



**BOARD OF DIRECTORS
REGULAR MEETING**

Thursday, August 21, 2025 at 5:00 pm
Arenac Center, 1000 West Cedar Street, Standish, MI 48658

MINUTES

<u>Board Members:</u>	Present	Excused	Absent
Robert Pawlak, Chair	X		
Patrick McFarland, Vice Chair	X		
Christopher Girard, Treasurer		5:09 pm	
Sally Mrozinski, Secretary	X		
Tim Banaszak	X		
Richard Byrne	X		
Patrick Conley		X	
Jerome Crete	X		
Shelley King	X		
Kathy Niemiec		X	
Carole O'Brien	X		
Pamela Schumacher	X		

OTHERS PRESENT FROM BAY ARENAC BEHAVIORAL HEALTH (BABH)

Christopher Pinter, Heather Friebe, Jennifer Lasceski, Melissa Prusi, Jesse Bellinger, and Sara McRae

CALL TO ORDER & ROLL CALL

Board Chair, R. Pawlak, called the meeting to order at 5:00 pm.

M#098-25: On motion of T. Banaszak and support of J. Crete, C. Girard was excused. The motion was adopted unanimously.

M#099-25: On motion of J. Crete and support of P. Schumacher, P. Conley was excused. The motion was adopted unanimously.

M#100-25: On motion of T. Banaszak and support of J. Crete, K. Niemiec was excused. The motion was adopted unanimously.

C. Girard arrived at 5:09 pm.

PUBLIC INPUT

There were not any members of the public present.

REGULAR BOARD MEETING, July 17, 2025

Meeting Minutes:

M#101-25: On motion of R. Byrne and support of J. Crete, the Board approved the minutes of the regular Board meeting of July 17, 2025. The motion was adopted unanimously.

SPECIAL PERSONNEL & COMPENSATION COMMITTEE, August 6, 2025

CEO Contract:

R#2508001: On motion of J. Crete and support of P. McFarland, the Board approved the CEO contract with a compensation adjustment, inclusion of a non-solicitation provision, and terms commencing October 1, 2025 and expiring September 20, 2028. The motion was adopted unanimously.

Meeting Minutes:

M#102-25: On motion of J. Crete and support of S. Mrozinski, the Board approved the minutes of the Personnel & Compensation Committee meeting of August 6, 2025. The motion was adopted unanimously.

CORPORATE COMPLIANCE COMMITTEE, August 7, 2025

Meeting Minutes:

M#103-25: On motion of P. Schumacher and support of J. Crete, the Board approved the minutes of the Corporate Compliance Committee meeting of August 7, 2025. The motion was adopted unanimously.

RECIPIENT RIGHTS ADVISORY & APPEALS COMMITTEE, August 11, 2025

Meeting Minutes:

M#104-25: On motion of P. McFarland and support of T. Banaszak, the Board approved the minutes of the Recipient Rights Advisory & Appeals Committee meeting of August 11, 2025. The motion was adopted unanimously.

SPECIAL BOARD MEETING, August 12, 2025

Meeting Minutes:

M#105-25: On motion of R. Byrne and support of J. Crete, the Board approved the minutes of the regular Board meeting of August 12, 2025. The motion was adopted unanimously.

FINANCE COMMITTEE, August 13, 2025

Investment Earnings Balances:

M#106-25: On motion of T. Banaszak and support of S. Mrozinski, the Board approved the investment earnings balances for the period ending July 31, 2025. The motion was adopted unanimously.

Contract List:

R#2508002: On motion of T. Banaszak and support of P. Schumacher, the Board approved the Finance August 2025 contract list. The motion was adopted unanimously.

Flagstar Bank Cash Sweep Program Resolution:

R#2508003: On motion of T. Banaszak and support of C. O'Brien, the Board approved the Flagstar Bank Cash Sweep Program Resolution. The motion was adopted unanimously.

Meeting Minutes:

M#107-25: On motion of T. Banaszak and support of S. Mrozinski, the Board approved the minutes of the Finance Committee meeting of August 13, 2025. The motion was adopted unanimously.

AUDIT COMMITTEE, August 18, 2025

Financial Statements:

R#2508004: On motion of P. McFarland and support of J. Crete, the Board approved the financial statements for the period ending July 31, 2025. The motion was adopted unanimously.

Electronic Fund Transfers:

R#2508005: On motion of P. McFarland and support of J. Crete, the Board approved the electronic fund transfers for the period ending July 31, 2025. The motion was adopted unanimously.

Disbursements & Health Care Claims:

R#2508006: On motion of P. McFarland and support of C. O'Brien, the Board approved the disbursement & health care claims payments from July 12, 2025 through August 15, 2025. The motion was adopted unanimously.

Meeting Minutes:

M#108-25: On motion of P. McFarland and support of R. Byrne, the Board approved the minutes of the Audit Committee meeting of August 18, 2025. The motion was adopted unanimously.

REPORT FROM ADMINISTRATION

Federal & State Health Policy Update

C. Pinter reviewed the copy of the letter sent to Governor Whitmer regarding the Michigan Department of Health and Human Services (MDHHS) Prepaid Inpatient Health Plan (PIHP) procurement, which notes the county governments should be consulted due to the state laws regarding county responsibilities and relationships with the community mental health service programs (CMHSP). The correspondence also includes the resolutions opposing the PIHP procurement passed by Bay and Arenac County Boards of Commissioners. C. Pinter also reviewed the article from the Alpena News regarding Northeast CMHSP and the PIHP procurement. C. Pinter reviewed the update from the Community Mental Health Association (CMHA) relative to the PIHP procurement advocacy for opposition.

C. Pinter also reviewed the current dues paid to CMHA by all the CMHSPs. CMHA is requesting a special assessment to cover legal fees in advocacy opposition to the PIHP procurement. C. Pinter requested the Board review the figures for consideration in September for an amount BABHA would want to contribute for the special assessment. There were general discussions regarding the ARC's advocacy on the state level in support of the procurement, the disconnects between the local chapters and their CMHSPs and county governments, and the potential benefits of setting up meetings with the local ARC chapter.

BABHA Budget Planning:

C. Pinter reviewed the anticipated budget deficit for fiscal year 2026, cost reduction strategies that need to be implemented, and the discussions that have taken place with the provider network. C. Pinter also reported two-thirds (2/3) of the deficit is comprised of Healthy Michigan and Autism expenses. C. Pinter also discussed the differences between the Healthy Michigan benefit and traditional Medicaid coverage for disabled, blind, and elderly, provider payments temporarily implemented for vacant beds during COVID-19, the implementation of the Crisis Residential Unit, and MSHN is anticipating a FY2026 Medicaid rate increase but, it is yet to be confirmed. There were general discussions related to community living support (CLS) and autism costs being a per eligible member per month (PEPM) funding methodology similarly to Medicaid, the inpatient hospitalization referral process, inpatient bed consolidation, implemented waitlists, and the autism assessment and referral processes.

UNFINISHED BUSINESS

There was not any unfinished business.

NEW BUSINESS

Memorandum of Understanding (MOU) for Mobile Response Team (MRT):

C. Pinter reported the purpose is to update the contract.

M#109-25:

On motion of C. Girard and support of J. Crete, the Board authorized the CEO to fully execute the MOU with the Bay City Department of Public Safety for critical incident stress management partnership and MRT. The motion was adopted unanimously.

Midstate Health Network (MSHN) Bylaws and Procurement Process Update:

C. Pinter reported MSHN's plan for procurement currently does not align with the preferences of the CMHSP participants. The CMHSPs are not in favor of having a larger PIHP region without following the proper process for adding members. MSHN has reportedly expressed interested in expanding the region during the procurement process. C. Pinter reviewed the proposed language revision to the MSHN bylaws and explained it would solidify the process for CMHSPs to be added to the MSHN region but only with the consent of two-thirds (2/3) of the existing members. C. Pinter reported concerns with geographical expansion, financial issues, and the proper processes available to ensure MSHN upholds the

best interest of the current CMHSP participants. The MSHN bylaw revision does require an affirmative vote by a minimum of eight of the twelve CMHSP participants. There were general discussions regarding the status of the other boards proposing the same language revisions, the timing, and any potential complications.

M#110-25:

On motion of J. Crete and support of P. Schumacher, the Board approved the proposed changes to the MSHN Bylaws section 2.4 as follows:

2.4 New CMHSP Participants.

New CMHSP Participants may join the Entity upon written approval of two-thirds (2/3) of the governing bodies of the existing CMHSP Participants at the time of the admission request. The Entity is prohibited from pursuing any actions to add CMHSP Participants or operate outside of the existing geographic area other than the process noted above.

The motion was adopted unanimously.

Schedule Special Board Meeting & Public Hearing:

The Board scheduled a special Board meeting and public hearing at 5:00 pm on Monday, September 22, 2025 for consideration of the fiscal year (FY) 2026 operating budget and related contracts.

Holiday Schedule:

Board Chair, R. Pawlak, reported that in observance of Labor Day BABHA Offices will be closed on Monday, September 1, 2025.

Recipient Rights (RR) Conference:

Board Chair, R. Pawlak, reported the 2025 RR Conference is scheduled for Wednesday, September 17 – Friday, September 19, 2025 at the Raddison Plaza Hotel & Suites, Kalamazoo, MI.

CMHA 2025 Fall Conference:

Board Chair, R. Pawlak, reported the CMHA Fall conference is scheduled for Monday and Tuesday, October 27 and 28, 2025 at Grand Traverse Resort. Any interested members should see S. McRae.

ADJOURNMENT

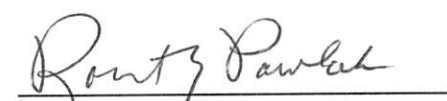
M#111-25:

On motion of C. Girard and support of S. Mrozinski, the Board meeting adjourned at 5:39 pm. The motion was adopted unanimously.

Submitted by:


Sally Mrozinski, Board Secretary

Accepted by:


Robert Pawlak, Board Chair