



**BOARD OF DIRECTORS
SPECIAL MEETING**

Monday, September 22, 2025 at 5:00 pm
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

MINUTES

<u>Board Members:</u>	Present	Excused	Absent
Robert Pawlak, Chair	X	_____	_____
Patrick McFarland, Vice Chair	X	_____	_____
Christopher Girard, Treasurer	X	_____	_____
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, Marci Rozek, Jennifer Lasceski, Karen Amon, and Sara McRae. Tara Guerrero from Brown and Brown was also in attendance.

CALL TO ORDER & ROLL CALL

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

M#122-25:

On motion of C. Girard and support by P. Conley, J. Crete was excused. The motion was adopted unanimously.

PUBLIC INPUT

There were not any members of the public present.

PUBLIC HEARING & PRESENTATION OF THE FISCAL YEAR (FY) 2026 OPERATING BUDGET

Board Chair, R. Pawlak, opened the public hearing regarding the FY 2026 Operating Budget at 5:01 pm.

M. Rozek reviewed the proposed budget for FY 2026 and highlighted the changes from FY 2025 as the result of cost reduction strategies including: projected net expenditure decreases related to costs for personnel, community hospitalizations, residential services, community living support (CLS) services, outpatient therapy, vocational services, autism services, Healthy Michigan services, ancillary services, contract clinician costs, and grant related costs. M. Rozek also reported there is an anticipated increase of costs for transportation and leases related to the leased vehicles. M. Rozek reviewed the projected net surplus and unrestricted fund balance. There were general discussions regarding the cost shift from community hospital to the crisis residential unit, ending cost-settled vocational contracts, autism provider contracts are proposed for six months while administration reviews eligibility criteria and the possibility of a procurement for those services, workforce reduction offset with health insurance premium increases, flexibility on potential savings, , overall operating costs, conservative budgeting has been unsuccessful historically, the Mid-State Health Network (MSHN) budget process, final Medicaid rates for FY26 have not been confirmed, service utilization in the MSHN region, the funding formulary agreed to by the MSHN CEOs, and that four community mental health service programs in the MSHN region have high penetration rates that factor into spending over per member per month funding, including BABHA.

PUBLIC COMMENT:

There were not any members of the public present.

R#2509011: On motion of ~~J. Crete~~-C. Girard and support of P. Conley, the Board adopted resolution #25-09-011, The Annual Operating Budget for FY Ending September 30, 2026. The motion was adopted by a roll call vote: 11 yeas, 0 nays, 1 excused.

R. Byrne: Yea
R. Pawlak: Yea
C. Girard: Yea
T. Banaszak: Yea
P. Conley: Yea
J. Crete: Excused
P. McFarland: Yea
S. Mrozinski: Yea
K. Niemiec: Yea
C. O'Brien: Yea
~~T. Reese~~-S. King: Yea
P. Schumacher: Yea

Board Chair, R. Pawlak, closed the public hearing at 5:20 pm.

FY2026 PROVIDER CONTRACTS:

M. Rozek reviewed the contract list noting the contract for McLaren Bay Region and clubhouse services, which includes incentive bonuses. The vocational contracts and CLS contracts are not included on the contracts list. C. Pinter reported these contracts are in negotiations. The community hospital contracts are also in negotiations on the regional level and not on the contract list either. M. Rozek also reviewed the revenue contracts. There were general discussions related to fiscal intermediary contracts for individuals on self-determination.

M#123-25: On motion of C. Girard and support of P. Schumacher, the Board approved the special Board meeting September 2025 contract list. The motion was adopted unanimously.

RETIREE BENEFITS:

J. Lasceski distributed updated handouts related to the insurance proposals received for retirees (received and filed). J. Lasceski reviewed the current Medicare Advantage medical plans and pharmacy costs for retirees as well as the proposals received from Blue Cross Blue Shield (BCBS) and Humana for 2026 coverage. J. Lasceski reported the anticipated costs to the retirees for deductibles, plan options and agency for premiums. There were general discussions regarding the cost increase to the retiree if a retiree's spouse is covered under the BCBS pre-65 plan if the retiree were enrolled in the Humana Medicare Advantage plan and what options would be available for a retiree's spouse coverage under this scenario, the number of retirees enrolled in the Medicare Advantage plan, Blue365 is utilized for retiree spouses, the Humana network of providers and what potential disruption of coverage would be experienced, cost rate increase trends amongst both insurance providers, clarification on the differences in plan design, BCBS name recognition, Humana has a lower deductible, lower out of pocket cost, covers more medical services at 100% versus BCBS, but BCBS has lower cost for pharmaceutical coverage with similar premium costs, the impact to a retiree's spouse coverage would be negatively impacted with a switch to Humana Medicare Advantage, history of other insurance providers submitting bids to BABHA, due to limited time between the bids being received and the deadline to make an election, employee/retiree feedback was not solicited, whether there is an option to offer multiple plans to retirees, open enrollment timelines, the percentage of retiree premiums paid by BABHA.

M#124-25: On motion of R. Byrne and support of C. Girard, the Board approved Blue Cross Blue Shield option 2 for medical and prescription insurance for Medicare eligible retirees. The motion was adopted.

ADJOURNMENT

M#125-25:

On motion of C. Girard and support of P. Conley, the Board meeting adjourned at 5:55 pm.
The motion was adopted unanimously.

Submitted by:


Sally Mrozinski, Board Secretary

Accepted by:


Robert Pawlak, Board Chair