

MINUTES

BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, September 10, 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	
Tim Banaszak, Ch	X	_____	_____	Pam Schumacher	X	_____	_____	Others Present: Paul Niemiec BABH: Marci Rozek, Chris Pinter, Melissa Prusi, Jesse Bellinger, and Sara McRae Legend: M-Motion; S-Support; MA- Motion Adopted; AB-Abstained
Sally Mrozinski, V Ch	X	_____	_____	Christopher Girard, Ex Off	X	_____	_____	
Richard Byrne	X	_____	_____	Pat McFarland, Ex Off	X	_____	_____	
Jerome Crete	X	_____	_____	Robert Pawlak, Ex Off	_____	X	_____	
Kathy Niemiec	X	_____	_____					

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	Committee Chair, T. Banaszak, called the meeting to order at 5:00 pm.	On motion of R. Byrne and support of C. Girard, R. Pawlak was excused. The motion passed unanimously.
2.	Public Input (Maximum of 3 Minutes)	There were not any members of the public present who wished to address the Committee.	
3.	Unfinished Business	There was not any unfinished business.	
4.	New Business 4.1) Investment Earnings Reports for Period Ending August 31, 2025 4.2) Finance September 2025 Contract List	4.1) M. Rozek reviewed the reports noting the interest rates and month end balance. 4.2) M. Rozek reviewed the contract list noting agreements for specialized residential arrangements, inpatient hospitalizations, and renewal of the firewall. C. Pinter noted the firewall is at the end of its life and will need to be replaced within the next year. M. Rozek noted the FortiGate contract expires on September 16, 2025 so this agreement will be approved by the Board retroactive if there are not any objections.	4.1) On motion of J. Crete and support of P. Schumacher, the investment earnings reports for period ending August 31, 2025 were referred to the full Board for information. The motion passed unanimously. 4.2) On motion of C. Girard and support of S. Mrozinski, the Finance September 2025 contract list was referred to the full Board for approval. The motion was adopted unanimously.

<p>4.3) Fiscal Year (FY) 2025 Final Budget Amendment</p>	<p>4.3) M. Rozek reviewed the FY25 revenue and expenditures with the Committee noting revenue increases are resulting from a Medicaid subcontract increase, grant revenue and county of financial responsibility agreements for out of county placements. There was also a decrease in revenue interest. M. Rozek also reported the expenditure increases are a result of personnel costs, community hospitalizations, residential services, community living support services, and behavioral tech services under the autism benefit. The decreases in expenses are from transportation, leases, and operating costs. M. Rozek also reviewed the net surplus, unrestricted fund balance, and noted there were no capital expenses. There were general discussions related to the confidence of the year-end figures and that Midstate Health Network (MSHN) has settled with BABHA for FY24.</p>	<p>4.3) On motion of J. Crete and support of P. McFarland, the FY 2025 final budget amendment resolution was referred to the full Board for approval. The motion was adopted unanimously.</p>
<p>4.4) Community Mental Health Association of Michigan Special Assessment</p>	<p>4.4) C. Pinter reviewed the Community Mental Health Association (CMHA) dues for FY25 noting CMHA requested a special assessment from the CMHs to cover legal fees. C. Pinter reported BABHA has agreed to join the lawsuit and can choose any amount for the special assessment. There were general discussions regarding amounts the other CMH affiliates have approved, an appropriate amount for BABHA to contribute, the cost for BABHA to file a lawsuit individually, and whether the funds should be paid from Medicaid or local fund sources.</p>	<p>4.4) On motion of C. Girard and support of K. Niemiec, authoring administration to support the CMHA 2025 special assessment for an amount up to \$20,000 from local funds was referred to the full Board for approval. The motion was adopted unanimously.</p>
<p>4.5) FY2026 Revenue & Expense Projections</p>	<p>4.5) C. Pinter reviewed the House Budget summary related to mental health and substance use disorder line items including increases to autism services and decreases to Certified Community Behavioral Health Clinics (CCBHCs). C. Pinter also reviewed boiler plate section proposed for changes including 1009 Prepaid Inpatient Health Plan (PIHP) Procurement, 924 Applied Behavioral Analysis (ABA) Fee Schedule, and 1034 PIHP Performance Incentives. C. Pinter reviewed the BABHA financial trends for FY26, the overall estimated deficit of roughly \$6 Million in comparison to per member per month revenue, and</p>	<p>4.5) No action was necessary</p>

		<p>cost reduction strategies including the elimination of vacant inpatient beds, identifying and transitioning duplicative CLS arrangements, reducing the North Bay CLS presence, establishing post-COVID rates, evaluating autism expenses, revising Healthy Michigan eligibility and criteria, eliminating administration positions by either force reduction of non-replacement, rate reduction for providers, and implementing waiting lists. There were general discussions regarding the autism claims billing procedure, possibly requesting additional information from autism providers related to billing, number of autism clinics, a procurement process for autism service providers, differences between for profit and non-profit providers, state funding mechanism and directives for the autism benefit, and possible legal options for autism mandated rates. The Committee requested autism cost reduction update be a regular item for updates on future meeting agendas.</p>	
5.	Adjournment	On motion of C. Girard and support of P. McFarland, the meeting adjourned at 5:48 pm. The motion passed unanimously.	



Tim Banaszak, Committee Chair