



BOARD OF DIRECTORS REGULAR MEETING

Thursday, February 19, 2026 at 5:00 pm
Arenac Center, 1000 West Cedar Street, Standish, MI 48658

AGENDA

Page

1. CALL TO ORDER & ROLL CALL
2. PUBLIC INPUT (3 Minute Maximum Per Person)
3. PRESENTATION OF PLAQUE IN MEMORY OF ROBERT LUCE
 - 4 3.1 Res# 2602001: Approve the resolution in memory of Robert Luce for 9 years of committed service as a board member – *See page 4 resolution sheet*
- 4 4. COMMUNICATIONS
 - 6 4.1 BABHA recognition letter to Specialized Residential Services (SRS) dated January 16, 2026 – *See page 6*
 - 7 4.2 Bay Shore Camp & Family Ministries Memorial Fund Donation dated January 26, 2026 – *See page 7*
5. REGULAR BOARD MEETING, 01/15/2026 – Distributed
 - 5.1 Motion on minutes as distributed
- 6 6. CORPORATE COMPLIANCE COMMITTEE, 02/05/2026 – Distributed – Conley, Ch/Schumacher, V Ch
 - 4 6.1 Res# 2602002: Approve the 2026 Corporate Compliance Plan – *See page 4 resolution sheet & plan attached to back of packet*
 - 6.2 Motion on minutes as distributed
- 7 7. RECIPIENT RIGHTS (RR) ADVISORY & APPEALS COMMITTEE, 02/09/2026 – Distributed – McFarland, Ch/Mrozinski, V Ch
 - 8 7.1 Consideration of a motion to receive the annual Recipient Rights training information – *See page 8*
 - 7.2 Motion on minutes as distributed



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- Page
- 8. FINANCE COMMITTEE, 02/11/2026 – Distributed – Banaszak, Ch/ Mrozinski, V Ch
 - 9-10 8.1 Motion to accept investment earnings balances for period ending January 31, 2026 – *See pages 9-10*
 - 4, 11 8.2 Res# 2602003: Approve the Finance February 2026 contract list as revised with items 2 and 9 removed – *See page 4 resolution sheet & page 11*
 - 4, 12 8.3 Res# 2602004: Approve utilizing the VEBA trust assets for calendar year 2026 – *See page 4 resolution sheet & page 12*
 - 4 8.4 Res# 2602005: Approve purchasing a Chevy Trax – *See page 4 resolution sheet*
 - 4 8.5 Res# 2602006: Approve the adjusted salary schedule for Direct Service Professionals – *See page 4 resolution sheet*
 - 8.6 Motion on minutes as distributed

 - 9. SPECIAL BYLAW COMMITTEE, 02/11/2026 – Distributed – Banaszak, Ch/ Mrozinski, V Ch
 - 4,13-30 9.1 Res# 2602007: Approve the 2025 revisions to the Bylaws – *See page 4 resolution sheet and pages 13-30*
 - 9.2 Motion on minutes as distributed

 - 10. PROGRAM COMMITTEE, 02/12/2026 – Distributed – Girard, Ch/Schumacher, V Ch
 - 5 10.1 Res# 2602008: Approve the request for clinical privileges for Heather Nix, LP – *See page 5 resolution sheet*
 - 5, 31-32 10.2 Res# 2602009: Approve the policy ending 30-day review – *See page 5 resolution sheet & pages 31-32*
 - 10.3 Motion on minutes as distributed

 - 11. REPORT FROM ADMINISTRATION
 - 33-39 11.1 Federal & State Health Policy Updates – *See pages 33-39*
 - 11.2 Bay & Arenac County Updates

 - 12. UNFINISHED BUSINESS
 - 12.1 None



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- 13. NEW BUSINESS
- 13.1 Financial Statements for Period Ending January 31, 2026
 - 40-46 Consideration of a motion to accept the financial statement for period ending January 31, 2026 –
See pages 40-46
- 13.2 Electronic Fund Transfers (EFTs) for Period Ending January 31, 2026
 - 47-50 Consideration of a motion to approve the EFTs for period ending January 31, 2026 – *See pages 47-50*
- 13.3 Disbursement & Health Care Claims Payments
 - 51 Consideration of a motion to approve disbursements and health care claims payments from
January 10, 2026 to February 13, 2026 – *See page 51*
- 13.4 Board Meeting February 2026 Contract List
 - 52 Consideration of a motion to approve the Board meeting February 2026 contract list – *See page 52*
- 13.4 Nomination Committee Meeting
 - 53 The Nomination Committee has scheduled a special meeting for 5:00 pm on Wednesday, March 4,
2026 to review the applications to the BABHA Board of Directors as a courtesy to the Bay County
Board of Commissioners – *See page 53*
- 14. ADJOURNMENT



BOARD OF DIRECTORS
REGULAR MEETING

Thursday, February 19, 2026 at 5:00 pm
Arenac Center, 1000 West Cedar Street, Standish, MI 48658

RESOLUTIONS

Resolution in Memory of Robert Luce

Res# 2602001: Resolved by Bay Arenac Behavioral Health Authority to approve the resolution in memory of Robert Luce for 9 years of service as a member of the Board of Directors. His dedication and commitment to persons with disabilities was greatly appreciated. His consistent advocacy for substance use services in our area was admirable.

Corporate Compliance Committee, February 5, 2026

Res# 2602002: Resolved by Bay Arenac Behavioral Health Authority to approve the 2026 Corporate Compliance Plan.

Finance Committee, February 11, 2026

Res# 2602003: Resolved by Bay Arenac Behavioral Health Authority to approve the Finance February 2026 contract list as revised with items 2 and 9 removed.

Res# 2602004: Resolved by Bay Arenac Behavioral Health Authority to approve the utilizing the Voluntary Employees' Beneficiary Association (VEBA) trust assets for calendar year 2026 retiree health benefit costs.

Res# 2602005: Resolved by Bay Arenac Behavioral Health Authority to approve purchasing a Chevy Trax for an amount up to \$25,000.

Res# 2602006: Resolved by Bay Arenac Behavioral Health Authority to approve the adjusted salary schedule for Direct Service Professionals (DSPs) effective January 1, 2026.

Special Bylaw Committee, February 11, 2026

Res# 2602007: Resolved by Bay Arenac Behavioral Health Authority to approve the 2025 revisions to the BABHA Bylaws.



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RESOLUTIONS

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Program Committee, February 12, 2026

Res# 2602008: Resolved by Bay Arenac Behavioral Health Authority to approve the requests for clinical privileges for Heather Nix, LP, for a three-year renewal term expiring February 28, 2029.

Res# 2602009: Resolved by Bay Arenac Behavioral Health Authority to approve the policy, Videoconferencing, recording, transcribing, and use of Artificial Intelligence (AI), 09-05-10, to end 30-day review.



Chief Executive Officer
Christopher Pinter

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

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

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

January 16, 2026

Specialized Residential Services
3060 South Dye Road
Flint, MI 48507

Dear Executive Director:

Bay-Arenac Behavioral Health Authority (BABHA), the community mental health services program for Bay and Arenac Counties, extends its deepest gratitude to Specialized Residential Services (SRS) for its dedication and commitment to persons receiving care.

BABHA has partnered with SRS during the last several months on a very complex and challenging situation and your organization has consistently went above and beyond the call of duty to keep the individual safe. SRS staff have conducted themselves in a manner that demonstrates a commendable level of both professional and personal interest in assisting individuals to live the best quality of life possible.

On behalf of the BABHA Board of Directors, thank you again for the diligence, compassion, and thoughtfulness you have displayed in service to our shared community of care.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Pawlak".

Robert Pawlak
Board Chairperson

A handwritten signature in blue ink, appearing to read "Christopher Pinter".

Christopher Pinter
Chief Executive Officer



January 16, 2026

Jeff Parsons - Executive Director
989-883-2501 Fax (231) 883-3436
jparsons@bayshorecamp.org

150 N. Miller St., P.O. Box 624
Saginaw, MI 48780-0624
www.BAYSHORECAMP.org

Tax ID 38-2344487

RECEIVED

JAN 26 2026

BAY-ARENAC BEHAVIORAL HEALTH
BOARD OFFICE

Bay Arenac Behavioral Health Authority Board of Directors and Leadership
201 Mulholland
Bay City, MI 48708

Thank you for your 2025 donation to Bay Shore Camp. Your gift is vital to changing lives for Christ!

As 2025 came to a close, we were reminded of the faithfulness of those who love and support the ministry of Bay Shore Camp and Family Ministries. While we didn't quite make our year-end financial goals for our general budget, we were overwhelmed by your generosity. Thank you so much.

Enclosed you will find a statement of your contribution to Bay Shore Camp during 2025. Please review it carefully to insure that all of your gifts are recorded properly. If you suspect an error, please call us at 989-883-2501 and we'll research the error and correct it.

Again, there are no words to describe how grateful we are for you. You make it possible for Bay Shore to share the light of Christ for all who come here. Thank you!

Peace and Blessing,

Jeff Parsons

Bay Arenac Behavioral Health Authority Board of Directors
and Leadership
201 Mulholland
Bay City, MI 48708

Tax ID 38-2344487

Your gift is being used to further the ministries of Bay Shore Camp and may be reported for income tax purposes as a charitable contribution. No goods or service were provided in exchanges for these

Donation Date	Fund Name	Amount	Method
Dec 15, 2025	Memorial Fund	\$200.00	Tithle.ly
Total Donations		\$200.00	

Subject: 2026 Recipient Rights Training

It's that time of year again for the **annual Recipient Rights (RR) training**. This **training is only offered online**. You can access the training in Relias, which is located on the Board of Directors webpage located here <http://babha.org/about/board-of-directors/>. If you scroll toward the bottom of the page, you will see a link to "Relias Training Sign On". Your user name and password are listed below. There are **three training modules named Part 1, 2, and 3**. All three modules need to be completed **no later than March 31, 2026**. Once in Relias these modules can be found by clicking on "Assignments" on the left hand side of your screen.

Bay-Arenac Behavioral Health Authority
Estimated Cash and Investment Balances Jan 31, 2026

Balance Jan 1, 2026	7,262,174.98
Balance Jan 31, 2026	5,863,500.84
Average Daily Balance	5,431,849.43
Estimated Actual/Accrued Interest Jan 2026	13,498.25
Effective Rate of Interest Earning Jan 2026	2.98%
Estimated Actual/Accrued Interest Fiscal Year to Date	59,298.80
Effective Rate of Interest Earning Fiscal Year to Date	3.15%

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

Cash Available - Operating Fund

	Rate	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		5,777,598	5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354
Cash in		12,023,619	12,246,135	20,379,721	12,205,772	12,225,824	20,990,024	16,234,403	12,208,234	13,636,279	21,097,480	13,203,400	12,594,625
Cash out		(12,608,956)	(12,852,949)	(16,993,846)	(13,998,090)	(13,807,060)	(19,326,275)	(15,720,233)	(13,017,289)	(14,328,710)	(17,939,763)	(14,858,965)	(13,994,743)
Ending Balance Operating Fund		5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236
Investments													
Money Markets		5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236
	90.00												
	180.00												
	180.00												
	270.00												
	270.00												
Total Operating Cash, Cash equivalents, Invested		5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236
Average Rate of Return General Funds		3.48%	3.45%	3.43%	3.42%	3.40%	3.37%	3.36%	3.34%	3.06%	2.94%	3.14%	3.00%
		3.38%	3.30%	3.32%	3.32%		3.26%	3.13%	3.28%	3.06%	2.81%	3.56%	2.56%
		6,532,916	6,208,338	6,460,193	6,425,045	6,222,014	6,225,964	6,275,939	6,295,231	5,274,202	6,853,061	6,898,662	6,464,678

Cash Available - Other Restricted Funds

	Rate	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		468,220	469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821
Cash in		1,491	1,656	1,608	1,667	1,619	1,679	1,684	1,608	1,628	1,488	1,473	1,444
Cash out													
Ending Balance Other Restricted Funds		469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821	487,265
Investments													
Money Market		469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821	487,265
	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		469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821	487,265
Average Rate of Return Other Restricted Funds		4.84%	4.84%	4.84%	4.84%	4.75%	4.68%	4.63%	4.58%	4.11%	4.11%	3.93%	3.85%
		4.84%	4.84%	4.84%	4.84%	4.02%	4.02%	4.15%	4.00%	4.11%	4.11%	3.58%	3.58%
		466,523	467,330	468,136	468,942	469,762	470,615	471,434	472,251	482,860	483,604	484,343	485,074
Total - Bal excludes payroll related cash accounts		5,661,972	5,056,814	8,444,297	6,653,646	5,074,388	6,739,456	7,255,311	6,447,865	5,757,062	8,916,267	7,262,175	5,863,501
Total Average Rate of Return		3.52%	3.51%	3.49%	3.49%	3.47%	3.44%	3.38%	3.39%	3.55%	3.33%	3.20%	3.15%

Bay-Arenac Behavioral Health
 Finance Council Board Meeting
 Summary of Proposed Contracts
 February 11, 2026
REVISED

			Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES							
Clinical Services							
1	M	Residential, CLS and Vocational Providers Rate increases due to the minimum wage increase	See attached spreadsheet	See attached spreadsheet	1/1/26 - 9/30/26	Y	N
2	N	Prader-Willi (Dousman, WI) Single-Case Agreement for Respite for one BABHA individual	\$0	\$400/day	TBD (weekend-stay)	Y	N
3	N	Rose Hill Center, Inc. (Holly, MI) Type A Residential Services for one BABHA individual at Kelly Community Center	\$0	\$763/day	2/2/26 - 9/30/26	Y	New Provider
4	M	Saginaw Psychological Services, Inc. Addition of ABA Case Management services to the contract	\$0	\$85/unit	2/20/26 - 9/30/26	Y	N
5	M	Montclair Specialized Residential LLC (Flint, MI) Type A Residential Services for a second BABHA individual moving into this home in need of 24 hours of 1:1 staffing	\$0	\$749.76/day + \$25.50/hour of 1:1 staffing	2/11/26 - 9/30/26	Y	N
6	N	Crisis Center Inc DBA Listening Ear, Valley Residential Services, Inc. & BABHA Management Agreement Management Agreement for the transition period of the merge between Listening Ear and Valley Residential Services	\$0	\$0	TBD	Y	N/A
7	N	Lansing Senior Partners LLC DBA Brightwell Behavioral Health (Lansing, MI) Inpatient Psychiatric Services	\$0	\$900/day	3/1/26 - 9/30/26	Y	New Provider
8	T	Arenac Opportunities, Inc. Termination of the Contract for Vocational and CLS services	Performance Based rates and H2014 - \$7.50/unit H2015 - \$7.50/unit H2023 HX 3Y - \$16.80/unit H20233Y - \$15.07/unit	\$0	Terminated eff. 4/30/26	Y	N
9	M	De-Ait, Inc. Addition of CLS rates for individuals served in Arenac County	\$0	H2014 A6 - \$7.75/unit H2015 A6 - \$7.75/unit	2/10/26 - 9/30/26	Y	N
Admin/Other Services							
10	M	Great Lakes Hydro-Seeding & Landscaping Shovelling Sidewalks Salting Sidewalks	\$0 \$0	\$55/occurrence \$30/occurrence	11/1/25 - 10/31/27	Y	N
11	N	Applied Research Consultants (APPRECOTS) ABA consultation and utilization management services	\$0	\$7,800	2/23/26 - 9/30/26	Y	N
12	S	Netsource One* Next Generation VDI	\$31,500/month	Same	2/1/26 - 1/31/27	Y	N
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)							
SECTION III. STATE OF MICHIGAN GRANT CONTRACTS							
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL							
13	S	Bay County Human Services Collaborative Annual Dues	\$500	Same	N/A	N/A	N/A
14	D	Progress® DevCraft Complete Developer License renewal	\$1,200	\$849	3/1/26 - 2/28/27	N/A	N/A

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:

* Netsource One Next Generation VDI monthly invoice varies based on number of users

MEMORANDUM

To: Bylaw Committee

From: Sara K. McRae, Executive Assistant to the CEO

Date: February 11, 2026

Re: 2025 Bylaw Review Process

The Bylaws Committee last met on October 7, 2025 regarding the 2025 Bay Arenac Behavioral Health Authority (BABHA) Bylaws review process in accordance with BABHA bylaws section XXIII. The Committee asked leadership to propose a draft of the bylaw changes based on the following topics:

- Board Officer Terms/Vacancies
- Additional Public Comment

The proposed changes to the BABHA Bylaws include:

- Section VI, Officers and Selection Thereof, page 2
 - Added language “until their successor is elected” to cover any timing gaps if the annual meetings are more than one year apart
- Section XIV, Meetings of the Authority, Subsection D, Public Comment, page 14
 - Change the limit of comments from a maximum of three minutes to five minutes

Please let us know how the Committee wishes to proceed.

BAY-ARENAC BEHAVIORAL HEALTH

BYLAWS ~~2024~~ 2025

I. NAME

The name of the organization shall be “Bay-Arenac Behavioral Health” hereinafter referred to as “Authority”, and with a DBA for “Bay Arenac Behavioral Health Authority”. The organization shall be governed by a Board of Directors, hereinafter “Board”, constituted and operating according to these Bylaws.

II. ESTABLISHING RESOLUTIONS

The Authority was established in 2001 by Resolution 2001-133, as amended, and adopted by the Bay County Board of Commissioners and Resolution 01-06-12, as amended, and adopted by the Arenac County Board of Commissioners. The creating resolutions were later amended in 2004 to account for the designation of public employees by adoption of Resolution 2004-078 by the Bay County Board of Commissioners and Resolution 2004-07 by the Arenac County Board of Commissioners. The Authority was created by the governing County Boards of Commissioners in Bay and Arenac Counties pursuant to the Mental Health Code, PA 258 of 1974, as amended, where the Authority’s power and duties are defined in section 205 (MCL 330.1205).

III. PURPOSE

The purpose of the Authority shall be to implement the provisions of Public Act (PA) 258 of the Public Acts of 1974 as amended (hereinafter the “Mental Health Code”) by the State of Michigan, to promote related mental health and substance use disorder treatment services and to raise local and other funds to be used toward financing of the program.

IV. MEMBERSHIP OF THE AUTHORITY

The membership of the Authority shall consist of twelve (12) members appointed as directors in accordance with provisions of the Mental Health Code.

A. Method of Appointment

Board members shall be appointed by the Arenac and Bay County Boards of Commissioners. According to state statute, membership shall be divided among the counties in proportion to each county’s population in accordance with section 214 of the Mental Health Code (MCL 330.1214). Membership proportionally shall be established every ten (10) years with the release of the United States census.

B. Vacancies

According to state statute, in the event of a vacancy prior to the expiration of the term, the vacancy shall be filled in the same manner as an original appointment.

V. TERMS OF OFFICE AND REMOVALS

The term of office of each Director of the Authority shall be as provided for in section 224 of the Mental Health Code (MCL 330.1224). Any Director of the Authority may be removed by the appointing Board of Commissioners for neglect of duty, misconduct, or malfeasance in office, after being given a written statement of charges and an opportunity to be heard thereon pursuant to section 224 of the Mental Health Code (MCL 330.1224). Unexcused absence from three (3) consecutive meetings of the Authority or five (5) consecutive Authority and committee meetings shall be deemed an automatic resignation from the Authority, unless at the time of absence, the Authority, by motion duly voted upon, shall excuse the member absent.

VI. OFFICERS AND SELECTION THEREOF

The officers of the Board shall be members of and selected by the full Board and shall consist of a Chair, Vice Chair, Secretary, Treasurer, and other officers as the Board shall deem necessary, all to be elected by a majority vote of the full Board. Their respective terms are to be for a period of one (1) year and until their successor is elected, commencing from the April full Board meeting, or in the event of a special election to fulfill an office vacancy, until the next annual meeting. Elections shall be held each year at the April regular full Board meeting.

A. Duties of the Chair

The Chair shall preside over and conduct all full board meetings. He/she shall have the power to appoint members and non-voting members of standing and special committees and shall be an ex-officio member of all committees, except Nomination Committee. The Chair may approve the attendance of Board members at a committee to which they are not a member. The Chair shall serve as a signatory along with the Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO) on all instruments of the Authority.

B. Duties of the Vice Chair

The Vice Chair shall preside at all meetings of the Board in the absence of the Chair and shall perform all duties of the Chair in his/her absence. The Vice Chair shall also be an ex-officio member of all Committees, except Nomination Committee.

C. Duties of the Secretary

The Secretary shall verify with the CEO that accurate and complete records and minutes of the proceedings of the Board of Directors and its committees having any authority of the Board of Directors are preserved. The CEO shall assign an employee to take accurate and complete records and minutes of the Authority as required by law.

D. Duties of the Treasurer

The Treasurer shall ensure that an annual audit of the Authority's finances is presented to the full Board for review and approval. He/she shall ensure that regular financial statements and variance reports are reviewed, and appropriately acted upon by the Authority. The Treasurer shall also be an ex-officio member of the Finance and Audit Committees.

VII. CHIEF EXECUTIVE OFFICER (CEO)

The Board shall appoint and contract with a CEO who shall have full managerial control of the services provided by the Authority as well as the authority and responsibility for supervising all employees pursuant to the Mental Health Code. In addition, his/her duties and qualifications shall be in compliance with the Mental Health Code.

VIII. STAFF POSITIONS

The CEO shall appoint a Chief Financial Officer (CFO) for the Authority. The CEO and CFO shall be considered the officer staff positions of the Authority relative to signing legal and financial documents for the Authority.

Pursuant to the Mental Health Code, the CEO shall appoint a Medical Director and a Recipient Rights Officer. The Medical Director must be a psychiatrist. The Recipient Rights Officer and his/her office are subordinate to the CEO only.

IX. BOARD MEMBER RESPONSIBILITIES

Board members of the Authority are responsible for completing required training and documents once appointed by their respective County Commission.

A. Training

1. New Board Member Orientation within 30 days of original appointment
2. Annual Recipient Rights Training
3. Annual Corporate Compliance Training
4. New Committee Chair and Vice Chair Parliamentarian Training

B. Documentation

1. Required attestations and/or related documents
2. Payroll forms upon original appointment

X. DUTIES OF THE AUTHORITY

The duties of the Authority are prescribed in the Mental Health Code, and in the State of Michigan Department of Health and Human Services Administrative Rules, as these may exist from time to time, but generally as follows:

- A. Examine and evaluate the mental health needs of the counties.
- B. Establish general policy guidelines within which the CEO shall execute the powers of his/her office and the Mental Health program.
- C. Review, approve, and submit an annual plan and budget for the Mental Health Program. The format and documentation of the annual plan and budget shall be specified by the Michigan Department of Health and Human Services.

- D. Provide and advertise a public hearing on the annual plan and budget.
- E. Submit to governing Boards of County Commissions an annual request for County funds to support the Mental Health Program based on amount allocated in the Authority resolution language.
- F. Take such actions as deemed necessary and appropriate to secure private, federal, state, local, and other private or public funds to help support the Mental Health program.
- G. Approve and authorize all contracts for implementing the program.
- H. Review and evaluate the quality, effectiveness, and efficiency of the mental health services provided.

XI. NOMINATION COMMITTEE

Purpose:

To ensure the Board membership and officers meet the requirements of the Mental Health Code and possess the expertise to provide quality oversight for the Authority.

Duties:

- a) Monitor membership for openings on the Board and notify governing Boards of County Commissioners.
- b) Provide guidance and assistance to the Arenac and Bay County Commissions relative to potential candidates for Board openings based on Mental Health Code requirements including specific consumer requirements (primary and secondary), agencies and occupations having a working involvement with mental health services, general public, and compliance with limitations as defined in the Mental Health Code.
- c) Coordinate with designated person for the County Commissions to ensure candidate information is provided in a timely manner to meet commission schedule timelines for appointment of Board members.
- d) Recommend officer nominations to full Board for consideration at the annual meeting or in the event of an officer vacancy.

Membership:

The Committee is comprised of five (5) Board members elected by a majority of the full Board at the annual meeting in April, after all other elections and appointments, and excludes any ex-officio members. Non-voting participants may include the CEO or other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of meetings:

The Committee shall meet on an as needed basis to provide assistance to Arenac and Bay County Commissions in filling openings on the Board or to recommend officer candidates to the full Board.

XII. STANDING COMMITTEES

The Standing Committees of the Authority shall be as follows: Recipient Rights Advisory and Appeals Committee, Facilities and Safety Committee, Finance Committee, Bylaws Committee, Program Committee, Audit Committee, Personnel and Compensation Committee, Corporate Compliance Committee, and any other committees the Board Chair may deem necessary.

The Chair of the Board shall appoint each Board member to his/her standing committee assignments. Each Committee shall elect a Chair and Vice Chair after the April Board meeting each year. In the event neither the Committee Chair or Vice Chair are in attendance, the Board Chair or in his/her absence the Board Vice Chair, will select a chair pro-tem.

Each respective Committee shall perform such duties as prescribed in these Bylaws and/or by the Chair of the Board. Any scheduled Committee meetings may be canceled or rescheduled after consultation between the CEO and Committee Chair. The decisions to cancel or reschedule a meeting will be the responsibility of the Committee Chair.

A. Committee Descriptions

1. Finance Committee

Purpose:

Ensure the fiscal integrity of the organization through financial planning, budgeting, procurement, and investment activity.

Duties:

- a) Review and recommend for approval the Authority budget and any budget amendments.
- b) Review all forms of liability against the Authority.
- c) Review and recommend approval of all contracts proposed between the authority and service providers, vendors, or other contractors or subcontractors.
- d) Review all facility/building lease schedules of the Authority and recommend appropriate action.
- e) Review key measures and strategic initiatives related to financial services on a quarterly basis.
- f) Review and make recommendations to the full Board for the annual Strategic initiatives relative to financial services.

- g) Review and make recommendations to the full Board on agency plans required by the accrediting body and the MDHHS contract such as The Risk Management Plan

Membership:

The Committee is comprised of Board members. appointed by the Board Chair. Non-voting participants may include the CEO, CFO, and other staff members of subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of Meeting:

Monthly

2. Recipient Rights Advisory and Appeals Committee

Purpose:

To advise the Authority and its CEO on matters pertaining to protecting and promoting the rights of recipients of behavioral health and to ensure that the rights of persons served by the Authority are appropriately protected. To respond to recipient appeals in accordance with section 784 of the Mental Health Code (MCL 330.1784).

Duties:

- a) Protect the Authority's Office of Recipient Rights from pressures that could interfere with the impartial, even-handed, and thorough performance of its functions.
- b) When there is a vacancy for the Authority-designated Recipient Rights Officer, the Recipient Rights Committee will advise the CEO regarding replacement candidates.
- c) Consult with CEO regarding any proposed dismissal of the Recipient Rights Officer.
- d) Serve in an advisory capacity to the CEO and the Recipient Rights Officer.
- e) Review and provide comments on the report submitted by the CEO under section 755 of the Mental Health Code (MCL 330.1755).
- f) Serve as the Appeals Committee for a recipient's appeal under section 784 of the Mental Health Code.
- g) Respond to appeals as necessary and in accordance ~~to~~ with section 784 of the Mental Health Code.

- h) Review key measures for Recipient Rights operations.
- i) Review and make recommendations to the full Board on agency plans required by the accrediting body and the MDHHS contract such as The Accessibility Plan.

Membership:

The membership of the Committee shall be broadly based so as to best represent the varied perspectives of the Authority's geographical area. The Committee is comprised of Board members and consumers appointed by the Board Chair. The consumer appointments made by the Board Chair must comply with the consumer membership requirements per section 757 of the Mental Health Code (MCL 330.1757). At least three (3) of the members will be non-Board member appointments, each for three-year staggered terms. Non-voting participants may include the CEO, Recipient Rights Officer, subordinate staff to the Recipient Rights Officer, and/or other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of meetings:

Monthly and as necessary when the Recipient Rights Advisory and Appeals Committee Chair grants an appeal request pursuant to section 784 of the Mental Health Code.

3. Bylaws Committee

Purpose:

To ensure that Bylaws provide a structured process for the Board to operate and comply with laws, regulations, and parliamentary procedures.

Duties:

- a) Review Bylaws at least annually.
- b) Make recommendation to the full Board for revision to Bylaws as changes with external or internal policy, accreditation bodies or law occur.

Membership:

The Committee is comprised of Board members. appointed by the Board Chair. Non-voting participants include the CEO, CFO, and other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of meetings:

The Committee shall meet on an as needed basis in the second quarter of the calendar year to complete the annual bylaw review process as required in Section XXIII of the BABH Bylaws.

4. Program Committee

Purpose:

Ensure that services offered to persons meet the needs of the community within the limitations of resources available according to state and federal requirements.

Duties:

- a) Review components of annual submission.
- b) Review key measures and strategic initiatives for clinical services and health care improvement on a quarterly basis.
- c) Review and make recommendations to the full Board for the annual Strategic initiatives relative to clinical services and health care improvement.
- d) Review outcomes of stakeholder, employee, and consumer surveys.
- e) Review and make recommendations to the full Board on the Quality Assessment/Performance Improvement Plan and receive regular status reports.
- f) Review and make recommendations to the full Board relative to agency policies and procedures.
- g) Review performance of the Authority programs in relation to contracts for grant funds.
- h) Review community education and prevention activity.
- i) Review and support implementation of evidence-based practices.
- j) Receive information on promotion of recovery and self-determination.
- k) Review and make recommendations on requests for clinical privileges for Psychiatrists, Fully Licensed Psychologists, Nurse Practitioners, and Physician Assistants.
- l) Review and make recommendations to the full Board on agency plans required by the accrediting body and the Michigan Department of Health and Human Services contract such as The Infection Control Plan and the Medical Staff Plan

Membership:

The Committee is comprised of Board members appointed by the Board Chair. Non-voting participants include the CEO, and/or other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of meetings:

Monthly

5. Corporate Compliance Committee

Purpose:

To ensure the success of the Authority's Corporate Compliance Program by educating individuals on internal controls, regulations, and reporting procedures to minimize and uncover fraudulent practices with internal operations and external providers.

Duties:

- a) Review key measures reports for Corporate Compliance System, Medical/Electronic Health Records, Strategic Planning, and Information Systems on a quarterly basis.
- b) Review and make recommendations to the full Board on the annual Strategic Plan initiatives and bi-annual reports relative to Compliance and Information Systems.
- c) Oversee the Corporate Compliance Program by making recommendation to the full Board on the annual Corporate Compliance Plan and receiving regular reports of organizational activities to guard against fraud and abuse.
- d) Review the annual litigation report submitted to the Michigan Department of Health and Human Services.
- e) Review and make recommendations to the full Board on agency plans required by the accrediting body and the MDHHS contract such as The Information Management/Data Analytics Plan

Membership:

The Committee is comprised of Board members appointed by the Board Chair. Non-voting participants may include the CEO, Director of Health Care Accountability, and other staff members or subject matters experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity of meetings:

Quarterly beginning in February of each calendar year

6. Facilities & Safety Committee

Purpose:

Ensure that all physical plants meet safety standards and accommodate the needs of all Authority employees, Board members, visitors, and individuals receiving services.

Duties:

- a) Review and make recommendations to the full Board on any new facility/building leases or real property acquisitions proposed by administration.
- b) Oversight of improvement and major maintenance of properties used for administration or the delivery of services.
- c) Review and make recommendations to the full Board for the annual Strategic initiatives relative to physical plant needs and the safety and security of all BABH sites.
- d) Review key safety measures and strategic initiatives for physical plants on a quarterly basis.
- e) Review and make recommendations to the full Board on agency plans required by the accrediting body and the MDHHS contract such as The Emergency Preparedness Plan.

Membership:

The Committee is comprised of Board members appointed by the Board Chair. Non-voting participants include the CEO, CFO, and/or other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity: Quarterly beginning in March of each calendar year

7. Personnel and Compensation Committee

Purpose:

Ensure that the organization recruits and retains the highest quality staff within the confines of available funds.

Duties:

- a) Annually reviews and makes recommendations to the full Board for staff compensation and benefits.

- b) Reviews employment and vacancy trends.
- c) Negotiates contract with CEO and makes related recommendations to the full Board, and recruits new CEO as needed.
- d) Conduct the performance evaluation of the CEO and consult with the full board for feedback during this process.
- e) Reviews employment contracts and makes recommendations to the full Board.
- f) Reviews key measures and strategic initiatives for Training and Human Resources on a quarterly basis.
- g) Review and make recommendations to the full Board on agency plans required by the accrediting body and the MDHHS contract such as The Cultural Competency and Diversity Plan.

Committee Membership:

The Committee is comprised of Board members appointed by the Board Chair. Non-voting participants include the CEO, Human Resources Director, and/or other staff members or subject matter experts at the discretion of the Committee Chair.

Regularity:

Quarterly beginning in January of each calendar year

8. Audit Committee

Purpose: To ensure fiscal integrity of the organization through internal controls and practices up to and including inspection of disbursements, paid health care claims, and financial statements.

Duties:

- a) Review and make recommendations to the full Board on the disbursements and claims paid by the Authority each month.
- b) Review monthly financial statements including variances and make recommendations to the full Board
- c) Arrange for an annual independent audit Financial Statement Audit, and Compliance Audit for subsequent review and approval by the full Board.
- d) Review and make recommendations to the full Board on the electronic fund transfers made by the Authority each month.

Membership:

The Committee is comprised of Board members appointed by the Board Chair. Non-voting participants include the CEO, CFO, and/or other staff members or subject matter experts at the discretion of the Committee Chair in consultation with the CEO.

Regularity:

Monthly

XIII. Appointments by Board Chair

A. Parliamentarian

The Chair, during the April regular Board meeting, shall appoint a Board Parliamentarian to serve a term of one (1) year. The CEO will provide administrative and/or legal support as necessary to assist the Board in carrying out this function.

B. MidState Health Network (MSHN) Regional Board of Directors

The Chair shall appoint two (2) Board members meeting the criteria in Mental Health Code section 222 (MCL 330.1222) to serve on the MSHN regional Board of Directors for a period of three (3) years. At least one (1) Board member shall be a primary consumer or family member of a primary consumer as defined in the Mental Health Code. Pursuant to the MSHN Bylaws and MSHN Board Compensation Policy, per diems for the MSHN Regional Board members are paid directly to appointed Board members in an amount as established by MSHN.

C. Bay County Retirement Board of Trustees

The Chair shall appoint one (1) Board member to serve as the Authority representative to serve on the Bay County Retirement Board of trustees. This appointment must comply with Bay County Ordinance No. 35, Employees' Retirement System.

D. Community Mental Health Association of Michigan (CMHAM)

The Chair shall appoint two (2) Board members to serve as voting delegates when needed for the CMHAM Member Assembly Meetings.

E. MSHN Consumer Advisory Council

The Chair shall appoint up to three (3) representatives to serve on the MSHN Consumer Advisory Council. The appointed representatives will reflect the regional population served and include those living with intellectual/developmental disabilities, mental illness, substance use disorders, and serious emotional disturbance. Pursuant to the MSHN procedures, per diems for the MSHN Consumer Advisory Council members are paid directly to appointed Council members in an amount as established by MSHN.

F. RR Advisory & Appeals Non-Board Member Appointments

The Chair shall appoint three (3) non-Board member representatives, each with a three-year staggered term, to the Recipient Rights Advisory & Appeals Committee in accordance with

consumer membership requirements per section 757 of the Mental Health Code (MCL 330.1757).

XIV. MEETINGS OF THE AUTHORITY

A. Schedule of Regular Meetings

The Authority shall hold regular meetings each month. The location of the regular board meeting will alternate between the administrative offices of the Authority in Bay County, and the clinical services site in Arenac County, based on the board membership proportion as established in section IV A, or at such other times and places as the Board shall from time to time determine. Meetings will be called to order promptly at the posted time and conducted in accordance with the most recent edition of Robert's Rules of order and in compliance with the Open Meetings Act, 1976 PA 267. Monthly calendars containing the schedule of meetings shall be distributed electronically to each Board member. Any regular Board meetings may be canceled or rescheduled by a majority vote of the Board.

B. Special Meetings

Special meetings of the Board may be held at the call of the Chair, or in his absence, the Vice Chair, or by agreement by a majority of the Board members. The Open Meetings Act, 1976 PA 267, must be complied with in calling special meetings. The methods by which meetings may be called are as follows:

1. Oral or written request to the CEO by the Chair (or in his/her absence, the Vice Chair) who shall notify all Board members directly by phone, email, or in person.
OR
2. Written request to the CEO, signed by a majority of Board members, setting forth the date and purpose of such proposed special meeting.
OR
3. Except in the case of a direct notice by the Chair or, in his/her absence, the Vice Chair or, in his/her absence, his/her agent, all notices of special meetings shall be in writing and emailed to the Board members by a member of the staff, except where the request for such meetings waives the written notice.

C. Remote Participation

In accordance with the Open Meetings Act, 1976 PA 267, remote/virtual participation is only permitted for Board members during meetings who are active military per section 263a (MCL 15.236a). The Authority shall also consider requests from members of the public for remote

participation in meetings due to a disability in accordance with the Michigan Attorney General Opinion No. 7318 dated February 4, 2022.

D. Public Comment

All meetings of the Authority shall include time for public comment. The public will be permitted to address the Authority at the beginning of each meeting, directly following roll call on the agenda. Individuals who wish to address the Authority shall state their first and last name for the public record and limit comments to a maximum of ~~three (3)~~ five (5) minutes. Board members are not considered members of the public.

E. Electronic Meeting Procedure

All meetings of the Authority will utilize paperless electronic media to conduct official business. This will include portable computers or tablets and a monitor for the public's viewing where available. All meeting materials will be posted on the Authority website for public inspection. All meeting materials for regular full Board meetings will be available 24 hours before the scheduled meeting.

F. Electronic Communications

All electronic communications including emailing and texting are not permitted during a meeting of the Authority on matters that are scheduled for consideration by the Board. All electronic communications of a personal nature are discouraged during meetings of the Authority.

XV. QUORUM

Over half of the current Board members present shall constitute a quorum for transaction of Authority business. When the Board Chair or Vice Chair is not in attendance, those present shall select a chair pro-tem. Over half of the current committee shall constitute a quorum for committee meetings. Any board members participating remotely as permitted under the Open Meeting Act, 1976 PA 267, as amended, will be considered "present" for quorum and voting purposes.

XVI. VOTING PROCEDURES

All Board members are expected to participate in the regular Board and committee meetings including all actions under consideration for adoption. Unless otherwise specified in these Bylaws, a simple majority of the quorum members present during a duly constituted Board meeting is sufficient to approve an action under consideration. The method of voting on actions at Board or committee meetings will be done by voice; a roll call vote may also be used at the discretion of the chairperson or at request of a Board member.

XVII. CONFLICT OF INTEREST

All Board members and officer staff positions of the Authority are subject to federal and state conflict of interest statutes and regulations including, but not limited to 18 USC 207, 18 USC 208, and 1978 PA 566.

Board members are expected to recuse themselves from any question or action under consideration in which he/she has a direct personal or pecuniary interest not common to other members of the Board and/or as otherwise stipulated in applicable federal or state conflict of interest requirements.

If a Board member is an employee or independent contractor with an agency with which the Board is considering entering into a contract, the following criteria must be met pursuant to section 222(5) of the Mental Health Code (MCL 330.1222):

1. The Board member promptly discloses their interest in the contract to the Board
2. The contract must be approved by a vote of at least 2/3 of the membership of the Board excluding the vote of the Board member in question
3. The official minutes of the meeting approving the contract must note the contract details including, but not limited to, names of all parties and the terms of the contract and the nature of the Board member's conflict of interest

These requirements do not apply in context of a Board member serving on a regional entity established under section 222(6) of the Mental Health Code (MCL 330.1222).

XVIII. BOOKS AND RECORDS

The Authority shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors and its Committees having any of the authority of the Board of Directors. All books, records, and minutes of the Authority may be inspected by, or copies provided to the public in accordance with the Freedom of Information Act, 1976 PA 442, and the Open Meetings Act, 1976 PA 267.

XIX. BOARD MEMBER RECOGNITION

Board members who retire or pass away during tenure shall receive a plaque of recognition. Length of time served to which this rule would apply will be at the discretion of the Board members. The plaque will be presented to the retiring Board member or the family of the deceased Board member at a regular Board meeting.

XX. FISCAL YEAR

The fiscal year of the Authority shall be October 1 through September 30.

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

unpaid/volunteer Board member. A Board member selecting this option will forgo receiving per diems for meeting attendance but retains all other rights and privileges as a Board member.

A Board member may be reimbursed for necessary travel expenses to any approved meetings at the rate equal to the Internal Revenue Service (IRS) mileage reimbursement rate. This includes attendance at offsite conferences and events authorized by the Board Chair. Board members attending conferences will comply with the same requirements as all other employees related to appropriate expenses for accommodations, meals, incidental charges, and cancellation fees.

A Board member shall not receive more than one per diem or one meeting travel reimbursement per day regardless of the number of meetings scheduled by the Authority or Committee Chair for that day. A Board member shall be paid per diems for regular and special Board meetings, meetings of Standing Committees to which they are assigned by the Board Chair, and other business when requested by the CEO and authorized by the Board Chair. Board members may receive a per diem and mileage reimbursement for service on special committees authorized and appointed by the Board Chair.

Board members who attend meetings of committees of which they are not members may receive travel reimbursement and, if approved by the Board Chair, a per diem.

Requisition for payment of Board members per diem and travel reimbursements must be approved by the Board and signed by the Board Treasurer.

XXV. PROHIBITED AFFILIATIONS AND/OR EXCLUSION OR CONVICTION

The Authority will not knowingly hire or engage an individual, or other entity, or an affiliate who is suspended or excluded from participating in, or who is under sanctions by, any federal or state health care program, including without limitations Medicare or Medicaid, or debarred from any procurement activities under applicable Federal Acquisition Regulations or non-procurement activities under the regulations issued under Executive Order No. 12549, nor shall it have such an individual on its governing Board.

The Board members shall annually complete attestation forms and are responsible for disclosing any prohibited affiliations, exclusions, or convictions to administration when they arise.

Any conflicts between these Bylaws and state statutes, the state statute shall take precedent.

**BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY
POLICIES AND PROCEDURES MANUAL**

Chapter: 9	Information Management		
Section: 5	Technology Safeguards		
Topic: 10	Videoconferencing, recording, transcribing, and use of AI		
Page: 1 of 2	Supersedes Date: Pol: Proc:	Approval Date: Pol: Proc:	<hr/> <i>Board Chairperson Signature</i> <hr/> <i>Chief Executive Officer Signature</i>
Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 1/7/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.			

DO NOT WRITE IN SHADED AREA ABOVE

Policy

It is the policy of Bay-Arenac Behavioral Health Authority (BABHA) to have processes in place for safeguarding the creation, use, movement, reuse, storage, data backup, or disposal of recordings and/or transcriptions of recordings of videoconferencing meetings with or without the assistance of artificial intelligence (AI), generative AI, or generative AI technology.

Purpose

This policy and procedure is established to ensure that all use of software applications, or artificial intelligence, that stores or processes or has the potential to store or process confidential information, or protected health information (PHI), are-is governed by media controls that safeguard such information from unauthorized use and/or disclosure. In addition, this policy also provides additional protections for the privacy of BABHA’s employees using videoconferencing. The directives provided herein contemplate the privacy and security issues that arise during videoconferencing and recording and/or transcription of remote live meetings.

Education Applies to:

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
- Other:

**BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY
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DO NOT WRITE IN SHADED AREA ABOVE

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. Prusi	Corporate Compliance	09/10/2025	New	New policy that addresses the use of recording/transcribing/AI in videoconferencing.

CANCELLATION OF REQUEST FOR PROPOSAL

Notice of Intent to Award Number: 260000000197

for

Request for Proposal (RFP): 250000002670

Cancellation Date: January 29, 2026

The Department of Technology, Management, and Budget, Central Procurement Services has cancelled RFP 250000002670.

Per the RFP Proposal Instructions, Section 11 (b), Reservations, the State has elected to discontinue the RFP process, and no Award will be issued.

If you have any questions, please contact the Solicitation Manager at the contact information below.

Marissa Gove

GoveM1@michigan.gov

517-449-8952

1 **SEC. 6209. EXTENSION OF CERTAIN TELEHEALTH FLEXI-**
2 **BILITIES.**

3 (a) REMOVING GEOGRAPHIC REQUIREMENTS AND
4 EXPANDING ORIGINATING SITES FOR TELEHEALTH
5 SERVICES.—Section 1834(m) of the Social Security Act
6 (42 U.S.C. 1395m(m)) is amended—

7 (1) in paragraph (2)(B)(iii), by striking “end-
8 ing January 30, 2026” and inserting “ending De-
9 cember 31, 2027”; and

10 (2) in paragraph (4)(C)(iii), by striking “ending
11 on January 30, 2026” and inserting “ending on De-
12 cember 31, 2027”.

13 (b) EXPANDING PRACTITIONERS ELIGIBLE TO FUR-
14 NISH TELEHEALTH SERVICES.—Section 1834(m)(4)(E)
15 of the Social Security Act (42 U.S.C. 1395m(m)(4)(E))
16 is amended by striking “ending on January 30, 2026” and
17 inserting “ending on December 31, 2027”.

18 (c) EXTENDING TELEHEALTH SERVICES FOR FED-
19 ERALLY QUALIFIED HEALTH CENTERS AND RURAL
20 HEALTH CLINICS.—Section 1834(m)(8)(A) of the Social
21 Security Act (42 U.S.C. 1395m(m)(8)(A)) is amended by
22 striking “ending on January 30, 2026” and inserting
23 “ending on December 31, 2027”.

24 (d) DELAYING THE IN-PERSON REQUIREMENTS
25 UNDER MEDICARE FOR MENTAL HEALTH SERVICES

1 FURNISHED THROUGH TELEHEALTH AND TELE-
2 COMMUNICATIONS TECHNOLOGY.—

3 (1) DELAY IN REQUIREMENTS FOR MENTAL
4 HEALTH SERVICES FURNISHED THROUGH TELE-
5 HEALTH.—Section 1834(m)(7)(B)(i) of the Social
6 Security Act (42 U.S.C. 1395m(m)(7)(B)(i)) is
7 amended, in the matter preceding subclause (I), by
8 striking “on or after January 31, 2026” and insert-
9 ing “on or after January 1, 2028”.

10 (2) MENTAL HEALTH VISITS FURNISHED BY
11 RURAL HEALTH CLINICS.—Section 1834(y)(2) of the
12 Social Security Act (42 U.S.C. 1395m(y)(2)) is
13 amended by striking “January 31, 2026” and in-
14 serting “January 1, 2028”.

15 (3) MENTAL HEALTH VISITS FURNISHED BY
16 FEDERALLY QUALIFIED HEALTH CENTERS.—Section
17 1834(o)(4)(B) of the Social Security Act (42 U.S.C.
18 1395m(o)(4)(B)) is amended by striking “January
19 31, 2026” and inserting “January 1, 2028”.

20 (e) ALLOWING FOR THE FURNISHING OF AUDIO-
21 ONLY TELEHEALTH SERVICES.—Section 1834(m)(9) of
22 the Social Security Act (42 U.S.C. 1395m(m)(9)) is
23 amended by striking “ending on January 30, 2026” and
24 inserting “ending on December 31, 2027”.



FY27 Executive Budget Proposal

Specific Mental Health/Substance Abuse Services Line items

	<u>FY'25 (Final)</u>	<u>FY'26 (Final)</u>	<u>FY'27 (Exec Rec)</u>
-CMH Non-Medicaid services	\$125,578,200	\$125,578,200	\$125,578,200
-Medicaid Mental Health Services	\$3,387,066,600	\$3,188,847,900	\$3,667,513,800
-Medicaid Substance Abuse services	\$95,650,100	\$96,323,300	\$84,902,600
-State disability assistance program	\$2,018,800	\$2,018,800	\$2,018,800
-Community substance abuse (Prevention, education, and treatment programs)	\$79,626,200	\$79,207,900	\$79,221,100
-Health Homes Program	\$53,418,500	\$50,239,800	\$50,239,800
-Autism services	\$329,620,000	\$467,644,200	\$560,716,600
-Healthy MI Plan (Behavioral health)	\$527,784,600	\$438,267,500	\$525,256,200
-CCBHC	\$525,913,900	\$916,062,700	\$916,062,700
-Total Local Dollars	\$10,190,500	\$9,943,600	\$9,943,600

Other Highlights of the FY27 Executive Budget:

H.R. 1 Implementation

The Executive Budget includes funding to implement the requirements of H.R. 1. Signed on July 4, 2025, H.R. 1 introduces new eligibility requirements for recipients of Medicaid and the Supplemental Nutrition Assistance Program (SNAP). It also requires additional efforts by state agencies that administer those programs to achieve compliance. Accordingly, the Executive Budget provides new funding to increase capacity within local offices, bolster community engagement and outreach efforts, and enhance information technology capabilities. The intent of these efforts is to (1) help Michigan residents who are eligible to receive public assistance demonstrate compliance and maintain enrollment, and (2) enforce new eligibility requirements.

Proposed investments include:

- \$97 million (\$154.6 million general fund) to DHHS for H.R. 1 Implementation:
 - \$94.3 million (general fund), offset with a like reduction in federal revenue (net zero total) for SNAP administrative costs due to the state's required cost share increasing from 50% to 75% beginning in fiscal year 2027.
 - \$80.3 million for additional full-time employees (\$54.2 million general fund) to meet workload increases resulting from new requirements within H.R. 1. This investment includes an additional 589.0 FTEs for assistance payment workers, Office of Inspector General agents, departmental analysts, supervisors, and administrative assistants.
 - \$16.7 million to expand beneficiary support (\$6.1 million general fund) by increasing access to beneficiary help-line services and providing educational support on H.R. 1 changes. This includes a \$5 million federal grant from the Centers for Medicare and Medicaid Services (CMS), included in the FY26 supplemental proposal, to support costs related to Medicaid community engagement requirements.

Behavioral Health Facility and Capacity Expansions

The Executive Budget prioritizes needed investments in Michigan's behavioral health system. These investments include supplemental funding for the transition of staff, supplies, and materials to the Southeast Michigan State Psychiatric Hospital (SMSPH), a new facility that is currently under construction and expected to open in October 2026. The Executive Budget includes the following behavioral health facility and capacity expansion investments:

- \$7.9 million in supplemental funding and 53.8 FTEs to transfer staff and materials (general fund) from Walter Reuther Hospital to SMSPH. This will allow newly hired staff to shadow and receive necessary training from experienced caregivers transitioning from established facilities to the new hospital.
- \$72.2 million and 323.0 FTEs to begin operating SMSPH (\$65.8 million general fund), bringing 264 new beds online and increasing total statewide capacity by 54 beds (32 adult beds and 22 pediatric beds). This investment includes operational support and hiring staff to provide services at the facility.
- A net zero transfer of \$99.4 million and 584.2 FTEs (\$71 million general fund) from Walter Reuther to the SMSPH. This will transfer the entire Walter Reuther appropriation to SMSPH, as Walter Reuther will be closed following the scheduled opening of the new facility in October 2026.
- \$7.2 million (general fund) to support the following one-time investments: ∪ \$6 million for upgrades to the psychiatric hospitals' electronic medical and business records system to better manage patient data, ensure appropriate billing, and increase effective use of medication dispensing systems.
- \$1.2 million to purchase personal protection devices (PPDs) at Caro Regional Mental Health Center, Center for Forensic Psychiatry, and Kalamazoo Psychiatric Hospital (PPDs have already been purchased for SMSPH). PPDs are wearable, digital panic devices used to reduce violence in health care workplace settings and are expected to significantly increase staff and patient safety across the state hospital system.

- \$8.3 million in federal authorization for new psychiatric residential treatment facilities in Grand Rapids, Lansing, and Livonia that together are expected to bring 50 new transitional beds online. Psychiatric residential treatment facilities (PRTFs) provide short-term, intense, and focused mental health treatment to promote successful integration into the community. PRTFs function as a step-up from the community and as a step-down from state inpatient treatment.

Collectively, these investments intend to expand capacity, address aging infrastructure, and strengthen the state’s ability to deliver timely, clinically appropriate care.

Health Care Workforce

The Executive Budget pursues multiple strategies to strengthen Michigan’s health care workforce by addressing shortages and enhancing capacity. Direct care worker supports and minimum wage increases seek to improve recruitment and retention efforts by increasing compensation and benefits for frontline caregivers.

- \$258.4 million to support 2025 and 2026 direct care worker minimum wage increases (\$87.3 million general fund), which preserves \$3.40 per hour in increased wages received by workers over the past two years. Currently, federal American Rescue Plan (ARP) funds that expire at the end of FY26 support these increases. This investment backfills the lost ARP funds with general fund to continue drawing down federal Medicaid match dollars.
- \$69.5 million to support the 2027 direct care worker minimum wage increase of \$1.27 per hour (\$23.5 million general fund).
- \$24 million to provide sick leave for direct care workers consistent with Public Acts 338 and 369 of 2018 (\$8.1 million general fund). Nearly all employers, such as those employing members of the direct care workforce, are required to provide paid sick leave to eligible employees. This investment transitions the cost to general fund and Medicaid matching dollars, as time limited ARP funds currently support this requirement.
- \$10 million one-time investment to improve staffing levels in nursing homes (Civil Monetary Penalties). This aims to address chronic workforce shortages that impact the quality of care for residents in long-term care facilities. A recent CMS campaign increased the scope of eligible staffing projects that can be funded with Civil Monetary Penalties.

Medicaid Sustainability

The Executive Budget recognizes the need to bend the curve in Medicaid cost growth, while ensuring access to the necessary and quality care that one in four Michiganders depend on. As health care costs continue to increase at rates exceeding overall inflation, access to affordable care remains a growing concern for families across the nation. Mirroring national trends, Michigan Medicaid has seen significant cost growth in recent years, and it is more important than ever that the state strategically change the trajectory of health care expenditures, pursue new approaches and utilize existing tools to ensure the viability of its Medicaid program for years to come.

Michigan has incorporated a variety of strategies to curb Medicaid cost growth, while ensuring access to necessary and quality care, such as:

- Establishing provider partnerships whereby health care entities such as hospitals, health plans, skilled nursing facilities, and ambulance service providers pay into assessment programs to generate non-federal revenue.
- Implementation of policies, procedures, and technology solutions to increase program efficiencies.

The Governor's budget seeks to use the following funding streams and strategies to support the Michigan Medicaid program in the coming years:

- Tobacco Tax: forecast to generate \$232 million in FY27.
- Vape Tax: forecast to generate \$95 million in FY27 to be used for cancer prevention, smoking prevention, children's coordinated health care, and for the Medicaid Benefits Trust Fund.
- New internet tax rate on largest casinos: forecast to generate \$135.5 million in new tax revenue in FY27, with the majority going directly to the Medicaid Benefits Trust Fund.
- Per-Wager Sports Betting Tax: forecast to generate \$38.8 million for the Medicaid Benefits Trust Fund in FY27.
- Elimination of Free Play Deduction: eliminating this deduction is forecast to generate \$21.1 million for the Medicaid Benefits Trust Fund in FY27.
- Digital Advertising: the tax is forecast to generate \$282 million in FY27.
- **\$150 million in efficiency savings identified in collaboration with stakeholders to address costs, accountability and resource effectiveness while maintaining sustainability of services.**

**Bay-Arenac Behavioral Health
Financial Statements
For Period Ending 1/31/2026**

Certified for Accuracy

Signed by:

KARL WHITE

BD2643217AAC48F...

Accounting Manager

DocuSigned by:

Marci Rozek

324E508EALC04C0...

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

		<u>Jan 31, 2026</u>	<u>Sept 30, 2025</u>	
1	ASSETS			
2	<u>Current Assets</u>			
3	Cash and cash equivalents	\$4,475,203.96	\$4,977,204.09	
4	Consumer and insurance receivables	203,229.27	222,608.46	
5	Due from other governmental units	5,650,141.07	7,373,116.91	
6	Contract and other receivables	205,257.08	204,672.26	
7	Interest receivable	0.00	0.00	
8	Prepaid items	789,763.76	550,641.43	
9	Total Current Assets	11,323,595.14	13,328,243.15	(3+4+5+6+7+8)
10	Noncurrent Assets			
11	<u>Cash and cash Equivalents - restricted</u>			
12	Restricted for compensated absences	1,540,628.42	1,534,594.77	
13	Restricted temporarily - other	90,819.81	96,790.49	
14	Cash and Cash Equivalents - restricted	1,631,448.23	1,631,385.26	(12+13)
15	<u>Capital Assets</u>			
16	Capital assets - land	424,500.00	424,500.00	
17	Capital assets - depreciable, net	6,277,492.75	6,176,859.27	
18	Capital assets - construction in progress	-	-	
19	GASB 87 Right to Use Bldg	2,065,688.58	2,065,688.58	
20	GASB 87 Accum Depr, Lease Amortization	(723,744.92)	(723,744.92)	
21	Accumulated depreciation	(4,092,676.38)	(4,067,067.78)	
22	Capital Asset, net	3,951,260.03	3,876,235.15	(16+17+18+19+20+21)
23	Total Noncurrent Assets	5,582,708.26	5,507,620.41	(14+22)
24	TOTAL ASSETS	16,906,303.40	18,835,863.56	(9+23)
25	LIABILITIES			
26	<u>Current Liabilities</u>			
27	Accounts payable	0.00	4,326,957.12	
28	Accrued wages and payroll related liabilities	441,091.26	512,532.84	
29	Other accrued liabilities	3,678,814.20	839,704.41	
30	Due to other governmental units	236,844.18	185,683.11	
31	Deferred Revenue	3,798.13	3,948.13	
32	Current portion of long term debt	17,280.78	17,280.78	
33	Other current liabilities	-	-	
34	Total Current Liabilities	4,377,828.55	5,886,106.39	(27+28+29+30+31+32+33)
35	<u>Noncurrent Liabilities</u>			
36	Long term debt, net of current portion	207,109.44	212,854.20	
37	GASB 87 Noncurrent Lease Liability	1,209,473.08	1,209,473.08	
38	Compensated absences	1,339,206.28	1,587,891.24	
39	Total Noncurrent Liabilities	2,755,788.80	3,010,218.52	(36+37+38)
40	TOTAL LIABILITIES	7,133,617.35	8,896,324.91	(34+39)
41	NET ASSETS			
42	<u>Fund Balance</u>			
43	Restricted for capital purposes	3,966,653.00	3,966,653.00	
44	Unrestricted fund balance - PBIP	3,258,465.99	3,258,465.99	
45	Unrestricted fund balance	2,547,567.06	2,714,419.66	
46	Total Net Assets	\$9,772,686.05	\$9,939,538.65	(43+44+45) and (24-40)

Bay Arenac Behavioral Health
For the Month Ending January 31, 2026
Summary of All Units

	A	Column Identifiers			E	F	G
	January Actual	2026 YTD Actual	2026 YTD Budget	(C-D) Variance	(C / D) % to Budget	2026 Monthly Budget	

Income Statement

1	REVENUE						
2	Risk Contract Revenue						
3	Medicaid Specialty Supports & Services	4,882,516.60	18,786,159.29	19,159,872.00	(373,712.71)	98%	4,789,968.00
4	Medicaid Autism	1,308,106.27	4,966,229.71	3,868,963.00	1,097,266.71	128%	967,240.75
5	State Genl Fund Priority Population	135,504.00	542,018.00	542,018.00	0.00	100%	135,504.50
6	GF Shared Savings Lapse	0.00	0.00	0.00	0.00	0%	0.00
7	Total Risk Contract Revenue	6,326,126.87	24,294,407.00	23,570,853.00	723,554.00	103%	5,892,713.25 (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	37,634.43	136,195.77	130,044.67	6,151.10	105%	32,511.17
11	Total Program Service Revenue	37,634.43	136,195.77	130,044.67	6,151.10	105%	32,511.17 (9+10)
12	Other Revenue						
13	Grants and Earned Contracts	138,635.82	553,771.43	612,326.67	(58,555.24)	90%	153,081.67
14	SSI Reimbursements, 1st/3rd Party	10,008.50	26,216.00	24,608.00	1,608.00	107%	6,152.00
15	County Appropriation	65,587.83	262,351.32	262,351.50	(0.18)	100%	65,587.87
16	Interest Income - Working Capital	13,498.25	59,298.80	87,932.33	(28,633.53)	67%	21,983.08
17	Other Local Income	1,833.05	5,962.60	150,005.33	(144,042.73)	4%	37,501.33
18	Total Other Revenue	229,563.45	907,600.15	1,137,223.83	(229,623.68)	80%	284,305.96 (13+14+15+16+17)
19	TOTAL REVENUE	6,593,324.75	25,338,202.92	24,838,121.50	500,081.42	102%	6,209,530.37 (7+11+18)
20	EXPENSE						
21	SUPPORTS & SERVICES						
22	Provider Claims						
23	State Facility - Local portion	18,202.00	49,130.00	51,508.00	2,378.00	95%	12,877.00
24	Community Hospital	662,352.24	2,342,478.90	2,555,110.67	212,631.77	92%	638,777.67
25	Residential Services	1,460,449.60	5,638,665.09	4,908,029.67	(730,635.42)	115%	1,227,007.42
26	Community Supports	2,358,164.06	9,527,561.42	9,053,581.33	(473,980.09)	105%	2,263,395.33
27	Total Provider Claims	4,499,167.90	17,557,835.41	16,568,229.67	(989,605.74)	106%	4,142,057.42 (23+24+25+26)
28	Operating Expenses						
29	Salaries	1,361,939.35	4,918,462.56	4,939,272.00	20,809.44	100%	1,234,818.00
30	Fringe Benefits	407,971.49	1,605,294.70	1,623,641.67	18,346.97	99%	405,910.42
31	Consumer Related	943.81	14,158.36	8,250.67	(5,907.69)	172%	2,062.67
32	Program Operations	166,112.03	604,254.02	551,451.15	(52,802.87)	110%	137,862.79
33	Facility Cost	49,152.22	178,012.63	173,287.33	(4,725.30)	103%	43,321.83
34	Purchased Services	1,163.50	3,971.19	7,459.33	3,488.14	53%	1,864.83
35	Other Operating Expense	143,408.87	504,331.27	617,475.02	113,143.75	82%	154,368.75
36	Local Funds Contribution	17,906.00	71,624.00	71,622.33	(1.67)	100%	17,905.58
37	Interest Expense	590.03	2,383.08	2,563.33	180.25	93%	640.83
38	Depreciation	11,602.99	44,728.30	53,441.33	8,713.03	84%	13,360.33
39	Total Operating Expenses	2,160,790.29	7,947,220.11	8,048,464.16	101,244.05	99%	2,012,116.04 (29+30+31+32+33+34+35+36+37+38)
40	TOTAL EXPENSES	6,659,958.19	25,505,055.52	24,616,693.83	(888,361.69)	104%	6,154,173.46 (27+39)
41	NET SURPLUS/(DEFICIT)	(66,633.44)	(166,852.60)	221,427.67	(388,280.27)	-75%	55,356.92 (19-40)

Notes:

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:

BASED ON PEPM FUNDING:

Net Medicaid **(shortage)**: (\$2,976,379)
 Medicaid **(shortage)**: (\$310,970)
 Healthy Michigan **(shortage)**: (\$797,213)
 Autism **(shortage)**: (\$1,868,196)

BASED ON APPROVED BUDGET:

Net Medicaid **shortage**: (\$546,258)
 Medicaid **surplus**: \$331,696
 Healthy Michigan **surplus**: \$65,351
 Autism **(shortage)**: (\$943,305)

**BAY-ARENAC BEHAVIORAL HEALTH
RECONCILIATION OF FUND BALANCE
AS OF JANUARY 31, 2026**

	TOTALS
Fund Balance 09/30/2025	9,939,538.65
Net (loss)/income January 2026	(166,852.60)
Net Increase/(Decrease) Funds Restricted for Capital Purposes	-
Calculated Fund Balance 1/31/2026	9,772,686.05
Statement of Net Assets Fund Balance 1/31/2026	9,772,686.05
Difference	-

**BAY-ARENAC BEHAVIORAL HEALTH
RECONCILIATION OF UNRESTRICTED FUND BALANCE
AS OF JANUARY 31, 2026**

	<u>TOTALS</u>
Unrestricted Fund Balance 9/30/2025	5,972,885.65
Net (loss)/income January 2026	(166,852.60)
Increase/Decrease in net assets	-
Calculated Unrestricted Fund Balance 1/31/2026	5,806,033.05
Statement of Net Assets Unrestricted Fund Balance 1/31/2026	5,806,033.05
Difference	-

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

	Sept. 30, 2025 Unrestricted <u>Fund Balance</u>	Jan 31, 2026 Permanently <u>Restricted</u>	Jan 31, 2026 Temporarily <u>Restricted</u>	Jan 31, 2026 Unrestricted/ <u>Reserved</u>	Jan 31, 2026 Total <u>Fund Balance</u>
Unrestricted	2,714,420	-	-	2,547,567	2,547,567
Capital Purposes	844,325	-	-	844,325	844,325
Invested in Capital Assets	3,122,328	-	-	3,122,328	3,122,328
Performance Incentive Pool	3,258,466	-	-	3,258,466	3,258,466
Balances	<u>9,939,539</u>	<u>-</u>	<u>-</u>	<u>9,772,686</u>	<u>9,772,686</u>

**BAY-ARENAC BEHAVIORAL HEALTH
Cash Flow**

	<u>Feb 26</u>	<u>Mar 26</u>	<u>Apr 26</u>	<u>May 26</u>	<u>Jun 26</u>	<u>Jul 26</u>	<u>Aug 26</u>	<u>Sep 26</u>	<u>Oct 26</u>	<u>Nov 26</u>	<u>Dec 26</u>	<u>Jan 27</u>
Estimated Funds:												
Beginning Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Additions/(Subtractions)	-	-	-	-	-	-	-	-	-	-	-	-
Month End Inv. Balance	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Cash Balance	5,378,919	4,534,198	4,730,585	3,939,581	2,691,110	2,016,248	4,221,493	2,426,772	1,748,159	957,155	3,247,398	2,430,585
Total Medicaid	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258	5,190,258
Total General Fund	135,506	135,505	135,504	135,506	135,505	135,504	135,505	135,505	135,504	135,505	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	128,473	63,950	68,251
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	14,499	10,748	14,499	10,748	14,499	10,748	14,499	10,748	14,499	10,748	14,499	10,748
Total Estimated Cash	10,863,939	10,131,609	10,215,605	9,420,851	8,292,272	7,497,517	9,706,513	8,024,183	7,233,179	6,477,139	8,706,609	7,890,347
Total Estimated Available Funds	10,863,939	10,131,609	10,215,605	9,420,851	8,292,272	7,497,517	9,706,513	8,024,183	7,233,179	6,477,139	8,706,609	7,890,347
Estimated Expenditures:												
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					
1st Friday Claims	767,381	767,381	767,381	767,381	767,381	767,381	767,381	767,381	767,381	767,381	767,381	767,381
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	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266	1,382,266
Board Week Bay Batch	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989	1,023,989
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	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013	1,022,013
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		(875,000)				(3,000,000)				(3,500,000)		
Transfer to (from) HRA												
Transfer to (from) Investment												
Transfer to (from) Capital Acct												
Total Estimated Expenditures	6,329,741	5,401,024	6,276,024	6,729,741	6,276,024	3,276,024	7,279,741	6,276,024	6,276,024	3,229,741	6,276,024	6,276,024
Estimated Month End Cash Balance	4,534,198	4,730,585	3,939,581	2,691,110	2,016,248	4,221,493	2,426,772	1,748,159	957,155	3,247,398	2,430,585	1,614,323

Bay-Arenac Behavioral Health

Cash Flow Forecasting For the Month of February

	<u>Bank Balance</u>	<u>Investment Balance</u>
Estimated Cash Balance February 1, 2026	5,378,919	-
Investment Purchased/Interest	-	
Investments coming due during month	-	-
Estimated Cash Balance February 28, 2026	5,378,919	-
Estimated Cash Inflow:		
Medicaid Funds:	5,190,258	
General Fund Dollars:	135,506	
Board Receipts:	89,759	
Client Receipts:	55,000	
Funds from Investment:	-	
Interest:	14,499	
Total Estimated Cash Inflow:	5,485,022	
Estimated Cash Outflow:		
Payroll Dated: 02/13/26	(550,000)	
Payroll Dated: 02/27/26	(550,000)	
Board Per Diem Payroll: 02/20/26	(3,343)	
Payroll Dated:	-	
Claims Disbursements: 02/06/26	(767,381)	
Claims Disbursements: 02/13/26	(1,382,266)	
Claims Disbursements: 02/20/26	(975,000)	
A/P Disbursements: 02/20/26	(1,023,989)	
Mortgage Payment: 02/22/26	(2,032)	
Claims Disbursements: 02/27/26	(1,022,013)	
Claims Disbursements:	-	
Local FFP Payment: 02/13/26	(53,717)	
Transfer to Reserve Acct:	-	
HRA transfer:	-	
Transfer to(from) MSHN:	-	
Transfer to State of MI	-	
Purchased Investment	-	
Total Estimated Cash Outflow:	(6,329,741)	
Estimated Cash Balance on February 28, 2026	4,534,199	-
	0	-

Bay Arenac Behavioral Health
201 Mulholland, Bay City, MI 48708
Electronic Funds Transfers including Cash Transfers/Wires/ACHs
January 2026

Funds Paid from/ Transferred from:	Funds Paid to/ Transferred to:	Amount	Date of Payment	Description	Authorized By
Flagstar Bank	Huntington Nat'l Bank	4,294.17	1/2/2026	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Flagstar Bank	555,000.00	1/2/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	570,000.00	1/2/2026	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	8,432.99	1/5/2026	Credit Card Payment	Marci Rozek
Flagstar Bank	Flagstar Bank	20,000.00	1/5/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	140,000.00	1/7/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	649,131.28	1/8/2026	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	30,000.00	1/9/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	20,000.00	1/13/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	560,000.00	1/14/2026	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	4,294.17	1/15/2026	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	555,000.00	1/15/2026	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	2,619,566.44	1/15/2026	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	890,000.00	1/16/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	10,000.00	1/21/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	2,031.96	1/22/2026	Transfer from General Acct for Mortgage payment	Marci Rozek
Flagstar Bank	Flagstar Bank	310,000.00	1/23/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Flagstar Bank	1,217,568.35	1/23/2026	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	914,776.84	1/26/2026	Transfer Gross Amt of Accts Payable to Payable Acct	Marci Rozek
Flagstar Bank	Flagstar Bank	590,000.00	1/28/2026	Transfer from MMKT Account to General Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	4,294.17	1/29/2026	Transfer from General Account to Flex Spending Account	Marci Rozek
Flagstar Bank	Flagstar Bank	115,000.00	1/29/2026	Transfer from General Account to MMKT Account	Marci Rozek
Flagstar Bank	Huntington Nat'l Bank	585,000.00	1/29/2026	Transfer from General Account to Payroll Account	Marci Rozek
Flagstar Bank	Flagstar Bank	3,620,000.00	1/30/2026	Transfer from General Account to MMKT Account	Marci Rozek

Total Transfers: 13,994,390.37

DocuSigned by:

Marci Rozek

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
January 2026

<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	E9423	Bay Human Services, Inc.	357.67	1/2/2026	Marci Rozek
Flagstar Bank	E9424	HEALTHSOURCE	11,998.80	1/2/2026	Marci Rozek
Flagstar Bank	E9425	MPA GROUP NFP, Ltd.	1,643.59	1/2/2026	Marci Rozek
Flagstar Bank	E9426	SAGINAW PSYCHOLOGICAL SERVICES	12,576.26	1/2/2026	Marci Rozek
Flagstar Bank	E9427	DO-ALL, INC.	5,534.17	1/2/2026	Marci Rozek
Flagstar Bank	E9428	TOUCHSTONE SERVICES, INC	12,798.00	1/2/2026	Marci Rozek
Flagstar Bank	E9429	Winningham, Linda Jo	176.00	1/2/2026	Marci Rozek
Flagstar Bank	E9430	WILSON, STUART T. CPA, P.C.	76,939.39	1/2/2026	Marci Rozek
Flagstar Bank	E9431	GAME CHANGER PEDIATRIC THERAPY	51,034.50	1/2/2026	Marci Rozek
Flagstar Bank	E9432	ENCOMPASS THERAPY CENTER LLC	9,438.00	1/2/2026	Marci Rozek
Flagstar Bank	E9433	MERCY PLUS HEALTHCARE SERVICES LLC	60.00	1/2/2026	Marci Rozek
Flagstar Bank	E9434	HEALING WITH HEART	100.00	1/2/2026	Marci Rozek
Flagstar Bank	E9435	APS EMPLOYMENT SERVICES, INC	4,855.56	1/2/2026	Marci Rozek
Flagstar Bank	E9436	NETSOURCE ONE, INC.	50,662.56	1/2/2026	Marci Rozek
Flagstar Bank	E9437	RINGCENTRAL INC	302.57	1/2/2026	Marci Rozek
Flagstar Bank	E9438	UNITED PARCEL SERVICE	30.70	1/2/2026	Marci Rozek
Flagstar Bank	E9439	WEX BANK	3,889.50	1/2/2026	Marci Rozek
Flagstar Bank	E9440	AUGRES CARE CENTER, INC	3,842.14	1/9/2026	Marci Rozek
Flagstar Bank	E9441	HAVENWYCK HOSPITAL	41,369.24	1/9/2026	Marci Rozek
Flagstar Bank	E9442	CENTRAL STATE COMM. SERVICES	48.42	1/9/2026	Marci Rozek
Flagstar Bank	E9443	LIBERTY LIVING, INC.	67,145.81	1/9/2026	Marci Rozek
Flagstar Bank	E9444	SUPERIOR CARE OF MICHIGAN LLC	8,574.60	1/9/2026	Marci Rozek
Flagstar Bank	E9445	Closer to Home, LLC	16,767.44	1/9/2026	Marci Rozek
Flagstar Bank	E9446	HEALTHSOURCE	57,812.40	1/9/2026	Marci Rozek
Flagstar Bank	E9447	PHC OF MICHIGAN - HARBOR OAKS	36,960.00	1/9/2026	Marci Rozek
Flagstar Bank	E9448	MPA GROUP NFP, Ltd.	26,885.74	1/9/2026	Marci Rozek
Flagstar Bank	E9449	SAGINAW PSYCHOLOGICAL SERVICES	13,313.01	1/9/2026	Marci Rozek
Flagstar Bank	E9450	PARAMOUNT REHABILITATION	12,157.68	1/9/2026	Marci Rozek
Flagstar Bank	E9451	ARENAC OPPORTUNITIES, INC	19,936.50	1/9/2026	Marci Rozek
Flagstar Bank	E9452	DO-ALL, INC.	2,512.00	1/9/2026	Marci Rozek
Flagstar Bank	E9453	TOUCHSTONE SERVICES, INC	5,980.50	1/9/2026	Marci Rozek
Flagstar Bank	E9454	Winningham, Linda Jo	230.00	1/9/2026	Marci Rozek
Flagstar Bank	E9455	Nutrition for Wellness	1,442.40	1/9/2026	Marci Rozek
Flagstar Bank	E9456	WILSON, STUART T. CPA, P.C.	64,960.44	1/9/2026	Marci Rozek
Flagstar Bank	E9457	CAREBUILDERS AT HOME, LLC	15,583.55	1/9/2026	Marci Rozek
Flagstar Bank	E9458	AUTISM SYSTEMS LLC	7,407.00	1/9/2026	Marci Rozek
Flagstar Bank	E9459	CENTRIA HEALTHCARE LLC	43,491.00	1/9/2026	Marci Rozek
Flagstar Bank	E9460	PERSONAL ASSISTANCE OPTIONS INC	579.92	1/9/2026	Marci Rozek
Flagstar Bank	E9461	Flourish Services, LLL	69,815.82	1/9/2026	Marci Rozek
Flagstar Bank	E9462	GAME CHANGER PEDIATRIC THERAPY	17,857.50	1/9/2026	Marci Rozek
Flagstar Bank	E9463	Spectrum Autism Center	9,825.00	1/9/2026	Marci Rozek
Flagstar Bank	E9464	ENCOMPASS THERAPY CENTER LLC	22,808.16	1/9/2026	Marci Rozek
Flagstar Bank	E9465	APS EMPLOYMENT SERVICES, INC	4,095.76	1/9/2026	Marci Rozek
Flagstar Bank	E9466	PARAMOUNT CHILDRENS THERAPY CENTER INC	37,455.00	1/9/2026	Marci Rozek
Flagstar Bank	E9467	EYE MED	4,237.68	1/9/2026	Marci Rozek
Flagstar Bank	E9468	GORDON FOOD SERVICE	138.79	1/9/2026	Marci Rozek
Flagstar Bank	E9469	RINGCENTRAL INC	47.88	1/9/2026	Marci Rozek
Flagstar Bank	E9470	Yeo & Yeo Technology	162.00	1/9/2026	Marci Rozek
Flagstar Bank	E9471	BICKEL, MEREDITH	102.90	1/16/2026	Marci Rozek
Flagstar Bank	E9472	BINKLEY, CASEY	252.28	1/16/2026	Marci Rozek
Flagstar Bank	E9473	Bryan, Kelly	685.30	1/16/2026	Marci Rozek
Flagstar Bank	E9474	BURKE, EMILY	763.00	1/16/2026	Marci Rozek
Flagstar Bank	E9475	BYRNE, RICHARD	192.50	1/16/2026	Marci Rozek
Flagstar Bank	E9476	COOK, BRIANNA	115.50	1/16/2026	Marci Rozek
Flagstar Bank	E9477	Deshano, Jennifer	210.00	1/16/2026	Marci Rozek
Flagstar Bank	E9478	GRUSNICK, ASHLEE	137.20	1/16/2026	Marci Rozek
Flagstar Bank	E9479	VIAN, SUSAN	769.16	1/16/2026	Marci Rozek
Flagstar Bank	E9480	HECHT, KERENSA	105.00	1/16/2026	Marci Rozek
Flagstar Bank	E9481	HEWTTY, MARIA	219.10	1/16/2026	Marci Rozek
Flagstar Bank	E9482	Kohn, Jessica	145.60	1/16/2026	Marci Rozek
Flagstar Bank	E9483	Lemiesz, Rachel	702.41	1/16/2026	Marci Rozek
Flagstar Bank	E9484	LINDER, AMY	49.00	1/16/2026	Marci Rozek
Flagstar Bank	E9485	LUPCKE, TRACI	100.10	1/16/2026	Marci Rozek
Flagstar Bank	E9486	Niemiec, Kathleen	63.00	1/16/2026	Marci Rozek
Flagstar Bank	E9487	NIX, HEATHER	31.50	1/16/2026	Marci Rozek
Flagstar Bank	E9488	O'BRIEN, CAROLE	88.20	1/16/2026	Marci Rozek
Flagstar Bank	E9489	Rechsteiner, Elise	108.64	1/16/2026	Marci Rozek
Flagstar Bank	E9490	RICKER, AMY	424.90	1/16/2026	Marci Rozek

Flagstar Bank	E9491	Sahr, Brianna	8.12	1/16/2026	Marci Rozek
Flagstar Bank	E9492	Schumacher, Pamela	38.64	1/16/2026	Marci Rozek
Flagstar Bank	E9493	STONE, JENNIFER	195.30	1/16/2026	Marci Rozek
Flagstar Bank	E9494	Strode, Eric	19.75	1/16/2026	Marci Rozek
Flagstar Bank	E9495	Trout, Amber	252.00	1/16/2026	Marci Rozek
Flagstar Bank	E9496	Truhn, Emelia	323.31	1/16/2026	Marci Rozek
Flagstar Bank	E9497	VanWert, Laurie	50.60	1/16/2026	Marci Rozek
Flagstar Bank	E9498	VASCONCELOS, FLAVIA	297.29	1/16/2026	Marci Rozek
Flagstar Bank	E9499	VOGEL, HOLLI	178.10	1/16/2026	Marci Rozek
Flagstar Bank	E9500	WATSON, MELODY	291.90	1/16/2026	Marci Rozek
Flagstar Bank	E9501	WELLS, JORDAN	428.40	1/16/2026	Marci Rozek
Flagstar Bank	E9502	HOPE NETWORK BEHAVIORAL HEALTH	39,347.00	1/16/2026	Marci Rozek
Flagstar Bank	E9503	Hope Network Southeast	132,492.35	1/16/2026	Marci Rozek
Flagstar Bank	E9504	BEACON SPECIALIZED LIVING SVS	9,610.00	1/16/2026	Marci Rozek
Flagstar Bank	E9505	Bay Human Services, Inc.	374,046.10	1/16/2026	Marci Rozek
Flagstar Bank	E9506	MICHIGAN COMMUNITY SERVICES IN	288,607.87	1/16/2026	Marci Rozek
Flagstar Bank	E9507	CENTRAL STATE COMM. SERVICES	28,296.11	1/16/2026	Marci Rozek
Flagstar Bank	E9508	VALLEY RESIDENTIAL SERVICES	117,339.10	1/16/2026	Marci Rozek
Flagstar Bank	E9509	LIBERTY LIVING, INC.	32,843.07	1/16/2026	Marci Rozek
Flagstar Bank	E9510	HEALTHSOURCE	2,000.00	1/16/2026	Marci Rozek
Flagstar Bank	E9511	PHC OF MICHIGAN - HARBOR OAKS	9,680.00	1/16/2026	Marci Rozek
Flagstar Bank	E9512	MPA GROUP NFP, Ltd.	16,692.02	1/16/2026	Marci Rozek
Flagstar Bank	E9513	LIST PSYCHOLOGICAL SERVICES	2,429.43	1/16/2026	Marci Rozek
Flagstar Bank	E9514	SAGINAW PSYCHOLOGICAL SERVICES	21,860.84	1/16/2026	Marci Rozek
Flagstar Bank	E9515	ARENAC OPPORTUNITIES, INC	1,395.00	1/16/2026	Marci Rozek
Flagstar Bank	E9516	DO-ALL, INC.	2,767.80	1/16/2026	Marci Rozek
Flagstar Bank	E9517	New Dimensions	13,939.06	1/16/2026	Marci Rozek
Flagstar Bank	E9518	TOUCHSTONE SERVICES, INC	6,685.25	1/16/2026	Marci Rozek
Flagstar Bank	E9519	Nutrition for Wellness	978.10	1/16/2026	Marci Rozek
Flagstar Bank	E9520	WILSON, STUART T. CPA, P.C.	77,502.14	1/16/2026	Marci Rozek
Flagstar Bank	E9521	CAREBUILDERS AT HOME, LLC	30,667.22	1/16/2026	Marci Rozek
Flagstar Bank	E9522	CENTRIA HEALTHCARE LLC	102,119.92	1/16/2026	Marci Rozek
Flagstar Bank	E9523	PERSONAL ASSISTANCE OPTIONS INC	118.62	1/16/2026	Marci Rozek
Flagstar Bank	E9524	Flourish Services, LLL	16,919.88	1/16/2026	Marci Rozek
Flagstar Bank	E9525	GAME CHANGER PEDIATRIC THERAPY	27,406.00	1/16/2026	Marci Rozek
Flagstar Bank	E9526	Spectrum Autism Center	18,132.00	1/16/2026	Marci Rozek
Flagstar Bank	E9527	ENCOMPASS THERAPY CENTER LLC	84,953.80	1/16/2026	Marci Rozek
Flagstar Bank	E9528	MERCY PLUS HEALTHCARE SERVICES LLC	19,839.02	1/16/2026	Marci Rozek
Flagstar Bank	E9529	NOBLE PATHWAY PEDIATRIC THERAPY	3,168.00	1/16/2026	Marci Rozek
Flagstar Bank	E9530	HEALING WITH HEART	100.00	1/16/2026	Marci Rozek
Flagstar Bank	E9531	BAY CITY CRU	6,250.00	1/16/2026	Marci Rozek
Flagstar Bank	E9532	WESTWOOD SPECIALIZED RESIDENTIAL	25,521.72	1/16/2026	Marci Rozek
Flagstar Bank	E9533	MAXIM HEALTHCARE SEVICES, INC.	27,932.80	1/16/2026	Marci Rozek
Flagstar Bank	E9534	APS EMPLOYMENT SERVICES, INC	4,895.96	1/16/2026	Marci Rozek
Flagstar Bank	E9535	MONTCLAIR SPECIALIZED RESIDENTIAL LLC	35,890.56	1/16/2026	Marci Rozek
Flagstar Bank	E9536	PARAMOUNT CHILDRENS THERAPY CENTER INC	8,556.00	1/16/2026	Marci Rozek
Flagstar Bank	E9537	KEITH SPECIALIZED RESIDENTIAL SERVICES LL	78,105.12	1/16/2026	Marci Rozek
Flagstar Bank	E9538	SAGINAW PSYCHOLOGICAL SERVICES	341.00	1/16/2026	Marci Rozek
Flagstar Bank	E9539	DO-ALL, INC.	67,528.00	1/16/2026	Marci Rozek
Flagstar Bank	E9540	BAY CITY CRU	98,458.00	1/16/2026	Marci Rozek
Flagstar Bank	E9541	AZZ CLEANING & RESTORATION INC.	3,092.00	1/16/2026	Marci Rozek
Flagstar Bank	E9542	Applied Innovation	33.85	1/16/2026	Marci Rozek
Flagstar Bank	E9543	Clean Team, Inc.	1,950.00	1/16/2026	Marci Rozek
Flagstar Bank	E9544	ENTERPRISE FM TRUST	7,312.76	1/16/2026	Marci Rozek
Flagstar Bank	E9545	ERGOMED PRODUCTS, INC.	202.00	1/16/2026	Marci Rozek
Flagstar Bank	E9546	FLEX ADMINISTRATORS INC	419.35	1/16/2026	Marci Rozek
Flagstar Bank	E9547	HAMPTON AUTO REPAIR	117.74	1/16/2026	Marci Rozek
Flagstar Bank	E9548	HEWTTY, MARIA	15.00	1/16/2026	Marci Rozek
Flagstar Bank	E9549	HOSPITAL PSYCHIATRY PLLC	50,916.67	1/16/2026	Marci Rozek
Flagstar Bank	E9550	Iris Telehealth Medical Group, PA	67,360.00	1/16/2026	Marci Rozek
Flagstar Bank	E9551	KING COMMUNICATIONS	187.75	1/16/2026	Marci Rozek
Flagstar Bank	E9552	LIBERTY LIVING, INC.	1,080.50	1/16/2026	Marci Rozek
Flagstar Bank	E9553	McCoy Heating and Cooling	135.00	1/16/2026	Marci Rozek
Flagstar Bank	E9554	MICHIGAN MEDICAL AND REHABILITATION SUPP	528.94	1/16/2026	Marci Rozek
Flagstar Bank	E9555	Moduform, Inc.	569.46	1/16/2026	Marci Rozek
Flagstar Bank	E9556	NETSOURCE ONE, INC.	34,730.32	1/16/2026	Marci Rozek
Flagstar Bank	E9557	PETER CHANG ENTERPRISES, INC.	23,303.52	1/16/2026	Marci Rozek
Flagstar Bank	E9558	PRO-SCAPE, INC.	1,125.00	1/16/2026	Marci Rozek
Flagstar Bank	E9559	VANWORMER, PAMELA	120.00	1/16/2026	Marci Rozek
Flagstar Bank	E9560	VASCONCELOS, FLAVIA	49.00	1/16/2026	Marci Rozek
Flagstar Bank	E9561	V.O.I.C.E., INC.	300.00	1/16/2026	Marci Rozek
Flagstar Bank	E9562	Walgreen Co	1,863.79	1/16/2026	Marci Rozek
Flagstar Bank	E9563	Waystar Health - ZirMed, Inc.	227.28	1/16/2026	Marci Rozek
Flagstar Bank	E9564	Yeo & Yeo Technology	10,000.00	1/16/2026	Marci Rozek
Flagstar Bank	E9565	Staples	2,932.96	1/16/2026	Marci Rozek
Flagstar Bank	E9566	APS EMPLOYMENT SERVICES, INC	263.60	1/23/2026	Marci Rozek
Flagstar Bank	E9567	MOVVA, USHA	13,900.00	1/23/2026	Marci Rozek
Flagstar Bank	E9568	SHRED EXPERTS LLC	733.50	1/23/2026	Marci Rozek

Flagstar Bank	E9569	YEO & YEO CPAs & BUSINESS CONS	4,300.00	1/23/2026	Marci Rozek
Flagstar Bank	E9570	ZOOM VIDEO COMMUNICATIONS INC	720.79	1/23/2026	Marci Rozek
Flagstar Bank	E9571	Fitzhugh House, LLC	11,207.58	1/23/2026	Marci Rozek
Flagstar Bank	E9572	Bay Human Services, Inc.	107,283.97	1/23/2026	Marci Rozek
Flagstar Bank	E9573	MICHIGAN COMMUNITY SERVICES IN	69,475.84	1/23/2026	Marci Rozek
Flagstar Bank	E9574	VALLEY RESIDENTIAL SERVICES	1,017.72	1/23/2026	Marci Rozek
Flagstar Bank	E9575	LIBERTY LIVING, INC.	33,468.19	1/23/2026	Marci Rozek
Flagstar Bank	E9576	HEALTHSOURCE	10,908.00	1/23/2026	Marci Rozek
Flagstar Bank	E9577	FOREST VIEW HOSPITAL	8,976.00	1/23/2026	Marci Rozek
Flagstar Bank	E9578	MPA GROUP NFP, Ltd.	19,450.68	1/23/2026	Marci Rozek
Flagstar Bank	E9579	LIST PSYCHOLOGICAL SERVICES	3,345.54	1/23/2026	Marci Rozek
Flagstar Bank	E9580	SAGINAW PSYCHOLOGICAL SERVICES	18,952.64	1/23/2026	Marci Rozek
Flagstar Bank	E9581	PARAMOUNT REHABILITATION	7,108.72	1/23/2026	Marci Rozek
Flagstar Bank	E9582	ARENAC OPPORTUNITIES, INC	6,991.31	1/23/2026	Marci Rozek
Flagstar Bank	E9583	DO-ALL, INC.	5,138.71	1/23/2026	Marci Rozek
Flagstar Bank	E9584	New Dimensions	2,836.44	1/23/2026	Marci Rozek
Flagstar Bank	E9585	TOUCHSTONE SERVICES, INC	10,881.00	1/23/2026	Marci Rozek
Flagstar Bank	E9586	Winningham, Linda Jo	2,483.00	1/23/2026	Marci Rozek
Flagstar Bank	E9587	Nutrition for Wellness	526.40	1/23/2026	Marci Rozek
Flagstar Bank	E9588	WILSON, STUART T. CPA, P.C.	94,539.83	1/23/2026	Marci Rozek
Flagstar Bank	E9589	CAREBUILDERS AT HOME, LLC	7,275.36	1/23/2026	Marci Rozek
Flagstar Bank	E9590	CENTRIA HEALTHCARE LLC	96,738.00	1/23/2026	Marci Rozek
Flagstar Bank	E9591	Flourish Services, LLL	32,678.94	1/23/2026	Marci Rozek
Flagstar Bank	E9592	GAME CHANGER PEDIATRIC THERAPY	42,704.00	1/23/2026	Marci Rozek
Flagstar Bank	E9593	Spectrum Autism Center	33,636.00	1/23/2026	Marci Rozek
Flagstar Bank	E9594	ENCOMPASS THERAPY CENTER LLC	75,001.38	1/23/2026	Marci Rozek
Flagstar Bank	E9595	MERCY PLUS HEALTHCARE SERVICES LLC	65,961.63	1/23/2026	Marci Rozek
Flagstar Bank	E9596	Positive Behavior Supports Corporation	2,053.97	1/23/2026	Marci Rozek
Flagstar Bank	E9597	NOBLE PATHWAY PEDIATRIC THERAPY	7,782.00	1/23/2026	Marci Rozek
Flagstar Bank	E9598	AUTISM AND NEURODIVERSITY SERVICES LLC	720.00	1/23/2026	Marci Rozek
Flagstar Bank	E9599	BAY CITY CRU	11,250.00	1/23/2026	Marci Rozek
Flagstar Bank	E9600	APS EMPLOYMENT SERVICES, INC	4,110.48	1/23/2026	Marci Rozek
Flagstar Bank	E9601	CMH FOR CENTRAL MICHIGAN	850.04	1/23/2026	Marci Rozek
Flagstar Bank	E9602	Fitzhugh House, LLC	21,565.32	1/23/2026	Marci Rozek
Flagstar Bank	E9603	MICHIGAN COMMUNITY SERVICES IN	1,637.84	1/23/2026	Marci Rozek
Flagstar Bank	E9604	CENTRAL STATE COMM. SERVICES	106.46	1/23/2026	Marci Rozek
Flagstar Bank	E9605	LIBERTY LIVING, INC.	33,226.69	1/23/2026	Marci Rozek
Flagstar Bank	E9606	HEALTHSOURCE	120,915.20	1/23/2026	Marci Rozek
Flagstar Bank	E9607	MPA GROUP NFP, Ltd.	32,147.31	1/23/2026	Marci Rozek
Flagstar Bank	E9608	LIST PSYCHOLOGICAL SERVICES	2,110.62	1/23/2026	Marci Rozek
Flagstar Bank	E9609	SAGINAW PSYCHOLOGICAL SERVICES	33,867.86	1/23/2026	Marci Rozek
Flagstar Bank	E9610	PARAMOUNT REHABILITATION	5,091.76	1/23/2026	Marci Rozek
Flagstar Bank	E9611	ARENAC OPPORTUNITIES, INC	7,279.50	1/23/2026	Marci Rozek
Flagstar Bank	E9612	DO-ALL, INC.	5,019.34	1/23/2026	Marci Rozek
Flagstar Bank	E9613	New Dimensions	6,697.46	1/23/2026	Marci Rozek
Flagstar Bank	E9614	TOUCHSTONE SERVICES, INC	8,478.00	1/23/2026	Marci Rozek
Flagstar Bank	E9615	Winningham, Linda Jo	692.00	1/23/2026	Marci Rozek
Flagstar Bank	E9616	Nutrition for Wellness	1,109.20	1/23/2026	Marci Rozek
Flagstar Bank	E9617	WILSON, STUART T. CPA, P.C.	14,627.87	1/23/2026	Marci Rozek
Flagstar Bank	E9618	CAREBUILDERS AT HOME, LLC	15,486.21	1/23/2026	Marci Rozek
Flagstar Bank	E9619	AUTISM SYSTEMS LLC	3,543.50	1/23/2026	Marci Rozek
Flagstar Bank	E9620	CENTRIA HEALTHCARE LLC	43,381.50	1/23/2026	Marci Rozek
Flagstar Bank	E9621	Flourish Services, LLL	32,532.60	1/23/2026	Marci Rozek
Flagstar Bank	E9622	GAME CHANGER PEDIATRIC THERAPY	48,727.50	1/23/2026	Marci Rozek
Flagstar Bank	E9623	Spectrum Autism Center	29,956.50	1/23/2026	Marci Rozek
Flagstar Bank	E9624	ENCOMPASS THERAPY CENTER LLC	70,903.38	1/23/2026	Marci Rozek
Flagstar Bank	E9625	MERCY PLUS HEALTHCARE SERVICES LLC	32,520.83	1/23/2026	Marci Rozek
Flagstar Bank	E9626	Positive Behavior Supports Corporation	16,693.08	1/23/2026	Marci Rozek
Flagstar Bank	E9627	HEALING WITH HEART	300.00	1/23/2026	Marci Rozek
Flagstar Bank	E9628	BAY CITY CRU	11,250.00	1/23/2026	Marci Rozek
Flagstar Bank	E9629	APS EMPLOYMENT SERVICES, INC	5,013.90	1/23/2026	Marci Rozek
Flagstar Bank	E9630	PARAMOUNT CHILDRENS THERAPY CENTER INC	35,793.00	1/23/2026	Marci Rozek
Flagstar Bank	E9631	ARENAC OPPORTUNITIES, INC	4,858.50	1/30/2026	Marci Rozek
Flagstar Bank	E9632	DO-ALL, INC.	12,438.38	1/30/2026	Marci Rozek
Flagstar Bank	E9633	Castillo, Mariah	658.00	1/30/2026	Marci Rozek
Flagstar Bank	E9634	EYE MED	2,115.68	1/30/2026	Marci Rozek
Flagstar Bank	E9635	NETSOURCE ONE, INC.	1,492.00	1/30/2026	Marci Rozek
Flagstar Bank	E9636	PETER CHANG ENTERPRISES, INC.	23,307.32	1/30/2026	Marci Rozek
Flagstar Bank	E9637	TELNET WORLDWIDE, INC.	788.58	1/30/2026	Marci Rozek
Flagstar Bank	E9638	WEX BANK	2,976.02	1/30/2026	Marci Rozek
Flagstar Bank	E9639	New Dimensions	6,873.52	1/30/2026	Marci Rozek

Total Withdrawals:

4,418,630.79

DocuSigned by:

Marci Rozek

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



February 16, 2026

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

1/16/26 Checks Sequence: #102288-102413, ACH E9471-E9709

Employee travel, conference	\$ 9,485.80
Purchase Order Invoices	\$ 2,932.96
Invoices for Routine Maintenance, purchase requisitions, & recurring	\$ 755,587.62

SUBTOTAL - Monthly Batch \$ 768,006.38

ITEMS FOR REVIEW:

EFT transfer - Credit Card 02/06/2026 \$ 16,286.20

Weekly Special Checks:

01/23/2026 Checks 102359-102365, E9566-E9570	\$ 27,914.06
01/30/2026 Checks 102377-102383, E9631-E9638	\$ 69,283.61
02/06/2026 Checks 102390-102394, E9664-E9666	\$ 27,004.46
02/13/2026 Checks 102402-102413, E9708-E9709	\$ 393,517.97

SUBTOTAL - Special Checks \$ 517,720.10

Health Care payments

01/16/26 Checks 102301-102304, ACH Pmts E9502-E9537	\$ 1,851,091.40
01/23/26 Checks 102366-102372, ACH Pmts E9571-E9600	\$ 1,181,417.23
01/30/26 Checks 102373-102376, ACH Pmts E9601-E9630	\$ 740,274.81
02/06/26 Checks 102384-102389, ACH Pmts E9640-E9666	\$ 626,701.41
02/13/26 Checks 102395-102401, ACH Pmts E9668-E9707	\$ 1,755,914.21

SUBTOTAL - Health Care Payments \$ 6,155,399.06

TOTAL DISBURSEMENTS \$ 7,457,411.74

Signed by: *KARL WHITE*
 Prepared by: _____

Signed by: *Michele Perry*
 Reviewed by: _____

**Bay-Arenac Behavioral Health
Board of Directors Meeting
Summary of Proposed Contracts (Not Approved at Finance Committee Meeting)
2/19/2026**

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Low/Mod/High)
SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES						
Clinical Services						
1	M	Arenac Opportunities, Inc. Contract Amendment for approval of Management Agreement for the transition period of services between AOI and Do-All, Inc.	\$0	\$0	2/16/26 - 4/30/26	Y N
2	M	Iris Telehealth - Dr. Andrew Lister* Adult Psychiatrist - 40 hours/week (Madison & Arenac Center)	\$0	\$230/hour	TBD - ongoing	Y N
3	M	Do-All, Inc. Addition of CLS rates for individuals served in Arenac County	\$0	H2014 A6 - \$7.75/unit H2015 - \$7.75/unit	2/10/26 - 9/30/26	Y N
Admin/Other Services						
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)						
4	N	Tuscola Behavioral Health Systems Second Opinion - Autism Developmental Testing	\$0	Test Administration (first hour) - \$1,901.50 Test Administration (each addl. 30 mins) - \$950.75	2/18/26 - 2/28/26	Y N/A
SECTION III. STATE OF MICHIGAN OR MSHN GRANT CONTRACTS						
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL						

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:

* Dr. Andrew Lister's official start date is dependent upon credentialing. The target start date is 5/18/26. The agreement is ongoing as it auto-renews.

March 2026

BABHA Board of Directors

March 2026

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				

April 2026

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		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 1	2	3	4 5:00pm Special Nomination Committee	5 5:00pm Facilities & Safety Committee	6	7
8	9 5:00pm Recipient Rights Advisory & Appeals Committee	10	11 5:00pm Finance Committee	12 5:00pm Program Committee	13	14
15	16 5:00pm Audit Committee	17 Saint Patrick's Day	18	19 5:00pm REGULAR BOARD MEETING	20	21
22	23	24	25	26	27	28
29	30	31	Apr 1	2	3	4



Corporate Compliance Plan

~~2025~~2026

APPROVALS

Corporate Compliance Committee: 1/15/25

Strategic Leadership Team: 1/28/25

Leadership Team: 2/4/25

Board Corporate Compliance Committee: 2/6/25

Full Board Approval Date: 2/20/25

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Statement of Purpose

It is the policy of the Bay Arenac Behavioral Health Authority (BABHA) Board of Directors to have a Corporate Compliance (CC) Plan in effect, as stated in BABHA policy and procedure C13-S02-T18 Corporate Compliance Plan. The CC Plan is in place to guard against fraud and abuse, and to ensure that appropriate ethical and legal business standards and practices are maintained and enforced throughout BABHA¹.

The BABHA Corporate Compliance Plan ensures the integrity of the system in which BABHA operates and the culture in which it is served is maintained at the highest standards of excellence, with a focus on business and professional standards of conduct compliant with federal, state and local laws, including confidentiality, compliance with reporting obligations to the federal and state government, and promotion of good corporate citizenship, prevention and early detection of misconduct.²

The BABHA Corporate Compliance Plan is reviewed and updated annually.

Definitions

Abuse: Practices that are inconsistent with sound fiscal, business or medical practices and result in an unnecessary cost to the payor, or in reimbursement for services that are not medically necessary or failure to meet professionally recognized standards for healthcare.

Contracted Service Provider means an individual who has a contractual agreement with BABHA to provide behavioral health clinical or administrative goods or services to BABHA or its consumers, or an organization with such a contract.

CEO means Chief Executive Officer of Bay-Arenac Behavioral Health Authority.

CC is an abbreviation for Corporate Compliance.

CCO or CC Officer means Corporate Compliance Officer.

Fraud: An intentional deception or misrepresentation by a person that could result in unauthorized benefit to him/herself or some other person. Includes any act that constitutes fraud under applicable Federal or State laws.

Individual Practitioner means a licensed professional engaged with BABHA through either an employment contract or as a Contracted Service Provider, providing health care services for consumers consistent with their licensure.

Privacy Officer means the individual assigned the responsibility for overseeing the ongoing development of privacy related operations.

PHI is an abbreviation for Protected Health Information, which is comprised of several types of confidential consumer treatment information which is defined as protected under the Healthcare Improvement Portability and Accountability Act.

Security Officer means the individual assigned the responsibility for overseeing the ongoing development and management of security related technological operations.

¹ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)

² CARF Standards: Section 1 Aspire to Excellence: E Legal Requirements: Standard 1

Waste: Overutilization of services, or other practices that result in unnecessary costs. Generally, considered not caused by criminally negligent actions, but rather the misuse of resources.

Policies, Procedures, Standards of Conduct

BABHA has established written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with applicable Federal and State standards, including but not limited to the False Claims Act (31 USC 3729-3733, the elimination of fraud and abuse in Medicaid provisions of the Deficit Reduction Act of 2005; the Michigan Medicaid False Claims Act (PA 72 of 1977, as amended by PA 337 of 2005), the Michigan Whistleblowers Protection Act (PA 469 of 1980) and the federal Whistleblower Protection Act of 1989, 5 U.S.C. 2302(b)(8)-(9).³

The policies have been approved by the BABHA Board of Directors in accord with Federal Program Integrity requirements, the MI Dep't of Health and Human Services Medicaid Manual and the Medicaid Managed Specialty Supports and Services Contract.

Regulatory Compliance

BABHA maintains a list of Federal and State laws and regulations, and contractual requirements with which the organization must comply (see attachments). The list is maintained on the BABHA group drive by the CCO. The BABHA Corporate Compliance Committee has a regular monitoring process for review and disposition of new and changing regulatory requirements. The membership of the BABH Corporate Compliance Committee facilitates communications and preparations for compliance with new and revised regulatory and contractual requirements. The Director or Health Care Accountability attends the CMHA Legislative and Regulatory Meeting and updates the Corporate Compliance Committee on legislative proposals that may impact service delivery and operations.

—Agenda items on the Leadership Meeting have been added to include regulatory items to ensure that the full integration of changes are consistently being adopted. Policy and Procedure changes are presented to the staff through Relias and for Providers they are posted on the website. At the Provider Network and Quality Management Committee (PNOQMC) a reminder of the policies that have been updated is included -on the Agenda.

Medical Records

BABHA maintains an electronic record keeping system to ensure documentation of services delivered is maintained in a manner that is consistent with the provisions of the Michigan Medical Services Administration Policy Bulletins and the Michigan Medicaid Manual, and appropriate state and federal statutes. BABHA requires clinical service delivery records to document the quantity, quality, appropriateness and timeliness of services provided. Clinical contracted service providers (including Individual Practitioners) are required to either utilize the BABHA electronic medical record keeping system or establish and maintain a separate comprehensive individual service record system. At a minimum clinical contracted service providers are required to scan key documents into the BABHA electronic health record (EHR).

BABHA policy and procedure C04:S10:T01 Clinical Documentation, C13-S01-T20 Designated Record Set, and C04:S10: T02 Signatures outlines specific BABHA record keeping standards. BABHA policy and procedure C13-S02-T03: Document Retention and Disposal outlines BABHA's strategies to comply with retention schedules in place by the State of Michigan.

³ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(i)

Prohibited Affiliations⁴

BABHA has an active program to protect the organization from knowingly having a relationship with individuals debarred, suspended or otherwise excluded from participation in Federal procurement activities and healthcare programs such as Medicare.⁴ The program also ensures BABHA does not knowingly have relationships with individuals excluded from participation in Medicaid, or any other state healthcare program.

BABHA policy and procedure [C13-S02-T11 Prohibited Affiliations and Backgrounds](#) outlines BABHA's monitoring and response program. The program covers BABHA's Board of Directors, CEO and employees, as well as contracted service providers (including Individual Practitioners), as well as selected vendors and suppliers.

Federal exclusion/ debarment registries are checked monthly for BABHA Board of Directors, Officers (i.e., senior managers), employees, individual professionals and clinical contracted service provider organizations, CEO's and key prescribers. BABHA also checks selected non-clinical vendors with significant transactions with BABHA and declared co-owners of contracted service provider organizations as appropriate.

BABHA contracts with a vendor to facilitate reviews of the registries monthly. BABHA requires providers to declare ownership and control interests and monitors these individuals concurrently with the providers and BABHA personnel.

Members of the BABHA Board of Directors, the BABHA CEO and new employees sign attestations of their compliance with these requirements and commit to notifying BABHA of any changes in status including criminal convictions. BABHA also requires employees to complete an annual attestation which confirms they have not acquired a criminal conviction during their employment that has not been reported to Human Resources.

Clinical contracted service provider organizations are required to perform initial and monthly checks for exclusion/debarment and criminal convictions for their employees and relevant subcontractors, if any. BABHA confirms these practices are in place during site reviews of contracted clinical service providers.

Criminal background checks are completed for BABHA employees upon hire and every two years thereafter. Abuse registry checks are completed for BABHA employees serving children. Contracted service providers are required to comply with ~~the criminal~~criminal background checks and abuse registry checks for providers that serve children. Specialized residential providers are further required to obtain fingerprint-based background checks.

Privacy and Security

BABHA has policies and procedures in place to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA) for confidentiality of health care records, as well as 42 CFR PART 2 for confidentiality of any substance abuse treatment program records maintained by BABHA, and state laws governing the confidentiality of mental health and substance use disorder (SUD) treatment records and HIV/AIDS information. The policies and procedures cover protected health information (PHI) and substance use disorder treatment information generated, received, maintained, used, disclosed or transmitted by BABHA and selected contracted service providers (including Individual Practitioners).

BABHA's Agency Manual Chapter 9, [Information Management](#), contains the organization's HIPAA Security, Transaction and Code Set Rule compliance strategies. [Policies regarding Artificial Intelligence \(AI\) – transcribing, recording and Generative AI software the agency may utilize](#)^{4e} are also contained within the Agency Manual [within the Information Management Chapter](#). Privacy and confidentiality strategies are addressed in Chapter 13, [Corporate Compliance](#), Section 1.

⁴ Managed Care Rules: 438.610 Prohibited Affiliations

BABHA's policy and procedure C13-S01-T18 Business Associates outlines which types of service providers, including health care service providers, and non-health care vendors and suppliers, who meet the definition of a Business Associate (BA) of BABHA. The BABHA Contract Manager and Finance Assistant work with the Privacy Officer to ensure BA Agreements are in place where required.

Standards of Conduct⁵/ Operating Philosophy and Ethical Guidelines

BABHA has written Standards of Conduct and Operating Philosophies/Ethical Guidelines for employees and Individual Practitioners to clearly delineate BABHA's institutional philosophy and values concerning compliance with the law, government guidelines and ethical standards applicable to the delivery of behavioral health care.

The BABHA Director of Human Resources prepares and reviews/ revises the Standards of Conduct/ Operating Philosophy and Ethical Guidelines, as appropriate. The Standards of Conduct/Operating Philosophy and Ethical Guidelines are submitted to the Strategic Leadership Team, CEO and BABHA Board for consideration and approval.

A copy of the Standards of Conduct/Operating Philosophy and Ethical Guidelines is distributed to all employees as part of the new employee orientation process and is also available to staff on the BABHA intranet site. It is posted for contracted service providers through the provider section of the BABHA website. Changes to the Standards are communicated to all staff via the policy/ procedure/ plan educational system.

Ethics Committee

BABHA operates an Ethics Committee chaired by the Recipient Rights/Customer Service Manager, which is a sub-committee of the BABHA Corporate Compliance Committee. The Ethics Committee is responsible for serving as a forum for the review and analysis of ethical dilemmas. The Committee also oversees BABHA standards for ethical conduct, including establishing policies and procedures to enhance the organization's responsiveness to internal and external customers with respect to the ethical dimensions of managing, coordinating, and providing community-based behavioral health services. The Ethics Committee is responsible for promoting staff understanding of ethical concerns in contemporary behavioral health care, including ongoing education.

The Ethics Committee is comprised of representatives from the major departments and programs of BABHA, as well as subject matter experts, internal and external to the organization. The Ethics Committee reports through the Corporate Compliance Committee. The Recipient Rights/Customer Service Manager has direct access to the CEO to address issues that overlap with personnel management and the Corporate Compliance Officer in the event of ethics issues that coincide with corporate compliance concerns.

The Ethics Committee meets twice per year, with additional meetings called on an ad hoc basis as needed for case review. Employees can submit an ethical question for consideration by the Committee. An Ethicist from a local university is on contract for consultation with the Committee as needed.

Duties of the Committee include but are not limited to:

- Assisting with annual updates of the BABHA Standards of Conduct/Operation Philosophy and Ethical Guidelines as appropriate.
- Concerns raised by staff and leadership of BABHA that are not determined to involve regulatory compliance will typically involve a conflict of interest or ethical dilemma. The Ethics Committee is responsible for serving as a forum for review and analysis of ethical dilemmas. The Committee analyzes

⁵ Managed Care Rules: 438.608 (a)(1)(i) Program Integrity Requirements

ethical dilemmas, consults with an Ethicist as necessary, and provides feedback/ recommendations to the individual who submitted the issue for consideration.

- Assisting the Director of Human Resources with overseeing BABHA standards for ethical conduct, including establishing policies and procedures to enhance the organization's responsiveness to internal and external customers with respect to the ethical dimensions of managing, coordinating, and providing community-based behavioral health services.
- The Ethics Committee is responsible for promoting staff understanding of ethical concerns in contemporary behavioral health care, including ongoing education.

Program Integrity Requirements for Clinical Contracted Service Provider Organizations

BABHA requires clinical contracted service providers to adhere to Federal and State requirements regarding guarding against fraud and abuse, and complying with applicable regulatory requirements and standards, as outlined in BABHA policy and procedure [C13-S02-T16 False Claims](#).

Clinical contracted service provider organizations are required to implement and maintain written policies, procedures and standards of conduct, appropriate to the type and scale of the Provider agency, that articulate the organization's commitment to comply with federal and state program integrity requirements, including provisions for monitoring for exclusion and debarment from participation in state and federal health care programs.⁶

The required program integrity elements are communicated to the providers through contractual requirements. Compliance by contracted service providers is monitored by BABHA during site reviews.

Compliance Officer and Compliance Committees

The BABHA CEO has designated a Compliance Officer⁷. The BABHA Board of Directors has established a regulatory Compliance Committee and the CEO has a regulatory Compliance Committee at the senior management level.⁸

Corporate Compliance Officer

The CEO appoints the Corporate Compliance Officer. The CC Officer has the authority to address compliance concerns directly with the Chair of the BABHA Board of Directors, and the [Health Care Improvement and Corporate](#) Compliance Committee of the Board of Directors. The CC Officer has direct access to the BABHA Chief Financial Officer for consultation, as well as to specialized legal counsel of BABHA.

The CC Officer is responsible for the following:

- Developing and operating the CC Program; reviewing/ revising the CC Plan annually as necessary to meet changes in the regulatory and business environment;
- Reviewing and revising as necessary BABHA policies, procedures and practices governing corporate compliance, privacy and confidentiality; and ensuring the Security Officer reviews and revises as necessary BABHA policies and procedures governing security;
- Chairing the CC Committee or appointing a designee; and maintaining meeting records;

⁶ Managed Care Rules: 438.608(a)(6)

⁷ Managed Care Rules: 438.608(a)(1)(ii)

⁸ Managed Care Rules: 438.608(a)(1)(iii)

- In consultation with the CC Committees as needed, preparing and implementing an education plan, to include Board members, senior management, all other employees and contracted service providers (including Individual Practitioners), as appropriate; including performance of new employee orientation;
- Identifying new Federal and State Acts, Regulations or Advisories relative to corporate compliance, fraud and abuse prevention, privacy, security and identity theft for which BABHA must comply; monitoring the environment to identify other regulatory requirements that may impact BABHA; reviewing, analyzing and assisting with the development of strategies to comply.
- Maintaining effective lines of communication, including monitoring and responding to calls received on the Corporate Compliance Hot-Line or via other methods of communication;
- In conjunction with the CC Committee, establishing a system and schedule of routine monitoring activities (see Attachments for Monitoring Plan) and ensuring follow-up activities are completed;
- In conjunction with the CC Committee, ensuring HIPAA Security and Fraud/ Abuse compliance risk assessments are conducted in accord with the monitoring plan and findings are addressed;
- In conjunction with the CC Committee, complete an evaluation of the effectiveness of the compliance program;
- Promptly investigating potential compliance and privacy issues discovered through monitoring/auditing activities and disclosures by employees and contracted service providers (including Individual Practitioners); includes mitigation and remediation; maintaining investigative files; in conjunction with the Corporate Compliance Committee, determining if root causes analyses are warranted; ensuring the Security Officer promptly investigates, mitigates, remediates and reports as required any security incidents;
- Working with the CFO to ensure prompt repayment of any overpayments identified through the corporate compliance program, including suspension of payments;
- Communicating reportable fraud/ abuse issues to payers, and federal and state authorities prior to investigation as required; act as liaison to payers and state authorities for compliance and privacy issues, and oversee the activities of the Security Officer in doing the same for security issues;
- Maintaining a log of compliance issues, whether substantiated, and remedial actions;
- Maintaining breach logs and reporting to HHS and regional/state payers as required on an annual basis;
- Working with legal advisers as necessary to develop and issue HIPAA Privacy Notices for use by BABHA Clinical programs and contractors;
- Working with legal advisers (as necessary) and BABHA contract management to develop and issue Business Associate Agreements;
- Ensuring disclosures of protected health information are logged by Medical Records staff as required by HIPAA; and
- Prepare and complete reports to the CEO, BABHA Board of Directors, Mid-State Health Network, and Corporate Compliance Committee on the activities of the CC Program.

Corporate Compliance Committees⁹

The BABHA Board of Directors Corporate Compliance Committee (BCCC) is the compliance committee of the Board. BCCC's duties include overseeing the BABHA Corporate Compliance Program by reviewing and approving the BABHA Corporate Compliance Plan and receiving regular reports of organizational activities to guard against fraud and abuse. The Corporate Compliance Officer formally reports on Corporate Compliance Program

⁹ Managed Care Rules: 438.608(a)(1)(iii)

activities to the BABHA Board of Directors at least once per year with quarterly updates provided at each meeting.

The BABHA Board of Directors also has an Audit Committee, which helps ensure the fiscal integrity of the organization through internal controls and practice up to and including inspection of disbursements, paid health care claims and financial statements. The Committee also arranges for an independent audit, review the Financial Statement and Compliance Audits and recommend appropriate actions.

In addition to the Board Committees and the Ethics Committee, BABHA operates an internal Corporate Compliance Committee (CCC) comprised of members of senior management and key subject matter experts. The Committee is chaired by the Corporate Compliance Officer. The BABHA Finance Manager backs up the CC Officer as Chair of the CCC if needed. The Corporate Compliance Committee is responsible for all matters related to the legal and regulatory requirements of BABHA operations as it relates to contractual compliance, HIPAA privacy and security, and guarding against fraud and abuse of state and federal healthcare funds.

Duties of the Committee include but are not limited to the following:

- Assist the CC Officer in the ongoing development and operation of the CC Program,
- Perform fraud and abuse risk assessments and compliance program evaluations, identify focus areas, conduct any necessary audits and self-review, and develop compliance program improvement priorities,
- Assess existing policies and procedures in the identified risk areas for incorporation into the CC Program and develop new policies and procedures as needed,
- Assist the CC Officer with systems level remediation and mitigation of substantiated compliance issues, where appropriate, including performing informal root cause analyses where warranted,
- Assist in the monitoring of new laws and regulations and the development of strategies to comply,
- Assist with the review of internal and external monitoring and auditing activities to ensure that efforts are appropriate to provide assurance of compliance,
- Ensure routine monitoring occurs as scheduled and findings are responded to, as assigned to the Committee via the Corporate Compliance Plan.

Committee membership is comprised of the following staff roles within the organization:

- HIPAA: Security and Privacy Officers
- Finance (including Claims) Management: Chief Financial Officer, and Finance Manager (who also acts as the back-up the CCC Chair)
- Regulatory Compliance and Accreditation: Corporate Compliance Officer, Quality Manager, Medical Records Associate(s) (ad-hoc member(s)), Quality/Compliance Coordinator(s) (ad-hoc member(s)) and Secretary (Committee Recorder)
- Contracting: Contract Manager
- Clinical Practices: Directors of Integrated Care, Clinical Practice Manager (ad-hoc member)
- Ethics and Personnel: Director of Human Resources
- Recipient Rights: ~~Customer Service~~/Recipient Rights/Customer Service Manager

The Committee reports through the BABHA Corporate Compliance Officer to the Medical Director and CEO. The CC Committee meets 10-12 times per year. Meeting records are maintained by the Secretary member of the Committee.

Training and Education

BABHA has established an effective training and education program for its Board of Directors, senior managers, Compliance and HIPAA officers, employees, and clinical contracted service providers (including Individual Practitioners)¹⁰. All training is documented via employee training records, various meeting records and Corporate Compliance Activity Reports. The current BABHA [Corporate Compliance Education Plan](#) is attached to this document. The Corporate Compliance Officer maintains a [Corporate Compliance Education Log](#), which is also attached.

Training of personnel and contracted service providers is required under the Deficit Reduction Act of 2005 Section 6032: Employee Education About False Claims Recovery. BABHA is required to attest to the State each year that training has been completed.

Board of Directors

The Board of Directors receives education on corporate compliance requirements annually, including information about fraud and abuse, conflict of interest, and how to report compliance concerns. The Board of Directors does review and approves the Corporate Compliance Plan each year. Contemporary compliance issues, such as new Medicaid and Medicare regulations, Office of Inspector General work plans, and federal/state compliance program standards are included on the Board of Directors Corporate Compliance Committee agendas as warranted to keep the members abreast of changes in the compliance environment.

Employees¹¹

New employees are oriented to the compliance program and privacy/ confidentiality requirements within 30 days of hire. All employees receive an annual corporate compliance and privacy/ confidentiality training update. Training content includes Standards of Conduct/Operating Philosophy and Ethical Guidelines and appropriate reporting mechanisms (e.g., the Corporate Compliance “Hot-line”, etc.). Employee orientation and training updates also cover the False Claims Act (31 USC 3729-3733), the elimination of fraud and abuse in Medicaid provisions of the Deficit Reduction Act of 2005; and the Michigan Medicaid False Claims Act (PA 72 of 1977, as amended by PA 337 of 2005), the federal False Claims Act (31 U.S.C. §§ 3729–3733) and the Michigan Whistleblowers Protection Act (PA 469 of 1980). Training content is updated regularly to reflect relevant content from the BABHA Corporate Compliance Plan, and any systems issues identified during fraud, abuse and privacy investigations.¹² The Security Office likewise incorporates security related findings into the annual BABHA Information Management Strategic and Operational Plan.

As compliance or privacy/ confidentiality concerns arise throughout the year or as they are identified as through priorities defined in the BABHA CC Plan, educational communications are issued to employees. This includes intranet site announcements, and discussion of topics at Strategic Leadership Team meetings, or Agency Leadership Meetings.

Supervisors

BABHA has determined the compliance program would be strengthened by providing specialized program integrity training for supervisors and managers. This training is in addition to the standard employee orientation and training. New Supervisors are trained by the Director of Health Care Accountability to outline their role in

¹⁰ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(iv)

¹¹ CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

¹² CARF Section 1: Aspire to Excellence; Section A Leadership; Standard 7 (requires training of personnel on the corporate compliance plan)

compliance. In addition, periodic training for supervisors has been sent out via email throughout the year and the CC Officer has met in person with new Supervisors when they are hired. The training focus is on what supervisors should be watching for as indicators of the presence of potential fraud or abuse, and the importance of monitoring processes for regulatory compliance.

Regulatory compliance has also been added to BABHA Leadership meeting agendas to ensure supervisors and managers are kept up to date on compliance issues and regulatory changes.

Contracted Service Providers¹³

Individuals (including Individual Practitioners) who are contracted with BABHA to provide clinical services receive an orientation to the BABHA Compliance Program and the Operating Philosophy and Ethical Guidelines. They sign an attestation to the completion of the orientation.

Clinical contracted service provider organizations are kept abreast of relevant current risk areas and trends as necessary via email communications and discussion during periodic primary, Community Living Support (CLS)/residential, autism provider, and vocational provider meetings. An annual training is completed by the BABHA Corporate Compliance Officer for primary clinical contractors, vocational, autism and CLS/residential service providers.

The following training and resource materials on Corporate Compliance, Privacy/Security and other topics, as well relevant BABHA policies and procedures are posted to the BABHA website in a Provider section for access by contracted service providers:

- Corporate Compliance Plan
- Compliance Hotline Poster for Providers
- Operating Philosophy and Ethical Guidelines
- Corporate Compliance, Privacy and Security Policies and Procedures
- Provider Training on Corporate Compliance for Subcontracted Mental Health Service Providers
- Provider Training on Privacy and Security for Subcontracted Mental Health Service Providers
- Documentation Requirements Guide

Corporate Compliance Officer, Security Officer, Privacy Officer, CC Committee

The Corporate Compliance Officer, HIPAA Officers and various other senior managers and key staff of BABHA subscribe to Federal and State list-serves which provide alerts regarding emerging regulatory requirements. BABHA also takes advantage of available governmental guidance and technical websites for the operation of Medicaid and Medicare program integrity programs and maintenance of HIPAA regulatory compliance.

BABHA contracts with legal counsel with extensive healthcare experience and seeks opinions and other educational guidance regarding general compliance and privacy issues.

BABHA is a member of the Health Care Compliance Association and receives the newsletters and magazine. The Officers attend conferences and webinars on compliance, security, and privacy concerns as available and if cost effective. BABHA has identified the following training opportunities:

- US Dep't of Health and Human Services Office of Inspector General [Compliance Resource Portal](#) Provider Compliance Resources and Training materials
- Health Care Compliance Association web and regional conferences
- The Community Mental Health Association of MI, Improving Outcomes Conference sessions

¹³ CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 6

BABHA is a member of the Regional Compliance Officers group for MSHN which offers a venue for communication of MI Office of Health Services Inspector General guidance regarding preventing and detecting fraud and abuse.

The Corporate Compliance Committee stays informed by reviewing changes to program integrity regulations for Medicaid, Medicare and other state health care programs, federal Office of Inspector General's Compliance Work Plans and federal program integrity guidance materials.

Lines of Communication

Effective lines of communication are in place between the compliance officer and the organization's employees¹⁴. BABHA operates a hot-line for consumer, employee, provider and contracted service provider reporting of compliance and privacy/ security concerns. BABHA's policy and procedure C13-S02-T01 Internal Reporting (Hot-LINE) describes the purpose and procedure for the hot-line and other reporting provisions.

The main BABHA Corporate Compliance Hot-Line Poster is attached to this plan. A customizable version is available for contracted service providers. The poster includes Mid-State Health Network and state MDHHS Office of Inspector General (MIOHSIG) contact information as required. The poster is displayed in all BABHA waiting, conference and break rooms

Employees and contracted service providers (including Individual Practitioners) have direct access to the BABHA Corporate Compliance Officer via phone, email and in person, both for consultation regarding compliance strategies and for reporting of suspected fraud and abuse, or privacy and security concerns.

In 2020, BABHA added an annual employee attestation, where they indicate whether or not they are aware of potential fraud or abuse, and whether they had any criminal convictions. Employees are further asked if they have reported these issues in accordance with BABHA policies. This includes Individual Practitioners.

Compliance activity is reported to the BABHA Board of Directors, as well as the Corporate Compliance Committee, which includes representatives from senior management, finance, contracts, medical records, quality, information management, human resources, and clinical programs. The BABHA Corporate Compliance Officer attends Agency Leadership and contracted service provider meetings (vocational, residential/CLS, primary, and Autism providers) to receive and respond to compliance related issues.

Information regarding the Corporate Compliance Hot-Line and how to contact the BABHA Privacy Officer, MSHN Privacy Officer and MIOHSIG are included in the handbook provided to individuals receiving BABHA services. An interpreter is made available to individuals with limited English proficiency as requested.

BABHA policy and procedure C13-S02-T02 Non-Retaliation reflects BABHA's commitment to ensuring individuals reporting fraud/abuse or privacy/ security concerns are not subject to retaliation or retribution.

Disciplinary Guidelines

BABHA's corporate compliance related standards are communicated to staff and clinical contracted service providers (including Individual Practitioners) through the Corporate Compliance education program outlined in this plan, including disciplinary guidelines and provisions for adverse contract action¹⁵.

¹⁴ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(v)

¹⁵ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(vi)

Employees

In addition to the corporate compliance and privacy/ confidentiality education afforded new and existing employees, employees are informed of expectations for their compliance with regulatory requirements and standards via document-specific education on new and revised BABHA plans, policies, and procedures. This includes education on the Corporate Compliance Plan, corporate compliance policies and procedures, and privacy and security policies and procedures.

Employees are educated at least annually regarding BABHA compliance, privacy and security related requirements, which include the obligation to report suspected fraud, waste, abuse and privacy/security violations, to report criminal convictions, as well as the protections available to individuals who are whistleblowers.

Employees directly responsible for fraud, abuse, and privacy/security violations, as well as those who assisted, facilitated or ignored a violation, are subject to disciplinary action. Disciplinary action is commensurate with the severity of the offense and occurs at the discretion of the CEO in consultation with the Director of Human Resources and the involved supervisor. All disciplinary action is applied in accordance w/ BABHA human resources policies/ procedures.

The following are examples of the types of potential disciplinary action, which are communicated to staff:

- Employees may be suspended with or without pay during an investigation
- For minor violations employees may be subject to verbal/written warnings
- For more severe violations employees may be subject to significant disciplinary action including suspension and/or termination of employment
- Considerations may include:
 - Inaccurate or incomplete documentation
 - Unsigned or missing documentation
 - Deliberately fraudulent service documentation
 - Failure to maintain continuous licensure, registration, or certification
 - Falsification of licensure or certification
 - Failure to adhere to BABH policies and procedures
 - Intent to defraud
- Discipline may also be applied to employees who assisted, facilitated, or ignored a fraud and abuse, including supervisory and management staff

Provisions for disciplinary action are outlined in the BABHA Agency Manual and the BABHA Employee Handbook. Each employee receives a copy of the Employee Handbook at the time of hire. The handbook and all agency policies, procedures and plans are posted on the agency intranet site, accessible by all employees. Standards of conduct and disciplinary guidelines are covered in employee compliance and privacy/security related trainings.

See the section on External Reporting for discussion of potential additional adverse action against licensed and registered professionals.

Contracted Service Providers

The contract boilerplate language outlines contract remedies for failure to comply with the terms of the contract, such as substantiated privacy/confidentiality or security violations, and fraud or abuse involving state or federal healthcare funds, as follows:

- Require a plan of correction together with status reports and/or additional oversight by BABHA;
- Recoupment of payments;
- Suspension or reduction of payments;¹⁶ or
- Termination of the contractual agreement.

Provider trainings on these topics address adverse contract action that may be taken. Individual Practitioner and Organizational Provider re-credentialing includes consideration of past fraud, abuse, privacy and security related investigations.

For purposes of example only, the following is a non-exhaustive list of compliance or performance issues for which BABHA may take remedial action to address repeated or substantial breaches, or patterns of non-compliance or substantial poor performance:

- Reporting timeliness, quality and accuracy;
- Performance indicator standards;
- Repeated site review non-compliance (repeated failure on same item);
- Failure to complete or achieve contractual performance objectives;
- Substantial inappropriate denial of services or substantial services not corresponding to condition. Substantial can be a pattern, large volume or small volume, but severe impact;
- Repeated failure to honor appeals/grievance assurances;
- Substantial or repeated health and/or safety violations;
- Failure to adhere to training requirements and timelines for completion;
- Failure to complete required documentation for each service provided; and/or
- Failure to comply with prohibitions regarding exclusion, suspension or debarment from state and/or federal health care programs.

Adverse contract action is documented in contract files for each provider by the Finance Department. See the section on External Reporting for discussion of potential additional adverse action against contracted licensed and registered professionals and organizations, including reporting to Medicaid payers and the MI Dep't of Licensing and Regulatory Affairs (LARA).

Monitoring and Auditing¹⁷

BABHA has an active internal prevention, monitoring and auditing program¹⁸. The Attachments to this Plan include the current BABHA Compliance Committee Data Monitoring Plan, which define monitoring BABHA's activities. The Monitoring Plan changes frequently based upon reporting timelines, results of ongoing environmental assessment activity and periodic risk assessments, and the availability of information.

BABHA's monitoring program includes methods to verify, by sampling or other methods, whether services that have been represented to have been delivered were received by the individuals whom BABHA intends to serve.¹⁹ BABHA applies the verification process on a regular basis (see BABHA policy and procedure C13:A02:T20 Service Event Verification and Restitution) and participates in twice yearly verification activities by its regional payer. Monitoring activities include but are not limited to:

1. Privacy and Security

¹⁶ Managed Care Rules: 438.608(a)(8)

¹⁷ CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

¹⁸ Managed Care Rules: 438.608 Program Integrity Requirements (a)(1)(vii)

¹⁹ Managed Care Rules: 438.608(a)(5)

- a. Electronic Health Record monitoring for use of “break the glass” feature in the role-based security system
 - b. Security risk assessment (annual)
 - c. Scan of shared/ group network drives for exposure of PHI
 - d. Monitoring for security breaches
 - e. Email phishing drills
2. Fraud and Abuse
- a. Fraud and abuse risk assessment (Triennial)
 - b. Annual financial compliance audits
 - c. Retrospective record reviews to verify Medicaid service claims, concurrent checks of high risk services, (specifically self-determined community living support services), and continuing stay reviews of psychiatric inpatient bed days.
 - d. Checks for sanctioned, excluded, or debarred employees, directors/ officers, contracted service provider CEO’s or their owners, and selected vendors
 - e. Verification of specialized residential provider Adult Foster Care Licensure
3. General Compliance
- a. On-site reviews of organizational contracted service providers against contract requirements per a defined annual schedule, including record reviews (see BABHA policy and procedure C04-S12-T35 Site Reviews.)
 - b. Quality Record reviews for direct operated programs, including verification of:
 - i. Documentation of medical necessity including diagnostics and clinical assessments;
 - ii. Completion of annual ability to pay assessments;
 - iii. Proper qualification of clinical staff for services rendered; and
 - iv. The presence of physician orders for Medicaid services for which orders are required.

BABHA compliance staff run routine compliance monitoring reports for clinical supervisors and team leader self-review. (See the attached Data Monitoring Plan and Supplemental Compliance Reports). Record reviews and corrections to documentation are completed as needed. Supervisors also receive a list of the service encounters generated by their program each month. Supervisors are required to attest that the encounters have face validity, and they refer suspicious encounters to compliance staff for review. System barriers to compliance identified are addressed by quality and compliance staff in conjunction with clinical leadership. If compliance errors (not due to system errors) are not resolved within a reasonable timeframe, the Supervisor develops a corrective action plan.

Fraud/abuse risk areas for routine monitoring are identified by the Corporate Compliance Officer in collaboration with the BABHA Corporate Compliance Committee based on previous compliance concerns, state and federal priorities and identified risk areas. Monitoring reports are received by the CC Committee and corrective action taken, as necessary.

BABHA limits the service codes which can be used by employees and contracted service providers (including Individual Practitioners) to those which are relevant to their scope of work and credentials, as applicable. The electronic health record and its billing engine include extensive business rules which work to preclude as many billing errors as possible. Service authorization parameters and packages or bundles are employed to minimize the risk of abuse as much as feasible without adversely impacting person-centered planning by consumers served. Further information regarding BABHA claims management controls is outlined in the C08 Fiscal Management, Section 7 – Claims, of the BABHA policy and procedure manual.

Environmental and Risk Assessments²⁰

The CC Officer, with assistance of the CC Committee, reviews the risk or focus areas identified in the Office of Inspector General (OIG) for the United States Department of Health and Human Services Work Plan, the Michigan Office of Health Services Inspector General (MIOHSIG) Recovery Audit Contractor Approved Scenarios, if any, as well as any other priority compliance or risk areas communicated by the Michigan Office of Health Services Inspector General or the Mid-State Health Network.

In addition, BABHA identifies themes in the results of its data/monitoring activities for reimbursement trends, prior audit findings, and internal record reviews to identify other areas of potential risk.

A security risk assessment is completed which reviews existing BABHA technological, administrative, and other safeguards to ensure compliance with HIPAA requirements.

In 2019 BABHA adopted the US Dep't of Justice Corporate Compliance Program Evaluation as a program evaluation tool. The evaluation is used by US attorneys when investigating Medicare fraud and abuse to determine the effectiveness of compliance programs. The presence of an effective program is a consideration when the DOJ assesses intent and determines fines/penalties. Findings being actioned are included in the list of areas warranting attention below. The evaluation is completed every three years, alternating with the BABHA Fraud/Abuse Risk Assessment.

The BABHA fraud and abuse Risk Assessment is also completed by the Corporate Compliance Committee every three years, and involves tracing BABHA's workflows for generation of service claims from contact with the person served to the submission of claims file to payers to assess and mitigate weaknesses in fraud/abuse protections. The Risk Assessment evaluates the likelihood of fraud and abuse occurring and potential impact on the organization should it occur. Workflows for both direct operated and contracted services are evaluated.

These activities result in corrective action planning to reduce risk and response to changing expectations in the external compliance environment. The BABHA Fraud and Abuse Risk Assessment template is attached to this plan.

The results of such reviews, on-site audits and CC data/monitoring activities are incorporated into BABHA policies, procedures and practices as necessary, and/or added to the CC data/ monitoring schedule for further oversight by the CC Committee. Findings from the compliance program evaluation and risk assessments are also included in the Corporate Compliance Plan evaluation of plan effectiveness and priorities.

Response and Corrective Action

BABHA has policies and procedures which provide for prompt response to compliance issues, including investigation of potential compliance problems as identified during self-evaluation and audits, correction of such problems promptly and thoroughly (including any required coordination of suspected criminal acts with law enforcement agencies) to reduce the potential for recurrence and ongoing compliance with requirements.²¹

Investigations

BABHA policy and procedure [C13-S02-T22 Complaint Investigations](#) provides detail regarding BABHA investigation strategies. Both the BABHA [Corporate Compliance Fraud/Abuse Record and Privacy/Security Record](#) templates are attached to this plan.

²⁰ CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

²¹ Managed Care Rules: 438.608(b)(7) Program Integrity Requirements

In general terms, the CC Officer oversees the prompt and thorough investigation of any report of potential fraud or abuse, in coordination with the HR Department and/or management structure as appropriate. Similarly, the Privacy Officer conducts investigations of HIPAA privacy violations and breaches.

Record reviews are performed by the Quality and Compliance Coordinator under the oversight of the CC Officer. Suspected fraud and abuse of Medicaid funds is reported prior to investigation to the Mid-State Health Network, Michigan Department of [Community Health and Human Services](#), and the Michigan Office of Health Services Inspector General per contract requirements.

Each investigation includes the gathering and preservation of relevant documents and identification and interviewing of employees, recipients of services and/or contracted service providers (including Individual Practitioners) who may be able to provide pertinent information, as warranted. However, any investigation which overlaps with potential Recipient Rights violations, particularly confidentiality investigations, are coordinated with the relevant officials within BABHA. The BABHA CC Officer may use reports and interviews from those functions as a basis for determination of whether a privacy/ security concern will be substantiated, to minimize the impact of investigations on the involved parties.

Payments to contracted service providers may be suspended during investigations in accordance with BABHA policies. New referrals may also be suspended.

The BABHA CC Officer maintains a compliance log (and documentation files where warranted) of CC related issues and their disposition, including privacy, security, fraud, and abuse concerns.

BABHA and the provider network will cooperate fully with investigations or prosecution by any duly authorized government agency, whether administrative, civil, or criminal. Cooperation must include providing upon request, information, access to records, and access to interview employees and consultants including but not limited to those with expertise in administration of the program and/or in any matter related to an investigation or prosecution.

Corrective Action

Each investigation is documented, including information about the issue or incident, conclusions reached and the recommended corrective action, where such action is necessary. The CC Officer, Privacy Officer, or appropriate management personnel responds to the reporting party, as appropriate and to the extent reasonably possible, regarding the status of the investigation and any corrective action taken.

Corrective actions are geared to mitigate the impact of the issue or incident, remediate the error(s), and prevent future occurrence if possible. Steps taken range from employee education or training, consultation with contracted service providers, revision of policies, procedures, or contract boilerplate, revision of electronic health record functionality, service claim recall, reporting and reporting recoupment of over-payments, disciplinary action against employees and adverse contract action against contracted service providers (including Individual Practitioners), as previously described in this Plan. Training programs are also updated frequently to address current patterns of fraud/abuse or privacy violations.

BABHA has added to its investigative process a checkpoint to determine whether a root cause analysis is warranted to identify the variables that contributed to the occurrence and possible remediation.

[Claims/Over-Payment Recoupment and Voiding of Encounters](#)

BABHA's policy and procedure [C08:S03:T13 Third Party Revenue Collection and Repayments](#) outlines steps for prompt reporting and recoupment of all Medicaid and Medicare overpayments identified. Finance policies and procedures also address suspension of payments as necessary.

Recoupment of Medicaid, Medicare and other state/federal healthcare related over-payments for fraudulent or erroneous service claims from contracted service providers (including Licensed Independent Practitioners) are handled by the BABHA Finance Manager. This includes the voiding of encounters and any cost write-off or repayment that may be required for substantiated fraud or abuse by BABHA employees which may have resulted in an excessive or erroneous service claim. Recoupments are tracked on the BABHA Corporate Compliance Log by the CC Officer.

Providers are required to agree to a repayment strategy for larger recoupments, to the satisfaction of the CFO. The CFO, in consultation with the CEO as necessary, determines whether contracted service providers (including Individual Practitioners) will be subject to additional action, such as being turned over to collection agencies, if they fail to meet repayment obligations.

[Other Corrective Action and Enforcement](#)

BABHA works with the Michigan Office of Health Services Inspector General, and other governmental entities at the state and federal level which hold civil and criminal enforcement authority under Medicaid, Medicare, and other state/federal healthcare program integrity related statutes. Corrective action plans are also coordinated with the Michigan Department of Health and Human Services, the Michigan Department of Licensing and Regulatory Affairs, and Mid-State Health Network in accord with contract requirements.

Compliance Reporting

BABHA requires employees and providers to report to the CC Program and the CC Program must submit required information to its payers. The CC Program endeavors to be accessible and consultative to stakeholders.

[Employee/ Contracted Service Provider Guidance and Reporting](#)²²

BABHA employees are required to report to the CC Officer and their Supervisor any suspected fraud/ abuse or privacy/security violation, and any criminal conviction that may result in their exclusion/debarment from Medicaid/Medicare programs. BABHA policy and procedure [C13-S02-T01 Internal Reporting \(Hotline\)](#) provides more information about such provisions. New employees are advised of this requirement during their orientation and other employees are reminded during annual training updates. Reporting obligations are cited in the contract boilerplate for contracted service providers (including Individual Practitioners).

Board members sign an attestation indicating they agree to report any criminal charge or conviction related to Medicaid, Medicare and any other Federal/State Healthcare Program, as well any other crime involving the delivery of a healthcare item or service. Employees sign a similar attestation annually.

Through the contractual agreement, provider agencies and Individual Practitioners agree to report to BABHA any suspicion or knowledge of fraud or abuse and to fully cooperate with investigations. Providers are required to immediately report to BABHA any invalid claims and/or overpayments for correction. Also, providers agree to immediately notify BABHA with respect to any inquiry, investigation, sanction or otherwise from the Office of Inspector General (OIG), as well as criminal convictions that may result in their exclusion or debarment from participation in Federal and State health care programs.

Employees and contracted service providers (including Individual Practitioners) are encouraged to utilize the CC Program as a source of consultation and guidance regarding compliance related questions. Technical assistance is offered by the CC, Privacy and Security Officers to the maximum extent possible as questions arise and when

²² CARF Standards: Section 1 Aspire to Excellence: A Leadership: Standard 7

investigations occur. The CC Officer meets face-to-face with each new employee during new employee orientation and participates in face-to-face meetings with key contracted service providers.

CC and other agency policies, procedures and documents are designed to encourage and facilitate regulatory compliance. As an example, the business rules embedded in the electronic health record are narrow, limiting an employee's ability to make wrong choices. BABHA has dedicated staff to verify service claims and communicates regularly with contracted service providers (including Individual Practitioners) regarding questionable or erroneous claims.

External Reporting

BABHA is required to report potential fraud and abuse occurrences which warrant investigation to Mid-State Health Network, and ultimately to the Michigan Department of Community Health and the Michigan Office of Health Services Inspector General.²³

BABHA submits a quarterly report to the MI Office of Health Services Inspector General (MIOHSIG) through MSHN regarding the number of complaints of fraud and abuse that warranted preliminary investigation throughout the year. Annually a summary is also provided directly to MDHHS by BABHA. Additional requirements for reporting of contracted service provider information were added by MIOHSIG, including new and terminated providers. In August of 2025 MSHN launched the use of Healthicity to log fraud and abuse investigations. Healthicity is a healthcare technology company providing compliance, auditing, and revenue cycle software and services. This reporting mechanism allows MSHN to compile the annual reporting to MDHHS as the PIHP.

BABHA is also required under state law to report licensed or registered professionals and organizations to the Michigan Department of Licensing and Regulatory Affairs (LARA) for potential investigation and possible adverse action.

As a covered entity under HIPAA, BABHA must also report security breaches to the Federal government on an annual basis. BABHA also has mandatory State reporting obligations as an employer.

Reporting of Overpayments²⁴

BABHA reports overpayments to regional and state payers, and federal and state offices of inspector generals as required by law and contractual obligations. In accord with regulatory requirements, BABHA specifies the reason for overpayments, including if due to potential fraud.²⁵ As of August of 2025 BABHA began documenting MEV auditing results of overpayments and recoupments within Healthicity.

Medicaid Eligibility

If BABHA becomes aware of changes in a Medicaid enrollee's circumstances that, to the best of its knowledge, may affect the enrollee's eligibility for Medicaid, BABHA notifies a representative of the local office of the Michigan Department of Human Services, which is responsible for managing Medicaid eligibility determinations. As a Community Mental Health Services Program, BABHA is also responsible for reporting to the State of Michigan the death of an individual receiving services.²⁶

²³ Managed Care Rules: 438.608(a)(7)

²⁴ 42 CFR 401 Reporting and Returning of Overpayments (for Medicare) and Section 1128J(d) of the Affordable Care Act for Medicaid overpayments

²⁵ Managed Care Rules: 438.608(a)(2)

²⁶ Managed Care Rules: 438.608(a)(3)

Provider Disenrollment

BABHA notifies regional and state payers when information is received about changes in a contracted service provider’s circumstances that, to the best of BABHA’s knowledge, may affect the provider’s eligibility to participate in a managed care program as a Medicaid provider. ²⁷

Contracted service providers who leave or who are removed from the BABHA provider network are reported to MIOHSIG, MDHHS and MSHN for purposes of MDHHS monitoring of Medicaid provider enrollment.

Evaluation of Program Effectiveness and Program Priorities

The BABHA Corporate Compliance Program remains largely effective. The program’s quality and effectiveness is evaluated every three years by the Corporate Compliance Committee, Corporate Compliance Officer and the Chief Executive Officer. BABHA created an evaluation tool using the U.S. Department of Justice Criminal Division, Evaluation of Corporate Compliance Programs template (see attachments). The lowest scoring items are actioned.

Throughout the course of the past year and/or through the DOJ evaluation process, the following -areas were identified for improvement:

Planned Improvement	Target Date	Actions Taken	Status <small>New; Continue; Discontinue; Completed</small>
1) The Privacy Notice revisions to address changes in access to Medicaid claims data for coordination of care	3/1/25	Still in process; regulations have continued to change. The Privacy Policy and Procedure needs to be updated and the Privacy Notice needs to reflect new requirements.	Continue <u>Completed</u>
2) Add: Develop a system to track education of Fraud, Abuse, waste and compliance to Consumers and begin reporting quarterly to MIOHSIG/MSHN.	3/1/25 and ongoing	The MSHN quarterly report has been modified to include consumer education. The identified population are those individuals in Self D and those that are sent the EOB’s annually. <u>MSHN implemented the use of Healthnicity for the recording/tracking/reporting of these activities.</u>	Continue
3) Continue to expand supervisor skills relative to program integrity and corporate compliance, beyond the traditional audit compliance.	4/1/25	Have completed a training for supervisors and have sent out emails and intranet postings on topical items related to Fraud, Abuse, waste and compliance.	Continue

²⁷ Managed Care Rules: 438.608(a)(4)

4) Increase follow-through with line staff regarding how policy/procedure changes should impact their day-to-day work.	4/1/25		Continue
5) Add: Provide education when appropriate for Fraud, Abuse and waste substantiations and record on the Fraud and Abuse log. This will be reported quarterly to MSHN and MIOHSIG.	4/1/25		Continue
6) Add: Review, educate staff and revise policies and procedures as needed to comply with the revisions to 42 CFR, part 2.	4/1/25		Continue
7) Add: <u>Implement a process to identify and manage emerging internal and external risks related to the use of AI and other new technologies</u>	<u>06/01/2026</u>		<u>New</u>
8) Add: <u>Implement a procedure for approving, introducing, using AI as well as an ongoing monitoring and auditing process for ensuring accuracy/error rate/bias, and outcomes for persons served.</u>	<u>06/01/2026</u>		<u>New</u>

Compliance Risk Overview

This section provides an overview of major compliance risks for FY2026, including their descriptions, potential impact, likelihood, and mitigation strategies.

<u>Risk Category</u>	<u>Description</u>	<u>Potential Impact</u>	<u>Likelihood</u>	<u>Mitigation Strategy</u>
<u>Regulatory</u>	<u>Non-compliance with MDHHS guidelines, HCBS rules, or Mental Health Framework.</u>	<u>Loss of funding, penalties, reputational damage.</u>	<u>Medium</u>	<u>Regular audits, staff training, policy updates.</u>
<u>Financial</u>	<u>Incorrect billing or cost reporting.</u>	<u>Financial penalties, repayment obligations.</u>	<u>Medium</u>	<u>Internal financial audits, billing accuracy checks.</u>
<u>Operational</u>	<u>Failure to meet reporting deadlines (FSR,</u>	<u>Contract non-compliance, service disruption.</u>	<u>High</u>	<u>Automated reminders, compliance calendar, dedicated reporting team.</u>

	<u>BH-TEDS, CHAMPS).</u>			
<u>Clinical</u>	<u>Improper use of standardized assessments (MichiCANS, LOCUS).</u>	<u>Incorrect care planning, payer misalignment.</u>	<u>Medium</u>	<u>Staff certification, periodic competency reviews.</u>
<u>Data Privacy</u>	<u>HIPAA violations or data breaches.</u>	<u>Legal liability, client trust loss.</u>	<u>Low</u>	<u>Encryption, access controls, regular security audits.</u>

Attachments:

- Law-Regulation Log/Compliance Education Log
- Corporate Compliance Education Schedule
- Compliance Committee Data Monitoring Plan
- Data Monitoring Plan: Supplemental Compliance Reports
- Corporate Compliance Log
- BABHA Fraud and Abuse Risk Assessment with Action Plan
- Evaluation of Compliance Report
- Corporate Compliance Fraud/Abuse Record
- Corporate Compliance Privacy/Breach Record
- Hotline Poster