

# MINUTES

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

Wednesday, August 7, 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              |
| Sally Mrozinski, V Ch | X       | _____   | _____  | Pat McFarland, Ex Off | X       | _____   | _____  |  |
| Jerome Crete          | X       | _____   | _____  | Robert Pawlak, Ex Off | X       | _____   | _____  | Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained |
| Christopher Girard    | X       | _____   | _____  | Richard Byrne, Ex Off | X       | _____   | _____  |  |
| Kathy Niemiec         | _____   | 5:06 pm | _____  |                       |         |         |        |  |

|    | Agenda Item  | Discussion   | Motion/Action  |
|----|--|--|--|
| 1. | Call To Order & Roll Call  | <p>Committee Chair, T. Banaszak, called the meeting to order at 5:00 pm.</p> <p>K. Niemiec arrived at 5:06 pm.</p>   | On motion of J. Crete and support of C. Girard, K. Niemiec was excused. The motion passed unanimously.   |
| 2. | Public Input (Maximum of 3 Minutes)  | There were not any members of the public present.  |  |
| 3. | Investment Earning Reports for Period Ending July 31, 2024                         | 3) M. Rozek reviewed the reports noting the interest rate. M. Rozek also reported a formal request has been submitted to Midstate Health Network (MSHN) for additional funds in August to prevent a cashflow shortage. There were general discussions related to the process and timeline for requesting additional funds from MSHN.   | 3) On motion of R. Pawlak and support of J. Crete, the investment earnings report for period ending July 31, 2024 was referred to the full Board for information. The motion passed unanimously. |
| 4. | <p>Contracts</p> <p>4.1) Rose Home Specialized Residential Services Bid Report</p> | 4.1) M. Rozek reported Bay Human Services (BHS) submitted the required 60-day notice of contract termination for Rose Home. The contract will expire at the end of August. M. Rozek reviewed the bid report and administration's recommendations to award the contract to Valley Residential Services, Inc. M. Rozek noted the current contract rates with BHS and the anticipated annual increase if the Board contracts with the recommended provider. There were general discussion regarding the current working relationship with Valley Residential Services, the impact on the Rose Home residents, | 4.1) No action was necessary   |

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|----|--|--|--|
|    | 4.2) Finance August 2024 Contract List   | <p>reasons for BHS termination, the transition timeline, BABH staffing plan utilizing Horizon Home staff for the transition, licensing requirements, legacy of the contract issues and the relationship with BHS, and BABAH staff capacity during the transition.</p> <p>4.2) M. Rozek reviewed the proposed contract list noting agreements for Rose Home, autism services, staff training, and medical malpractice insurance. There were general discussions regarding the contract approval process including approval limits of the CEO and having the Chair consider reviewing the contract approval procedure.</p>   | 4.2) On motion of J. Crete and support of C. Girard, the Finance August 2024 contract list was referred to the full Board for approval. The motion passed unanimously. |
| 5. | Unfinished Business  | There was not any unfinished business presented to the Committee.  |  |
| 6. | <p>New Business</p> <p>6.1) Fiscal Year (FY) 2025 Medicaid Revenue Projections and FY2024 Expense Trends</p> | <p>6.1) M. Rozek reviewed the revenue projections and expense trends for BABH and the MSHN region. There is an increase in Medicaid revenue for FY2025 that does not appear to be allocated to the ten regions and 46 community mental health service programs (CMHSPs) evenly. BABH is projecting to overspend by \$7.7 Million for FY2025. The FY2025 rates are based on utilization rates from FY2023, which are considerably lower than utilization rates for the current year. Most Certified Community Behavioral Health Clinics (CCBHCs) in the MSHN region are running a significant surplus for FY2024. Administration is anticipating presenting the Board with cost savings ideas for FY2025. There were general discussions related to fund balance regulations, financial benefits of becoming a CCBHC, Potential CMHSP consultants for such a project, and whether BABH should consider becoming a CCBHC. The Board requested CCBHC consideration be included in the budget recommendations.</p> | 6.1) No action necessary   |
| 7. | Adjournment  | On motion of J. Crete and support of C. Girard, the meeting adjourned at 5:30 pm. The motion passed unanimously.   |  |



Tim Banaszak, Committee Chair