

# MINUTES

## BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, June 12, 2024 at 5:00 pm

Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Member	Present	Excused	Absent	Others Present:
Tim Banaszak, Ch	X	_____	_____	Pam Schumacher	X	_____	_____	BABH: Marci Rozek, Chris Pinter, and Sara McRae  Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Sally Mrozinski, V Ch	X	_____	_____	Pat McFarland, Ex Off	X	_____	_____	
Jerome Crete	X	_____	_____	Robert Pawlak, Ex Off	X	_____	_____	
Christopher Girard	X	_____	_____	Richard Byrne, Ex Off	X	_____	_____	
Kathy Niemiec	X	_____	_____					

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	Committee Chair, T. Banaszak, called the meeting to order at 5:00 pm.  All members were present.	
2.	Public Input (Maximum of 3 Minutes)	There were not any members of the public present.	
3.	Investment Earning Reports for Period Ending May 31, 2024	3) M. Rozek reviewed the reports noting the interest income of \$136,000 and the interest rate. M. Rozek reported the interest income can go into the unrestricted fund balance.	3) On motion of S. Mrozinski and support of C. Girard, the investment earnings reports for period ending May 31, 2024 were referred to the full Board for information. The motion was adopted unanimously.
4.	Contracts 4.1) Finance June 2024 Contract List	4.1) M. Rozek reviewed the proposed contract list noting agreements for pharmacy services, summer camps for individuals with disabilities, art therapy services, community living support (CLS) services, human resources and payroll software, property and liability insurance, and autism services. There were discussions regarding specifics of the art therapy sessions, physical location of the autism provider, autism state rates have not been adjusted since 2022, whether the payroll software has a virtual timeclock	4.1) On motion of S. Mrozinski and support of J. Crete, the Finance June 2024 contract list was referred to the full Board for approval. The motion was adopted unanimously.

		<p>functionality, the increase in property and liability insurance coverage, and the substantial net distributions received from the Michigan Municipal Risk Management Association (MMRMA). Administration will report back on the art therapy session duration and whether the sessions are one on one as well as the physical location of the autism provider, Milestones ABA Clinic of Michigan.</p>	
5.	Unfinished Business	There was not any unfinished business presented to the Committee.	
6.	<p><b>New Business</b></p> <p>6.1) Update on BABH Investment Changes/Interest Rate Return</p> <p>6.2) Update on Finance Receiving Consumer Payments regarding Credit Card Transaction</p> <p>6.3) Current Medicaid &amp; General Fund Expense Trends and Strategic Plan Revision</p>	<p>6.1) M. Rozek reviewed the cash management practices and the interest rates for the general and money market accounts. M. Rozek presented investment options including Treasury Bills (T-bills), brokered certificate of deposit (CD), certificate of deposit account registry service (CDARS), and money market accounts. There were general discussions regarding the reason for utilizing the current banking institutions, what CDARS are, insurance levels for each investment option, BABH cash flow and dependency of revenue payments, the fluctuating interest levels of money market accounts, and reaching out to Flagstar bank about the possibility of adjusting the current interest rate. The Committee concurred to have Administration work on the possibility of getting the interest rate adjusted through Flagstar Bank.</p> <p>6.2) M. Rozek provided an update on processing consumer payments with credit cards reporting most bank agreements include terms of three years. BABH legal counsel has been consulted on a contract amendment for a one-year term and the language related to fees. There were discussions regarding state rules on ability to pay and BABH absorbing the credit card fees.</p> <p>6.3) C. Pinter reviewed the Medicaid revenue trends for the last 9 years and the actuary data used to determine the rates. The data shows the revenue increases since COVID are significantly reduced compared to previous years. These increases also include the direct care wage mandated increase. C. Pinter also reviewed the expense trends for the last 9 years. COVID was not normal years as the</p>	<p>6.1) No action was necessary</p> <p>6.2) No action was necessary</p> <p>6.3) No action was necessary</p>

		<p>number individuals accessing services was lower as well as issues with the supply chain and having a statewide staffing crisis. C. Pinter also reviewed the penetration rates for BABH and the Midstate Health Network (MSHN) region. BABH is above the regional average and has been consistently the highest performing community mental health (CMH) agency in the region. The funding issue is on the revenue end. BABH needs to look at bending the cost curve for fiscal year 2025 until the revenue issue is resolved. There were discussions related to the current BABH budget, MSHN's fiscal risk responsibility, the BABH projected deficit, the autism benefit and inadequate funding, the impact of the prepaid inpatient health plan regions, and the history of transitioning from The Access Alliance of Michigan region to the MSHN region.</p>	
7.	Adjournment	On motion of S. Mrozinski and support of K. Niemiec, the meeting adjourned at 5:54 pm. The motion passed unanimously.	



Tim Banaszak, Committee Chair