interest for **some** of the services included in this delivery system.

The CMHSPs carry out these responsibilities as instruments of sovereign county governments, not as a private provider or commercial health care interest. These public obligations are defined in state laws that do not permit CMHSPs the flexibility to pursue pecuniary interest.

For example, the following statutory provisions in state law specifically mitigate against any CMHSP acting in their pecuniary interest:

- 1) MCL 330.1206 Community mental health services program; purpose; services. Section (1):

*The purpose of a community mental health services program shall be to provide a comprehensive array of mental health services appropriate to conditions of individuals who are located within its geographic service area, **regardless of an individual's ability to pay.***

- 2) MCL 330.1208 Individuals to which service directed; priorities; denial of service prohibited. Sections (3) and (4):

**Priority shall be given to the provision of services to individuals with the most severe forms of serious mental illness, serious emotional disturbance, and developmental disability. Priority shall also be given to the provision of services to individuals with a serious mental illness, serious emotional disturbance, or developmental disability in urgent or emergency situations. An individual shall not be denied a service because an individual who is financially liable is unable to pay for the service.**

- 3) MCL 330.1804 Financial liability of responsible party. Sections (2) and (3):

*The department or a community mental health services program shall charge responsible parties for that portion of the financial liability that is not met by insurance coverage. Subject to section 814, the amount of the charge shall be whichever of the following is the least amount:*

- *Ability to pay determined under section 818 or 819.*
- *Cost of services as defined in section 800.*
- *The amount of coinsurance and deductible in accordance with the terms of participation with a payer or payer group.*

**The department or community mental health services program shall waive payment of that part of a charge determined under subsection (2) that exceeds financial liability. The department or community mental health services program shall not impose charges in excess of ability to pay.**

- 4) MCL 330.1810 Denial of services prohibited.

**An individual shall not be denied services because of the inability of responsible parties to pay for the services.**

- 5) MCL 330.1812 Insurance coverage as part of ability to pay. Section (1):

**If an individual is covered, in part or in whole, under any type of insurance coverage, private or public, for services provided directly by or by contract with the department or a community mental health services program, the benefits from that insurance coverage are considered to be available to pay the individual's financial liability, notwithstanding that the insurance contract was entered into by a person other than the individual or notwithstanding that the insurance coverage was paid for by a person other than the individual.**

6) MCL 330.1808 Limitation on financial liability.

**The total combined financial liability of the responsible parties shall not exceed the cost of the services.**

In addition, two state administrative rules essentially require the CMHSP Board itself and the MDHHS certification process to prohibit county CMHSPs from acting in a pecuniary interest in regard to access to services:

1) Rule 330.2067 Community Mental Health Board responsibilities.

**A community mental health board shall do all of the following:**

**(a) Ensure that a person is not denied service on the basis of race, color, nationality, religious or political belief, sex, age, handicap, county of residence, or ability to pay.** This policy shall be stated in the program statements of the community mental health board and in contractual agreements.

2) Rule 330.1025 Designation of center; certification of service entity. Section (2)(b)(i):

Certification as a service entity shall be based on the following requirements:

**(b) A service entity shall assure all of the following in its policies and procedures and in its delivery of service:**

**(i) That a person is not denied service on the basis of race, color, nationality, religious or political belief, sex, age, handicap, county of residence, or ability to pay.** This assurance shall be specified in program statements of the service entity and in all contractual agreements.

CMHSPs are required to provide services to persons **regardless of their ability to pay**, must **direct those services to persons with the most severe forms of mental illness and/or intellectual/developmental disabilities**, are **prohibited from denying services to persons that are unable or refuse to pay**, are **limited to charges as determined by the state ability to pay process**, must consider **any available insurance coverage as an offset to the financial liability**, and **may never charge more than the total cost of services in any instance**. In fact, as the **ONLY** mental health safety net providers in Michigan required to provide services 24 hours per day/7 days per week to anyone in their geographic area based on severity of need, CMHSPs do not have the capability of adverse selection or cost avoidance tactics typically used by commercial interests.

**In addition, CMHSPs are prepaid on a capitated basis through a shared regional risk contract, preventing any direct pecuniary relationships to assessment, planning and case management services and/or the volume of services delivered.** These contracts are cost settled each year, include restrictions on the use of surplus and/or Internal Service Funds (ISF), and require unspent funds be returned to the State. These funds do NOT lose their Medicaid identity as in a contract with a private interest and are still subject to public accounting requirements.

**All of these requirements, when taken collectively, prevent CMHSPs as instruments of local government from making care decisions based on financial self-interest and render the proposed 1915(i) SPA conflict of interest design both unreasonable and unnecessary.** Otherwise, it will only add more unnecessary administrative duplication and expense to the Medicaid program and make it more difficult for persons to access such services in the future.

**It is recommended that MDHHS amend the 1915(i) SPA conflict of interest plan to more accurately identify CMHSPs as local non-state entities that by statutory design are unable to benefit financially from being a provider of SPA Home and Community based services.** In fact, it should also be clarified that CMHSPs are obligated to provide these services in their geographic area regardless of a positive or negative financial impact as a core component of their safety net functions under state law. These are matters of legislative policy that is the underlying foundation for all of the current Medicaid mental health waivers in Michigan.

Thank you for the opportunity to comment on this important matter.

Sincerely,



Christopher Pinter  
Chief Executive Officer

cc: Governor Gretchen Whitmer  
Senator Kristen McDonald-Rivet  
Senator Michele Hoytenga  
Representative Timothy Beson  
Representative Mike Hoadley

## **Declaration Regarding Impact of Waskul Settlement**

1. My name is Christopher Pinter and I am the Chief Executive Officer of Bay-Arenac Behavioral Health.

2. For years, Bay-Arenac Behavioral Health, individually and through the Community Mental Health Association of Michigan, has lobbied the Michigan Department of Health and Human Services (“MDHHS”), our state legislators, and others to fix Michigan’s chronic underfunding of the public behavioral health system.

3. Bay-Arenac Behavioral Health fully supports additional funding going into the public behavioral health system as that funding is critically needed. Indeed, Michigan has been facing a direct care worker (“DCW”) crisis for years, and the low wages DCWs receive are a primary challenge for recruiting and retaining direct care workers.

4. In the public behavioral health context, DCW wages are a product of the funding that the State of Michigan and MDHHS provide for a specified Medicaid service.

5. Direct care workers are the “front line” worker for a variety of public behavioral health services. For Community Living Supports (“CLS”) services, DCWs work for individuals who self-direct their CLS services as well as agency providers.

6. Agency providers of CLS services are the backbone of the public behavioral health system for CLS services. Bay-Arenac Behavioral Health has an obligation to ensure an adequate and sufficient network of agency providers for CLS services.

7. When a local CMH receives a crisis call from the community, hospital, law enforcement, or others, and an emergency community placement is needed for that individual’s condition, the local CMH and its agency providers are the organizations who step up to serve that individual and ensure they receive the best treatment in the least restrictive environment. As a

CMH program, Bay-Arenac Behavioral Health is one of the only health care providers in Michigan with a statutory obligation to serve the most severely disabled residents of our communities regardless of ability to pay.

8. And when individuals are eligible for CLS services but do not have the ability to navigate the complex Medicaid system or serve as their own employer of record—and do not have the family or other support to serve in that role—the local CMH’s agency providers are the ones who ensure that those individuals receive CLS services and remain in the community.

9. Given the tight labor market for DCWs, any distortion of that market in favor of a particular service or provider will have system wide implications and cause problems. This is why the Community Mental Health Association of Michigan has lobbied for all direct care worker wages to be increased, because the fundamental and most important principle of delivering a behavioral health service is to help the most people possible and do no harm in the process.

10. At Bay-Arenac Behavioral Health, we care about every single recipient of our services because they are our neighbors. And we hold the above principle to our core, for we do not want any individual or group of people to be harmed by a well-intentioned but ill-advised change to the public behavioral health system.

11. I am familiar with the proposed settlement of the *Waskul* case. While Bay-Arenac Behavioral Health applauds MDHHS’s willingness to provide additional funding for CLS services through the *Waskul* settlement, the *Waskul* settlement itself represents very poor health care policy that will have catastrophic consequences for the public behavioral health system.

12. Presently, MDHHS’s funding permits a CLS hourly rate of approximately \$20.50. The *Waskul* settlement seeks to increase that CLS hourly rate to \$31 per hour, but only for the individuals who self-direct their CLS service.



13. By limiting the additional funding to those individuals on the Habilitation Supports Waiver who self-direct their CLS service, MDHHS is skewing the labor market away from agency providers—the backbone of the system—and towards self-directed services.

14. Based on feedback from agency providers, we anticipate the *Waskul* settlement to cause agency providers to lose not only their direct care workers but also their lower level management personnel. This is because MDHHS is funding the CLS service at \$31 per hour for recipients who are able to self-direct their CLS service while providing 40% less funding to agency providers who deliver the exact same CLS service to individuals on the Habilitation Supports Waiver who choose a different service modality.

15. From a system wide perspective, the *Waskul* settlement will harm more individuals than it helps. And the individuals harmed are more likely to be minorities, older, from a less affluent family, and people who do not have family or other support systems to help them—i.e., the most vulnerable in our patient population.

16. In short, MDHHS is favoring the “haves” over the “have-nots.” And at Bay-Arenac Behavioral Health, we think that is wrong. All individuals eligible for medically necessary CLS services in the state Medicaid program should receive fair consideration for funding those services, not just those that happen to be enrolled in the right waiver at the right time.

17. Through the *Waskul* settlement, MDHHS’s proposed changes to the public behavioral health system present a substantial risk of a collapse of the agency provider network. And Bay-Arenac Behavioral Health CMH, the only provider in these two counties obligated by law to provide CLS services to the most in need, will be left holding essentially an unfunded mandate. The policies in the *Waskul* settlement also materially alter the risk the PIHPs assume by contracting with MDHHS.

If you are willing to sign a statement, please contact:

<p>Trish Cortes Executive Director Washtenaw County CMH (734) 368-8683</p>	<p>Neil Marchand MILLER JOHNSON Counsel for WCCMH marchandn@millerjohnson.com (586) 255-1800 (cell) (616) 831-1764 (direct)</p>
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DRAFT

- Recent federal regulatory changes did not lessen the burden of protecting substance abuse treatment information
- Lack of awareness/understanding/use among other health care providers for DIRECT messaging, Admission-Discharge-Transfer records (ADT's), Continuity of Care Document (CCD's), etc.

**Breakthrough Initiatives:**

**Resources:**

<ol style="list-style-type: none"> <li>1. Prepare for Behavioral Health Home (BHH) integrated health readiness.             <ol style="list-style-type: none"> <li>a. Identify next steps specific to health care improvement and create a work plan that incorporates every department so that health integration becomes a natural part of clinical flow.</li> <li>b. Continue to expand Advanced Health Services.</li> <li>c.</li> <li>d. Explore Behavioral Health Home service provision.</li> </ol> </li> </ol>	<p>Health Care Integration Steering Committee (HCISC)</p>
<ol style="list-style-type: none"> <li>2. Define Policy and procedures for external information exchange and/or messaging processes with other (i.e., non-BABH provider network) health care providers:             <ol style="list-style-type: none"> <li>a. Determine how expectations for how BABHA clinicians will interact with ADT feed and activate alerts specific to such expectations.</li> <li>b. Define expectation for routine use of MiGateway and VIPR. Nurses are using. Expand for other clinical staff</li> <li>c. Continue to offer to exchange data with local health providers who are able to exchange DIRECT messages. If yes, determine what BABH would like to send/receive and what entities would like to send/receive. Target entities that do not contribute to MiGateway.</li> <li>d. Continue to use CC360 for care management, increase utilization to routine clinical workflow.</li> </ol> </li> </ol>	<p>HCISC, Denise Groh- Amy Folsom, Sarah Van Paris</p>
<ol style="list-style-type: none"> <li>3. Expand BABHA same-day access, outpatient, and crisis residential service options.</li> </ol>	<p>Joelin Hahn, Stacy Krasinski, Amy Folsom</p>
<ol style="list-style-type: none"> <li>4. Explore integrated behavioral health home models for ACT</li> <li>5. Implementation of health literacy training guidelines for staff and individuals served New employee performance review health care integration competency assessment</li> </ol>	<p>Joelin Hahn, Karen Heinrich, Sarah VanParis Sarah VanParis, Jennifer Lasceski</p>

**Finance Committee**

**Environmental Scan:**

**Management of Internal Operations and Provider Network within BABHA Annual Budget and Available Revenue**

**Lead Team Member:**

Marci Rozek; [Christopher Pinter](#)

**Status:**

**Additional Revision e for 2024**

**Impact on Ability to Accomplish Mission:**

- It is important to make strategic decisions while maintaining competitive business operations and a strong Provider Network in a manner that is consistent with organizational values
- As resources are impacted, service arrays, provider networks, staffing, and supporting infrastructure are also changed
- [Shared risk nature of contract financing requires similar commitment from MDHHS, MSHN and BABHA to meet population service needs](#)

**Opportunities/Threats:**

- Annual Performance Improvement Bonus Incentive Payment
- An increasing fund balance
- State and federal grant opportunities for integration and staff retention
- Funding of mandated direct care wage increase through capitated rates
- MSHN Network Provider Stabilization Plan developed to assist Providers with lost revenue and unusual expenditures during the pandemic has ended.
- ~~MSHN Network Provider Crisis Staffing Plan developed to assist Providers with staff recruitment and retention efforts has ended and funding is no longer available. It is at each CMHSP discretion to approve such efforts within their annual subcontract budget.~~
- Threat to public services posed by financial integration strategies
- [Inpatient utilization/expense has increased 40% in two years](#)
- Autism funding not sufficient to meet volume of services provided
- Demand for outpatient and autism services greater than internal and external capacity
- [Community Living Support expenses have increased 16% in last two years](#)
- [Medicaid expansion has outpaced available mental health providers for all service populations](#)~~Lack of services for people without Medicaid (source: community/ stakeholder needs assessment)~~
- Maintaining a stable Provider Network crucial. Staff recruitment and retention still a concern even after the pandemic.
- Long term financial viability of residential contracts
- Evaluation/monitoring of outcomes based vocational contracts
- ~~Vocational opportunities with Michigan Rehabilitation Services~~
- Expansion of Mobil Response Team to second shift with financial assistance from grant funds and MSHN
- Pervasiveness of need in some areas, such as SUD services in Arenac County
- [MDHHS Home and Community Based Services changes and potential Waskul settlement will dramatically increase CMHSP costs without offsetting revenue enhancements](#)~~Home and community based waiver financial impact being monitored, anticipate rise in community living support services~~
- ~~Potential for changes to or elimination of the Affordable Care Act and traditional Medicaid~~
- Post COVID labor market increasing all provider expenses.
- Lower cost crisis residential unit to divert higher cost inpatient hospitalizations
- Expansion of CCBHC site in the MSHN region consuming excess Medicaid funding/savings

**Strengths/Weaknesses:**

- Board aware of budget status and supportive of investments in provider systems
- Zero-based budgeting not performed periodically
- Scale of MSHN region allows opportunity to fund additional budget requests annually when MSHN’s Medicaid savings and ISF allows
- [Use of non-representational service](#)  
~~Lack of accounting for current utilization trends affects the MDHHS rate setting process~~
- MSHN supportive of Provider Stabilization efforts within each CMHSP budget
- Efficient use of EHR.
- [Regional capitation basis not reflective of the specific needs of individual geographic areas, particularly with autism and healthy MI](#)  
~~Large continuum of services still available~~
- Lack of consistent information to community – i.e., services available before a crisis arises
- ~~Increasing inpatient hospital (utilization)~~
- High turn-over rate and over-time costs with Network Providers of direct care services
- MDHHS eligibility specialist and staff critical to monitoring Medicaid benefits
- MDHHS phasing out CMHSP local match drawdown commitments

**Breakthrough Initiatives:**

1. Monitor Long Term (3-5 year) Financial Plan based on revenue trends
2. Monitor Medicaid and General Fund expenses in every programmatic, personnel and financial consideration; continually monitor fiscal year revenue projections
3. Monitor financial stability of Network Providers; Monitor staff retention and impact of recent CLS and provider rate adjustments related to the DCW mandate

**Resources:**

Chris Pinter;;  
Joelin Hahn;  
Heather Beson

“

“

4. Monitor financial impact of Individual Placement and Support (IPS) Evidence Based Model, related vocational service, Outcome-Based Contracts and community living support services in response to home and community-based waiver.	“
5. <u>Implement local crisis residential facility and pursue expansion of inpatient psychiatric beds in Bay and/or Saginaw counties as alternative service options</u> <del>Monitor health care reform; Prepare for possible changes to Medicaid funding</del>	“
6. <u>Expand use of telehealth and mobile technology to increase</u> <del>Manage revised</del> productivity and compliance at individual service and staff level	“
7. <u>Investigate options to revise eligibility/authorization criteria</u> <del>Monitor utilization trends for</del> inpatient care, outpatient services and autism services <u>to reduce the increasing expense curve in 2025 as compared to community demand (i.e., autism benefit (ABA services), availability of crisis residential services, and expansion of outpatient services.</u>	“
8. Evaluate the financial impact of MDHHS ABA reimbursement rates against the actual cost of related services	
9. <u>Identify other options to reduce autism, Healthy Mi and General Fund expenses consistent with contract requirements</u> <del>Continually monitor HMP and autism benefit costs not being fully covered by the benefit</del>	
10. <u>Partner with CMHAM, MSHN and county officials to advocate with State for sustainable public mental health funding levels</u> <del>Address any post-pandemic related cost/revenue challenges, including utilization trends and positioning services to survive financially in the changing environment.</del>	

## Program Committee

**Environmental Scan:** **Availability of Community Living Support Services (CLS) for Adults & Children**

**Lead Team Member:** Heather Beson, Melanie Corron, Nicole Sweet, **Status:** Revised for 2024  
Noreen Kulhanek

**Impact on Ability to Accomplish Mission:**

Community Living Service staffing is less available than is needed and therefore the demand for services across multiple clinical populations and service settings is not being met.

**Opportunities/Threats:**

Opportunities:

- Partnering with MALA and other Advocacy organizations to advocate for increase in wages for CLS positions.
  - Possibility to look at existing and new provider network/programs to fulfill this gap in services.
  - .
  - HCBS rules may require more community-based service provision increasing the need for more CLS;
  - North Bay CLS services have been able to assist in supporting other CLS arrangements.
  - Potential to increase Self Directed Arrangements utilizing Peer Support Brokers
  - MDHHS requirement and implementation of Electronic Visit Verification systems for Personal Care and CLS
- North Bay has moved to community based CLS services

Threats:

**Strengths/Weaknesses:**

Strengths:

- Currently have multiple providers who provide CLS services.
- Provider system is in place with potential individuals who can provide CLS services.
- Direct Care Workers have received permanent post COVID and minimum wage rate increases.
- Implementation of Self-Directed services for people with SPMI.
- Have been able to pay a differential rate for Arenac County CLS.
- Have included the CLS Leadership Providers at Residential Meetings with BABHA staff.
- North Bay is providing CLS services and has successfully met HCBS rule requirements
- North Bay and Horizon Home staff have successfully supported a variety of emergent situations and has stabilized those situations. Transitions to new providers have been smooth as a result of the Crisis Team interventions.

- Need for leadership orientation and continued learning
- Increased turnover may lead to gaps in service
- Increase opportunities to engage stakeholders and relay organizational messaging
- Competing training opportunities
- Limited financial resources
- Many training opportunities made available via Zoom and other technology
- Short notice of training affects ability of Staff Development Center to obtain CEUs
- Breadth of staff competencies in SUD treatment and prevention is not as broad as needed
- Staff turnover has decreased since 2018 and a more competitive wage structure.

<b>Breakthrough Initiatives:</b>	<b>Resources:</b>
1. Increase cross-departmental understanding through increased exposure during orientation/training, all-staff events, etc., including job shadowing and document – continue to utilize alternate methods to present training; look at use of alternative training programs for direct care post pandemic	Agency Leadership
2. Increase consistency in the application of standards by supervisory staff	Agency Leadership
3. Continue to increase SUD competency of BABHA clinical programs through training and expanding the number of certified/licensed staff; modify job descriptions as warranted	Heather Beson; Joelin Hahn; Agency Leadership
4. Develop/promote staff training on common MH diagnosis in order to increase staff competency in providing education to persons served. Suggestions from the Employee Survey regarding specific training topics will be forwarded to Staff Development for consideration.	Agency Leadership
5. Formally outline the role for case management in an integrated healthcare environment and educate staff	Sara VanParis; Karen Amon
6. Continue to support residential staffing for BABHA’s direct operated home and apartment settings through training and redeployment during the pandemic and beyond	Justeen Blair; Nicole Sweet; Melissa Spellerberg
7. Continue initiatives that support agency efforts relative to recovery-based care, trauma informed services, co-occurring services and fostering a culture of gentleness.	Heather Beson, Nicole Sweet
8. Investigate CEU process for other disciplines such as nurses, psychologists, etc.	Kaytie Brooks
9. Provide leadership training related to employment practices at monthly all-leadership meetings. Provide leadership and/or management training to Agency management staff.	HR Director
10. Continue to fully develop succession planning, health care competencies, and supervisory competencies into the performance management process	Agency Leadership

## Facilities

**Environmental Scan:** [Review of Remote Work and Physical Plant needs](#)

**Lead Team Members:**  
Karen, Marci and Jennifer

**Status:** [New 3/28/24](#)

### **Impact on Ability to Accomplish Mission:**

[The remote work environment has a direct affect on the need for office space, equipment needs and accommodation at work sites for those staff working remotely when they need work space in office.](#)

### **Opportunities/Threats:**

### **Strengths/Weaknesses:**

[Opportunities:](#)

[Strengths:](#)

- [Flexibility in staffing schedules to recruit more employees.](#)
- [Reduce costs for buildings and work spaces.](#)
- [Advance the use of technology to be more efficient.](#)
- [Leases for the Wirt Building and the Mulholland office space are soon going to be expired.](#)

**Threats:**

- [Perceived lack of supervision for remote staff.](#)
- [Potential distancing and lack of cohesiveness among teams and within the Organization](#)
- [Potential reduction in effective communication between staff and within departments.](#)

- [Have had three years during the Pandemic to work through remote work issues.](#)
- [Prior to the Pandemic, had a successful virtual office arrangement in place for several years.](#)
- [IS staff are very familiar with technology that is needed for more remote work.](#)
- [BABHA owns North bay and the Madison Clinic.](#)
- [BABHA has been able to adapt well during the Pandemic.](#)
- [There are many reports that have been developed to be able to monitor quality, effectiveness and efficiency of staff and services.](#)

**Weaknesses:**

- [Past satisfaction surveys have identified a lack of communication from BABHA, which could worsen if remote work lessens responsiveness.](#)
- [Costs for equipment may increase if there are additional needs to accommodate remote work.](#)

**Breakthrough Initiatives:**

**Resources:**

1. [Implement Leadership Dashboard and other reports to allow Supervisors and Managers for real time monitoring and evaluate staff's activity.](#)
2. [Evaluate long term staff equipment and space needs post remote work implementation.](#)
3. [Prepare/Revise 2024 Replacement schedule for Board consideration.](#)
4. [Prepare long term physical plant recommendations for Board consideration.](#)

- [BI Department, Leadership](#)
- [IS Department, Facility Manager, Leadership](#)
- [IS Manager, Finance Manager](#)
- [Leadership, Finance Manager, Facilities Manager](#)

# July 2024

# BABH Board of Directors

July 2024							August 2024						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
7	1	2	3	4	5	6	4	5	6	7	1	2	3
14	8	9	10	11	12	13	11	12	13	14	15	16	17
21	15	16	17	18	19	20	18	19	20	21	22	23	24
28	22	23	24	25	26	27	25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 30	Jul 1 5:00pm Health Care Improvement & Compliance Committee	2	3	4	5	6
7	8 5:00pm Facilities & Safety Committee	9	10 5:00pm Finance Committee 5:30pm Bylaws Committee	11 5:00pm Program Committee	12	13
14	15 5:00pm Recipient Rights Committee	16 5:00pm Audit Committee	17	18 5:00pm REGULAR BOARD MEETING	19	20
21	22	23 5:00pm Personnel & Compensation Committee	24	25	26	27
28	29	30	31	Aug 1	2	3





# Corporate Compliance Plan

2024

## APPROVALS

Corporate Compliance Committee: 5/13/24

Strategic Leadership Team: 5/21/24

Full Board Approval Date: \_\_\_\_\_

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## Statement of Purpose

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It is the policy of the Bay Arenac Behavioral Health Authority (BABHA) Board of Directors to have a Corporate Compliance (CC) Plan in effect, as stated in BABHA policy and procedure C13-S02-T18 Corporate Compliance Plan. The CC Plan is in place to guard against fraud and abuse, and to ensure that appropriate ethical and legal business standards and practices are maintained and enforced throughout BABHA<sup>1</sup>.

The BABHA Corporate Compliance Plan ensures the integrity of the system in which BABHA operates and the culture in which it is served is maintained at the highest standards of excellence, with a focus on business and professional standards of conduct compliant with federal, state and local laws, including confidentiality, compliance with reporting obligations to the federal and state government, and promotion of good corporate citizenship, prevention and early detection of misconduct.<sup>2</sup>

The BABHA Corporate Compliance Plan is reviewed and updated annually.

## Definitions

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Abuse: Practices that are inconsistent with sound fiscal, business or medical practices and result in an unnecessary cost to the payor, or in reimbursement for services that are not medically necessary or failure to meet professionally recognized standards for healthcare.

Contracted Service Provider means an individual who has a contractual agreement with BABHA to provide behavioral health clinical or administrative goods or services to BABHA or its consumers, or an organization with such a contract.

CEO means Chief Executive Officer of Bay-Arenac Behavioral Health Authority.

CC is an abbreviation for Corporate Compliance.

CCO- or CC Officer means Corporate Compliance Officer.

Fraud: An intentional deception or misrepresentation by a person that could result in unauthorized benefit to him/herself or some other person. Includes any act that constitutes fraud under applicable Federal or State laws.

Individual Practitioner means a licensed professional engaged with BABHA through either an employment contract or as a Contracted Service Provider, providing health care services for consumers consistent with their licensure.

Privacy Officer means the individual assigned the responsibility for overseeing the ongoing development of privacy related operations.

PHI is an abbreviation for Protected Health Information, which is comprised of several types of confidential consumer treatment information which is defined as protected under the Healthcare Improvement Portability and Accountability Act.

Security Officer means the individual assigned the responsibility for overseeing the ongoing development and management of security related technological operations.

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<sup>1</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)

<sup>2</sup> CARF Standards: Section 1 Aspire to Excellence: E Legal Requirements: Standard 1

Waste: Overutilization of services, or other practices that result in unnecessary costs. Generally, considered not caused by criminally negligent actions, but rather the misuse of resources.

## Policies, Procedures, Standards of Conduct

BABHA has established written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with applicable Federal and State standards, including but not limited to the False Claims Act (31 USC 3729-3733, the elimination of fraud and abuse in Medicaid provisions of the Deficit Reduction Act of 2005; the Michigan Medicaid False Claims Act (PA 72 of 1977, as amended by PA 337 of 2005), the Michigan Whistleblowers Protection Act (PA 469 of 1980) and the federal Whistleblower Protection Act of 1989, 5 U.S.C. 2302(b)(8)-(9).<sup>3</sup>

The policies have been approved by the BABHA Board of Directors in accord with Federal Program Integrity requirements, the MI Dep't of Health and Human Services Medicaid Manual and the Medicaid Managed Specialty Supports and Services Contract.

### Regulatory Compliance

BABHA maintains a list of Federal and State laws and regulations, and contractual requirements with which the organization must comply (see attachments). The list is maintained on the BABHA group drive by the CCO Officer. The BABHA Corporate Compliance Committee has a regular monitoring process for review and disposition of new and changing regulatory requirements. The membership of the BABH Corporate Compliance Committee ~~facilitate~~facilitates communications and preparations for compliance with new and revised regulatory and contractual requirements.

In 2023, tThe Corporate Compliance Committee identified a weakness in BABHA's regulatory compliance process regarding confirming changes in policies and procedures that are made to comply with regulatory changes are fully actualized. The Committee ~~worked~~is working with agency leadership to add post-implementation evaluations to ensure full vertical integration of policy and procedure changes. The Committee also determined improvements in the applicability section of the policy and procedure template are needed to provide more clarity regarding who needs to be educated regarding the document. Agenda items on the Leadership Meeting have been added to include regulatory items. Policy and Procedure changes are presented to the staff through Relias and for Providers they are posted on the website. At the Provider Network and Quality Management Committee (PNOQMC) a reminder of the policies that have been updated will be included on the Agenda.

### Medical Records

BABHA maintains an electronic record keeping system to ensure documentation of services delivered is maintained in a manner that is consistent with the provisions of the Michigan Medical Services Administration Policy Bulletins and the Michigan Medicaid Manual, and appropriate state and federal statutes. BABHA requires clinical service delivery records to document the quantity, quality, appropriateness and timeliness of services provided. Clinical contracted service providers (including Individual Practitioners) are required to either utilize the BABHA electronic medical record keeping system or establish and maintain a separate comprehensive individual service record system. At a minimum clinical contracted service providers are required to scan key documents into the BABHA electronic health record (EHR).

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<sup>3</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(i)

BABHA policy and procedure C04:S10:T01 Clinical Documentation, C13-S01-T20 Designated Record Set, and C04:S10: T02 Signatures outlines specific BABHA record keeping standards. BABHA policy and procedure C13-S02-T03: Document Retention and Disposal outlines BABHA’s strategies to comply with retention schedules in place by the State of Michigan.

## Prohibited Affiliations<sup>4</sup>

BABHA has an active program to protect the organization from knowingly having a relationship with individuals debarred, suspended or otherwise excluded from participation in Federal procurement activities and healthcare programs such as Medicare.<sup>4</sup> The program also ensures BABHA does not knowingly have relationships with individuals excluded from participation in Medicaid, or any other state healthcare program.

BABHA policy and procedure C13-S02-T11 Prohibited Affiliations and Backgrounds outlines BABHA’s monitoring and response program. The program covers BABHA’s Board of Directors, CEO and employees, as well as contracted service providers (including Individual Practitioners), as well as selected vendors and suppliers.

Federal exclusion/ debarment registries are checked monthly for BABHA Board of Directors, Officers (i.e., senior managers), employees, individual professionals and clinical contracted service provider organizations, CEO’s and key prescribers. BABHA also checks selected non-clinical vendors with significant transactions with BABHA and declared co-owners of contracted service provider organizations as appropriate.

BABHA contracts with a vendor to facilitate reviews of the registries monthly. BABHA requires providers to declare ownership and control interests and monitors these individuals concurrently with the providers and BABHA personnel.

Members of the BABHA Board of Directors, the BABHA CEO and new employees sign attestations of their compliance with these requirements and commit to notifying BABHA of any changes in status including criminal convictions. BABHA also requires employees to complete an annual attestation which confirms they have not acquired a criminal conviction during their employment that has not been reported to Human Resources.

Clinical contracted service provider organizations are required to perform initial and monthly checks for exclusion/debarment and criminal convictions for their employees and relevant subcontractors, if any. BABHA confirms these practices are in place during site reviews of contracted clinical service providers.

Criminal background checks are completed for BABHA employees upon hire and every two years thereafter. Abuse registry checks are completed for BABHA employees serving children. Contracted service providers are required to comply with the criminal background checks and abuse registry checks for providers that serve children. Specialized residential providers are further required to obtain fingerprint-based background checks.

## Privacy and Security

BABHA has policies and procedures in place to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA) for confidentiality of health care records, as well as 42 CFR PART 2 for confidentiality of any substance abuse treatment program records maintained by BABHA, and state laws governing the confidentiality of mental health and substance use disorder (SUD) treatment records and HIV/AIDS information. The policies and procedures cover protected health information (PHI) and substance use disorder treatment information generated, received, maintained, used, disclosed or transmitted by BABHA and selected contracted service providers (including Individual Practitioners).

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<sup>4</sup> Managed Care Rules: 438.610 Prohibited Affiliations

BABHA's Agency Manual Chapter 9, Information Management, contains the organization's HIPAA Security, Transaction and Code Set Rule compliance strategies. Privacy and confidentiality strategies are addressed in Chapter 13, Corporate Compliance, Section 1.

BABHA's policy and procedure C13-S01-T18 Business Associates outlines which types of service providers, including health care service providers, and non-health care vendors and suppliers, who meet the definition of a Business Associate (BA) of BABHA. The BABHA Contract Manager and Finance Assistant work with the Privacy Officer to ensure BA Agreements are in place where required.

## Standards of Conduct<sup>5</sup>/ Operating Philosophy and Ethical Guidelines

BABHA has written Standards of Conduct and Operating Philosophies/Ethical Guidelines for employees and Individual Practitioners to clearly delineate BABHA's institutional philosophy and values concerning compliance with the law, government guidelines and ethical standards applicable to the delivery of behavioral health care.

The BABHA Director of Human Resources prepares and reviews/ revises the Standards of Conduct/ Operating Philosophy and Ethical Guidelines, as appropriate. The Standards of Conduct/Operating Philosophy and Ethical Guidelines are submitted to the Strategic Leadership Team, CEO and BABHA Board for consideration and approval.

A copy of the Standards of Conduct/Operating Philosophy and Ethical Guidelines is distributed to all employees as part of the new employee orientation process and is also available to staff on the BABHA intranet site. It is posted for contracted service providers through the provider section of the BABHA website. Changes to the Standards are communicated to all staff via the policy/ procedure/ plan educational system.

### Ethics Committee

BABHA operates an Ethics Committee chaired by the Recipient Rights/Customer Service Manager, which is a sub-committee of the BABHA Corporate Compliance Committee. The Ethics Committee is responsible for serving as a forum for the review and analysis of ethical dilemmas. The Committee also oversees BABHA standards for ethical conduct, including establishing policies and procedures to enhance the organization's responsiveness to internal and external customers with respect to the ethical dimensions of managing, coordinating, and providing community-based behavioral health services. The Ethics Committee is responsible for promoting staff understanding of ethical concerns in contemporary behavioral health care, including ongoing education.

The Ethics Committee is comprised of representatives from the major departments and programs of BABHA, as well as subject matter experts, internal and external to the organization. The Ethics Committee reports through the Corporate Compliance Committee. The Recipient Rights/Customer Service Manager has direct access to the CEO to address issues that overlap with personnel management and the Corporate Compliance Officer in the event of ethics issues that coincide with corporate compliance concerns.

The Ethics Committee meets twice per year, with additional meetings called on an ad hoc basis as needed for case review. Employees can submit an ethical question for consideration by the Committee. An Ethicist from a local university is on contract for consultation with the Committee as needed.

Duties of the Committee include but are not limited to:

- Assisting with annual updates of the BABHA Standards of Conduct/Operation Philosophy and Ethical Guidelines as appropriate.

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<sup>5</sup> Managed Care Rules: 438.608 (a)(1)(i) Program Integrity Requirements

- Concerns raised by staff and leadership of BABHA that are not determined to involve regulatory compliance will typically involve a conflict of interest or ethical dilemma. The Ethics Committee is responsible for serving as a forum for review and analysis of ethical dilemmas. The Committee analyzes ethical dilemmas, consults with an Ethicist as necessary, and provides feedback/ recommendations to the individual who submitted the issue for consideration.
- Assisting the Director of Human Resources with overseeing BABHA standards for ethical conduct, including establishing policies and procedures to enhance the organization’s responsiveness to internal and external customers with respect to the ethical dimensions of managing, coordinating, and providing community-based behavioral health services.
- The Ethics Committee is responsible for promoting staff understanding of ethical concerns in contemporary behavioral health care, including ongoing education.

## Program Integrity Requirements for Clinical Contracted Service Provider Organizations

BABHA requires clinical contracted service providers to adhere to Federal and State requirements regarding guarding against fraud and abuse, and complying with applicable regulatory requirements and standards, as outlined in BABHA policy and procedure C13-S02-T16 False Claims.

Clinical contracted service provider organizations are required to implement and maintain written policies, procedures and standards of conduct, appropriate to the type and scale of the Provider agency, that articulate the organization’s commitment to comply with federal and state program integrity requirements, including provisions for monitoring for exclusion and debarment from participation in state and federal health care programs.<sup>6</sup>

The required program integrity elements are communicated to the providers through contractual requirements. Compliance by contracted service providers is monitored by BABHA during site reviews.

## Compliance Officer and Compliance Committees

The BABHA CEO has designated a Compliance Officer<sup>7</sup>. The BABHA Board of Directors has established a regulatory Compliance Committee and the CEO has a regulatory Compliance Committee at the senior management level.<sup>8</sup>

### Corporate Compliance Officer

The CEO appoints the Corporate Compliance Officer. The CC Officer has the authority to address compliance concerns directly with the Chair of the BABHA Board of Directors, and the Health Care Improvement and Compliance Committee of the Board of Directors. The CC Officer has direct access to the BABHA Chief Financial Officer for consultation, as well as to specialized legal counsel of BABHA.

The CC Officer is responsible for the following:

- Developing and operating the CC Program; reviewing/ revising the CC Plan annually as necessary to meet changes in the regulatory and business environment;

<sup>6</sup> Managed Care Rules: 438.608(a)(6)

<sup>7</sup> Managed Care Rules: 438.608(a)(1)(ii)

<sup>8</sup> Managed Care Rules: 438.608(a)(1)(iii)

- Reviewing and revising as necessary BABHA policies, procedures and practices governing corporate compliance, privacy and confidentiality; and ensuring the Security Officer reviews and revises as necessary BABHA policies and procedures governing security;
- Chairing the CC Committee or appointing a designee; and maintaining meeting records;
- In consultation with the CC Committees as needed, preparing and implementing an education plan, to include Board members, senior management, all other employees and contracted service providers (including Individual Practitioners), as appropriate; including performance of new employee orientation;
- Identifying new Federal and State Acts, Regulations or Advisories relative to corporate compliance, fraud and abuse prevention, privacy, security and identity theft for which BABHA must comply; monitoring the environment to identify other regulatory requirements that may impact BABHA; reviewing, analyzing and assisting with the development of strategies to comply.
- Maintaining effective lines of communication, including monitoring and responding to calls received on the Corporate Compliance Hot-Line or via other methods of communication;
- In conjunction with the CC Committee, establishing a system and schedule of routine monitoring activities (see Attachments for Monitoring Plan) and ensuring follow-up activities are completed;
- In conjunction with the CC Committee, ensuring HIPAA Security and Fraud/ Abuse compliance risk assessments are conducted in accord with the monitoring plan and findings are addressed;
- In conjunction with the CC Committee, complete an evaluation of the effectiveness of the compliance program;
- Promptly investigating potential compliance and privacy issues discovered through monitoring/auditing activities and disclosures by employees and contracted service providers (including Individual Practitioners); includes mitigation and remediation; maintaining investigative files; in conjunction with the Corporate Compliance Committee, determining if root causes analyses are warranted; ensuring the Security Officer promptly investigates, mitigates, remediates and reports as required any security incidents;
- Working with the CFO to ensure prompt repayment of any overpayments identified through the corporate compliance program, including suspension of payments;
- Communicating reportable fraud/ abuse issues to payers, and federal and state authorities prior to investigation as required; act as liaison to payers and state authorities for compliance and privacy issues, and oversee the activities of the Security Officer in doing the same for security issues;
- Maintaining a log of compliance issues, whether substantiated, and remedial actions;
- Maintaining breach logs and reporting to HHS and regional/state payers as required on an annual basis;
- Working with legal advisers as necessary to develop and issue HIPAA Privacy Notices for use by BABHA Clinical programs and contractors;
- Working with legal advisers (as necessary) and BABHA contract management to develop and issue Business Associate Agreements;
- Ensuring disclosures of protected health information are logged by Medical Records staff as required by HIPAA; and
- Prepare and complete reports to the CEO, BABHA Board of Directors, Mid-State Health Network, and Corporate Compliance Committee on the activities of the CC Program.



## Corporate Compliance Committees<sup>9</sup>

The BABHA Board of Directors Health Care Improvement and Compliance Committee (HCICC) is the compliance committee of the Board. HCICC's duties include overseeing the BABHA Corporate Compliance Program by reviewing and approving the BABHA Corporate Compliance Plan and receiving regular reports of organizational activities to guard against fraud and abuse. The Corporate Compliance Officer formally reports on Corporate Compliance Program activities to the BABHA Board of Directors at least once per year with monthly updates provided at each meeting.

The BABHA Board of Directors also has an Audit Committee, which helps ensure the fiscal integrity of the organization through internal controls and practice up to and including inspection of disbursements, paid health care claims and financial statements. The Committee also arranges for an independent audit, review the Financial Statement and Compliance Audits and recommend appropriate actions.

In addition to the Board Committees and the Ethics Committee, BABHA operates an internal Corporate Compliance Committee (CCC) comprised of members of senior management and key subject matter experts. The Committee is chaired by the Corporate Compliance Officer. The BABHA Finance Manager backs up the CC Officer as Chair of the CCC if needed. The Corporate Compliance Committee is responsible for all matters related to the legal and regulatory requirements of BABHA operations as it relates to contractual compliance, HIPAA privacy and security, and guarding against fraud and abuse of state and federal healthcare funds.

Duties of the Committee include but are not limited to the following:

- Assist the CC Officer in the ongoing development and operation of the CC Program,
- Perform fraud and abuse risk assessments and compliance program evaluations, identify focus areas, conduct any necessary audits and self-review, and develop compliance program improvement priorities,
- Assess existing policies and procedures in the identified risk areas for incorporation into the CC Program and develop new policies and procedures as needed,
- Assist the CC Officer with systems level remediation and mitigation of substantiated compliance issues, where appropriate, including performing informal root cause analyses where warranted,
- Assist in the monitoring of new laws and regulations and the development of strategies to comply,
- Assist with the review of internal and external monitoring and auditing activities to ensure that efforts are appropriate to provide assurance of compliance,
- Ensure routine monitoring occurs as scheduled and findings are responded to, as assigned to the Committee via the Corporate Compliance Plan.

Committee membership is comprised of the following staff roles within the organization:

- HIPAA: Security and Privacy Officers
- Finance (including Claims) Management: Chief Financial Officer, and Finance Manager (who also acts as the back-up the CCC Chair)
- Regulatory Compliance and Accreditation: Corporate Compliance Officer, Quality Manager, Medical Records Associate(s) (ad-hoc member(s)), Quality/Compliance Coordinator(s) (ad-hoc member(s)) and Secretary (Committee Recorder)
- Contracting: Contract Manager
- Clinical Practices: Directors of Integrated Care, Clinical Practice Manager (ad-hoc member)
- Ethics and Personnel: Director of Human Resources

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<sup>9</sup> Managed Care Rules: 438.608(a)(1)(iii)

- Recipient Rights: Customer Service/ Recipient Rights Manager

The Committee reports through the BABHA Corporate Compliance Officer to the Medical Director and CEO. The CC Committee meets 10-12 times per year. Meeting records are maintained by the Secretary member of the Committee.

## Training and Education

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BABHA has established an effective training and education program for its Board of Directors, senior managers, Compliance and HIPAA officers, employees, and clinical contracted service providers (including Individual Practitioners)<sup>10</sup>. All training is documented via employee training records, various meeting records and Corporate Compliance Activity Reports. The current BABHA Corporate Compliance Education Plan is attached to this document. The Corporate Compliance Officer maintains a Corporate Compliance Education Log, which is also attached.

Training of personnel and contracted service providers is required under the Deficit Reduction Act of 2005 Section 6032: Employee Education About False Claims Recovery. BABHA is required to attest to the State each year that training has been completed.

## Board of Directors

The Board of Directors receives education on corporate compliance requirements annually, including information about fraud and abuse, conflict of interest, and how to report compliance concerns. The Board of Directors does review and approves the Corporate Compliance Plan each year. Contemporary compliance issues, such as new Medicaid and Medicare regulations, Office of Inspector General work plans, and federal/state compliance program standards are included on the Board of Directors Health Care Improvement and Compliance Committee agendas as warranted to keep the members abreast of changes in the compliance environment.

## Employees<sup>11</sup>

New employees are oriented to the compliance program and privacy/ confidentiality requirements within 30 days of hire. All employees receive an annual corporate compliance and privacy/ confidentiality training update. Training content includes Standards of Conduct/Operating Philosophy and Ethical Guidelines and appropriate reporting mechanisms (e.g., the Corporate Compliance “Hot-line”, etc.). Employee orientation and training updates also cover the False Claims Act (31 USC 3729-3733), the elimination of fraud and abuse in Medicaid provisions of the Deficit Reduction Act of 2005; and the Michigan Medicaid False Claims Act (PA 72 of 1977, as amended by PA 337 of 2005), the federal False Claims Act (31 U.S.C. §§ 3729–3733) and the Michigan Whistleblowers Protection Act (PA 469 of 1980). Training content is updated regularly to reflect relevant content from the BABHA Corporate Compliance Plan, and any systems issues identified during fraud, abuse and privacy investigations.<sup>12</sup> The Security Office likewise incorporates security related findings into the annual BABHA Information Management Strategic and Operational Plan.

As compliance or privacy/ confidentiality concerns arise throughout the year or as they are identified as through priorities defined in the BABHA CC Plan, educational communications are issued to employees. This includes

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<sup>10</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(iv)

<sup>11</sup> CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

<sup>12</sup> CARF Section1: Aspire to Excellence; Section A Leadership; Standard 7 (requires training of personnel on the corporate compliance plan)

intranet site announcements, and discussion of topics at Strategic Leadership Team meetings, or Agency Leadership Meetings.

## Supervisors

BABHA has determined the compliance program would be strengthened by providing specialized program integrity training for supervisors and managers. This training ~~is~~ ~~would be~~ in addition to the standard employee orientation and training. ~~The training will focus on what supervisors should be watching for as indicators of the presence of potential fraud or abuse, and the importance of monitoring processes for regulatory compliance.~~ This training has been developed and implemented in 2023-2024. In addition, periodic training for supervisors has been sent out via email throughout the year and the CC Officer has met in person with new Supervisors when they are hired. The training focus is~~will focus on what supervisors should be watching for as indicators of the presence of potential fraud or abuse, and the importance of monitoring processes for regulatory compliance.~~

Regulatory compliance has also been added to BABHA Leadership meeting agendas to ensure supervisors and managers are kept up to date on compliance issues and regulatory changes.

## Contracted Service Providers<sup>13</sup>

Individuals (including Individual Practitioners) who are contracted with BABHA to provide clinical services receive an orientation to the BABHA Compliance Program and the Operating Philosophy and Ethical Guidelines. They sign an attestation to the completion of the orientation.

Clinical contracted service provider organizations are kept abreast of relevant current risk areas and trends as necessary via email communications and discussion during periodic primary, Community Living Support (CLS)/residential, autism provider, and vocational provider meetings. An annual training is completed by the BABHA Corporate Compliance Officer for primary clinical contractors, vocational, autism and CLS/residential service providers.

The following training and resource materials on Corporate Compliance, Privacy/Security and other topics, as well relevant BABHA policies and procedures are posted to the BABHA website in a Provider section for access by contracted service providers:

- Corporate Compliance Plan
- Compliance Hotline Poster for Providers
- Operating Philosophy and Ethical Guidelines
- Corporate Compliance, Privacy and Security Policies and Procedures
- Provider Training on Corporate Compliance for Subcontracted Mental Health Service Providers
- Provider Training on Privacy and Security for Subcontracted Mental Health Service Providers
- Documentation Requirements Guide

## Corporate Compliance Officer, Security Officer, Privacy Officer, CC Committee

The Corporate Compliance Officer, HIPAA Officers and various other senior managers and key staff of BABHA subscribe to Federal and State list-serves which provide alerts regarding emerging regulatory requirements. BABHA also takes advantage of available governmental guidance and technical websites for the operation of Medicaid and Medicare program integrity programs and maintenance of HIPAA regulatory compliance.

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<sup>13</sup> CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 6

BABHA contracts with legal counsel with extensive healthcare experience and seeks opinions and other educational guidance regarding general compliance and privacy issues.

BABHA is a member of the Health Care Compliance Association and receives the newsletters and magazine. The Officers attend conferences and webinars on compliance, security, and privacy concerns as available and if cost effective. BABHA has identified the following training opportunities:

- US Dep't of Health and Human Services Office of Inspector General [Compliance Resource Portal](#) Provider Compliance Resources and Training materials
- Health Care Compliance Association web and regional conferences
- The Community Mental Health Association of MI, Improving Outcomes Conference sessions

BABHA is a member of the Regional Compliance Officers group for MSHN which offers a venue for communication of MI Office of Health Services Inspector General guidance regarding preventing and detecting fraud and abuse.

The Corporate Compliance Committee stays informed by reviewing changes to program integrity regulations for Medicaid, Medicare and other state health care programs, federal Office of Inspector General's Compliance Work Plans and federal program integrity guidance materials.

## Lines of Communication

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Effective lines of communication are in place between the compliance officer and the organization's employees<sup>14</sup>. BABHA operates a hot-line for consumer, employee, provider and contracted service provider reporting of compliance and privacy/ security concerns. BABHA's policy and procedure [C13-S02-T01 Internal Reporting \(Hot-LINE\)](#) describes the purpose and procedure for the hot-line and other reporting provisions.

The main BABHA Corporate Compliance Hot-Line Poster is attached to this plan. A customizable version is available for contracted service providers. The poster includes Mid-State Health Network and state MDHHS Office of Inspector General (MIOHSIG) contact information as required. The poster is displayed in all BABHA waiting, conference and break rooms

Employees and contracted service providers (including Individual Practitioners) have direct access to the BABHA Corporate Compliance Officer via phone, email and in person, both for consultation regarding compliance strategies and for reporting of suspected fraud and abuse, or privacy and security concerns.

In 2020, BABHA added an annual employee attestation, where they indicate whether or not they are aware of potential fraud or abuse, and whether they had any criminal convictions. Employees are further asked if they have reported these issues in accordance with BABHA policies. This includes Individual Practitioners.

Compliance activity is reported to the BABHA Board of Directors, as well as the Corporate Compliance Committee, which includes representatives from senior management, finance, contracts, medical records, quality, information management, human resources, and clinical programs. The BABHA Corporate Compliance Officer attends Agency Leadership and contracted service provider meetings (vocational, residential/CLS, primary, and Autism providers) to receive and respond to compliance related issues.

Information regarding the Corporate Compliance Hot-Line and how to contact the BABHA Privacy Officer, MSHN Privacy Officer and MIOHSIG are included in the handbook provided to individuals receiving BABHA services. An interpreter is made available to individuals with limited English proficiency as requested.

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<sup>14</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(v)

BABHA policy and procedure C13-S02-T02 Non-Retaliation reflects BABHA’s commitment to ensuring individuals reporting fraud/abuse or privacy/ security concerns are not subject to retaliation or retribution.

## Disciplinary Guidelines

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BABHA’s corporate compliance related standards are communicated to staff and clinical contracted service providers (including Individual Practitioners) through the Corporate Compliance education program outlined in this plan, including disciplinary guidelines and provisions for adverse contract action<sup>15</sup>.

### Employees

In addition to the corporate compliance and privacy/ confidentiality education afforded new and existing employees, employees are informed of expectations for their compliance with regulatory requirements and standards via document-specific education on new and revised BABHA plans, policies, and procedures. This includes education on the Corporate Compliance Plan, corporate compliance policies and procedures, and privacy and security policies and procedures.

Employees are educated at least annually regarding BABHA compliance, privacy and security related requirements, which include the obligation to report suspected fraud, waste, abuse and privacy/security violations, to report criminal convictions, as well as the protections available to individuals who are whistleblowers.

Employees directly responsible for fraud, abuse, and privacy/security violations, as well as those who assisted, facilitated or ignored a violation, are subject to disciplinary action. Disciplinary action is commensurate with the severity of the offense and occurs at the discretion of the CEO in consultation with the Director of Human Resources and the involved supervisor. All disciplinary action is applied in accordance w/ BABHA human resources policies/ procedures.

The following are examples of the types of potential disciplinary action, which are communicated to staff:

- Employees may be suspended with or without pay during an investigation
- For minor violations employees may be subject to verbal/written warnings
- For more severe violations employees may be subject to significant disciplinary action including suspension and/or termination of employment
- Considerations may include:
  - Inaccurate or incomplete documentation
  - Unsigned or missing documentation
  - Deliberately fraudulent service documentation
  - Failure to maintain continuous licensure, registration, or certification
  - Falsification of licensure or certification
  - Failure to adhere to BABH policies and procedures
  - Intent to defraud
- Discipline may also be applied to employees who assisted, facilitated, or ignored a fraud and abuse, including supervisory and management staff

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<sup>15</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(vi)

Provisions for disciplinary action are outlined in the BABHA Agency Manual and the BABHA Employee Handbook. Each employee receives a copy of the Employee Handbook at the time of hire. The handbook and all agency policies, procedures and plans are posted on the agency intranet site, accessible by all employees. Standards of conduct and disciplinary guidelines are covered in employee compliance and privacy/security related trainings.

See the section on External Reporting for discussion of potential additional adverse action against licensed and registered professionals.

## Contracted Service Providers

The contract boilerplate language outlines contract remedies for failure to comply with the terms of the contract, such as substantiated privacy/confidentiality or security violations, and fraud or abuse involving state or federal healthcare funds, as follows:

- Require a plan of correction together with status reports and/or additional oversight by BABHA;
- Recoupment of payments;
- Suspension or reduction of payments;<sup>16</sup> or
- Termination of the contractual agreement.

Provider trainings on these topics address adverse contract action that may be taken. Individual Practitioner and Organizational Provider re-credentialing includes consideration of past fraud, abuse, privacy and security related investigations.

For purposes of example only, the following is a non-exhaustive list of compliance or performance issues for which BABHA may take remedial action to address repeated or substantial breaches, or patterns of non-compliance or substantial poor performance:

- Reporting timeliness, quality and accuracy;
- Performance indicator standards;
- Repeated site review non-compliance (repeated failure on same item);
- Failure to complete or achieve contractual performance objectives;
- Substantial inappropriate denial of services or substantial services not corresponding to condition. Substantial can be a pattern, large volume or small volume, but severe impact;
- Repeated failure to honor appeals/grievance assurances;
- Substantial or repeated health and/or safety violations;
- Failure to adhere to training requirements and timelines for completion;
- Failure to complete required documentation for each service provided; and/or
- Failure to comply with prohibitions regarding exclusion, suspension or debarment from state and/or federal health care programs.

Adverse contract action is documented in contract files for each provider by the Finance Department. See the section on External Reporting for discussion of potential additional adverse action against contracted licensed and registered professionals and organizations, including reporting to Medicaid payers and the MI Dep't of Licensing and Regulatory Affairs (LARA).

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<sup>16</sup> Managed Care Rules: 438.608(a)(8)

## Monitoring and Auditing<sup>17</sup>

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BABHA has an active internal prevention, monitoring and auditing program<sup>18</sup>. The Attachments to this Plan include the current BABHA Compliance Committee Data Monitoring Plan, which define monitoring BABHA's activities. The Monitoring Plan changes frequently based upon reporting timelines, results of ongoing environmental assessment activity and periodic risk assessments, and the availability of information.

BABHA's monitoring program includes methods to verify, by sampling or other methods, whether services that have been represented to have been delivered were received by the individuals whom BABHA intends to serve.<sup>19</sup> BABHA applies the verification process on a regular basis (see BABHA policy and procedure C13:A02:T20 Service Event Verification and Restitution) and participates in twice yearly verification activities by its regional payer. Monitoring activities include but are not limited to:

1. Privacy and Security
  - a. Electronic Health Record monitoring for use of "break the glass" feature in the role-based security system
  - b. Security risk assessment (annual)
  - c. Scan of shared/ group network drives for exposure of PHI
  - d. Monitoring for security breaches
  - e. Email phishing drills
2. Fraud and Abuse
  - a. Fraud and abuse risk assessment (Triennial)
  - b. Annual financial compliance audits
  - c. Retrospective record reviews to verify Medicaid service claims, concurrent checks of high risk services, (specifically self-determined community living support services), and continuing stay reviews of psychiatric inpatient bed days.
  - d. Checks for sanctioned, excluded, or debarred employees, directors/ officers, contracted service provider CEO's or their owners, and selected vendors
  - e. Verification of specialized residential provider Adult Foster Care Licensure
3. General Compliance
  - a. On-site reviews of organizational contracted service providers against contract requirements per a defined annual schedule, including record reviews (see BABHA policy and procedure C04-S12-T35 Site Reviews.)
  - b. Quality Record reviews for direct operated programs, including verification of:
    - i. Documentation of medical necessity including diagnostics and clinical assessments;
    - ii. Completion of annual ability to pay assessments;
    - iii. Proper qualification of clinical staff for services rendered; and
    - iv. The presence of physician orders for Medicaid services for which orders are required.

BABHA compliance staff run routine compliance monitoring reports for clinical supervisors and team leader self-review. (See the attached Data Monitoring Plan and Supplemental Compliance Reports). Record reviews and corrections to documentation are completed as needed. Supervisors also receive a list of the service encounters generated by their program each month. Supervisors are required to attest that the encounters have face validity, and they refer suspicious encounters to compliance staff for review. System barriers to compliance identified are addressed by quality and compliance staff in conjunction with clinical leadership. If

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<sup>17</sup> CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

<sup>18</sup> Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(vii)

<sup>19</sup> Managed Care Rules: 438.608(a)(5)



compliance errors (not due to system errors) are not resolved within a reasonable timeframe, the Supervisor develops a corrective action plan.

Fraud/abuse risk areas for routine monitoring are identified by the Corporate Compliance Officer in collaboration with the BABHA Corporate Compliance Committee based on previous compliance concerns, state and federal priorities and identified risk areas. Monitoring reports are received by the CC Committee and corrective action taken, as necessary.

BABHA limits the service codes which can be used by employees and contracted service providers (including Individual Practitioners) to those which are relevant to their scope of work and credentials, as applicable. The electronic health record and its billing engine include extensive business rules which work to preclude as many billing errors as possible. Service authorization parameters and packages or bundles are employed to minimize the risk of abuse as much as feasible without adversely impacting person-centered planning by consumers served. Further information regarding BABHA claims management controls is outlined in the [C08 Fiscal Management, Section 7 – Claims](#), of the BABHA policy and procedure manual.

### Environmental and Risk Assessments<sup>20</sup>

The CC Officer, with assistance of the CC Committee, reviews the risk or focus areas identified in the Office of Inspector General (OIG) for the United States Department of Health and Human Services Work Plan, the Michigan Office of Health Services Inspector General (MIOHSIG) Recovery Audit Contractor Approved Scenarios, if any, as well as any other priority compliance or risk areas communicated by the Michigan Office of Health Services Inspector General or the Mid-State Health Network.

In addition, BABHA identifies themes in the results of its data/monitoring activities for reimbursement trends, prior audit findings, and internal record reviews to identify other areas of potential risk.

A security risk assessment is completed which reviews existing BABHA technological, administrative, and other safeguards to ensure compliance with HIPAA requirements.

In 2019 BABHA adopted the US Dep't of Justice Corporate Compliance Program Evaluation as a program evaluation tool. The evaluation is used by US attorneys when investigating Medicare fraud and abuse to determine the effectiveness of compliance programs. The presence of an effective program is a consideration when the DOJ assesses intent and determines fines/penalties. Findings being actioned are included in the list of areas warranting attention below. The evaluation is completed every three years, alternating with the BABHA Fraud/Abuse Risk Assessment.

The BABHA fraud and abuse Risk Assessment is also completed by the Corporate Compliance Committee every three years, and involves tracing BABHA's workflows for generation of service claims from contact with the person served to the submission of claims file to payers to assess and mitigate weaknesses in fraud/abuse protections. The Risk Assessment evaluates the likelihood of fraud and abuse occurring and potential impact on the organization should it occur. Workflows for both direct operated and contracted services are evaluated.

These activities result in corrective action planning to reduce risk and response to changing expectations in the external compliance environment. The BABHA Fraud and Abuse Risk Assessment template is attached to this plan.

The results of such reviews, on-site audits and CC data/monitoring activities are incorporated into BABHA policies, procedures and practices as necessary, and/or added to the CC data/ monitoring schedule for further

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<sup>20</sup> CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7



oversight by the CC Committee. Findings from the compliance program evaluation and risk assessments are also included in the Corporate Compliance Plan evaluation of plan effectiveness and priorities.

## Response and Corrective Action

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BABHA has policies and procedures which provide for prompt response to compliance issues, including investigation of potential compliance problems as identified ~~in the course of~~during self-evaluation and audits, correction of such problems promptly and thoroughly (including any required coordination of suspected criminal acts with law enforcement agencies) to reduce the potential for recurrence and ongoing compliance with requirements.<sup>21</sup>

### Investigations

BABHA policy and procedure C13-S02-T22 Complaint Investigations provides detail regarding BABHA investigation strategies. Both the BABHA Corporate Compliance Fraud/Abuse Record and Privacy/Security Record templates are attached to this plan.

In general terms, the CC Officer oversees the prompt and thorough investigation of any report of potential fraud or abuse, in coordination with the HR Department and/or management structure as appropriate. Similarly, the Privacy Officer conducts investigations of HIPAA privacy violations and breaches.

Record reviews are performed by the Quality and Compliance Coordinator under the oversight of the CC Officer. Suspected fraud and abuse of Medicaid funds is reported prior to investigation to the Mid-State Health Network, Michigan Department of Community Health, and the Michigan Office of Health Services Inspector General per contract requirements.

Each investigation includes the gathering and preservation of relevant documents and identification and interviewing of employees, recipients of services and/or contracted service providers (including Individual Practitioners) who may be able to provide pertinent information, as warranted. However, any investigation which overlaps with potential Recipient Rights violations, particularly confidentiality investigations, are coordinated with the relevant officials within BABHA. The BABHA CC Officer may use reports and interviews from those functions as a basis for determination of whether a privacy/ security concern will be substantiated, to minimize the impact of investigations on the involved parties.

Payments to contracted service providers may be suspended during investigations in accordance with BABHA policies. New referrals may also be suspended.

The BABHA CC Officer maintains a compliance log (and documentation files where warranted) of CC related issues and their disposition, including privacy, security, fraud, and abuse concerns.

BABHA and the provider network will cooperate fully with investigations or prosecution by any duly authorized government agency, whether administrative, civil, or criminal. Cooperation must include providing upon request, information, access to records, and access to interview employees and consultants including but not limited to those with expertise in administration of the program and/or in any matter related to an investigation or prosecution.

### Corrective Action

Each investigation is documented, including information about the issue or incident, conclusions reached and the recommended corrective action, where such action is necessary. The CC Officer, Privacy Officer, or

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<sup>21</sup> Managed Care Rules: 438.608(b)(7) Program Integrity Requirements

appropriate management personnel responds to the reporting party, as appropriate and to the extent reasonably possible, regarding the status of the investigation and any corrective action taken.

Corrective actions are geared to mitigate the impact of the issue or incident, remediate the error(s), and prevent future occurrence if possible. Steps taken range from employee education or training, consultation with contracted service providers, revision of policies, procedures, or contract boilerplate, revision of electronic health record functionality, service claim recall, reporting and reporting recoupment of over-payments, disciplinary action against employees and adverse contract action against contracted service providers (including Individual Practitioners), as previously described in this Plan. Training programs are also updated frequently to address current patterns of fraud/abuse or privacy violations.

BABHA has added to its investigative process a checkpoint to determine whether a root cause analysis is warranted to identify the variables that contributed to the occurrence and possible remediation.

#### [Claims/Over-Payment Recoupment and Voiding of Encounters](#)

BABHA's policy and procedure C08:S03:T13 Third Party Revenue Collection and Repayments outlines steps for prompt reporting and recoupment of all Medicaid and Medicare overpayments identified. Finance policies and procedures also address suspension of payments as necessary.

Recoupment of Medicaid, Medicare and other state/federal healthcare related over-payments for fraudulent or erroneous service claims from contracted service providers (including Licensed Independent Practitioners) are handled by the BABHA Finance Manager. This includes the voiding of encounters and any cost write-off or repayment that may be required for substantiated fraud or abuse by BABHA employees which may have resulted in an excessive or erroneous service claim. Recoupments are tracked on the BABHA Corporate Compliance Log by the CC Officer.

Providers are required to agree to a repayment strategy for larger recoupments, to the satisfaction of the CFO. The CFO, in consultation with the CEO as necessary, determines whether contracted service providers (including Individual Practitioners) will be subject to additional action, such as being turned over to collection agencies, if they fail to meet repayment obligations.

#### [Other Corrective Action and Enforcement](#)

BABHA works with the Michigan Office of Health Services Inspector General, and other governmental entities at the state and federal level which hold civil and criminal enforcement authority under Medicaid, Medicare, and other state/federal healthcare program integrity related statutes. Corrective action plans are also coordinated with the Michigan Department of Health and Human Services, the Michigan Department of Licensing and Regulatory Affairs, and Mid-State Health Network in accord with contract requirements.

## Compliance Reporting

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BABHA requires employees and providers to report to the CC Program and the CC Program must submit required information to its payers. The CC Program endeavors to be accessible and consultative to stakeholders.

### [Employee/ Contracted Service Provider Guidance and Reporting](#)<sup>22</sup>

BABHA employees are required to report to the CC Officer and their Supervisor any suspected fraud/ abuse or privacy/security violation, and any criminal conviction that may result in their exclusion/debarment from Medicaid/Medicare programs. BABHA policy and procedure C13-S02-T01 Internal Reporting (Hotline) provides

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<sup>22</sup> CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

more information about such provisions. New employees are advised of this requirement during their orientation and other employees are reminded during annual training updates. Reporting obligations are cited in the contract boilerplate for contracted service providers (including Individual Practitioners).

Board members sign an attestation indicating they agree to report any criminal charge or conviction related to Medicaid, Medicare and any other Federal/State Healthcare Program, as well any other crime involving the delivery of a healthcare item or service. Employees sign a similar attestation annually.

Through the contractual agreement, provider agencies and Individual Practitioners agree to report to BABHA any suspicion or knowledge of fraud or abuse and to fully cooperate with investigations. Providers are required to immediately report to BABHA any invalid claims and/or overpayments for correction. Also, providers agree to immediately notify BABHA with respect to any inquiry, investigation, sanction or otherwise from the Office of Inspector General (OIG), as well as criminal convictions that may result in their exclusion or debarment from participation in Federal and State health care programs.

Employees and contracted service providers (including Individual Practitioners) are encouraged to utilize the CC Program as a source of consultation and guidance regarding compliance related questions. Technical assistance is offered by the CC, Privacy and Security Officers to the maximum extent possible as questions arise and when investigations occur. The CC Officer meets face-to-face with each new employee during new employee orientation and participates in face-to-face meetings with key contracted service providers.

CC and other agency policies, procedures and documents are designed to encourage and facilitate regulatory compliance. As an example, the business rules embedded in the electronic health record are narrow, limiting an employee's ability to make wrong choices. BABHA has dedicated staff to verify service claims and communicates regularly with contracted service providers (including Individual Practitioners) regarding questionable or erroneous claims.

## External Reporting

BABHA is required to report potential fraud and abuse occurrences which warrant investigation to Mid-State Health Network, and ultimately to the Michigan Department of Community Health and the Michigan Office of Health Services Inspector General.<sup>23</sup>

BABHA submits a quarterly report to the MI Office of Health Services Inspector General (MIOHSIG) through MSHN regarding the number of complaints of fraud and abuse that warranted preliminary investigation throughout the year. Annually a summary is also provided directly to MDHHS by BABHA. Additional requirements for reporting of contracted service provider information were added by MIOHSIG, including new and terminated providers.

BABHA is also required under state law to report licensed or registered professionals and organizations to the Michigan Department of Licensing and Regulatory Affairs (LARA) for potential investigation and possible adverse action.

As a covered entity under HIPAA, BABHA must also report security breaches to the Federal government on an annual basis. BABHA also has mandatory State reporting obligations as an employer.

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<sup>23</sup> Managed Care Rules: 438.608(a)(7)

### Reporting of Overpayments<sup>24</sup>

BABHA reports overpayments to regional and state payers, and federal and state offices of inspector generals as required by law and contractual obligations. In accord with regulatory requirements, BABHA specifies the reason for overpayments, including if due to potential fraud.<sup>25</sup>

### Medicaid Eligibility

If BABHA becomes aware of changes in a Medicaid enrollee’s circumstances that, to the best of its knowledge, may affect the enrollee’s eligibility for Medicaid, BABHA notifies a representative of the local office of the Michigan Department of Human Services, which is responsible for managing Medicaid eligibility determinations. As a Community Mental Health Services Program, BABHA is also responsible for reporting to the State of Michigan the death of an individual receiving services.<sup>26</sup>

### Provider Disenrollment

BABHA notifies regional and state payers when information is received about changes in a contracted service provider’s circumstances that, to the best of BABHA’s knowledge, may affect the provider’s eligibility to participate in a managed care program as a Medicaid provider.<sup>27</sup>

Contracted service providers who leave or who are removed from the BABHA provider network are reported to MIOHSIG, MDHHS and MSHN for purposes of MDHHS monitoring of Medicaid provider enrollment.

## Evaluation of Program Effectiveness and Program Priorities

The BABHA Corporate Compliance Program remains largely effective. The program’s quality and effectiveness is evaluated every three years by the Corporate Compliance Committee, Corporate Compliance Officer and the Chief Executive Officer. BABHA created an evaluation tool using the U.S. Department of Justice Criminal Division, Evaluation of Corporate Compliance Programs template (see attachments). The lowest scoring items are actioned.

Throughout the course of the past year and/or through the DOJ evaluation process, the following areas were identified for improvement:

<b>Planned Improvement</b>	<b>Target Date</b>	<b>Actions Taken</b>	<b>Status</b> New; Continue; Discontinue; Completed
1) The Privacy Notice revisions to address changes in access to Medicaid claims data for coordination of care	<del>9/30/24</del> <del>03/31/23</del>	Still in process; regulations have continued to change. <u>The Privacy Policy and Procedure needs to be updated and the Privacy Notice needs to reflect new requirements.</u>	Continue

<sup>24</sup> 42 CFR 401Reporting and Returning of Overpayments (for Medicare) and Section 1128J(d) of the Affordable Care Act for Medicaid overpayments

<sup>25</sup> Managed Care Rules: 438.608(a)(2)

<sup>26</sup> Managed Care Rules: 438.608(a)(3)

<sup>27</sup> Managed Care Rules: 438.608(a)(4)

2) <u>Add: Develop a system to track education of Fraud, Abuse, waste and compliance to Consumers and begin reporting quarterly to MIOHSIG/MSHN. Finalize implementation of the MDHHS uniform behavioral health consent.</u>	<u>01/31/23</u> <u>7/1/24 and ongoing</u>	Still in process; regulations have continued to change.	<u>Continue</u> <u>New</u>
	<u>12/31/22</u>	Coding consultant engaged and review of medical complexity based coding completed and being actioned. ONHS services determined to not warrant special review based on final MDHHS clarifications for use.  Non-traditional tele-health monitoring reports added for leadership including program and staff level reports.	Completed
3) Continue to expand supervisor skills relative to program integrity and corporate compliance, beyond the traditional audit compliance.	<u>12/31/23</u> <u>4/1/2025</u>	<u>Have completed a training for supervisors and have sent out emails and intranet postings on topical items related to Fraud, Abuse, waste and compliance.</u>	<u>Continue</u> <u>New</u>
4) Increase follow-through with line staff regarding how policy/procedure changes should impact their day-to-day work.	<u>12/31/23</u> <u>4/1/25</u>		<u>Continue</u> <u>New</u>
5) <u>Add: Provide education when appropriate for Fraud, Abuse and waste substantiations and record on the Fraud and Abuse log. This will be reported quarterly to MSHN and MIOHSIG. Strengthen vertical communication of regulatory changes.</u>	<u>12/31/23</u> <u>4/1/2025</u>		<u>New</u> <u>New</u>
6) <u>Add: Review, educate staff and revise policies and procedures as needed to comply with the revisions to 42 CFR, part 2.</u>	<u>4/1/25</u>		<u>New</u>

