



## BOARD OF DIRECTORS REGULAR MEETING

Thursday, May 15, 2025 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. RETIREMENT RESOLUTION FOR STACY KOIN
- 4 3.1 Res# 2505001: Approve the resolution recognizing Stacy Koin for over 30 years of dedicated service and commitment – *See separate resolution on page 4*
4. REGULAR BOARD MEETING, 04/17/2025 – Distributed
- 4.1 Motion on minutes as distributed
5. CORPORATE COMPLIANCE COMMITTEE, 05/01/2025 – Distributed – Conley, Ch/ Schumacher, V Ch
- There were no motions forwarded to the full Board
- 5.1 Motion on minutes as distributed
6. RECIPIENT RIGHTS (RR) ADVISORY & APPEALS COMMITTEE, 05/05/2025 – Distributed – McFarland, Ch/ Mrozinski, V Ch
- There were no motions forwarded to the full Board
- 6.1 Motion on minutes as distributed
7. FINANCE COMMITTEE, 05/07/2025 – Distributed – Banaszak, Ch/ Mrozinski, V Ch
- 5-6 7.1 Motion to accept investment earnings balances for period ending April 30, 2025 – *See pages 5-6*
- 3, 7 7.2 Res# 2505002: Approve the Finance May 2025 contract list – *See page 3 resolution sheet & page 7*
- 7.3 Motion on minutes as distributed
8. PROGRAM COMMITTEE, 05/08/2025 – In packet – Girard, Ch/Schumacher, V Ch
- 3, 8-9 8.1 Res# 2505003: Approve the policy ending 30-day review – *See page 3 resolution sheet & pages 8-9*
- 3, 10-11 8.2 Res# 2505004: Approve the policy beginning 30-day review – *See page 3 resolution sheet & pages 10-11*
- 3 8.3 Res# 2505005: Approve the 2025 Medical Staff Plan – *See page 3 resolution sheet & plan attached to back of packet*
- 12-15 8.4 Motion on minutes as presented – *See pages 12-15*



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- 9. AUDIT COMMITTEE, 05/12/2025 – In packet – McFarland, Ch/ Banaszak, V Ch
  - 3, 16-22 9.1 Res# 2505006: Accept financial statements – *See page 3 resolution sheet & pages 16-22*
  - 3, 23-26 9.2 Res# 2505007: Accept electronic fund transfers – *See page 3 resolution sheet & pages 23-26*
  - 3, 27 9.3 Res# 2505008: Approve disbursement & health care claims payments – *See page x resolution sheet & page 27*
  - 28-30 9.4 Motion on minutes as presented – *See pages 28-30*
- 10. REPORT FROM ADMINISTRATION
  - 31-55 10.1 Federal & State Health Policy Update – *See pages 31-55*
- 11. UNFINISHED BUSINESS
  - 11.1 None
- 12. NEW BUSINESS
  - 12.1 Bylaw Committee Meeting
    - 56-57 Consideration to schedule a Bylaw Committee meeting for the annual review process of the BABHA Bylaws – *See pages 56-57*
  - 12.2 Holiday Schedule
    - BABHA Offices will be closed on Monday, May 26, 2025 in observation of Memorial Day.
  - 12.3 Community Mental Health Association (CMHA) 2025 Summer Conference.
    - The CMHA 2025 Summer Conference is scheduled from Monday, June 9 through Wednesday, June 11, 2025 at Grand traverse Resort.
  - 12.4 Special Board Meeting
    - A special Board meeting has been scheduled for 4:00 pm on Thursday, June 19, 2025 for purposes of Corporate Compliance Training.
- 13. ADJOURNMENT



BOARD OF DIRECTORS  
REGULAR MEETING

Thursday, May 15, 2025 at 5:00 pm  
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

RESOLUTIONS

Retirement Resolution, May 15, 2025

Res# 2505001: See separate resolution recognizing Stacy Koin on page 4.

Finance Committee, May 7, 2025

Res# 2505002: Resolved by Bay Arenac Behavioral Health Authority to approve the Finance May 2025 contract list.

Program Committee, May 8, 2025

Res# 2505003: Resolved by Bay Arenac Behavioral Health Authority to approve the policy, Basis of Accounting, 08-01-01, to end 30-day review.

Res# 2505004: Resolved by Bay Arenac Behavioral Health Authority to approve the policy, Photographing, Video Recording, Audio Taping, Fingerprinting Recipients, 03-03-06, to begin 30-day review.

Res# 2505005: Resolved by Bay Arenac Behavioral Health Authority to approve the 2025 Medical Staff Plan.

Audit Committee, May 12, 2025

Res# 2505006: Resolved by Bay Arenac Behavioral Health Authority to approve the Financial Statements for period ending April 30, 2025.

Res# 2505007: Resolved by Bay Arenac Behavioral Health Authority to approve the electronic fund transfer (EFTs) for period ending April 30, 2025.

Res# 2505008: Resolved by Bay Arenac Behavioral Health Authority to approve the disbursements and health care payments from April 12, 2025 through May 16, 2025.



## RESOLUTION

Board of Directors  
Regular Meeting of May 15, 2025

- WHEREAS, Stacy Koin was employed with Bay-Arenac Behavioral Health Authority in multiple roles first starting as a Home Base Services Specialist on March 13, 1995. In 2016 Stacy Koin transferred to a Client Services Specialist in Family Support. Stacy Koin served in this role until her retirement on March 25, 2025; and
- WHEREAS, the Board acknowledges that Stacy Koin was also employed at Bay-Arenac Behavioral Health from July 1988 to July 1994 in various roles, and
- WHEREAS, the Board appreciates the compassion and, loyalty that Stacy Koin demonstrated to has demonstrated to all of the consumers and families she served while employed by Bay-Arenac Behavioral Health, and
- WHEREAS, the Board acknowledges Stacy Koin's commitment to the organization through her reliability, concern for others, and willingness to go above and beyond especially in crisis situations. It was evident to all the persons associated with Family Support that it was always more than just a job for Stacy and that she was proud to support the mission of Bay-Arenac Behavioral Health.
- WHEREAS, the Board recognizes the credentials of Stacy Koin as a Licensed Bachelor's Social Worker, with numerous years of experience improving the quality of life for individuals we serve;
- THEREFORE, BE IT RESOLVED that the Board of Directors of Bay-Arenac Behavioral Health Authority hereby presents this certificate in recognition of Stacy Koin for over 30 years of dedicated service and commitment.

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Robert Pawlak, Chair

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Sally Mrozinski, Secretary

Behavioral Health Center, 201 Mulholland, Bay City, MI 48708

**Bay-Arenac Behavioral Health Authority**  
**Estimated Cash and Investment Balances April 30, 2025**

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Balance April 1, 2025	5,065,566.80
Balance April 30, 2025	8,444,296.53
Average Daily Balance	4,434,260.84
Estimated Actual/Accrued Interest April 2025	12,434.17
Effective Rate of Interest Earning April 2025	3.36%
Estimated Actual/Accrued Interest Fiscal Year to Date	111,315.65
Effective Rate of Interest Earning Fiscal Year to Date	3.49%

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

Cash Available - Operating Fund

	Rate	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Beg. Balance Operating Funds - Cash,													
Cash equivalents, Investments		6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261	4,585,448
Cash in		13,733,115	3,521,802	21,031,319	18,649,095	11,484,363	12,579,941	20,255,107	13,201,840	11,895,758	12,023,619	12,246,135	20,379,721
Cash out		(14,391,408)	(7,959,163)	(17,914,080)	(16,135,454)	(12,277,820)	(13,159,621)	(16,962,838)	(14,017,688)	(13,903,259)	(12,608,956)	(12,852,949)	(16,993,846)
Ending Balance Operating Fund		5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261	4,585,448	7,971,323
Investments													
Money Markets		5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261	4,585,448	7,971,323
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946	7,785,099	5,777,598	5,192,261	4,585,448	7,971,323
Average Rate of Return General Funds		4.08%	4.08%	4.08%	4.08%	4.05%	3.70%	3.61%	3.57%	3.50%	3.48%	3.45%	3.43%
		4.05%	4.08%	4.05%	4.08%	3.72%	3.70%	3.52%	3.48%	3.30%	3.38%	3.30%	3.32%
Average		5,992,215	5,443,183	5,315,682	5,439,876	5,477,250	5,308,678	6,954,812	7,231,574	6,868,080	6,532,916	6,208,338	6,460,193

Cash Available - Other Restricted Funds

	Rate	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Beg. Balance-Other Restricted Funds -													
Cash, Cash equivalents, Investments		451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711	471,366
Cash in		1,919	1,865	1,935	1,943	1,828	1,803	1,675	1,684	1,645	1,491	1,656	1,608
Cash out													
Ending Balance Other Restricted Funds		453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711	471,366	472,974
Investments													
Money Market		453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711	471,366	472,974
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		453,841	455,706	457,642	459,585	461,413	463,216	464,891	466,575	468,220	469,711	471,366	472,974
Average Rate of Return Other Restricted Funds		5.00%	5.00%	5.00%	5.00%	4.99%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
		5.00%	5.00%	5.00%	5.00%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
Average		447,294	448,229	449,170	450,117	451,058	463,216	464,054	464,894	465,725	466,523	467,330	468,136
Total - Bal excludes payroll related cash accounts		5,942,137	1,506,641	4,625,816	7,141,400	6,349,771	5,771,894	9,065,837	8,251,674	6,245,818	5,661,972	5,056,814	8,444,297
Total Average Rate of Return		4.19%	4.18%	4.19%	4.19%	4.17%	3.84%	3.71%	3.63%	3.58%	3.52%	3.51%	3.49%

Bay-Arenac Behavioral Health  
Finance Council Board Meeting  
Summary of Proposed Contracts  
May 7, 2025

			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	M	Mid-Michigan Specialized Residential (Burton, MI) Second BABHA individual moving into this home	\$0	\$500/day	4/28/25 - 9/30/25	Y	N
2	N	Dr. Gerri Hill-Chance Child Psychiatrist Coverage - 2 days/week	\$0	\$200/hour	7/1/25 - 6/30/26	Y	N
Admin/Other Services							
3	S	Articulate 360 Annual License for 1 Seat	\$1,499	Same	7/31/25 - 7/31/26	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:**

## BAY-ARENAC BEHAVIORAL HEALTH POLICIES AND PROCEDURES MANUAL

<b>Chapter: 8</b>	<b>Fiscal Management</b>		
<b>Section: 1</b>	<b>Accounting</b>		
<b>Topic: 1</b>	<b>Basis of Accounting</b>		
Page: 1 of 2	Supersedes Date: Pol: 12-17-15, 3-18-04, 5-20-99 Proc:	Approval Date: Pol: 11-18-21 Proc:	<div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-bottom: 5px;"><i>Board Chairperson Signature</i></div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;"><i>Chief Executive Officer Signature</i></div>
	Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/1/2025. For Controlled copy, view Agency Manuals- Medworxx on the BABHA Intranet Site		

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### Policy

It is the policy of Bay-Arenac Behavioral Health Authority (BABHA) to maintain a modified accrual basis of financial accounting as required by the Department of Treasury. In addition, BABHA is obligated to issue financial statements and reports in accordance with guidelines from the Governmental Finance Officer's Association (GFOA), including Governmental Accounting Standards Board (GASB) 34, which requires financial statement presentation on a full accrual basis, GASB 68, accounting and financial reporting for pensions, ~~and~~ GASB 75, accounting and financial reporting for postemployment benefits other than pensions, [GASB 87, accounting for Leases, and GASB 96, accounting for Subscription-Based Information Technology Arrangements-](#)

It is the policy of BABHA to adhere to the following accounting and auditing standards, principles and procedures that are cited in The Michigan Department of Health and Human Services (MDHHS)/Pre-Prepaid Inpatient Health Plan (PIHP) Medicaid Managed Specialty Supports and Service Concurrent 1915(b)/(c) Waiver Program (Medicaid Contract) and the MDHHS/Community Mental Health Services Program (CMHSP) Managed Mental Health Supports and Services Contract (General Fund Contract):

- a. Generally Accepted Accounting Principles (GAAP) for Governmental Units.
- b. Generally Accepted Auditing Standards (GAAS)
- c. Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants (current edition)
- d. 2 CFR 200 Subpart E Cost Principles (supersedes Office of Management and Budget Circular A-87). (Except for the conditions described in 6.6.1 of the General Fund Contract)

### Purpose

This policy is to establish an accrual method of accounting.

### Applicability

- ☐ All BABH Staff
- ☒ Selected BABH Staff, as follows: Financial Services Staff



# BAY-ARENAC BEHAVIORAL HEALTH POLICIES AND PROCEDURES MANUAL

<b>Chapter: 8</b>	<b>Fiscal Management</b>		
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<b>Page: 2 of 2</b>	<b>Supersedes Date:</b> Pol: 12-17-15, 3-18-04, 5-20-99 Proc:	<b>Approval Date:</b> Pol: 11-18-21 Proc:	<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <i>Board Chairperson Signature</i>
			<div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <i>Chief Executive Officer Signature</i>
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- ☐ All Contracted Providers:    ☐ Policy Only    ☐ Policy and Procedure  
☐ Selected Contracted Providers, as follows:  
     ☐ Policy Only    ☐ Policy and Procedure  
☐ BABH's Affiliates:        ☐ Policy Only    ☐ Policy and Procedure  
☐ Other:

SUBMISSION FORM				
AUTHOR/ REVIEWER	APPROVING BODY/COMMITTEE/ SUPERVISOR	APPROVAL /REVIEW DATE	ACTION (Deletion, New, No Changes, Replacement or Revision)	REASON FOR ACTION - If replacement list policy to be replaced
M. Wolbert	J. Wesolowski	11/25/2009	Revision	Format changes only
M. Rozek	C. Pinter	09/28/2015	Revision	PS format changes. Indicate 2 CFR 200 Subpart E Cost Principles supersedes OMB A-87. Also added GAAS to policy statement.
M. Rozek	C. Pinter	6/28/17	Revision	Format changes and added references/legal authority
M. Rozek	C. Pinter	9/1/18	No changes	Triennial review-no changes
M. Rozek	C. Pinter	8/20/21	Revisions	Triennial review, added reference to GASBs 68 and 75
<a href="#">K. White</a>	M. Rozek	09/26/24	<a href="#">Revisions</a>	<a href="#">Triennial review, added reference to GASBs 87 and 96</a>

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY

## POLICIES AND PROCEDURES MANUAL

<b>Chapter: 3</b>	<b>Member Rights and Responsibilities</b>		
<b>Section: 3</b>	<b>Rights of Consumers</b>		
<b>Topic: 6</b>	<b>Photographing, Video Recording, Audio Taping, Fingerprinting Recipients</b>		
<b>Page: 1 of 2</b>	<b>Supersedes Date:</b> <b>Pol: 6-3-02, 7-15-99</b> <b>Proc: 6-3-02, 7-28-98</b>	<b>Approval Date:</b> <b>Pol: 6-21-12</b> <b>Proc: 5-8-12</b>	<i>Board Chairperson Signature</i>
			<i>Chief Executive Officer Signature</i>
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### Policy

It is the policy of Bay-Arenac Behavioral Health Authority that:

1. Fingerprints, photographs, video recordings or audiotapes may be taken and used, and one-way glass may be used: in order to provide services, including research, to a recipient; for educational or training purposes; or to determine the name of a recipient, when informed consent has been obtained from the recipient or applicable parent or guardian. Video surveillance is prohibited.
2. Photographs of a recipient may be taken for purely personal or social purposes and shall be maintained as the recipient's personal property, including digital images. A photograph of a recipient shall not be taken or used under this subsection if the recipient has indicated his or her objection.~~Photographs may be taken for purely personal or social purposes unless the recipient or applicable parent or guardian has indicated an objection, either verbally or in writing.~~ However, these photographs, videos, audio-recordings taken for personal or social purposes may not be put on social media of any kind without specific written consent of the legally responsible party.

### Purpose

This policy and procedure are established to ensure that recipients are protected in the areas of photographing, video recording, audio taping and fingerprinting.

### Education Applies to

- ☒ All BABHA Staff  
☐ Selected BABHA Staff, as follows:  
☒ All Contracted Providers: ☐ Policy Only    ☒ Policy and Procedure  
☐ Selected Contracted Providers, as follows:  
           ☐ Policy Only    ☐ Policy and Procedure  
☐ BABHA's (Affiliates):    ☐ Policy Only    ☐ Policy and Procedure

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY

## POLICIES AND PROCEDURES MANUAL

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SUBMISSION FORM				
AUTHOR/ REVIEWER	APPROVING BODY/COMMITTEE/ SUPERVISOR	APPROVAL /REVIEW DATE	ACTION (Deletion, New, No Changes, Replacement or Revision)	REASON FOR ACTION - If replacement list policy to be replaced
Marlene Wolber	Linda Maze	11/10/09	Revision	Triennial Review-format and language updated
Pepa Carlson Tina Dilley	Linda Maze	5/8/12	Revision	Revised to include video recordings and added related form: consent for Use of Photographs and/or Video Recordings
Melissa Prusi	Christopher Pinter	6/27/16	No changes	Triennial Review-no changes
Melissa Prusi	Christopher Pinter	06/20/2019	Revision	Triennial and annual review – minor changes
Melissa Prusi	Christopher Pinter	01/06/2021	Revision	Annual review
Melissa Prusi	Christopher Pinter	01/25/2021	Revision	Revised to reflect updated MDHHS ORR standards re: video surveillance.
Melissa Prusi	Christopher Pinter	06/23/2021	No changes	Triennial Review
<a href="#">Melissa Prusi</a>	<a href="#">Christopher Pinter</a>	<a href="#">12/12/2024</a>	<a href="#">Revision</a>	<a href="#">Updates to videotaping language</a>
<a href="#">Melissa Prusi</a>	<a href="#">Christopher Pinter</a>	<a href="#">2/5/2025</a>	<a href="#">Revision</a>	<a href="#">More updates to Policy statement</a>

# MINUTES

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

Thursday, May 8, 2025 at 5:00 pm

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

Committee Members:	Present	Excused	Absent		Present	Excused	Absent	Others Present:
Christopher Girard, Ch	X			Pam Schumacher	X			BABH: Joelin Hahn, Karen
Sally Mrozinski, V Ch		X		Patrick McFarland, Ex Off	X			Heinrich, Karen Amon, and Sara
Jerome Crete	X			Robert Pawlak, Ex Off	X			McRae
Shelley King	X							Legend: M-Motion; S-Support;
								MA-Motion Adopted; AB-
								Abstained

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	Committee Chair, C. Girard, called the meeting to order at 5:00 pm.	
2.	Public Input (Maximum of 3 Minutes)	There were not any members of the public present.	
3.	Nomination & Elections 3.1) Committee Chair  3.2) Committee Vice Chair	3.1) Committee Chair, C. Girard, asked for nominations for Committee Chair. J. Crete nominated C. Girard for Committee Chair. P. McFarland supported the nomination. Hearing no other nominations, Committee Chair, C. Girard, closed nominations. The Committee elected C. Girard as Chair for a term of one year.  3.2) Committee Chair, C. Girard, asked for nominations for Committee Vice Chair. R. Pawlak nominated P. Schumacher for Committee Vice Chair. J. Crete supported the nomination. Hearing no other nominations, Committee Chair, C. Girard, closed nominations. The Committee elected P. Schumacher as Vice Chair for a term of one year.	
4.	Unfinished Business	There was not any unfinished business presented.	

5.	<p>New Business</p> <p>5.1) Clinical Program Review: Assertive Community Treatment (ACT), K. Heinrich</p> <p>5.2) Policies Ending 30-Day Review: a) Basis of Accounting, 08-01-01</p> <p>5.3) Policies Beginning 30-Day Review: a) Photographing, Video Recording, Audio Taping, Fingerprinting Recipients, 03-03-06</p> <p>5.4) Primary Network Operations and Quality Management Committee Meeting Notes from March 13, 2025</p>	<p>5.1) K. Heinrich provided an overview of the Assertive Community Treatment (ACT) program noting the majority of services are provided in the community and are available 24/7. The ACT program is an evidence-based practice of treatment and services for individuals diagnosed with a chronic mental illness, such as schizophrenia or schizoaffective disorder, and whose symptoms and functional impairments caused by the mental illness are chronic and often unstable. Staff are limited to 10 individuals per caseload (as the primary caseholder), but each ACT team member provides services to all individuals participating in the program. Admission to the program requires an assessment to determine eligibility. There were discussions regarding the physical location of the program, medication management services, the definition of not guilty by reason of insanity status, what specific services are provided in the community, the caseload average, total individuals in the program, the assessment process and who has the final say who gets services, and that the program is geared toward a specific population.</p> <p>5.2) K. Amon reviewed the policy noting the revisions are necessary for the new accounting standards.</p> <p>5.3) K. Amon reviewed the policy noting it relates to specific details when photographing individuals in services. There were general discussions related to the duplicative policy with the Recipient Rights department, written consent requirements for photographing consumers and consent for posting pictures to social media, and examples of public events where photographs might be taken and posted.</p> <p>5.4) The committee reviewed the notes.</p>	<p>5.1) No action was necessary</p> <p>5.2) On motion of J. Crete and support of P. Schumacher, the policy, Basis of Accounting, 08-01-01, to end 30-day review was referred to the full board for approval. The motion was adopted unanimously.</p> <p>5.3) On motion of P. McFarland and support of P. Schumacher, the policy, Photographing, Video Recording, Audio Taping, Fingerprinting Recipients, 03-03-06, to begin 30-day review was referred to the full board for approval. The motion was adopted unanimously.</p> <p>5.4) No action was necessary</p>
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5.5) 2025 Medical Staff Plan	5.5) K. Amon reviewed the proposed changes to the Medical Staff plan regarding practitioner responsibilities. There were general discussions related to the medical director being a contracted employee of BABHA and that the medical director should do a presentation for the full Board.	5.5) On motion of J. Crete and support of P. McFarland, the 2025 Medical Staff Plan was referred to the full board for approval. The motion was adopted unanimously.
5.6) Federal Medicaid Update	5.6) J. Hahn provided a federal Medicaid update noting Healthy Michigan expanded with the Affordable Care Act (ACA). The percentage of Medicaid funds paid by the federal government and the states varies. Michigan is one of the states that receives a higher amount of Medicaid funds from the federal government. There are talks of reducing the federal governments portion from 90% to 50%. J. Hahn discussed Medicaid eligibility noting income is one criterion. Prior to the expansion under the ACA, these individuals were funded from BABHA's general fund (GF) dollars. J. Hahn also reported the provider tax, which is paid by providers to help fund the system, is currently at 6%. There are discussions at the federal level to reduce this tax to 4% in 2026 and 3% in 2028. The reduction in this levied tax could reduce revenue. J. Hahn reviewed the statement from the Protect Care Coalition noting their advocacy to protect the 2.6 million individuals in Michigan who rely on the Medicaid system and that rural areas will be impacted more if these reductions are implanted.	5.6) No action was necessary
5.7) Michigan Department of Health & Human Services (MDHHS) Pre-paid Inpatient Health Plan (PIHP) Procurement Update	5.7) J. Hahn reviewed the advocacy letter written by Christopher Pinter, CEO of BABHA, encouraging the Michigan Department of Health and Human Services (MDHHS) to include county participation in the Pre-paid Inpatient Health Plan (PIHP) procurement process. The county governments are the largest stakeholder and collaboration is crucial. The county partnership can be lost if the community mental health system is privatized. There were discussions regarding the partnership with the local DHS office, the legacy of the CMH system, communication with the Governor on this matter, and whether the press should be involved.	5.7) No action was necessary

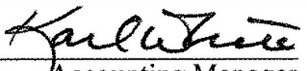
	5.8) Strategic Leadership Team (SLT) Transition Update	5.8) K. Amon provided an update on the SLT transitions. They are anticipated to be completed by the end of June or early July for those already hired. The interview process for the new Recipient Rights Officer is underway.	5.8) No action was necessary
6.	Adjournment	On motion of P. Schumacher and support of J. Crete, the meeting adjourned at 5:39 pm. The motion passed unanimously.	

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Christopher Girard, Committee Chair

**Bay-Arenac Behavioral Health  
Financial Statements  
For Period Ending 04/30/2025**

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	
1	<b>ASSETS</b>	<b>Apr 30, 2025</b>	<b>Sept 30, 2024</b>	
2	<u><b>Current Assets</b></u>			
3	Cash and cash equivalents	\$6,989,935.78	\$4,894,930.68	
4	Consumer and insurance receivables	230,213.05	192,843.18	
5	Due from other governmental units	5,596,392.41	7,094,667.58	
6	Contract and other receivables	223,181.91	288,615.57	
7	Interest receivable	0.00	0.00	
8	Prepaid items	698,635.73	444,849.69	
9	<b>Total Current Assets</b>	<b>13,738,358.88</b>	<b>12,915,906.70</b>	(3+4+5+6+7+8)
10	<b>Noncurrent Assets</b>			
11	<u><b>Cash and cash Equivalents - restricted</b></u>			
12	Restricted for compensated absences	1,526,337.12	1,514,776.32	
13	Restricted temporarily - other	110,882.89	111,510.10	
14	<b>Cash and Cash Equivalents - restricted</b>	<b>1,637,220.01</b>	<b>1,626,286.42</b>	(12+13)
15	<u><b>Capital Assets</b></u>			
16	Capital assets - land	424,500.00	424,500.00	
17	Capital assets - depreciable, net	6,368,374.54	6,368,374.54	
18	Capital assets - construction in progress	-	-	
19	GASB 87 Right to Use Bldg	2,272,819.47	2,272,819.47	
20	GASB 87 Accum Depr, Lease Amortization	(613,824.99)	(613,824.99)	
21	Accumulated depreciation	(4,210,490.31)	(4,103,871.94)	
22	<b>Capital Asset, net</b>	<b>4,241,378.71</b>	<b>4,347,997.08</b>	(16+17+18+19+20+21)
23	<b>Total Noncurrent Assets</b>	<b>5,878,598.72</b>	<b>5,974,283.50</b>	(14+22)
24	<b>TOTAL ASSETS</b>	<b>19,616,957.60</b>	<b>18,890,190.20</b>	(9+23)
25	<b>LIABILITIES</b>			
26	<u><b>Current Liabilities</b></u>			
27	Accounts payable	0.00	3,852,625.64	
28	Accrued wages and payroll related liabilities	528,617.20	275,406.50	
29	Other accrued liabilities	5,183,491.44	1,360,069.00	
30	Due to other governmental units	259,978.00	243,583.00	
31	Deferred Revenue	2,553.73	2,903.73	
32	Current portion of long term debt	16,738.31	16,738.31	
33	Other current liabilities	-	-	
34	<b>Total Current Liabilities</b>	<b>5,991,378.68</b>	<b>5,751,326.18</b>	(27+28+29+30+31+32+33)
35	<u><b>Noncurrent Liabilities</b></u>			
36	Long term debt, net of current portion	220,435.90	230,134.98	
37	GASB 87 Noncurrent Lease Liability	1,502,277.10	1,502,277.10	
38	Compensated absences	1,441,604.58	1,359,019.52	
39	<b>Total Noncurrent Liabilities</b>	<b>3,164,317.68</b>	<b>3,091,431.60</b>	(36+37+38)
40	<b>TOTAL LIABILITIES</b>	<b>9,155,696.26</b>	<b>8,842,757.78</b>	(34+39)
41	<b>NET ASSETS</b>			
42	<u><b>Fund Balance</b></u>			
43	Restricted for capital purposes	3,966,653.00	3,966,653.00	
44	Unrestricted fund balance - PBIP	3,258,465.99	2,827,136.47	
45	Unrestricted fund balance	3,236,142.35	3,253,642.95	
46	<b>Total Net Assets</b>	<b>\$10,461,261.34</b>	<b>\$10,047,432.42</b>	(43+44+45) and (24-40)

Bay Arenac Behavioral Health  
For the Month Ending April 30, 2025  
Summary of All Units

Column Identifiers							
A	B	C	D	E	F	G	
	April Actual	2025 YTD Actual	2025 YTD Budget	(C-D) Variance	(C / D) % to Budget	2025 Monthly Budget	
Income Statement							
1	REVENUE						
2	Risk Contract Revenue						
3	Medicaid Specialty Supports & Services	4,736,174.82	34,141,763.61	36,727,461.17	(2,585,697.56)	93%	5,246,780.17
4	Medicaid Autism	1,623,459.01	7,644,327.93	3,407,220.25	4,237,107.68	224%	486,745.75
5	State Genl Fund Priority Population	135,505.00	948,532.00	948,530.92	1.08	100%	135,504.42
6	GF Shared Savings Lapse	0.00	0.00	0.00	0.00	0%	0.00
7	Total Risk Contract Revenue	6,495,138.83	42,734,623.54	41,083,212.33	1,651,411.21	104%	5,869,030.33 (3+4+5+6)
8	Program Service Revenue						
9	Medicaid, CWP FFS	0.00	0.00	0.00	0.00	0%	0.00
10	Other Fee For Service	46,964.62	162,698.59	227,371.08	(64,672.49)	72%	32,481.58
11	Total Program Service Revenue	46,964.62	162,698.59	227,371.08	(64,672.49)	72%	32,481.58 (9+10)
12	Other Revenue						
13	Grants and Earned Contracts	163,419.55	1,109,936.20	918,988.58	190,947.62	121%	131,284.08
14	SSI Reimbursements, 1st/3rd Party	7,508.50	49,082.10	43,802.50	5,279.60	112%	6,257.50
15	County Appropriation	65,587.83	459,114.81	459,115.12	(0.31)	100%	65,587.87
16	Interest Income - Working Capital	69,930.72	170,565.81	184,670.20	(14,104.39)	92%	26,381.46
17	Other Local Income	432,031.83	447,084.53	270,339.42	176,745.11	165%	38,619.92
18	Total Other Revenue	738,478.43	2,235,783.45	1,876,915.82	358,867.63	119%	268,130.83 (13+14+15+16+17)
19	TOTAL REVENUE	7,280,581.88	45,133,105.58	43,187,499.24	1,945,606.34	105%	6,169,642.75 (7+11+18)
20	EXPENSE						
21	SUPPORTS & SERVICES						
22	Provider Claims						
23	State Facility - Local portion	12,858.03	66,557.09	102,292.75	35,735.66	65%	14,613.25
24	Community Hospital	555,149.40	4,681,391.51	4,382,034.42	(299,357.09)	107%	626,004.92
25	Residential Services	1,267,516.55	9,193,862.51	8,985,929.75	(207,932.76)	102%	1,283,704.25
26	Community Supports	2,864,757.72	16,567,358.22	15,124,198.25	(1,443,159.97)	110%	2,160,599.75
27	Total Provider Claims	4,700,281.70	30,509,169.33	28,694,455.17	(1,914,714.16)	107%	4,084,922.17 (23+24+25+26)
28	Operating Expenses						
29	Salaries	1,238,539.08	8,850,855.44	8,363,140.81	(487,714.63)	106%	1,194,734.40
30	Fringe Benefits	403,371.83	2,759,506.14	2,788,263.96	28,757.82	99%	398,323.42
31	Consumer Related	2,099.75	24,538.66	27,680.08	3,141.42	89%	3,954.30
32	Program Operations	244,687.79	1,056,110.02	1,097,276.28	41,166.26	96%	156,753.75
33	Facility Cost	13,243.15	385,791.42	408,928.33	23,136.91	94%	58,418.33
34	Purchased Services	847.00	15,288.07	31,036.47	15,748.40	49%	4,433.78
35	Other Operating Expense	120,926.23	881,532.57	1,240,098.48	358,565.91	71%	177,156.93
36	Local Funds Contribution	17,906.00	125,342.00	125,342.00	0.00	100%	17,906.00
37	Interest Expense	635.30	4,524.64	4,804.92	280.28	94%	686.42
38	Depreciation	15,231.18	106,618.37	126,276.50	19,658.13	84%	18,039.50
39	Total Operating Expenses	2,057,487.31	14,210,107.33	14,212,847.82	2,740.49	100%	2,030,406.83 (29+30+31+32+33+34+35+36+37+38)
40	TOTAL EXPENSES	6,757,769.01	44,719,276.66	42,807,302.99	(1,911,973.67)	104%	6,115,329.00 (27+39)
41	NET SURPLUS/(DEFICIT)	522,812.87	413,828.92	380,196.25	33,632.67	109%	54,313.75 (19-40)
42	Notes:						
43	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:						
44	BASED ON PEPM FUNDING:						
45	Net Medicaid (shortage): (\$6,554,319)						
46	Medicaid (shortage): (\$761,772)						
47	Healthy Michigan (shortage): (\$2,491,797)						
48	Autism (shortage): (\$3,300,750)						
49	BASED ON APPROVED BUDGET:						
50	Net Medicaid shortage: (\$1,874,334)						
51	Medicaid surplus: \$205,145						
52	Healthy Michigan (shortage): (\$999,864)						
	Autism (shortage): (\$1,079,615)						

**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF FUND BALANCE  
AS OF APRIL 30, 2025**

	<b>TOTALS</b>
Fund Balance 09/30/2024	10,047,432.42
Net (loss)/income April 2025	413,828.92
Net Increase/(Decrease) Funds Restricted for Capital Purposes	<u>-</u>
Calculated Fund Balance 4/30/2025	10,461,261.34
Statement of Net Assets Fund Balance 4/30/2025	10,461,261.34
Difference	-

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**BAY-ARENAC BEHAVIORAL HEALTH  
RECONCILIATION OF UNRESTRICTED FUND BALANCE  
AS OF APRIL 30, 2025**

	<b><u>TOTALS</u></b>
Unrestricted Fund Balance 9/30/2024	6,080,779.42
Net (loss)/income April 2025	413,828.92
Increase/Decrease in net assets	<u>-</u>
Calculated Unrestricted Fund Balance 4/30/2025	6,494,608.34
Statement of Net Assets Unrestricted Fund Balance 4/30/2025	6,494,608.34
Difference	0.00

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

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	Sept. 30, 2024 Unrestricted <u>Fund Balance</u>	Apr 30, 2025 Permanently <u>Restricted</u>	Apr 30, 2025 Temporarily <u>Restricted</u>	Apr 30, 2025 Unrestricted/ <u>Reserved</u>	Apr 30, 2025 Total <u>Fund Balance</u>
Unrestricted	3,253,643	-	-	3,236,142	3,236,142
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>2,827,136</u>	<u>-</u>	<u>-</u>	<u>3,258,466</u>	<u>3,258,466</u>
Balances	10,047,432	-	-	10,461,261	10,461,261

**BAY-ARENAC BEHAVIORAL HEALTH  
Cash Flow**

	<u>May 25</u>	<u>Jun 25</u>	<u>Jul 25</u>	<u>Aug 25</u>	<u>Sep 25</u>	<u>Oct 25</u>	<u>Nov 25</u>	<u>Dec 25</u>	<u>Jan 26</u>	<u>Feb 26</u>	<u>Mar 26</u>	<u>Apr 26</u>
<b>Estimated Funds:</b>												
Beginning Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Additions/(Subtractions)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month End Inv. Balance</b>	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Cash Balance	7,971,267	6,846,358	5,948,159	4,933,817	5,915,759	5,017,560	3,603,218	3,535,160	2,636,960	3,172,619	1,808,570	614,380
Total Medicaid	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069	4,887,069
Total General Fund	135,506	135,505	135,504	135,506	135,505	135,504	135,506	135,505	135,504	135,506	135,505	135,504
Estimated Misc. Receipts	89,759	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759	89,759	205,900	89,759
Client Receipts	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	11,212	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063
<b>Total Estimated Cash</b>	<b>13,149,812</b>	<b>12,197,895</b>	<b>11,183,553</b>	<b>10,169,212</b>	<b>11,267,296</b>	<b>10,252,954</b>	<b>8,838,613</b>	<b>8,886,697</b>	<b>7,872,355</b>	<b>8,408,014</b>	<b>7,160,107</b>	<b>5,849,774</b>
<b>Total Estimated Available Funds</b>	<b>13,149,812</b>	<b>12,197,895</b>	<b>11,183,553</b>	<b>10,169,212</b>	<b>11,267,296</b>	<b>10,252,954</b>	<b>8,838,613</b>	<b>8,886,697</b>	<b>7,872,355</b>	<b>8,408,014</b>	<b>7,160,107</b>	<b>5,849,774</b>
<b>Estimated Expenditures:</b>												
1st Payroll	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												
2nd Payroll	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	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	857,601	857,601	857,601	857,601	857,601	857,601	857,601	857,601	857,601	857,601	857,601	857,601
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
2nd Friday Claims	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329	1,772,329
Board Week Bay Batch	827,998	827,998	827,998	827,998	827,998	827,998	827,998	827,998	827,998	1,123,989	1,123,989	1,123,989
Board Week Claims	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	711,433	711,433	711,433	711,433	711,433	711,433	711,433	711,433	711,433	711,433	711,433	711,433
5th Friday Claims				400,000		400,000			400,000			
Local FFP payment to MSHN	53,717			53,717			53,717			53,717		
Transfer to State of MI												
Transfer from/(to) Reserve Account												
Settlement with MSHN												
Funds from MSHN				(3,000,000)			(1,000,000)		(2,500,000)			
Transfer to (from) HRA												
Transfer to (from) Investment												
Transfer to (from) Capital Acct												
<b>Total Estimated Expenditures</b>	<b>6,303,453</b>	<b>6,249,736</b>	<b>6,249,736</b>	<b>4,253,453</b>	<b>6,249,736</b>	<b>6,649,736</b>	<b>5,303,453</b>	<b>6,249,736</b>	<b>4,699,736</b>	<b>6,599,444</b>	<b>6,545,727</b>	<b>6,545,727</b>
<b>Estimated Month End Cash Balance</b>	<b>6,846,358</b>	<b>5,948,159</b>	<b>4,933,817</b>	<b>5,915,759</b>	<b>5,017,560</b>	<b>3,603,218</b>	<b>3,535,160</b>	<b>2,636,960</b>	<b>3,172,619</b>	<b>1,808,570</b>	<b>614,380</b>	<b>(695,952)</b>

# Bay-Arenac Behavioral Health


## Cash Flow Forecasting For the Month of May

	<u>Bank Balance</u>	<u>Investment Balance</u>
<b>Estimated Cash Balance May 1, 2025</b>	<b>7,971,267</b>	-
Investment Purchased/Interest	-	-
Investments coming due during month	-	-
<b>Estimated Cash Balance May 31, 2025</b>	<b>7,971,267</b>	-
 Estimated Cash Inflow:		
Medicaid Funds:	4,887,069	
General Fund Dollars:	135,506	
Board Receipts:	89,759	
Client Receipts:	55,000	
Funds from Investment:	-	
Interest:	11,212	
<b>Total Estimated Cash Inflow:</b>	<b>5,178,546</b>	
 Estimated Cash Outflow:		
Payroll Dated: <b>05/09/25</b>	(550,000)	
Payroll Dated: <b>05/23/25</b>	(550,000)	
Board Per Diem Payroll: <b>05/16/25</b>	(3,343)	
Payroll Dated:	-	
 Claims Disbursements: <b>05/02/25</b>	(857,601)	
Claims Disbursements: <b>05/09/25</b>	(1,772,329)	
Claims Disbursements: <b>05/16/25</b>	(975,000)	
A/P Disbursements: <b>05/16/25</b>	(827,998)	
Mortgage Payment: <b>05/23/25</b>	(2,032)	
Claims Disbursements: <b>05/23/25</b>	(711,433)	
Claims Disbursements:	-	
Local FFP Payment: <b>05/16/25</b>	(53,717)	
Transfer to Reserve Acct:	-	
HRA transfer:	-	
Transfer to(from) MSHN:	-	
Transfer to State of MI	-	
Purchased Investment	-	
<b>Total Estimated Cash Outflow:</b>	<b>(6,303,453)</b>	
 <b>Estimated Cash Balance on May 31, 2025</b>	<b>6,846,359</b>	-
	-	-

**Bay Arenac Behavioral Health**  
**201 Mulholland, Bay City, MI 48708**  
**Electronic Funds Transfers including Cash Transfers/Wires/ACHs**  
**April 2025**

<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	40,000.00	4/3/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	885,540.58	4/3/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	690,000.00	4/4/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	17,195.00	4/7/2025	Credit Card Payment	Marci Rozek
Flagstar Bank	Flagstar Bank	15,000.00	4/7/2025	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Flagstar Bank	580,000.00	4/9/2025	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,787,527.36	4/9/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	4,230.31	4/10/2025	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	581,558.46	4/10/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	980,000.00	4/11/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	45,000.00	4/16/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,083.02	4/17/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,586,172.61	4/17/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	255,000.00	4/18/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,031.96	4/22/2025	Transfer from General Acct for Mortgage payment	Marci Rozek
Flagstar Bank	Flagstar Bank	560,000.00	4/23/2025	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Flagstar Bank	10,000.00	4/24/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	552,239.51	4/24/2025	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	807,756.54	4/24/2025	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	4,230.31	4/25/2025	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Flagstar Bank	7,580,000.00	4/25/2025	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	5,000.00	4/25/2025	Transfer from General Account to HSA Account	Marci Rozek

**Total Transfers: 16,990,565.66**



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**  
**April 2025**

<u>Funds Paid from:</u>	<u>EFT #</u>	<u>Funds Paid to:</u>	<u>Amount</u>	<u>Date of Pmt</u>	<u>Authorized By</u>
Flagstar Bank	E7610	HOPE NETWORK BEHAVIORAL HEALTH	304.52	4/4/2025	Marci Rozek
Flagstar Bank	E7611	Bay Human Services, Inc.	273.96	4/4/2025	Marci Rozek
Flagstar Bank	E7612	MICHIGAN COMMUNITY SERVICES IN	30,559.85	4/4/2025	Marci Rozek
Flagstar Bank	E7613	LIBERTY LIVING, INC.	32,678.16	4/4/2025	Marci Rozek
Flagstar Bank	E7614	DISABILITY NETWORK	3,967.18	4/4/2025	Marci Rozek
Flagstar Bank	E7615	HEALTHSOURCE	74,297.00	4/4/2025	Marci Rozek
Flagstar Bank	E7616	MPA GROUP NFP, Ltd.	35,597.10	4/4/2025	Marci Rozek
Flagstar Bank	E7617	SAGINAW PSYCHOLOGICAL SERVICES	28,315.76	4/4/2025	Marci Rozek
Flagstar Bank	E7618	PARAMOUNT REHABILITATION	16,995.08	4/4/2025	Marci Rozek
Flagstar Bank	E7619	ARENAC OPPORTUNITIES, INC	30,283.10	4/4/2025	Marci Rozek
Flagstar Bank	E7620	DO-ALL, INC.	19,975.66	4/4/2025	Marci Rozek
Flagstar Bank	E7621	TOUCHSTONE SERVICES, INC	13,493.36	4/4/2025	Marci Rozek
Flagstar Bank	E7622	Winningham, Linda Jo	387.00	4/4/2025	Marci Rozek
Flagstar Bank	E7623	Nutrition for Wellness	388.40	4/4/2025	Marci Rozek
Flagstar Bank	E7624	WILSON, STUART T. CPA, P.C.	78,970.38	4/4/2025	Marci Rozek
Flagstar Bank	E7625	CAREBUILDERS AT HOME, LLC	527.20	4/4/2025	Marci Rozek
Flagstar Bank	E7626	PERSONAL ASSISTANCE OPTIONS INC	56,845.34	4/4/2025	Marci Rozek
Flagstar Bank	E7627	Flourish Services, LLL	27,989.16	4/4/2025	Marci Rozek
Flagstar Bank	E7628	GAME CHANGER PEDIATRIC THERAPY	110,973.01	4/4/2025	Marci Rozek
Flagstar Bank	E7629	Spectrum Autism Center	25,542.00	4/4/2025	Marci Rozek
Flagstar Bank	E7630	ENCOMPASS THERAPY CENTER LLC	76,613.10	4/4/2025	Marci Rozek
Flagstar Bank	E7631	MERCY PLUS HEALTHCARE SERVICES LLC	64,836.84	4/4/2025	Marci Rozek
Flagstar Bank	E7632	Positive Behavior Supports Corporation	8,592.20	4/4/2025	Marci Rozek
Flagstar Bank	E7633	HAMPTON AUTO REPAIR	45.32	4/4/2025	Marci Rozek
Flagstar Bank	E7634	STATE OF MICHIGAN DEPT OF COMM HEALTH A	11,545.03	4/4/2025	Marci Rozek
Flagstar Bank	E7635	UNITED PARCEL SERVICE	8.80	4/4/2025	Marci Rozek
Flagstar Bank	E7636	Yeo & Yeo Technology	682.50	4/4/2025	Marci Rozek
Flagstar Bank	E7637	AUGRES CARE CENTER, INC	3,842.14	4/11/2025	Marci Rozek
Flagstar Bank	E7638	HOPE NETWORK BEHAVIORAL HEALTH	83,432.06	4/11/2025	Marci Rozek
Flagstar Bank	E7639	Hope Network Southeast	132,611.67	4/11/2025	Marci Rozek
Flagstar Bank	E7640	BEACON SPECIALIZED LIVING SVS	18,996.00	4/11/2025	Marci Rozek
Flagstar Bank	E7641	Fitzhugh House, LLC	12,367.74	4/11/2025	Marci Rozek
Flagstar Bank	E7642	Bay Human Services, Inc.	322,820.56	4/11/2025	Marci Rozek
Flagstar Bank	E7643	MICHIGAN COMMUNITY SERVICES IN	341,367.29	4/11/2025	Marci Rozek
Flagstar Bank	E7644	VALLEY RESIDENTIAL SERVICES	137,102.46	4/11/2025	Marci Rozek
Flagstar Bank	E7645	LIBERTY LIVING, INC.	32,480.42	4/11/2025	Marci Rozek
Flagstar Bank	E7646	SUPERIOR CARE OF MICHIGAN LLC	8,574.60	4/11/2025	Marci Rozek
Flagstar Bank	E7647	Closer to Home, LLC	19,315.71	4/11/2025	Marci Rozek
Flagstar Bank	E7648	DISABILITY NETWORK	18,289.34	4/11/2025	Marci Rozek
Flagstar Bank	E7649	HEALTHSOURCE	41,040.00	4/11/2025	Marci Rozek
Flagstar Bank	E7650	MPA GROUP NFP, Ltd.	39,853.09	4/11/2025	Marci Rozek
Flagstar Bank	E7651	LIST PSYCHOLOGICAL SERVICES	3,414.59	4/11/2025	Marci Rozek
Flagstar Bank	E7652	SAGINAW PSYCHOLOGICAL SERVICES	22,536.37	4/11/2025	Marci Rozek
Flagstar Bank	E7653	PARAMOUNT REHABILITATION	35,789.24	4/11/2025	Marci Rozek
Flagstar Bank	E7654	ARENAC OPPORTUNITIES, INC	34,611.32	4/11/2025	Marci Rozek
Flagstar Bank	E7655	DO-ALL, INC.	9,059.18	4/11/2025	Marci Rozek
Flagstar Bank	E7656	New Dimensions	15,485.97	4/11/2025	Marci Rozek
Flagstar Bank	E7657	TOUCHSTONE SERVICES, INC	1,260.48	4/11/2025	Marci Rozek
Flagstar Bank	E7658	Winningham, Linda Jo	1,163.00	4/11/2025	Marci Rozek
Flagstar Bank	E7659	WILSON, STUART T. CPA, P.C.	76,857.42	4/11/2025	Marci Rozek
Flagstar Bank	E7660	CAREBUILDERS AT HOME, LLC	12,943.95	4/11/2025	Marci Rozek
Flagstar Bank	E7661	PERSONAL ASSISTANCE OPTIONS INC	18,715.60	4/11/2025	Marci Rozek
Flagstar Bank	E7662	Flourish Services, LLL	25,542.04	4/11/2025	Marci Rozek
Flagstar Bank	E7663	GAME CHANGER PEDIATRIC THERAPY	872.20	4/11/2025	Marci Rozek
Flagstar Bank	E7664	Spectrum Autism Center	24,930.00	4/11/2025	Marci Rozek
Flagstar Bank	E7665	ENCOMPASS THERAPY CENTER LLC	91,825.10	4/11/2025	Marci Rozek
Flagstar Bank	E7666	MERCY PLUS HEALTHCARE SERVICES LLC	42,152.54	4/11/2025	Marci Rozek
Flagstar Bank	E7667	HEALING WITH HEART	100.00	4/11/2025	Marci Rozek
Flagstar Bank	E7668	ADLER, THERESA	80.15	4/18/2025	Marci Rozek
Flagstar Bank	E7669	Aho, Ashley	208.45	4/18/2025	Marci Rozek
Flagstar Bank	E7670	Brothers-Estrada, Abbie	151.20	4/18/2025	Marci Rozek
Flagstar Bank	E7671	Bryan, Kelly	334.38	4/18/2025	Marci Rozek
Flagstar Bank	E7672	BYRNE, RICHARD	231.00	4/18/2025	Marci Rozek
Flagstar Bank	E7673	BYRSKI, RASHELL	13.23	4/18/2025	Marci Rozek
Flagstar Bank	E7674	CERESKE, KIM	51.18	4/18/2025	Marci Rozek
Flagstar Bank	E7675	COOK, BRIANNA	138.50	4/18/2025	Marci Rozek



Flagstar Bank	E7676	Deshano, Jennifer	188.30	4/18/2025	Marci Rozek
Flagstar Bank	E7677	Dunnem, Emily	490.98	4/18/2025	Marci Rozek
Flagstar Bank	E7678	FRIEBE, HEATHER	220.50	4/18/2025	Marci Rozek
Flagstar Bank	E7679	GUERTIN, SUSAN	334.37	4/18/2025	Marci Rozek
Flagstar Bank	E7680	HECHT, KERENSA	84.00	4/18/2025	Marci Rozek
Flagstar Bank	E7681	HEWTTY, MARIA	216.16	4/18/2025	Marci Rozek
Flagstar Bank	E7682	JEAN, KARLEE	84.21	4/18/2025	Marci Rozek
Flagstar Bank	E7683	Kohn, Jessica	135.10	4/18/2025	Marci Rozek
Flagstar Bank	E7684	KOIN, STACEY E.	179.90	4/18/2025	Marci Rozek
Flagstar Bank	E7685	Lagalo, Lori	271.88	4/18/2025	Marci Rozek
Flagstar Bank	E7686	Lemiesz, Rachel	306.55	4/18/2025	Marci Rozek
Flagstar Bank	E7687	BEYER, NICOLE	414.05	4/18/2025	Marci Rozek
Flagstar Bank	E7688	Niemiec, Kathleen	94.50	4/18/2025	Marci Rozek
Flagstar Bank	E7689	NIX, HEATHER	9.10	4/18/2025	Marci Rozek
Flagstar Bank	E7690	Nixon, Heidi	268.24	4/18/2025	Marci Rozek
Flagstar Bank	E7691	O'BRIEN, CAROLE	88.20	4/18/2025	Marci Rozek
Flagstar Bank	E7692	Rechsteiner, Elise	77.70	4/18/2025	Marci Rozek
Flagstar Bank	E7693	RICKER, AMY	408.10	4/18/2025	Marci Rozek
Flagstar Bank	E7694	ROSE, KEVIN	84.70	4/18/2025	Marci Rozek
Flagstar Bank	E7695	Schumacher, Pamela	38.64	4/18/2025	Marci Rozek
Flagstar Bank	E7696	Trout, Amber	228.20	4/18/2025	Marci Rozek
Flagstar Bank	E7697	VanWert, Laurie	137.60	4/18/2025	Marci Rozek
Flagstar Bank	E7698	VASCONCELOS, FLAVIA	305.34	4/18/2025	Marci Rozek
Flagstar Bank	E7699	Bay Human Services, Inc.	716.68	4/18/2025	Marci Rozek
Flagstar Bank	E7700	SAGINAW PSYCHOLOGICAL SERVICES	341.00	4/18/2025	Marci Rozek
Flagstar Bank	E7701	ARENAC OPPORTUNITIES, INC	3,732.68	4/18/2025	Marci Rozek
Flagstar Bank	E7702	BAY CITY CRU	98,458.00	4/18/2025	Marci Rozek
Flagstar Bank	E7703	A2Z CLEANING & RESTORATION INC.	4,801.00	4/18/2025	Marci Rozek
Flagstar Bank	E7704	Bromberg & Associates, LLC	50.00	4/18/2025	Marci Rozek
Flagstar Bank	E7705	ERGOMED PRODUCTS, INC.	1,433.00	4/18/2025	Marci Rozek
Flagstar Bank	E7706	FLEX ADMINISTRATORS INC	501.85	4/18/2025	Marci Rozek
Flagstar Bank	E7707	HOSPITAL PSYCHIATRY PLLC	42,000.00	4/18/2025	Marci Rozek
Flagstar Bank	E7708	Iris Telehealth Medical Group, PA	154,208.00	4/18/2025	Marci Rozek
Flagstar Bank	E7709	KING COMMUNICATIONS	152.60	4/18/2025	Marci Rozek
Flagstar Bank	E7710	MOVVA, USHA	15,400.00	4/18/2025	Marci Rozek
Flagstar Bank	E7711	NETSOURCE ONE, INC.	40,352.26	4/18/2025	Marci Rozek
Flagstar Bank	E7712	New Dimensions, Inc.	700.00	4/18/2025	Marci Rozek
Flagstar Bank	E7713	PRO-SCAPE, INC.	195.00	4/18/2025	Marci Rozek
Flagstar Bank	E7714	SHRED EXPERTS LLC	752.00	4/18/2025	Marci Rozek
Flagstar Bank	E7715	Smith, Bridget M	7,000.00	4/18/2025	Marci Rozek
Flagstar Bank	E7716	TELNET WORLDWIDE, INC.	1,523.82	4/18/2025	Marci Rozek
Flagstar Bank	E7717	UNITED WAY OF BAY COUNTY/RENT	2,125.00	4/18/2025	Marci Rozek
Flagstar Bank	E7718	V.O.I.C.E., INC.	970.00	4/18/2025	Marci Rozek
Flagstar Bank	E7719	Yeo & Yeo Technology	892.50	4/18/2025	Marci Rozek
Flagstar Bank	E7720	Bay Human Services, Inc.	143,921.70	4/18/2025	Marci Rozek
Flagstar Bank	E7721	MICHIGAN COMMUNITY SERVICES IN	1,436.40	4/18/2025	Marci Rozek
Flagstar Bank	E7722	CENTRAL STATE COMM. SERVICES	27,904.96	4/18/2025	Marci Rozek
Flagstar Bank	E7723	LIBERTY LIVING, INC.	32,674.73	4/18/2025	Marci Rozek
Flagstar Bank	E7724	HEALTHSOURCE	90,720.00	4/18/2025	Marci Rozek
Flagstar Bank	E7725	MPA GROUP NFP, Ltd.	45,629.78	4/18/2025	Marci Rozek
Flagstar Bank	E7726	LIST PSYCHOLOGICAL SERVICES	104.50	4/18/2025	Marci Rozek
Flagstar Bank	E7727	SAGINAW PSYCHOLOGICAL SERVICES	20,711.67	4/18/2025	Marci Rozek
Flagstar Bank	E7728	PARAMOUNT REHABILITATION	13,138.50	4/18/2025	Marci Rozek
Flagstar Bank	E7729	ARENAC OPPORTUNITIES, INC	12,029.66	4/18/2025	Marci Rozek
Flagstar Bank	E7730	DO-ALL, INC.	18,665.83	4/18/2025	Marci Rozek
Flagstar Bank	E7731	New Dimensions	10,667.08	4/18/2025	Marci Rozek
Flagstar Bank	E7732	WILSON, STUART T. CPA, P.C.	92,945.85	4/18/2025	Marci Rozek
Flagstar Bank	E7733	CAREBUILDERS AT HOME, LLC	15,117.60	4/18/2025	Marci Rozek
Flagstar Bank	E7734	PERSONAL ASSISTANCE OPTIONS INC	4,309.86	4/18/2025	Marci Rozek
Flagstar Bank	E7735	Flourish Services, LLL	27,647.10	4/18/2025	Marci Rozek
Flagstar Bank	E7736	GAME CHANGER PEDIATRIC THERAPY	118,668.17	4/18/2025	Marci Rozek
Flagstar Bank	E7737	ENCOMPASS THERAPY CENTER LLC	69,703.44	4/18/2025	Marci Rozek
Flagstar Bank	E7738	MERCY PLUS HEALTHCARE SERVICES LLC	41,926.62	4/18/2025	Marci Rozek
Flagstar Bank	E7739	Positive Behavior Supports Corporation	7,875.00	4/18/2025	Marci Rozek
Flagstar Bank	E7740	Hickory Hollow Specialized Residential, LLC	10,419.84	4/18/2025	Marci Rozek
Flagstar Bank	E7741	Staples	5,440.22	4/18/2025	Marci Rozek
Flagstar Bank	E7742	HAVENWYCK HOSPITAL	14,103.15	4/25/2025	Marci Rozek
Flagstar Bank	E7743	Fitzhugh House, LLC	10,338.62	4/25/2025	Marci Rozek
Flagstar Bank	E7744	Bay Human Services, Inc.	25,469.64	4/25/2025	Marci Rozek
Flagstar Bank	E7745	MICHIGAN COMMUNITY SERVICES IN	1,352.15	4/25/2025	Marci Rozek
Flagstar Bank	E7746	CENTRAL STATE COMM. SERVICES	31.91	4/25/2025	Marci Rozek
Flagstar Bank	E7747	VALLEY RESIDENTIAL SERVICES	950.28	4/25/2025	Marci Rozek
Flagstar Bank	E7748	LIBERTY LIVING, INC.	32,675.68	4/25/2025	Marci Rozek
Flagstar Bank	E7749	HEALTHSOURCE	88,560.00	4/25/2025	Marci Rozek
Flagstar Bank	E7750	MPA GROUP NFP, Ltd.	37,849.43	4/25/2025	Marci Rozek

Flagstar Bank	E7751	LIST PSYCHOLOGICAL SERVICES	9,028.75	4/25/2025	Marci Rozek
Flagstar Bank	E7752	SAGINAW PSYCHOLOGICAL SERVICES	25,456.92	4/25/2025	Marci Rozek
Flagstar Bank	E7753	PARAMOUNT REHABILITATION	12,372.08	4/25/2025	Marci Rozek
Flagstar Bank	E7754	ARENAC OPPORTUNITIES, INC	18,552.57	4/25/2025	Marci Rozek
Flagstar Bank	E7755	DO-ALL, INC.	7,606.60	4/25/2025	Marci Rozek
Flagstar Bank	E7756	New Dimensions	109.84	4/25/2025	Marci Rozek
Flagstar Bank	E7757	Winningham, Linda Jo	431.00	4/25/2025	Marci Rozek
Flagstar Bank	E7758	Nutrition for Wellness	588.90	4/25/2025	Marci Rozek
Flagstar Bank	E7759	WILSON, STUART T. CPA, P.C.	82,111.05	4/25/2025	Marci Rozek
Flagstar Bank	E7760	AUTISM SYSTEMS LLC	4,777.42	4/25/2025	Marci Rozek
Flagstar Bank	E7761	CENTRIA HEALTHCARE LLC	480.00	4/25/2025	Marci Rozek
Flagstar Bank	E7762	PERSONAL ASSISTANCE OPTIONS INC	197.70	4/25/2025	Marci Rozek
Flagstar Bank	E7763	Flourish Services, LLL	29,165.88	4/25/2025	Marci Rozek
Flagstar Bank	E7764	GAME CHANGER PEDIATRIC THERAPY	67,624.72	4/25/2025	Marci Rozek
Flagstar Bank	E7765	Spectrum Autism Center	27,397.50	4/25/2025	Marci Rozek
Flagstar Bank	E7766	ENCOMPASS THERAPY CENTER LLC	65,278.80	4/25/2025	Marci Rozek
Flagstar Bank	E7767	Hickory Hollow Specialized Residential, LLC	19,822.17	4/25/2025	Marci Rozek
Flagstar Bank	E7768	Truhn, Emelia	192.67	4/25/2025	Marci Rozek

Total Withdrawals:

4,156,402.83



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

May 12, 2025

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

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

Administration and Services for Behavioral Health

**04/18/25 Checks Sequence: #101182-101256, ACH E7668-E7752**

Employee travel, conference	\$ 10,036.63
Purchase Order Invoices	\$ 6,399.38
Invoices for Routine Maintenance, purchase requisitions, & recurring	\$ 687,532.43

**SUBTOTAL - Monthly Batch** **\$ 703,968.44**

**ITEMS FOR REVIEW:**

**EFT transfer - Credit Card 05/05/2025** **\$ 19,084.23**

**Weekly Special Checks:**

04/25/2025 Checks 101270-101284, E7768	\$ 25,504.36
05/02/2025 Checks 101292-101299, E7793-E7796	\$ 36,185.33
05/09/2025 Checks 101303-101308, E7825	\$ 179,630.89

**SUBTOTAL - Special Checks** **\$ 241,320.58**

**Health Care payments**

04/18/2025 Checks 101257-101260, ACH Pmts E7720-E7740	\$ 882,466.29
04/25/2025 Checks 101263-101269, ACH Pmts E7742-E7767	\$ 711,432.94
05/02/2025 Checks 101285-101291, ACH Pmts E7769-E7792	\$ 508,284.38
05/09/2025 Checks 101300-101302, ACH Pmts E7797-E7824	\$ 1,156,889.89

**SUBTOTAL - Health Care Payments** **\$ 3,259,073.50**

**TOTAL DISBURSEMENTS** **\$ 4,223,446.75**

Prepared by:

*Karl White*

Reviewed by:

*Michele Perry*

# MINUTES

## BAY ARENAC BEHAVIORAL HEALTH

### BOARD OF DIRECTORS

### AUDIT COMMITTEE MEETING

Monday, May 12, 2025 at 5:00 pm

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

<b>Committee Members:</b>	<b>Present</b>	<b>Excused</b>	<b>Absent</b>	<b>Committee Members:</b>	<b>Present</b>	<b>Excused</b>	<b>Absent</b>	<b>Others Present:</b>
Pat McFarland, Ex Off, Ch	X			Patrick Conley	X			BABH: Marci Rozek, Karl White, Eric
Robert Pawlak, Ex Off, V Ch	X			Jerome Crete		X		Strode, and Sara McRae
Tim Banaszak	X			Sally Mrozinski	X			
Richard Byrne		X		Christopher Girard, Ex Off	X			Legend: M-Motion; S-Support; MA-
								Motion Adopted; AB-Abstained

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	Committee Chair, P. McFarland, called the meeting to order at 5:00 pm.	On motion of T. Banaszak and support of C. Girard, R. Byrne was excused. The motion passed unanimously.  On motion of P. Conley and support of C. Girard, J. Crete was excused. The motion passed unanimously. The motion passed unanimously.
2.	Public Input (Maximum of 3 Minutes)	There were not any members of the public present.	
3.	Nomination & Elections 3.1) Committee Chair  3.2) Committee Vice Chair	3.1) Committee Chair, P. McFarland, asked for nominations for Committee Chair. T. Banaszak nominated P. McFarland for Committee Chair. C. Girard supported the nomination. Hearing no other nominations, Committee Chair, P. McFarland, closed nominations. The Committee elected P. McFarland as Chair for a term of one year.  3.2) Committee Chair, P. McFarland, asked for nominations for Committee Vice Chair. R. Pawlak, nominated T. Banaszak for Committee Vice Chair. P. Conley supported the nomination. Hearing no other	

		nominations, Committee Chair, P. McFarland, closed nominations. The Committee elected T. Banaszak as Vice Chair for a term of one year.	
4.	Unfinished Business 4.1) 2024 Bridge Toll Fees	4.1) T. Banaszak reported Bay City Bridge Partners will not offer government rates at this time.	4.1) No action was necessary
5.	New Business 5.1) Selection of Disbursements & Health Care Claims from Summary Report  5.2) Financial Statements for Period Ending April 30, 2025        5.3) Electronic Fund Transfers (EFTs) for Period Ending April 30, 2025    5.4) Review of Selected Disbursements & Health Care Claims Chosen from Summary Report by CFO	5.1) Administration found the source information for the claims selected for review.  5.2) M. Rozek reviewed the financial statements noting compensated absences, unrestricted fund balance – performance-based incentive payment (PBIP), overall funding trends for all revenue sources, and projected deficits. M. Rozek reported the compensated balances are required to be held on the books to pay out employees at termination and reviewed the payout policy. There were general discussions regarding the earned time off (ETO) policy related to maximum caps, carry overs, and the total impact of offering ETO buyouts to staff.  5.3) M. Rozek reviewed the EFTs with the Committee.  5.4) Administration reviewed the disbursements and health care claim invoices selected for further review. These included E7674 for employee travel reimbursement; E7677 for employee travel reimbursement; 101261 CDW Government; Inc for toner cartridge; E7741 Staples for various office and janitorial supplies; 101221 Thryv for yellow page listing; 101224 Essexville Auto Repair; 101239 Molina healthcare of Michigan; 101243 Protec Collision, Inc for vehicle maintenance and repairs, 101244 Randy's Sink and Sewer Service for service work at North Bay;	5.1) No action was necessary  5.2) On motion of T. Banaszak and support of C. Girard, the Financial Statements for period ending April 30, 2025 were referred to the full Board for approval. The motion was adopted unanimously.  5.3) On motion of R. Pawlak and support of P. Conley, the EFTs for period ending April 30, 2025 were referred to the full Board for approval. The motion was adopted unanimously.  5.4) No action was necessary

	5.5) Consideration of Approval of Disbursements & Health Care Claims Totals	<p>101250 Thomas brown &amp; son Roofing Co. for roof repairs at Madison Building; E7745 Ergo Med Products, Inc. for Arjo lift parts; E7747 King Communications third party answering services for Assertive Community Treatment and Emergency Access Services; E7748 NetSource One for monthly computer services; and E7825 Do-All, Inc. for first six months of fiscal year 2025 cost settlement. There were discussions regarding items purchased from Staples and the charges for advertising in print with Yellow Pages. Leadership will verify charges for the yellow pages advertising and report back.</p> <p>5.5) The Committee reviewed the disbursement and health care claims totals.</p>	<p>5.5) On motion of R. Pawlak and support of T. Banaszak, the disbursements and health care payments from April 12, 2025 through May 16, 2025 were referred to the full Board for approval. The motion was adopted unanimously.</p>
6.	Adjournment	On motion of T. Banaszak and support of C. Girard, the meeting adjourned at 5:33 pm. The motion passed unanimously.	

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Patricak McFarland, Committee Chair

ONE HUNDRED NINETEENTH CONGRESS

# Congress of the United States

## House of Representatives

### COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6115

Majority (202) 225-3641

Minority (202) 225-2927

May 11, 2025

#### MEMORANDUM

To: Committee on Energy and Commerce, Members and Staff  
From: Committee on Energy and Commerce Majority Staff  
Re: Full Committee Markup on May 13, 2025

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#### I. INTRODUCTION AND OVERVIEW

The Committee on Energy and Commerce has scheduled a markup on **Tuesday, May 13, 2025, at 2:00 p.m. (ET) in 2123 Rayburn House Office Building**, and subsequent days as necessary, to consider the Committee's legislative recommendations for budget reconciliation. The Committee will consider four committee prints drafted as individual subtitles relating to: (1) Energy; (2) Environment; (3) Communications; and (4) Health.

On April 10, 2025, the House of Representatives agreed to the Senate amendment to H. Con. Res. 14, a concurrent resolution setting forth the congressional budget for the United States Government for fiscal year (FY) 2025, setting forth the appropriate budgetary levels for FY 2026 through FY 2034, and providing reconciliation instructions. The resolution included the following budget reconciliation instructions for the Committee: *The Committee on Energy and Commerce shall submit changes in laws within its jurisdiction to reduce the deficit by not less than \$880,000,000,000 for the period of fiscal years 2025 through 2034.*

#### II. ITEMS FOR CONSIDERATION

- **Committee Print, Title IV—Committee on Energy and Commerce, Subtitle A—Energy, providing for reconciliation pursuant to H. Con. Res. 14.**
- **Committee Print, Title IV—Committee on Energy and Commerce, Subtitle B—Environment, providing for reconciliation pursuant to H. Con. Res. 14.**
- **Committee Print, Title IV—Committee on Energy and Commerce, Subtitle C—Communications, providing for reconciliation pursuant to H. Con. Res. 14.**
- **Committee Print, Title IV—Committee on Energy and Commerce, Subtitle D—Health, providing for reconciliation pursuant to H. Con. Res. 14.**

### III. SECTION-BY-SECTION EXPLANATION

#### SUBTITLE A—ENERGY

##### **Section 41001. Rescissions relating to certain Inflation Reduction Act programs.**

This section would rescind the unobligated balance of any amounts made under the following sections of the Inflation Reduction Act (IRA).

- a. **State-Based Energy Efficiency Training Grants** – This would rescind the unobligated balance of any remaining amounts made under section 50123 of the Inflation Reduction Act, the State-Based Energy Efficiency Training Grants. This program was intended to provide training assistance and education for the implementation of the IRA’s Home Energy Whole-House Rebate Program (Sec. 50121) or the High-Efficiency Electric Home Rebate Program (Sec. 50122) for additional home energy efficiency upgrades and retrofits.
- b. **Funding for Department of Energy Loan Program Office** – This would rescind the unobligated balance of any amounts made under section 50141 of the Inflation Reduction Act, Funding for Department of Energy Loan Program Office. This provided funding to cover the cost of credit subsidies associated with loan guarantees made under Section 1703 of the Energy Policy Act of 2005, which authorized loans for unproven technologies.
- c. **Advanced Technology Vehicle Manufacturing** – This would rescind the unobligated balance of any amounts made under section 50142 of the Inflation Reduction Act, Advanced Technology Vehicle Manufacturing. This funding covered the cost of credit subsidies to provide loans for vehicle and vehicle supply chain manufacturing facilities.
- d. **Energy Infrastructure Reinvestment Financing** – This would rescind the unobligated the balance of any amounts made under section 50144 of the Inflation Reduction Act, Energy Infrastructure Reinvestment Financing. The IRA established this program to provide funds to cover the cost of loan guarantees under another new loan program known as the Energy Infrastructure Reinvestment Financing program. Unlike projects in the traditional Department of Energy (DOE) loan programs focused on new, innovative technologies, this program authorized loans for retooling, repowering, or replacing energy infrastructure that has ceased operations.
- e. **Tribal Energy Loan Guarantee Program** – This would rescind the unobligated balance of any amounts that were supposed to be made available under section 50145 of the IRA for the Tribal Energy Loan Guarantee Program. These funds covered credit subsidies under the Tribal Energy Loan Guarantee Program, which the Energy Policy Act of 1992 authorized.
- f. **Transmission Facility Financing** – This would rescind the unobligated balance of any amounts made under section 50151 of the Inflation Reduction Act, Transmission Facility Financing. This program was intended to pay direct loans to non-federal borrowers for transmission facilities designated under Section 216(a) of the Federal Power Act, in a National Interest Electric Transmission Corridor (NIETC). While a small number of NIETCs were designated, no loans were awarded from this program.



- g. **Grants to Facilitate the Siting of Interstate Electricity Transmission Lines** – This would rescind the unobligated balance of any amounts made under section 50152 of the Inflation Reduction Act, Grants to Facilitate the Siting of Interstate Electricity Transmission Lines. This program provides grants to transmission siting authorities (state, local and tribal governments) to facilitate siting and permitting for certain interstate and offshore electricity transmission lines.
- h. **Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis** – This would rescind the unobligated balance of any amounts made under section 50153 of the Inflation Reduction Act, Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis. The program intended to cover expenses associated with interregional and offshore wind electricity transmission planning, modeling, and analysis.
- i. **Advanced Industrial Facilities Deployment Program** – This would rescind the unobligated balance of any amounts made under section 50161 of the Inflation Reduction Act, Advanced Industrial Facilities Deployment Program. This program was meant to provide financial assistance—grants, direct loans, rebates, or cooperative agreements—to industrial or manufacturing facilities to subsidize technology installations with the stated intent of reducing greenhouse gas emissions.

#### **Section 41002. FERC certificates and fees for certain energy infrastructure at international boundaries of the United States.**

Notwithstanding any requirements or statutory obligations under federal and state law, including siting, environmental and safety reviews, and permitting, Section 41002 requires an application for a certificate of crossing for cross-border energy infrastructure to include a \$50,000 payment, and directs the Federal Electricity Regulatory Commission to issue the certificate. No person may construct, connect, operate, or maintain a cross-border segment for the import or export of designated energy products, or the transmission of electricity, without first obtaining the certificate of crossing. This fee structure does not apply to cross-border segments that were previously approved by a Presidential permit.

#### **Section 41003. Natural gas exports and imports.**

Under Section 41003, applications to the Secretary of Energy to export natural gas from the United States to a non-free trade agreement country shall include a \$1,000,000 user fee paid by the applicant. Upon receipt of the application and collection of the fee, the Secretary of Energy shall deem the application in the public interest. This Section does not alter or impact the applicant's existing obligations and requirements under the Natural Gas Act or the Federal Energy Regulatory Commission's authorities.

#### **Section 41004. Funding for Department of Energy loan guarantee expenses.**

Section 41004 appropriates \$5,000,000 to the Department of Energy to remain available for 5 years to carry out section 116 of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720n).

### **Section 41005. Natural Gas Act expedited permitting.**

Section 41005 allows applicants for an authorization under Section 3, or a certificate of public convenience and necessity under section 7 of the Natural Gas Act, to participate voluntarily in an expedited permitting process upon the payment of \$10,000,000 or one percent of the project's projected capital cost.

Within one year of payment of the fee, each Federal, State, interstate, or Tribal agency with relevant authorities shall review and approve Federal authorizations, subject to any conditions determined necessary to comply with the underlying statute by the agency. For States, this includes their authorities to impose conditions for any certifying authorities delegated to States by federal law. Following such approval, the Federal Electricity Regulatory Commission (FERC) shall review the application and approve the application subject to any conditions determined necessary by FERC.

The Commission may extend this timeline by a period of 6 months if granted consent by the applicant. Should the authorization not be approved under the applicable deadline, it shall be deemed approved, notwithstanding any procedural requirements of the underlying law.

No court shall have jurisdiction to review a claim under this section except for a claim brought by the applicant or a person who has suffered, or likely and imminently will suffer, direct and irreparable economic harm from the approval. An organization may only bring a claim on behalf of one or more of its members if each member of the organization or association has suffered, or likely and imminently will suffer, harm. Courts shall apply clear and convincing evidence as the standard of review for such claims. The United States Court of Appeals for the D.C. Circuit shall have original and exclusive jurisdiction over any claim alleging the invalidity of the process or that the federal authorization is beyond the scope of authority granted by the federal law to such agency.

### **Section 41006. Carbon dioxide, oil, and hydrogen pipeline permitting.**

Pursuant to Section 41006, applicants for carbon dioxide, oil, or hydrogen pipeline projects, as defined by section 60102(i) of title 49 of the U.S. Code, may apply for a license authorizing the project to be considered in the same manner, and in accordance with the requirements of, an application for a certificate of public convenience and necessity under section 7 of the Natural Gas Act, including a fee of \$10,000,000.

### **Section 41007. De-Risking Compensation Program for qualified energy projects.**

Section 41007 would appropriate \$10 million, to remain available through September 30, 2034, for administrative costs for the Secretary of Energy to establish a De-Risking Compensation Program at the Department of Energy. The program would provide compensation to sponsors of federally permitted energy projects that enroll in the program for unrecoverable capital losses caused by subsequent federal actions that revoke permits or approvals, or cancel, delay, or render the project unviable. The program would be available to applicants who invest in energy projects relating to coal, critical minerals, oil, natural gas, or nuclear energy and are valued at no less than \$30 million. The sponsors would pay 5 percent of their projected share of

capital contribution to the project and an annual premium into a Treasury Department fund. Upon demonstration of unrecoverable losses due to subsequent federal actions that caused the losses, the Secretary of Energy would compensate the project sponsor for up to the full amount of the loss from the available funds.

**Section 41008. Strategic Petroleum Reserve.**

Section 41008 appropriates \$2,000,000,000 to the Department of Energy for fiscal year 2025 for activities related to the Strategic Petroleum Reserve. Of this amount, \$218,000,000 is appropriated for repairs to the caverns, and \$1,321,000,000 is appropriated for the acquisition of petroleum products for storage in the Strategic Petroleum Reserves. The remaining funding is appropriated to the Department of Energy to buy back the sales mandates by Section 20003 of Public Law 115-97.

**Section 41009. Rescissions of previously appropriated unobligated funds.**

Section 41009 would rescind the previously appropriated unobligated balances from the base appropriations for the following programs; Office of Inspector General, Office of Clean Energy Demonstrations, Office for Human Capital, Federal Energy Management Programs, State and Community Energy Programs, Office of Minority Economic Impact, Office of Energy Efficiency and Renewable Energy, Office of General Counsel, Office of Indian Energy Policy and Programs, Office of Management, Office of the Secretary, Office of Public Affairs, and the Office of Policy at the Department of Energy. These rescissions do not include funds appropriated under the Inflation Reduction Act, Infrastructure Investment and Jobs Act, and any funds from emergency appropriations. Amounts rescinded in this section do not include current, FY 2025, base year appropriations.

**SUBTITLE B—ENVIRONMENT**

**PART 1—REPEALS AND RECISSIONS**

**Section 42101. Repeal and rescission relating to clean heavy-duty vehicles.**

This section repeals section 132 of the Clean Air Act and rescinds any unobligated balance made available under section 132. This portion of the IRA established a program to grant awards for purchasing electric vehicles.

**Section 42102. Repeal and rescission relating to grants to reduce air pollution at ports.**

This section repeals section 133 of the Clean Air Act and rescinds any unobligated balance made available under that section. This section of the IRA created a competitive grant and rebate program for the purchase of zero-emission port equipment or technology.

**Section 42103. Repeal and rescission relating to grants to the Greenhouse Gas Reduction Fund.**

This section repeals section 134 of the Clean Air Act and rescinds any unobligated balance made available under that section. This section of the IRA appropriated funds to the Environmental Protection Agency (EPA) to establish grant programs commonly referred to as “Green Banks.”

**Section 42104. Repeal and rescission relating to diesel emissions reductions.**

This section repeals section 60104 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This portion of the IRA appropriated additional funds to the Diesel Emissions Reduction Act for use only in certain communities.

**Section 42105. Repeal and rescission relating to funding to address air pollution.**

This section repeals section 60105 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This provision appropriated additional funds for air monitoring.

**Section 42106. Repeal and rescission relating to funding to address air pollution at schools.**

This section repeals section 60106 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This section of the IRA provides grants for monitoring and reducing air pollution in schools, technical assistance, and design, construction and renovation standards for school buildings.

**Section 42107. Repeal and rescission relating to low emissions electricity program.**

This section repeals section 135 of the Clean Air Act and rescinds any unobligated balance made available under that section. This portion of the IRA appropriated money for consumer related education, technical assistance, industry related outreach, intergovernmental outreach related to the reduction of emissions from domestic electrical generation.

**Section 42108. Repeal and rescission relating to funding for Section 211(o) of the Clean Air Act.**

This section repeals section 60108 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This provision of the IRA does not fund the EPA’s administration of the program. Rather, the funding is for data collection of greenhouse gas emissions and testing the environmental impact of biofuels.

**Section 42109. Repeal and rescission relating to funding for implementation of the American Innovation and Manufacturing Act.**

This section repeals section 60109 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This section of the IRA does not amend or alter the

American Innovation and Manufacturing (AIM) Act, it merely provides funds to assist with AIM Act implementation and compliance.

**Section 42110. repeal and rescission relating to funding for enforcement technology and public information.**

This section repeals section 60110 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This provision of the IRA provides funding to update software used by EPA and states to track environmental compliance actions.

**Section 42111. Repeal and rescission relating to greenhouse gas corporate reporting.**

This section repeals section 60111 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This provision of the IRA provided funding for enhanced standardization and transparency for corporate climate action commitments.

**Section 42112. Repeal and rescission relating to environmental product declaration assistance.**

This section repeals section 60112 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This section of the IRA provided funding to create environmental product declarations advertising the environmental impact of products.

**Section 42113. Repeal of funding for Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems.**

This section repeals subsections (a) and (b) of section 136 of the Clean Air Act and rescinds any unobligated balance made available under that section. These repeals and amendments extend by 10 years the date by which the charge associated with the Methane Emissions Reduction Program shall begin to be imposed and collected.

**Section 42114. Repeal and rescission relating to greenhouse gas air pollution plans and implementation grants.**

This section repeals section 137 of the Clean Air Act and rescinds any unobligated balance made available under that section. This section of the IRA establishes a slush fund for states, local governments and Tribes to use for “Climate Change Action Plans” and environmental justice initiatives.

**Section 42115. Repeal and rescission relating to Environmental Protection Agency efficient, accurate, and timely reviews.**

This section repeals section 60115 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This section of the IRA funds the hiring and training new staff and conflict with EPA’s initiatives to create a more effective and efficient workforce, along with President Trump’s executive orders to reduce government spending and waste. The

funding does not address the root causes of permitting delays and conflicts with EPA’s current directives.

**Section 42116. Repeal and rescission relating to low-embodied carbon labeling for construction materials.**

This section repeals section 60116 of Public Law 117-169 and rescinds any unobligated balance made available under that section. This provision of the IRA provided funding to administer a program that would identify and label construction materials and products with low greenhouse gas emissions life cycles.

**Section 42117. Repeal and rescission relating to environmental and climate justice block grants.**

This section repeals section 138 of the Clean Air Act and rescinds any unobligated balance made available under that section. This section of the IRA funds programs designated as environmental justice programs.

**PART 2—REPEAL OF EPA RULE RELATING TO  
MULTI-POLLUTANT EMISSION STANDARDS**

**Section 42201. Repeal of EPA rule relating to multi-pollutant emissions standards.**

This section repeals the final rule issued by the Environmental Protection Agency relating to “Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles.”

**PART 3—REPEAL OF NHTSA RULE RELATING TO CAFE STANDARDS**

**Section 42301. Repeal of NHTSA rule relating to CAFE standards for passenger cars and light trucks.**

This section repeals the final rule issued by the National Highway Traffic Safety Administration relating to “Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond.”

**SUBTITLE C—COMMUNICATIONS**

**PART 1—SPECTRUM AUCTIONS**

**Section 43101. Identification and auction of spectrum.**

Subsection (a) would require the National Telecommunications and Information Administration (NTIA) and the Federal Communications Commission (FCC), not later than 2 years after enactment of this Act, to identify at least 600 megahertz (MHz) of commercial or

federal spectrum in the covered band to be auctioned by 2034. It would also require the President, acting through the Assistant Secretary for Communications and Information, to withdraw or modify the assignments to Federal Government stations of spectrum identified, and notify the Commission not later than 30 days after completing any necessary withdrawals or modifications. It includes a rule of construction to ensure that nothing in this section changes the respective authorities of the NTIA or the FCC with respect to spectrum allocated for Federal use, non-Federal use, or shared Federal and non-Federal use.

Subsection (b) would require the FCC to auction the spectrum identified in subsection (a) on an exclusive, licensed basis for mobile broadband services, fixed broadband services, mobile and fixed broadband services, or a combination thereof. Specifically, not later than 3 years after the date of enactment, the FCC would be required to auction at least 200 MHz of the identified spectrum under subsection (a), and not later than 6 years after the date of enactment, auction the remaining spectrum identified under subsection (a).

Subsection (c) would require auction proceeds to cover 110 percent of federal relocation or sharing costs as required under section 309(j)(16)(B) of the Communications Act of 1934.

Subsection (d) would reauthorize the FCC's spectrum auction authority through September 30, 2034.

Subsection (e) defines key terms. Specifically, it defines the "covered band" as the band of frequencies between 1.3 gigahertz (GHz) and 10 GHz, inclusive, excluding the band of frequencies between 3.1 GHz and 3.45 GHz and the band of frequencies between 5.925 GHz and 7.125 GHz.

## **PART 2—ARTIFICIAL INTELLIGENCE AND INFORMATION TECHNOLOGY MODERNIZATION**

### **Section 43201. Artificial intelligence and information technology modernization initiative.**

Subsection (a) would appropriate \$500,000,000 to the Department of Commerce for fiscal year 2025, to remain available through September 30, 2035, for the purpose of modernizing and securing federal information technology systems through the deployment of commercial artificial intelligence, automation technologies, and the replacement of antiquated business systems.

Subsection (b) states that the Secretary of Commerce shall use these funds to support the replacement and modernization of legacy business systems with state-of-the-art commercial artificial intelligence systems and automated decision systems, the adoption of artificial intelligence models that increase operational efficiency and service delivery, and improve the cybersecurity posture of Federal information technology systems through modernized architecture, automated threat detection, and integrated artificial intelligence solutions.

Subsection (c) states that no state or political subdivision may enforce any law or regulation regulating artificial intelligence models, artificial intelligence systems, or automated decision systems during the 10-year period beginning on the date of the enactment of this Act.

Subsection (d) provides definitions for key terms used in the Act, including “artificial intelligence”, “artificial intelligence model”, “artificial intelligence system”, and “automated decision system”.

## **SUBTITLE D—HEALTH**

### **PART 1—MEDICAID**

#### **SUBPART A—Reducing Fraud and Improving Enrollment Processes**

##### **Section 44101. Moratorium on implementation of rule relating to eligibility and enrollment in Medicare Savings Programs.**

This section requires the Department of Health and Human Services (HHS) to delay implementation, administration, or enforcement of the final rule titled “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment” until January 1, 2035.

##### **Section 44102. Moratorium on implementation of rule relating to eligibility and enrollment for Medicaid, CHIP, and the Basic Health Program.**

This section requires HHS to delay implementation, administration, or enforcement of the final rule titled “Medicaid Program; Streamlining the Medicaid, Children’s Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes” until January 1, 2035.

##### **Section 44103. Ensuring appropriate address verification under the Medicaid and CHIP programs.**

This section requires states to establish processes to regularly obtain beneficiary address information from reliable data sources, including by requiring state Medicaid programs to collect address information provided by beneficiaries to managed care entities (where applicable). In addition, this section requires HHS to establish a system to prevent individuals from being simultaneously enrolled in multiple State Medicaid programs by no later than October 1, 2029. States would be required to submit to the system the Social Security Number of the individual enrolled under the State plan to identify when Social Security Numbers for individuals enrolled in Medicaid are identified concurrently in two or more States at the same time.

##### **Section 44104. Modifying certain state requirements for ensuring deceased individuals do not remain enrolled.**

This section requires state Medicaid programs to check the Social Security Administration’s Death Master File on at least a quarterly basis to determine whether Medicaid enrollees are deceased and to disenroll individuals who are determined to be deceased from Medicaid coverage.



**Section 44105. Medicaid provider screening requirements.**

This section requires states to conduct monthly checks of databases or similar systems to determine whether HHS or another state has already terminated a provider or supplier from participating in Medicaid and to also disenroll them from the state's Medicaid program.

**Section 44106. Additional Medicaid provider screening requirements.**

This section codifies the requirement that state Medicaid programs check, as part of the provider enrollment and re-enrollment process and on a quarterly basis thereafter, the Social Security Administration's Death Master File to determine whether providers are deceased and enrolled in the state's Medicaid program.

**Section 44107. Removing good faith waiver for payment reduction related to certain erroneous excess payments under Medicaid.**

This section requires HHS to reduce federal financial participation (FFP) to States for errors identified through the ratio of a State's erroneous excess payments for medical assistance, by the Office of the Inspector General, or by the Secretary are directly attributable to payments to ineligible individuals or for ineligible services.

**Section 44108. Increasing frequency of eligibility redeterminations for certain individuals.**

This section requires States to conduct eligibility determinations for Expansion population adults every six months. Current law currently requires such determinations to occur on every twelve months.

**Section 44109. Revising home equity limit for determining eligibility for long-term care services under the Medicaid program.**

This section establishes a ceiling of \$1,000,000 for permissible home equity values for individuals when determining allowable assets for Medicaid beneficiaries that are eligible for long-term care services. This section also prohibits the use of asset disregards from being applied to waive home equity limits.

**Section 44110. Prohibiting federal financial participation under Medicaid and CHIP for individuals without verified citizenship, nationality, or satisfactory immigration status.**

This section prohibits FFP in Medicaid for individuals whose citizenship, nationality, or immigration status has not been verified, including during reasonable opportunity periods when an individual has not yet verified citizenship, nationality, or immigration status. Current law permits states to enroll individuals in coverage immediately and then provide 90-day reasonable opportunities that allow individuals to immediately begin receiving coverage and then wait up to 90 days before verifying citizenship or immigration status, all while receiving FFP during this period. This policy permits states, at the state's option, to provide coverage during a reasonable opportunity period in which an individual may not yet have provided evidence of citizenship,

nationality, or immigration status, so long as the state does not request FFP until citizenship, nationality, or immigration status have been verified.

**Section 44111. Reducing expansion FMAP for certain states providing payments for health care furnished to certain individuals.**

This section reduces by ten percent the Federal Medical Assistance Percentage (FMAP) for Medicaid Expansion States who use their Medicaid infrastructure to provide health care coverage for illegal immigrants under Medicaid or another state-based program.

SUBPART B—Preventing Wasteful Spending

**Section 44121. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs.**

This section requires HHS to delay implementation, administration, or enforcement of the final rule titled “Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting” until January 1, 2035.

**Section 44122. Modifying retroactive coverage under the Medicaid and CHIP programs.**

This section limits retroactive coverage in Medicaid to one month prior to an individual’s application date. Current law provides retroactive coverage for up to three months before an individual’s application date.

**Section 44123. Ensuring accurate payments to pharmacies under Medicaid.**

This section requires participation by retail and applicable non-retail pharmacies in the National Average Drug Acquisition Cost (NADAC) survey. The NADAC survey measures pharmacy acquisition costs and is often used in the Medicaid program to inform reimbursement to pharmacies.

**Section 44124. Preventing the use of abusive spread pricing in Medicaid.**

This section bans “spread pricing” in the Medicaid program, which occurs when pharmacy benefit managers retain a portion of the amount paid to them (a “spread”) for prescription drugs.

**Section 44125. Prohibiting federal Medicaid and CHIP funding for gender transition procedures for minors.**

This section prohibits FFP for specified gender transition procedures to individuals under the age of 18.

**Section 44126. Federal payments to prohibited entities.**

This section prohibits Medicaid funds to be paid to providers that are nonprofit organizations, that are essential community providers that are primarily engaged in family planning services or reproductive services, provide for abortions other than for Hyde Amendment exceptions, and which received \$1,000,000 or more (to either the provider or the provider's affiliates) in payments from Medicaid payments in 2024.

SUBPART C—Stopping Abusive Financing Practices

**Section 44131. Sunsetting eligibility for increased FMAP for new expansion states.**

This section sunsets the temporary five percent enhanced FMAP afforded to states under the American Rescue Plan Act that opt to expand Medicaid. This provision would apply prospectively, not affecting states currently receiving an enhanced federal match under this authority.

**Section 44132. Moratorium on new or increased provider taxes.**

This section freezes, at current rates, states' provider taxes in effect as of the date of enactment of this legislation and prohibits states from establishing new provider taxes.

**Section 44133. Revising the payment limit for certain state directed payments.**

This section directs HHS to revise current regulations to limit state directed payments for services furnished on or after the enactment of this legislation from exceeding the total published Medicare payment rate. This section would not affect total payment rates for state directed payments approved prior to this legislation's enactment.

**Section 44134. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax.**

This section modifies the criteria HHS must consider when determining whether certain health care-related taxes are generally redistributive. Under this section, a tax would not be considered generally redistributive if, within a permissible class, the tax rate imposed on the taxpayer or tax rate group explicitly defined by its relatively lower volume or percentage of Medicaid taxable units is lower than the tax rate imposed on any other taxpayer or tax rate group explicitly defined by its relatively higher volume or percentage of Medicaid taxable units. The tax would also not be considered generally redistributive if, within a permissible class, the tax rate imposed on any taxpayer or tax rate group based upon its Medicaid taxable units is higher than the tax rate imposed on any taxpayer or tax rate group based upon its non-Medicaid taxable unit.

If a State has a health care-related tax waiver that meets at least one of these criteria as of the date of enactment of this legislation, the waiver must be modified to comply with these requirements. This section provides a transition period for non-compliant programs, after which

a State whose health care-related taxes do not adhere to all federal requirements would be penalized by the sum of those revenues received by State.

**Section 44135. Requiring budget neutrality for Medicaid demonstration projects under section 1115.**

This section provides budget neutrality requirements for demonstration projects under section 1115 of the Social Security Act. HHS would be required to certify that the total expenditures for FFP do not exceed what would otherwise have been spent under Title XIX absent the demonstration project. HHS must also develop methodologies for applying savings generated under a project as allowable costs to be spent in a project's extension.

SUBPART D—Increasing Personal Accountability

**Section 44141. Requirement for states to establish Medicaid community engagement requirements for certain individuals.**

This section requires states to establish community engagement requirements for able-bodied adults without dependents. An individual can meet the community engagement requirements during a month by working at least 80 hours, completing at least 80 hours of community service, participating in a work program for at least 80 hours, enrolling in an educational program for at least 80 hours, or a combination of these activities for at least 80 hours.

The requirements of this section would not apply to the following individuals: pregnant women, individuals under the age of 19 or over the age of 64, foster youth and former foster youth under the age of 26, members of a Tribes, individuals who are considered medically frail (which includes, but is not limited to, individuals who are blind or disabled, who have a chronic substance use disorder, who have a serious and complex medical condition, or who have a condition, as defined by the State and approved by the Secretary, as meeting the definition of medically frail), individuals who are already in compliance with the work requirements under the Temporary Assistance for Needy Families (TANF) program or Supplemental Nutrition Assistance Program (SNAP), individuals who are a parent or caregiver of a dependent child or an individual with a disability, or are incarcerated or recently released from incarceration within the past 90 days. This section also provides short-term hardship waivers for natural disasters and for counties where the unemployment rate is greater than eight percent or greater than 150 percent of the national average.

Compliance with community engagement requirements would be verified by states no less frequently than for the month preceding an individual's enrollment in Medicaid and in a month preceding the individual's eligibility redetermination and verified as part of an individual's overall eligibility determination or redetermination. States would be required to provide regular, advanced notice and outreach to make individuals aware of the requirements, would be required to streamline and simplify processes to verify compliance to reduce burdens on individuals, and to establish due process procedures for individuals before denying coverage or removing individuals from coverage.

**Section 44142. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program.**

This section requires states to impose cost sharing on Medicaid Expansion adults with incomes over 100 percent of the federal poverty level (FPL). This cost-sharing may not exceed \$35 per service—rather than the current \$100 per service limit. Cost sharing may not exceed five percent of the individual’s income, which is the current out-of-pocket limit for Medicaid beneficiaries. This section would not permit cost-sharing on primary care, prenatal care, pediatric care, or emergency room care (except for non-emergency care provided in an emergency room).

**PART 2—AFFORDABLE CARE ACT**

**Section 44201. Addressing waste, fraud, and abuse in the ACA exchanges.**

This section would institute eligibility and income verification processes for Patient Protection and Affordable Care Act (ACA) enrollees. In addition, it would roll back income-based special enrollment periods in the federally-facilitated and state ACA exchanges. This section would also make technical changes to health plans offered via the ACA exchanges. It would institute ACA reenrollment guardrails for enrollees in zero-dollar premium health plans. Additionally, this section would prohibit gender transition procedures from being included as an essential health benefit (EHB), and it would amend the definition of “lawfully present” for the purposes of qualified health plan enrollment. This section would also permit issuers to require enrollees to satisfy debt for past-due premiums as a prerequisite for effectuating new health coverage. The provisions within this section would take effect for plan years beginning on or after January 1, 2026.

**PART 3—IMPROVING AMERICANS’ ACCESS TO CARE**

**Section 44301. Expanding and clarifying the exclusion for orphan drugs under the drug price negotiation program.**

This section makes technical corrections to current law by permitting product sponsors to have one or more orphan drug indication in order to be exempt from the Drug Price Negotiation Program in statute. Current law limits exemptions from the Drug Price Negotiation Program to one rare disease indication. This section also revises the start of the timeline in which a manufacturer would be eligible for negotiation until an orphan drug receives its first non-orphan indication.

**Section 44302. Streamlined enrollment process for eligible out-of-state providers under Medicaid and CHIP.**

For purposes of improving access to necessary out-of-state care for children enrolled in Medicaid and the Children’s Health Insurance Program (CHIP), this section requires states to establish a process through which qualifying pediatric out-of-state providers may enroll as participating providers without undergoing additional screening requirements.

**Section 44303. Delaying DSH reductions.**

This section delays the Medicaid Disproportionate Share Hospital (DSH) reductions, currently \$8 billion reductions per year that are set to take effect for fiscal years 2026 through 2028, to instead take effect for fiscal years 2029 through 2031. This section also extends funding for Tennessee’s DSH program, which is set to expire at the end of this fiscal year, through fiscal year 2028.

**Section 44304. Modifying update to the conversion factor under the physician fee schedule under the Medicare program.**

This section amends current law by replacing the split physician fee schedule conversion factor set to take effect on January 1, 2026, with a new single conversion factor based on a percentage of medical inflation, or the Medicare Economic Index (MEI).

**Section 44305. Modernizing and ensuring PBM accountability.**

This section requires Pharmacy Benefit Managers (PBMs) in Medicare Part D to transparently share information relating to business practices with Medicare Part D Prescription Drug Plan Sponsors, including information relating to formulary decisions and prescription drug coverage that benefits affiliated pharmacies. The policy also prohibits PBM compensation based on a drug’s list price, limiting compensation to fair market bona-fide service fees. Lastly, the legislation requires the Centers for Medicare and Medicaid Services to define “reasonable and relevant” contracting terms for the purposes of enforcing Medicare Part D’s “any willing pharmacy” requirements.

**IV. STAFF CONTACTS**

If you have any questions concerning this markup, please contact Jessica Donlon at [Jessica.Donlon@mail.house.gov](mailto:Jessica.Donlon@mail.house.gov) and Sarah Meier at [Sarah.Meier@mail.house.gov](mailto:Sarah.Meier@mail.house.gov).

**From:**

**Date:** May 11, 2025 at 10:29:11 PM EDT

**To:**

**Subject: E&C Reconciliation Recommendations**

Hi everyone,

Attached please find our preliminary cost and coverage estimates for the Committee on Energy and Commerce's reconciliation recommendations as posted on the committee's website this evening.

Subtitles A-C would reduce the deficit by at least \$197 billion over the 2025 – 2034 period.

Subtitle D would reduce the deficit by at least \$715 billion over the 2025 – 2034 period.

In total, the committee's recommendations would reduce the deficit by at least \$912 billion over the 2025-2034 period. CBO will continue to review sections 41007, 44107, 44109, 44131, 44135, 44303 and complete estimates of interactions between provisions. We will provide those estimates once they are available.

The preliminary estimate for part 1 of subtitle D (Medicaid) includes 16 sections that were estimated together to capture interactions (we should be able to provide estimates for individual sections in that group tomorrow). We have not yet estimated the interaction between parts 1 and 2 of subtitle D. We expect this interaction to somewhat further increase both the estimated deficit reduction and coverage loss of the legislation.

In total, we estimate that the legislation would reduce the number of people with health insurance by at least 8.6 million in 2034.

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**From:**

**Sent:** Sunday, May 11, 2025 10:34 PM

**To:**

**Subject:** RE: Letter from Ranking Member Pallone, Neal, and Wyden

You asked us to analyze the combined effects on health insurance coverage that would result from certain actions. In response to that request, I am providing the following information. (Please note that we estimated the actions in the order shown below with each subsequent estimate accounting for any interactions with the prior one.)

- We estimate that the expiration of the expanded premium tax credits will increase the number of people without health insurance by 4.2 million in 2034 relative to an estimate of a permanent extension of those credits. That amount is reflected in CBO's baseline projections because the expanded tax credits expire after this year under current law.
- We estimate that finalizing the 2025 Marketplace Integrity and Affordability Rule as proposed will increase the number of people without health insurance by 1.8 million in 2034. Half of that increase is included in CBO's baseline because the rule is currently proposed. The other half is included in our estimate of codifying the rule in Part 2 of Subtitle D of the Committee on Energy and Commerce's reconciliation recommendations.
- Based on our analysis completed so far, CBO estimates that E&C's reconciliation recommendations related to Medicaid as well as the marketplace provisions that extend beyond codifying the proposed rule would increase the number of people without health insurance by at least 7.7 million in 2034. (That number reflects our estimate for the legislation less 0.9 million, which is included in the estimate above). CBO continues to analyze several Medicaid provisions that could affect health insurance and we have not yet estimated the interaction *between* the Medicaid provisions and the marketplace provisions of E&C's reconciliation recommendations. We anticipate that doing so will somewhat further increase the estimated number of people without health insurance.

In total, CBO estimates that these three actions would increase the number of people without health insurance by at least 13.7 million in 2034. Of that total effect, 5 million—stemming from the expiration of the expanded premium tax credits and half the estimated effect of the proposed marketplace rule—is already reflected in CBO's baseline projections.

Please let us know if you have additional questions.



# Drivers of Budget Shortfalls

in Michigan's Public Mental Health System



**Michigan's public mental health system** is facing significant funding challenges due to several factors, chief among them the loss of Medicaid funds as people lose coverage, flat funding for core services being outpaced by rising medical inflation, skyrocketing program costs, and an unrelenting administrative burden from state regulators.

## Loss of Medicaid Covered Lives + Increased Demand for Services

Michigan's public mental health system receives a payment for everyone enrolled in Medicaid. The public mental health system consistently services 300,000 – 350,000/year.

**Enrollees** have decreased by 700K since the end of the Public Health Emergency (PHE)

**Demand for services** continues to increase



## Skyrocketing Inpatient Psychiatric Hospital Costs

↑ **30%+**

Increase in psychiatric hospitalizations since the end of the PHE. (Demand)

↑ **\$1250+**

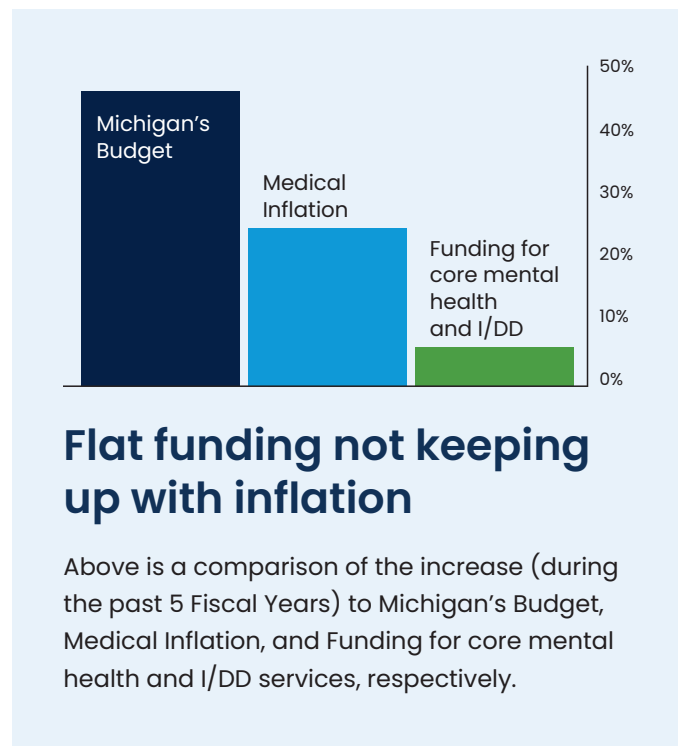
Daily rates of community inpatient care. (Cost)

## Demand & Cost of Autism Services Continue to Increase



Across the state demand for Applied Behavioral Analysis (ABA) services have steadily increased. ABA costs

continue to increase. In FY25 the legislature approved a rate increase to \$66/hour. Autism services continue to be underfunded in the budget.



## System Funding Falls Far Below Appropriated Levels

MDHHS sent out hundreds of millions (or 2/3 of billion) less to the system, for the past three years, than was intended by the State Legislature and Governor



NEARLY  
**600M**

Projected total underspending between FY23 and end of FY25



### Unsustainable Specialized Residential Costs

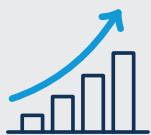
Since 2020 rates for specialized residential **services have increased by over 70%**. Some CMHs are forced to pay over \$2000/day for this service.

**↑ 70%**  
Increase in rates  
for services

**↑ \$2K/day**  
Cost to  
some CMHs.

### MDHHS Administrative Burdens Overwhelming the Workforce

Since the end of the Public Health Emergency (PHE), **administrative burdens on the public mental health system have exploded**.



**25%+**

Increase in  
requirements,  
reports and  
documenta-  
tion demands

In just the past five years, new requirements, reports and documentation demands have increased by more than 25%.

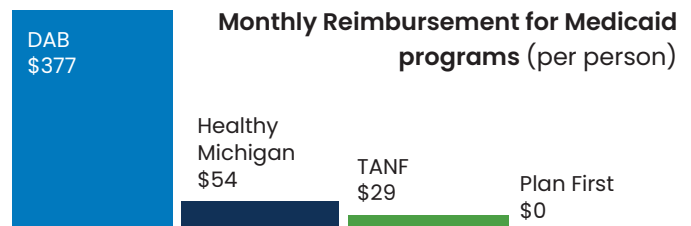
Community Mental Health agencies are now responsible for completing nearly 70 audits, reports and data submissions within a two-year period—that's more than three per month.

### Medicaid Redetermination Irregularities

The movement of disabled, aged, and blind (DAB) **beneficiaries** to other Medicaid categories, has dramatically reduced the revenue expected and needed by the state's PIHPs.

**↓ \$300M**  
Loss in revenue to  
the Prepaid Inpatient  
Health Plan (PIHP)

**↓ 182%**  
Decrease in DAB  
months caused by  
the movement



### What we are asking

- Adjust Medicaid rates to accurately offset the disenrollment of the program.
- Urge MDHHS to push out already appropriated funds – STOP the Impoundment of Funds.
- Ensure that enrollees are slotted into the correct Medicaid bucket.
- Adjust Medicaid rates to accurately reflect the costs of services – Inpatient Hospitalization, specialized residential and autism.
- Dramatically reduce the unnecessary administrative burdens that go beyond federal requirements and that do not improve the lives of people served.



The Community Mental Health Association of Michigan is the state association representing Michigan's public Community Mental Health (CMH) centers, the public Prepaid Inpatient Health Plans (PIHP – public health plans formed and governed by CMH centers) and the private providers within the CMH and PIHP provider networks.

**FOR MORE INFORMATION, PLEASE VISIT [CMHA.ORG](https://cmha.org) OR CALL 517-347-6848.**





May 1, 2025

Elizabeth Hertel, Director  
Michigan Department of Health and Human Services (MDHHS)  
P.O. Box 30195  
Lansing, MI 48909

**Chief Executive Officer**  
Christopher Pinter

RE: MDHHS procurement process for Pre-Paid Inpatient Health Plan (PIHP) contracts

**Board of Directors**  
Robert Pawlak, Chair  
Patrick McFarland, Vice Chair  
Christopher Girard, Treasurer  
Sally Mrozinski, Secretary  
Tim Banaszak  
Richard Byrne  
Patrick Conley  
Jerome Crete  
Shelley King  
Kathy Niemiec  
Carole O'Brien  
Pamela Schumacher

Dear Director Hertel:

The purpose of this correspondence is to commend MDHHS for encouraging recommendations from the public regarding the intended procurement process for the PIHP specialty behavioral health system announced on February 28th. This feedback will be important in meeting the stated objectives of increasing consumer choice and access to services while preserving the county Community Mental Health Services Programs (CMHSPs).

As you are aware, the Michigan Mental Health Code (MHC), Public Act 258 of 1974, includes the following MI Complied laws (MCL) governing the state and county relationship for public behavioral health services:

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

- MCL 330.1116 requires the state "...to promote and maintain an adequate and appropriate system of CMHSPs" and "shift primary responsibility for the direct delivery of public mental health services from the state to CMHSPs".
- MCL 330.1202 requires the state to "financially support, in accordance with chapter 3, CMHSPs that have been established and that are administered according to the provisions of this chapter."
- MCL 330.1206 and 1208 requires CMHSPs to "provide a 24/7 comprehensive array of services and supports" to residents of the counties with the "most severe forms of mental illness, intellectual/developmental disabilities, and serious emotional disturbances".
- MCL 330.1240 stipulates that "All expenditures by a CMHSP necessary to execute the program shall be eligible for state financial support", that by definition would include both Medicaid and general funds received either directly or indirectly from MDHHS.
- MCL 330.1308 requires the State to "pay 90% of the annual net cost of a CMHSP" that is established and administered in accordance with the MHC.

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

[www.babha.org](http://www.babha.org)

In recognition of the non-discretionary statutory obligations of MDHHS in the operation of the public behavioral health system and the fact that only the counties are permitted to create a CMHSP eligible for the support noted above, it is clear that the 83 county governments are one of the most important stakeholders in this procurement dialogue.

We strongly encourage MDHHS to initiate specific outreach directly to the counties in this process prior to any final procurement decisions. As the locally elected representatives with the most direct accountability and responsibility to their constituents for CMHSP services, this will ensure that the needs of the larger community are reflected in any final procurement outcomes.

Thank you for your consideration in this matter. If you have any questions, please feel free to contact me at (989) 895-2348.

Sincerely,



Christopher Pinter  
Chief Executive Officer

cc: Bay County Board of Commissioners  
Arenac County Board of Commissioners  
Michigan Association of Counties (MAC)  
Community Mental Health Association of Michigan (CMHA)



## BEHAVIORAL HEALTH

**Chief Executive Officer**  
Christopher Pinter

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[www.babha.org](http://www.babha.org)

May 16, 2025

Representative Ann Bollin, Chairperson  
Michigan House of Representatives  
Committee on Appropriations  
PO Box 30014  
Lansing, MI 48909

RE: Informational Hearing on the Health Plan Services Line Item for Fiscal Year  
2023–2024 and Fiscal Year 2024-2025

Dear Chairperson Bollin:

The purpose of this correspondence is to commend the House Appropriations Committee for the informational hearing held on April 16<sup>th</sup> related to the Medicaid Health Plan Services Line Items for Fiscal Years (FY) 2024 and 2025. The questions posed by committee members related to managed care rates and actuarial processes to representatives from the Michigan Department of Health and Human Services (MDHHS) were very pertinent.

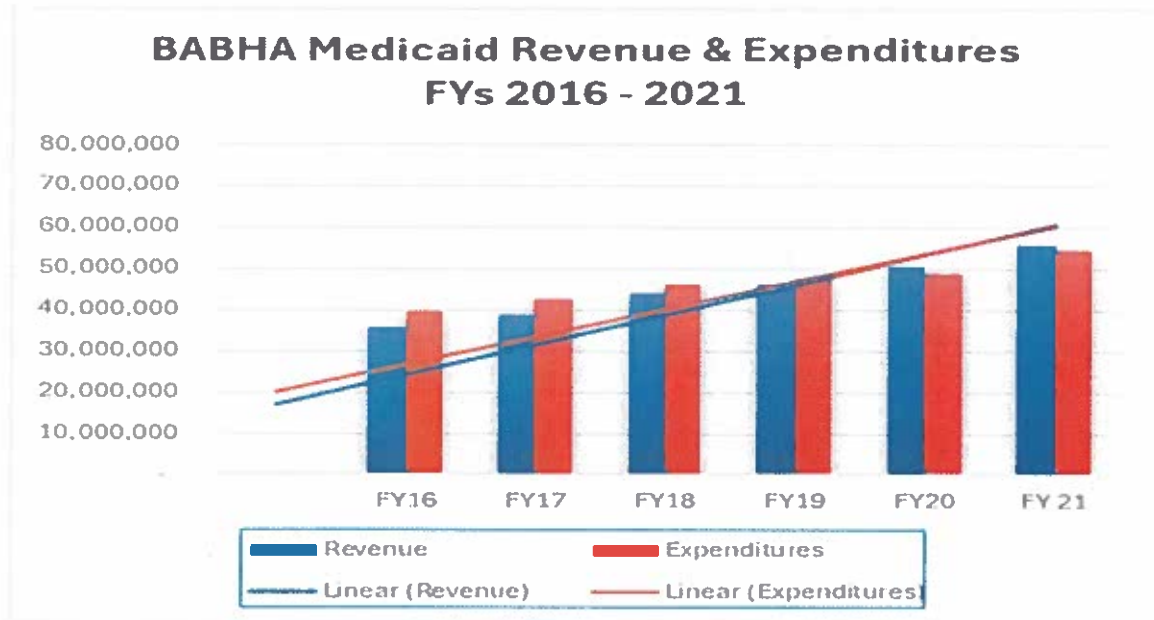
Bay-Arenac Community Mental Health (Bay/Arenac CMH) served more than 5000 residents of Bay and Arenac Counties in the last year. Bay/Arenac CMH is part of the Mid State Health Network (MSHN) Pre-paid Inpatient Health Plan (PIHP) comprising 12 CMHs representing the following 21 counties: Arenac, Bay, Clare, Clinton, Eaton, Gladwin, Gratiot, Hillsdale, Huron, Ingham, Ionia, Isabella, Jackson, Mecosta, Midland, Montcalm, Newaygo, Osceola, Saginaw, Shiawassee and Tuscola. The PIHP regions are analogous to the Medicaid Health Plans for the funding of CMHs in the geographic political sub-divisions noted above.

There were several important points discussed during the Appropriations Committee Hearing on April 16<sup>th</sup> regarding the Medicaid Health Plan funding that are also accurate for PIHP and CMH behavioral health services, including:

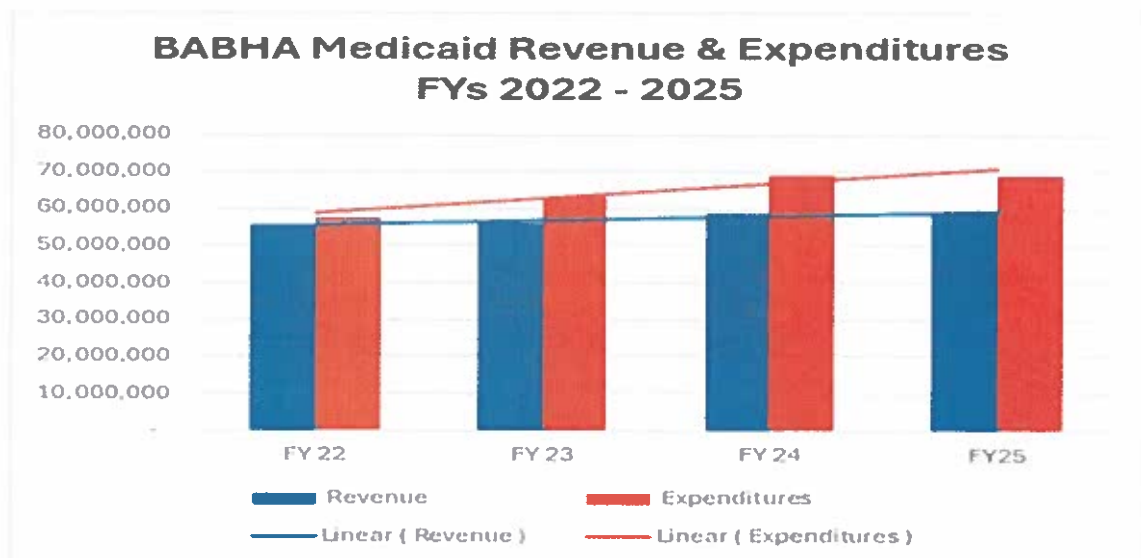
- PIHP actuarial rates were insufficient in both FY2023 and FY2024 by a range between \$137-\$246 Million below the actual legislative appropriation for each year
- Medicaid enrollment projections since COVID (2020) have consistently been overestimated by the actuaries contributing to significant revenue losses
- Service demand specific to Bay/Arenac CMH has increased dramatically in the areas of inpatient psychiatric hospitalization, services to families, and autism-related care ranging between 30% and 50% cumulative since FY2023
- Medical Price Inflation (i.e. Consumer Price Index for All Urban Consumers for medical care) has increased approximately 16% in the last 3 years and is an important contributing factor to the nearly 26% increase in service expense we have encountered during this period.



MDHHS distributes Medicaid funding to the PIHPs on the basis of a capitated rate setting process and a shared regional risk contract. However, the accuracy of the Milliman rate setting process has changed significantly in the last few years. **For example, between FY2016 and FY2021, the cumulative increase in Medicaid revenue to Bay/Arenac CMH based on actuarial science was nearly 56% (\$35.7 Million to \$55.8 Million) and more than adequate to account for the 38% increase in service expenses (\$39.6 Million to \$54.6 Million) during this same period.**



Unfortunately, the Medicaid rate setting processes implemented after fiscal year 2022 relied on pandemic-compromised encounter data and dramatically understated post-COVID service trends. **Although Bay/Arenac CMH Medicaid revenue increased 6% (\$55.8 Million to \$59.2 Million) between 2022 and 2025, as noted above, actual service expenses increased approximately 26% (\$54.6 Million to \$69 Million) during this same period.**



As a result, several PIHPs had to use Medicaid reserves in FY2024 despite the fact that MDHHS actually returned behavioral health funds to the treasury for that year. In addition, this trend has continued into current year as projections estimate that PIHPs will receive at least \$230 Million below the legislative appropriation again FY2025. This will result in several CMHs having to reduce necessary behavioral health services for the disabled, blind and elderly persons **even before any Medicaid policy changes at the federal level.**

The continued uncertainty in Medicaid financing since FY2022 makes it very difficult for CMHs to adequately plan, evaluate and respond to emerging community demand. The priority populations for these services are persons with serious mental illness, intellectual/developmental disabilities (including autism), substance use disorders, and children with severe emotional disturbances. **As Medicaid is an entitlement-based program, CMHs are obligated to provide these services in their geographic area and are limited in their ability to deny, delay or terminate services that are medically necessary for consumers and families.**

**Bay/Arenac CMH urges the House Appropriations Committee to work with MDHHS and push out the actual legislative appropriation for FY 2025 related to the PIHP behavioral health services.** These funds are sorely needed to address the increasing CMH expenses related to service demand, enrollment trends and medical inflation.

Bay/Arenac CMH also encourages the legislature to evaluate the FY2023-FY2025 rate setting processes and require necessary adjustments to prevent recurrence of these issues and sustain the Medicaid specialty behavioral health program in FY 2026.

Thank you for your attention regarding this important matter. If you have any questions regarding this correspondence, please feel free to contact me anytime at (989) 415-4422.

Sincerely,



Christopher Pinter  
Chief Executive Officer

cc: Representative Timothy Beson, 96<sup>th</sup> District  
Representative Mike Hoadley, 99<sup>th</sup> District

## XXI. APPROVAL AND EXECUTION OF CONTRACTS AND RELATED DOCUMENTS

Any contract must be approved by a majority of the quorum of Board members present unless a majority of the quorum of Board members present at the meeting delegate the power to approve. The exceptions are for services or agreements less than \$10,000.00, agreements that do not involve a financial obligation, services that are routine in nature, or in the case of an urgent situation. In an urgent situation, The CEO has the discretion to approve services necessary for the care of an individual needing services for an amount up to \$20,000.00 with the contingency that the matter is presented to the Board for consideration and retroactive approval at the next regular scheduled meeting, providing justification that awaiting Board approval could potentially cause harm to the individual.

## XXII. EXECUTION OF CHECKS OR ELECTRONIC FUND TRANSFERS

The CEO, CFO, and Board Chair shall be the sole persons authorized to sign checks or electronic fund transfers (EFTs). Facsimile signatures or the aforementioned persons are acceptable.

### A. Check Signatories

Checks for purposes of accounts payable functions shall be signed by two (2) of three (3) eligible parties. Checks for routine payroll/benefits functions shall be authorized by one of the three (3) eligible parties.

### B. EFT Authorizations

Routine EFTs shall be authorized by one of the three (3) eligible parties. Non-routine EFTs shall be authorized by two (2) or the three (3) eligible parties. EFTs require Board approval each month in accordance with section 3 of the Electronic Transactions of Public Funds, 2002 PA 738 (MCL124.303)

## XXIII. REVIEW AND AMENDMENT OF BYLAWS

These Bylaws shall be reviewed the second quarter of the calendar year by the Bylaws Committee. If as a result of this review, the Bylaws require amendment or repeal, the Bylaws and Policies Committee will provide copies of the proposed revised Bylaws to all Board members at least five (5) days prior to the Board meeting at which action will be taken on any Bylaws revisions. Changes in Bylaws require affirmative vote of 3/4 of the Board members.

## XXIV. AUTHORITY COMPENSATION

A Board member shall be paid a per diem as voted by the majority of the Board. The amount shall be in keeping with amounts paid by other CMHSPs within the State of Michigan and the appointing County Board of Commissioners. A person appointed to the Board may also elect to serve as an



# June 2025

## BABHA Board of Directors

June 2025						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2025						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 1	2	3	4	5 5:00pm Facilities & Safety Committee	6	7
8	9 CMHA Summer Conference 5:00pm Recipient Rights Advisory & Appeals Committee	10 CMHA Summer Conference	11 CMHA Summer Conference 5:00pm Finance Committee	12 5:00pm Program Committee	13	14
15	16 5:00pm Audit Committee	17	18	19 4:00pm SPECIAL BOARD MEETING 5:00pm REGULAR BOARD MEETING	20	21
22	23	24	25	26	27	28
29	30	Jul 1	2	3	4	5

**Bay-Arenac Behavioral Health Authority  
Medical Staff Plan  
2023-2024**

Board Adoption: 11/16/2023

**ARTICLE I: PURPOSE**

The Medical Staff of Bay-Arenac Behavioral Health Authority, (BABHA) is composed of licensed independent or supervised practitioners who provide medical care to the agency's consumers either under employment or contractual arrangements.

The Medical Director, under the authority of the Chief Executive Officer (CEO) and Board, is responsible for establishing and monitoring standards of care, resolving disputes over clinical matters, providing supervision to all medical and nursing staff and promoting quality and performance improvement initiatives.

**ARTICLE II: MEDICAL STAFF MEMBERSHIP**

**Section 1. Nature of Medical Staff Membership**

Membership on the BABHA medical staff is a privilege, which shall be extended only to professionally competent prescribing professionals who continuously meet the qualifications, standards and requirements set forth in this Medical Staff Plan.

**Section 2. Qualifications for Membership**

- A. Only a prescribing professional holding an unlimited license to practice in the State of Michigan, who can produce evidence of his or her background, experience, training, judgment, individual character, and demonstrated competence, physical and mental capabilities (referring to any potential impairment), adherence to the ethics of his/her profession to assure the Medical Director, and/or the CEO that any patient treated by him/her will be given a high quality of medical care, shall be qualified to apply for membership, and
- B. Primary Source verification of successful completion of an Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA) approved residency for the Psychiatrist is required. National board certification in specialty is preferred. National certification from the American Nurses Credentialing Center (ANCC) or the American Association of Nurse Practitioners (AANP) for Nurse Practitioners or National Commission on Certification of Physician Assistants (NCCPA) for Physician Assistants is required at hire or contract.

### Section 3. Nondiscrimination

No aspect of Medical Staff membership or clinical privileges shall be denied on the basis of gender, race, religion, age, creed, color, national origin or any other basis prohibited by law.

### Section 4. Conditions and Duration of Privileges

- A. The CEO shall review all initial privileges and renewal of privileges to the Medical Staff, upon recommendation by the Medical Director. The Medical Director will seek input from the Healthcare Practices Committee (HPC) when formulating his/her recommendation(s). The Medical Director will then make recommendations to the CEO. If the CEO concurs with the Medical Director's recommendation(s), the privileging request is forwarded to the appropriate committee of the BABH Board for action. The Board shall act on privileges and renewal of privileges, denials or revocations of privileges and reinstatements, and
- B. Renewal of privileges to the Medical Staff shall be for no more than 24 calendar months. Initial privileges are Provisional and are for 12 calendar months.

### Section 5. Ethics

A person who accepts membership on the Medical Staff agrees to act in an ethical, professional, and courteous manner, in accordance with the mission and philosophy of BABHA.

### Section 6. Responsibilities of Membership

- A. Each Medical Staff member must abide by the Medical Staff Plan,
- B. And BABHA policies and procedures and recommendations made by the (HPC), when applicable.
- C. Each Medical Staff member shall, upon request, provide documented evidence of current and continuous professional license, Federal and State controlled substance licenses, recent MAPS report card if applicable, and professional liability insurance in accordance with BABHA policy.
- D. Each Medical Staff member shall submit a complete application for renewal of privileges prior to the end of the current privileging time frame, as directed by the credential verification organization. Failure of the Member to submit such an application in a timely manner shall be construed as a voluntary resignation from the Medical Staff.
- D. Each Medical Staff member shall notify the Medical Director or CEO in writing within 15 calendar days or receipt of written or oral notice of any investigation or adverse action affecting Medical Staff membership or privileges at any hospital or health care entity, the commencement of an investigation or pending action regarding his/her license to practice

in the State of Michigan or in any other state, the loss of professional liability insurance, the filing of criminal charges, or any change in physical or mental health status which may interfere with the competent practice of his/her profession and performance of duties. Failure to notify may result in immediate suspension of privileges. The Medical Director or CEO is required to report any receipt of written or oral notice of any of the above action to the Department of Licensing and Regulatory Affairs (LARA).

#### Section 7. Medical Staff Member Rights

- A. Each member of the Medical Staff has the right to meet with the Medical Director or the CEO.
- B. Each member of the Medical Staff has the right to fully participate in the meeting of the Medical Staff.

#### Section 8. Temporary Privileges and Provisional Privileges

- A. Temporary Privileges

The Healthcare Practices Committee will review credentials prior to making a recommendation for temporary privileges to the CEO. Temporary privileges may be granted for up to 120 days during the Credentialing Process. to the

- B. Provisional Privileges

Each applicant approved for initial privileges will be granted Provisional Privileges for a period of one calendar year. At the end of the one-year provisional period, an evaluation of performance, to include input from the HPC, will be conducted. The individual will be eligible for full privileges if all requirements have been fulfilled and an acceptable standard of care and conduct have been rendered.

### **ARTICLE III: MEDICAL STAFF MEETINGS**

#### Section 1. Meetings of Medical Staff

- A. Meetings of the Medical Staff shall be held and chaired by the Medical Director. Written notice of the meeting will be sent to all members of the medical staff. The agenda of the meeting may include reports on quality indicators, pertinent clinical topics or case studies and performance measures. In addition, goals for the following year will be discussed and established.
- B. Written minutes of all meetings shall be recorded and approved.
- C. Additional communications during the year may occur by mail (e.g., newsletters, etc.) and email.

- D. All nursing staff from the clinic sites will be periodically invited to attend the regularly scheduled Medical Staff meetings.

#### **ARTICLE IV: PROFESSIONAL REVIEW ACTIONS**

##### **Section 1. Automatic Revocation (Voluntary Resignation), Suspension, Restriction, Limitation**

- A. **State License:** Whenever a medical staff member's license to practice in the state of Michigan (and in the state which they are physically located while practicing tele-psych) is revoked, suspended, or in any way limited or restricted, his/her privileges to practice under contract with BABHA will also be revoked, suspended, limited, or restricted to the same degree. Revocation shall result in immediate and automatic revocation of Medical Staff membership and all clinical privileges. Any suspension, limitation or restriction will be effective upon and for at least the term of the imposed suspension, limitation, or restriction. The Medical Director, under the authority of the CEO, will implement the appropriate restriction. If BABHA takes any action against any medical staff member for a quality concern, the Medical Director and/or CEO are required to report this to the State of Michigan Health Professional Licensing Bureau (LARA).
- B. **Drug Enforcement Agency (DEA) and State of Michigan Controlled Substance License:** If a medical staff member's right to prescribe controlled substances is revoked, restricted, suspended, or placed on probation by a proper licensing authority, his or her privileges to prescribe such substances under contract with BABHA will also be revoked, restricted, suspended or placed on probation. The Medical Director, under the authority of the CEO, will implement the appropriate restriction.
- C. **Professional Liability Insurance:** Evidence of professional liability insurance coverage, as defined by BABHA policy and/or clinical service contracts, shall be submitted upon request and in no event more than thirty calendar days after the effective date of the policy or renewal of the policy. Failure to maintain a minimum amount of professional liability insurance or to provide evidence thereof shall be construed as a voluntary resignation from the member's medical staff clinical privileges.

Any Member of the Medical Staff whose membership and clinical privileges have been automatically revoked under Section 1 above shall not have the right to a hearing under the Board's Grievance Procedure.

#### **ARTICLE V: IMMUNITY FROM LIABILITY**

The following shall be express conditions to any practitioner's application or reapplication for membership and clinical privileges with the BABHA Medical Staff.

## Section 1. Privileged Communications

Any act, communication, report, recommendation, or disclosure regarding any practitioner, performed or made in good faith and without malice and at the request of an authorized representation of this or any other healthcare entity, for the purpose of achieving and maintaining quality patient care in this or any other healthcare entity, shall be privileged from disclosure to the fullest extent provided by law.

## Section 2. Immunity and Release from Liability

No person furnishing information, data, reports, and records to any supervisor, Medical Director, or CEO regarding any member of the medical staff shall, by reason of furnishing such information, be liable in damages to any person. Employees of BABHA will not be liable in damages to any person for any actions taken or recommendation made within the scope of his/her employment if such an employee acts without malice and in the reasonable belief that such action or recommendation is warranted by the facts known to him/her. Each member and applicant agree to release, indemnify, and hold harmless BABHA and all third parties from liability for any and all such statements or actions.

## Section 3. Release of Information

BABHA representatives who may provide information to any other hospital or entity to which a Member or past Member may apply for membership and/or clinical privileges shall, by reason of furnishing such information, not be held liable in damages to any person, provided such release of information is made within the scope of the duties of such representative and is made in good faith and without malice.

# **ARTICLE VI: HEALTHCARE PRACTICE COMMITTEE (HPC)**

## Section I. Medical Director Responsibilities

- A. The Medical Director of BABHA will provide oversight of the Medical Staff Psychiatric Services and Health Care Practices.
- B. The oversight and peer review processes will be completed through the HPC activities, as outlined in the HPC criteria for review.
- C. These processes will be for educational purposes and monitoring for quality trends and compliance with agency policy and procedures for the licensed professionals providing services in the Medical Practices.
- D. The Medical Director will consult with the CEO regarding the Medical Staff Practices, as deemed necessary.

## Section 2. Meeting Activities

- A. The HPC will meet on a monthly basis, or sooner if needed, to review established criteria, as outlined in the HPC.
- B. The HPC will review all medically related policies, procedures, and plans.
- C. The HPC will provide peer review information and other pertinent information to the Medical Director during the privileging process.
- D. Nursing Self-Assessment Skills Checklist will be completed annually by each nurse and reported to HCP, as necessary.

## ARTICLE VII: MANAGEMENT OF PRESCRIBING PRACTICES

### Section I. Electronic Software

- A. All BABHA sites will use an electronic software system to ensure a prescribing data base is in place.
- C. This database will be used to review prescribing practices and feedback will be provided to the HPC as appropriate.

### Section II. Practitioner Responsibilities

- A. All BABHA prescriber and nursing staff both direct operated and contracted are strongly encouraged to acquaint themselves with the general principles and clinical practice guidelines of the psychopharmacologic treatment strategies specific to the treatment of individuals with psychiatric and/or substance use disorders. General strategies for managing interactive effects of substance use on psychiatric symptoms and interventions, mechanisms for physician-to-physician coordination of care and treatment of individuals with chronic pain should be part of regular practice.
- B. In keeping with improvements in best practices related to psychopharmacologic prescribing practices and interventions for individuals with psychiatric and/or substance use disorders, all network prescriber staff are encouraged to remain current on best practices related to care and treatment of individuals with co-occurring substance use disorders.
  - a. Access to contracted Addictionologist for case review or second opinion recommendations
  - b. Pharmaceutical Representative educational opportunities
  - c. Project ECHO available to all staff
  - d. Peer Chart Review process for prescriber-to-prescriber monitoring and support
  - e. Collaborative agreements for mid-level providers with physicians for case review/consultation or second opinion recommendations
  - f. Benzodiazepines Protocol and information sheet and Treatment for Stimulant Use Disorders guidelines, agency monitoring of controlled substance prescriptions and treatment through Power BI report, Marijuana policy, Drug Screening and Testing C04-S24-T05,

## **ARTICLE VIII. ATTACHMENTS**

HPC Committee – Statement of Purpose and Membership

Attachments to HPC:

- Medical Record Peer Review Guidelines
  - Medical Record Peer Review Tool
- Nursing Self-Assessment Skills Checklist