

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 1 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Board Chairperson Signature</i>  <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Chief Executive Officer Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

## Policy

Bay-Arenac Behavioral Health Authority (BABHA) recognizes that Artificial Intelligence (AI) tools hold great potential to enhance access, efficiency, and quality of behavioral health care. At the same time, AI raises serious ethical, legal, clinical, and privacy risks - especially when used in vulnerable populations. This policy establishes guiding principles and requirements to ensure that AI is used in ways that respect clients’ rights, protect privacy and safety, maintain professional accountability, and ensure clinical appropriateness. Additionally, it is the policy of BABHA to have processes in place for directing and safeguarding the creation, use, movement, reuse, storage, data backup, and/or disposal of data created with the assistance of artificial intelligence (AI), generative AI, or generative AI technology. This policy outlines how artificial intelligence (AI) tools may be used within BABHA. It applies to all employees, contractors, and third-party vendors who use AI tools in the course of their work with or for the agency. The goal is to support responsible, secure, and ethical use of AI while minimizing risks.

## Purpose

To ensure the safe, ethical, equitable, and legally compliant use of Artificial Intelligence (AI) tools and systems in providing mental health services, support, and administration, in order to protect clients, staff, data, and community trust.

## 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:

## Definitions

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
Page: 2 of 8	Supersedes Date: Pol: Proc:	Approval Date: Pol: 4-16-26 Proc: 4-16-26	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Board Chairperson Signature</i>  <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Chief Executive Officer Signature</i>
Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.			

**DO NOT WRITE IN SHADED AREA ABOVE**

Artificial Intelligence (AI): Any computer-based system capable of performing tasks that would traditionally require human cognitive ability, including but not limited to machine learning, natural language processing, predictive analytics, generative models, and clinical decision support tools.

AI System: A specific implementation of AI, whether in software, cloud services, or embedded within medical or operational devices.

Clinical Use: Use of AI in diagnosis, treatment planning, therapeutic recommendations, or any activity that directly influences client mental health care.

Generative AI: A type of AI that can produce new content, such as text, images, or code (e.g., ChatGPT, Midjourney, GitHub Copilot).

Non-clinical Use: Use of AI for administrative tasks, scheduling, documentation, billing, analytics, or other support functions.

High-Risk Use: Any AI use that could significantly affect client safety, privacy, rights, or well-being, e.g., predictive risk assessments, suicide risk detection, diagnostic suggestions.

## 1. Compliance with Law & Regulations

- All AI use must comply with federal laws (e.g., HIPAA, 42 CFR Part 2 where applicable, ADA, civil rights statutes) and Michigan state laws, regulations, and guidance.
- Includes following recent Michigan Department of Insurance & Financial Services (DIFS) bulletins that insurers and plan administrators must follow when using AI systems, particularly regarding fairness, non-discrimination, and transparency.
- Must respect Michigan’s guiding principles on AI adopted by the Michigan Civil Rights Commission, which include prevention of algorithmic discrimination, privacy protections, opt-out rights, and human alternative options.

## 2. Governance & Oversight

# BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY POLICIES AND PROCEDURES MANUAL

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
Page: 3 of 8	Supersedes Date: Pol: Proc:	Approval Date: Pol: 4-16-26 Proc: 4-16-26	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Board Chairperson Signature</i>  <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <i>Chief Executive Officer Signature</i>
Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.			

**DO NOT WRITE IN SHADED AREA ABOVE**

- The Corporate Compliance Committee will serve as the AI Oversight Committee that includes clinical leadership, legal/compliance, data security/privacy, ethics, and community representatives.
  - All proposed AI systems must be reviewed and approved by the Corporate Compliance Committee and Strategic Leadership Team with final approval from the CEO and Board committee before procurement or deployment, especially for clinical or high-risk uses.
3. Risk Assessment & Impact Evaluation
- For any AI deployment (especially clinical/high-risk), conduct a Risk Assessment / Ethical Impact Assessment that includes:
    - Potential harms (bias, error, privacy breaches, misdiagnosis).
    - Benefits and necessity (why AI is needed, what gap does it address).
    - Quality and representativeness of data used to train the system.
    - Whether the system’s decisions are explainable to users and clients.
  - Document mitigation strategies (e.g., human oversight, audit, fallback to human decision-making).
4. Transparency & Consent
- Individuals served must be informed when AI is used in their care— including an explanation of its functions and its limitations.
  - Informed consent must be obtained for uses of AI that affect treatment, diagnosis or risk.
  - Clients must have the option to decline AI-supported tools without prejudice (i.e., alternative human-only services must be available).
5. Human Oversight & Accountability
- AI outputs that affect client care must be reviewed by qualified clinical staff. The AI can assist but cannot independently diagnose, treat, or make final decisions that carry risk.

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

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 4 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr/> <i>Board Chairperson Signature</i>  <hr/> <i>Chief Executive Officer Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

- Clinicians remain responsible for all clinical outcomes; AI is a tool, not a replacement.
  - Errors, adverse outcomes, or unexpected behaviors in AI outputs must be reported and investigated.
6. Data Privacy, Security & Bias Mitigation
- Data used by AI systems must be protected to the same level as other health information (HIPAA and state privacy laws).
  - Use de-identified or limited data wherever possible for development/testing.
  - Regular audits for bias (e.g., by demographic groups) must be performed; if bias is discovered, adjust or stop use until corrected.
  - Data governance policies must ensure data quality, accuracy, completeness, and representativeness.
7. Vendor/Third-Party Management
- Vendors supplying AI tools must be evaluated for their model validation, data sources, security practices, bias testing, and regulatory compliance.
  - Contracts with vendors must include clauses about liability, performance, data protection, audit rights, and the ability to withdraw if risks exceed acceptable thresholds.
8. Training & Competency
- Staff must receive training on AI tools they use: how to interpret outputs, understand limitations, potential bias, privacy concerns and ethical considerations.
  - Ongoing competency reviews for staff using AI in clinical decision-making.
9. Monitoring, Evaluation & Continuous Improvement
- After deployment, AI system performance should be continuously monitored (for accuracy, safety, fairness, client satisfaction).
  - Maintain logs of AI decisions, errors, client complaints.

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

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 5 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr/> <i>Board Chairperson Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

- Periodic committee reviews to assess whether system still meets needs and is safe; adapt or retire when necessary.

10. Documentation & Recordkeeping

- For any AI-supported clinical decision or tool use, document: what tool was used, version, parameters/settings, staff involved in oversight, and whether it was client-consented.
- Keep records to allow audit or regulatory review.

11. Exceptions & Unpermitted Uses

- AI tools may *not* be used to replace human clinical judgment in diagnosis, therapy, or crisis intervention without human oversight.
- AI may *not* be used for deceptive purposes or without appropriate disclosure.
- AI shall not be used to discriminate on the basis of race, ethnicity, disability, gender, sexual orientation, religion, or other protected class.

Procedure for Introducing and Using AI:

1. Proposal & Assessment

- Any staff or department wishing to procure, develop or use an AI system must submit a proposal, including: intended use, scope (clinical vs. non-clinical), risk level, vendor information, data required, security/privacy plan, and ethical impact assessment.

2. Review Process

- The Corporate Compliance Committee evaluates proposal, including legal compliance, data privacy, bias risk, explainability, and vendor qualifications. External expert review may be requested.

3. Consent & Client Notification

- For clinical or high-risk use, design consent forms and client education materials. Inform clients of what AI is used, possible risks, and their right to opt out.

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

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 6 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr/> <i>Board Chairperson Signature</i>  <hr/> <i>Chief Executive Officer Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

4. Pilot / Testing Phase

- Where feasible, deploy the AI system in pilot or limited setting to test, monitor, collect feedback, and evaluate performance.

5. Deployment roll-out after successful pilot

- Ensure staff training is complete, monitoring and logging are in place, and oversight responsibilities are clearly defined.

6. Ongoing Monitoring & Audits

- Regularly assess performance metrics such as accuracy, error rate, equity, bias, and client outcomes. Schedule internal or external audits and address any issues that arise.

7. Incident Reporting & Remediation

- If an adverse event, data breach, bias discovery, or unexpected harmful outcome occurs, follow the incident reporting policy. Develop a remediation plan and consider pausing or withdrawing the AI tool if necessary.

8. Review & Retirement

- Periodically (e.g., annually) review whether AI tool continues to serve its purpose safely. If not, retire or replace it. Maintain documentation of the evaluation.

**9. Accountability & Enforcement**

- Violations of this policy may result in disciplinary action, contract termination, or reporting to regulatory bodies. • The Corporate Compliance Officer is responsible for investigating non-compliance and recommending corrective actions.

**Attachments**

N/A

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

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 7 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr/> <i>Board Chairperson Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

**Related Forms**

N/A

**Related Materials**

N/A

**References/Legal Authority**

HIPAA 45 CFR Part 164; Subpart E – Privacy of Individually Identifiable Health Information  
 PA 258 of 1974 Mental Health Code  
 MI Dep’t of Health & Human Services; Mental Health and Substance Abuse Services  
 Administrative Rules  
 42 CFR Part 2 Confidentiality of Substance Use Disorder Patient Records (Includes Final Rule effective 04/16/24)  
 Michigan Civil Rights Commission Guiding Principles on AI Bias and Discrimination.  
 Michigan Department of Insurance & Financial Services, Bulletin 2024-20 regarding insurance companies’ use of AI.  
 Michigan Health & Hospital Association AI Framework for Healthcare.  
 Health IT Commission reports, and any state / federal guidance on AI in health.

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

<b>Chapter: 9</b>	<b>Information Management</b>		
<b>Section: 5</b>	<b>Technology Safeguards</b>		
<b>Topic: 11</b>	<b>Use of AI and Generative AI</b>		
<b>Page: 8 of 8</b>	<b>Supersedes Date:</b> <b>Pol:</b> <b>Proc:</b>	<b>Approval Date:</b> <b>Pol: 4-16-26</b> <b>Proc: 4-16-26</b>	<hr/> <i>Board Chairperson Signature</i> <hr/> <hr/> <i>Chief Executive Officer Signature</i>
<b>Note: Unless this document has an original signature, this copy is uncontrolled and valid on this date only: 4/22/2026. For controlled copy, view Agency Manuals - Medworxx on the BABHA Intranet site.</b>			

**DO NOT WRITE IN SHADED AREA ABOVE**

<b>SUBMISSION FORM</b>				
<b>AUTHOR/ REVIEWER</b>	<b>APPROVING BODY/ COMMITTEE/ SUPERVISOR</b>	<b>APPROVAL/ REVIEW DATE</b>	<b>ACTION (Deletion, New, No Changes, Replacement or Revision)</b>	<b>REASON FOR ACTION If replacement, list policy to be replaced</b>
M. Prusi	C. Pinter		New	New policy that addresses the use of AI and Generative AI