

# MINUTES

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

Wednesday, February 12, 2025 at 5:00 pm  
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

<b>Committee Members:</b>	<b>Present</b>	<b>Excused</b>	<b>Absent</b>		<b>Present</b>	<b>Excused</b>	<b>Absent</b>	<b>Others Present:</b>
Tim Banaszak, Ch	X	_____	_____	Pam Schumacher	X	_____	_____	BABH: Marci Rozek, Jennifer Lasecki, 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.	On motion of C. Girard and support of J. Crete, K. Niemiec was excused. The motion passed unanimously.  On motion of J. Crete and support of C. Girard, R. Byrne was excused. The motion passed unanimously.
2.	Public Input (Maximum of 3 Minutes)	There were not any members of the public present.	
3.	Unfinished Business	There was not any unfinished business.	
4.	<b>New Business</b> 4.1) Investment earnings reports for period ending January 31, 2025  4.2) Bay Human Services 2024 Contract Cost Settlement	4.1) M. Rozek reviewed the reports noting the decrease in the interest rate.  4.2) M. Rozek reported Bay Human Services (BHS) has a residential and community living supports (CLS) contract with BABH. The CLS contract is a cost settlement arrangement with a maximum reimbursement amount of \$781,000. Proposed	4.1) On motion of C. Girard and support of P. Schumacher, the investment earnings reports for period ending January 31, 2025 were referred to the full Board for information. The motion was adopted unanimously.  4.2) No action as necessary

	<p>adjustments were presented related to an individual's need for additional two to one staffing that began May 2024 in the amount of \$40,000 and additional expenditures incurred related to staff turnover, training, and overtime in the amount of \$24,265As a result of negotiations with BHS, administration is recommending an additional settlement amount of \$64,265 to BHS. There were general discussions regarding the shortage of CLS providers, the potential impact to the provider network if BHS terminates their contract, the status of BHS FY25 contract; the process of obtaining and reviewing provider financial reports regularly, termination clauses in provider contracts, the resources required to transition providers, and the cost difference between direct operated and contracted services.</p>	
<p>4.3) Finance February 2025 contract list</p>	<p>4.3) M. Rozek reviewed the contract list. There were general discussions related to tracking utilization for the Calm App, clarification for travel time and mileage reimbursement for interpretive services, third party nursing service rates, and the decrease in malpractice liability insurance.</p>	<p>4.3) On motion of C. Girard and support of R. Pawlak, the Finance February 2025 contract list was referred to the full Board for approval. The motion was adopted unanimously.</p>
<p>4.4) Earned Sick Time Act (ESTA) Implementation</p>	<p>4.4) J. Lasceski reviewed the changes to the Employee Handbook due to the ESTA including the earned sick time (EST) has no accrual cap, there is no pay-out on separation, the rate of accrual, the definition of family, and prohibitions against disciplinary action for employees utilizing EST. J. Lasceski compared ESTA to the existing BABH earned time off (ETO) benefit. As the ESTA legal requirements are different than the current structure of the BABH ETO benefit, legal counsel has recommended these benefits be maintained separately. There were general discussions regarding the state level discussions to negotiate of extend implementation of the ESTA until July, however, legal counsel recommended to proceed with implementation by February 21, 2025 in order to comply with the date of the court order.</p>	<p>4.4) On motion of J. Crete and support of R. Pawlak, the Employee Handbook revisions regarding the ESTA were referred to the full Board for approval. The motion was adopted unanimously.</p>
<p>4.5) Fiscal Year (FY) 2025 Service, Revenue, &amp; Expense Trends</p>	<p>4.5) C. Pinter reviewed the per eligible per member (PEPM) Medicaid revenue and expense funding from FY2021 to FY2025. C. Pinter also reviewed the service activity from the Assertive</p>	<p>4.5) No action was necessary</p>

	<p>4.6) FY 2026 Executive Budget Recommendation</p> <p>4.7) Medicaid Guidelines for Protected Asset Limits</p>	<p>Community Treatment (ACT), Home Based, Case Management Services, Community Integration, Outpatient Treatment, Autism, and Emergency Services/Mobile Response Team as well as the price trends for all goods compared to health care. C. Pinter reported service demand and medical inflation are driving expense trends. The current Medicaid rates are not covering costs. This is a statewide issue and advocacy efforts continue with the actuaries and the Michigan Department of Health and Human Services (MDHHS) as utilization continues to significantly increase and rates are not covering costs. The Community Mental Health (CMH) agencies are contractually obligated to provide services. There were general discussions regarding autism services, the responsibility of Midstate Health Network to assume the financial risk for all CMHs in the region, BABH's FY2025 projected PEPM deficit of \$10 million, and the importance of the State addressing the underfunding Medicaid rate issue before services are significantly eroded.</p> <p>4.6) C. Pinter reviewed the FY2026 Executive Budget line items relative to mental health and substance use disorders (SUD) including Medicaid and Autism services, Certified Community Behavioral Health Clinics (CCBHCs), new programs for opioid usage and overdoses, and first responders/public safety.</p> <p>4.7) C. Pinter reported the federal poverty standards are increasing and reviewed the new figures for Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary, Qualifying Individual, and Qualified Disabled Working Individual, including the protected asset limit to be eligible for Medicaid increasing to \$9,660.</p>	<p>4.6) No action was necessary</p> <p>4.7) No action was necessary</p>
<p>5.</p>	<p>Adjournment</p>	<p>On motion of C. Girard and support of P. Schumacher, the meeting adjourned at 5:58 pm. The motion passed unanimously.</p>	

  
 Tim Banaszak, Committee Chair