

AGENDA

BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, July 8, 2026 at 5:00 pm

Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent		Present	Excused	Absent	Others Present:
Tim Banaszak, Ch	_____	_____	_____	Kathy Niemiec	_____	_____	_____	BABH: Marci Rozek, Chris Pinter, and Sara McRae
Sally Mrozinski, V Ch, Ex Off	_____	_____	_____	Pam Schumacher	_____	_____	_____	
Richard Byrne	_____	_____	_____	Pat McFarland, Ex Off	_____	_____	_____	
Patrick Conley	_____	_____	_____	Robert Pawlak, Ex Off	_____	_____	_____	Legend: M-Motion; S-Support; MA-
Christopher Girard	_____	_____	_____					Motion Adopted; AB-Abstained

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 5 Minutes)		
3.	Unfinished Business 3.1) None		
4.	New Business 4.1) Investment earnings reports for the period ending June 30, 2026 4.2) Finance July 2026 contract list 4.3) Strategic Initiatives and Dashboard Reports 4.4) Autism Procurement Update 4.5) H.R. 1 Financial Impact Fiscal Year (FY) 2027 4.6) FY2025 Midstate Health Network (MSHN) Cost Settlement		4.1) Consideration of a motion to refer the investment earnings reports for the period ending June 30, 2026 to the full Board for information 4.2) Consideration of a motion to refer the Finance July 2026 contract list to the full Board for approval 4.3) No action necessary 4.4) No action necessary 4.5) No action necessary 4.6) No action necessary

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BOARD OF DIRECTORS

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	4.7) FY2026 IT Equipment Purchases		4.7) Consideration of a motion to refer the IT replacement equipment in the amount of \$105,443.78 to the full board for approval
5.	Adjournment	M -	S - pm MA

Bay-Arenac Behavioral Health Authority
Estimated Cash and Investment Balances June 30, 2026

Balance June 1, 2026	6,561,537.24
Balance June 30, 2026	5,637,332.46
Average Daily Balance	5,015,212.36
Estimated Actual/Accrued Interest June 2026	11,657.09
Effective Rate of Interest Earning June 2026	2.79%
Estimated Actual/Accrued Interest Fiscal Year to Date	130,471.61
Effective Rate of Interest Earning Fiscal Year to Date	2.97%

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

Cash Available - Operating Fund

	Rate	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Beg. Balance Operating Funds - Cash,														
Cash equivalents, Investments		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	4,732,550	8,105,441	7,785,704	6,060,159
Cash in		12,225,824	20,990,024	16,234,403	12,208,234	13,636,279	21,097,480	13,203,400	12,594,625	12,095,878	21,243,634	14,182,106	11,806,450	18,483,283
Cash out		(13,807,060)	(19,326,275)	(15,720,233)	(13,017,289)	(14,328,710)	(17,939,763)	(14,858,965)	(13,994,743)	(12,739,564)	(17,870,743)	(14,501,842)	(13,531,996)	(19,400,423)
Ending Balance Operating Fund		4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236	4,732,550	8,105,441	7,785,704	6,060,159	5,143,018
Investments														
Money Markets		4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236	4,732,550	8,105,441	7,785,704	6,060,159	5,143,018
90.00														
180.00														
180.00														
270.00														
270.00														
Total Operating Cash, Cash equivalents, Invested		4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354	5,376,236	4,732,550	8,105,441	7,785,704	6,060,159	5,143,018
Average Rate of Return General Funds		3.40%	3.37%	3.36%	3.34%	3.06%	2.94%	3.14%	3.00%	2.91%	2.85%	2.81%	2.79%	2.74%
Average		6,222,014	6,225,964	6,275,939	6,295,231	5,274,202	6,853,061	6,698,662	6,464,678	6,118,252	6,449,450	6,780,648	6,567,821	6,409,509

Cash Available - Other Restricted Funds

	Rate	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Beg. Balance-Other Restricted Funds -														
Cash, Cash equivalents, Investments		474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821	487,265	488,574	490,026	491,436	492,896
Cash in		1,619	1,679	1,684	1,608	1,628	1,488	1,473	1,444	1,308	1,452	1,410	1,461	1,418
Cash out														
Ending Balance Other Restricted Funds		476,260	477,939	479,623	481,232	482,860	484,348	485,821	487,265	488,574	490,026	491,436	492,896	494,314
Investments														
Money Market		476,620	477,939	479,623	481,232	482,860	484,348	485,821	487,265	488,574	490,026	491,436	492,896	494,314
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		476,620	477,939	479,623	481,232	482,860	484,348	485,821	487,265	488,574	490,026	491,436	492,896	494,314
Average Rate of Return Other Restricted Funds		4.75%	4.68%	4.63%	4.58%	4.11%	4.11%	3.93%	3.85%	3.78%	3.73%	3.70%	3.67%	3.65%
Average		469,762	470,615	471,434	472,251	482,860	483,604	484,343	485,074	488,574	486,482	487,190	487,903	488,616
Total - Bal excludes payroll related cash accounts		5,074,388	6,739,456	7,255,311	6,447,865	5,757,062	8,916,267	7,262,175	5,863,501	8,594,015	8,595,467	8,277,140	6,553,055	5,637,332
Total Average Rate of Return		3.47%	3.44%	3.38%	3.39%	3.55%	3.33%	3.53%	3.15%	3.08%	3.04%	3.00%	2.99%	2.97%

Bay-Arenac Behavioral Health
Finance Council Board Meeting
Summary of Proposed Contracts
July 8, 2026

			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	N	MyMichigan Respite Care and Adult Day Services (Saginaw, MI) Single Case Agreement for CLS services for one BABHA individual	\$0	\$4.74/unit	6/22/26 - 8/28/26	Y	New Provider
Admin/Other Services							
2	M	Applied Research Consultants (APPRECOTS) Extension to the agreement for ABA consultation and utilization management services	\$0	\$7,800	10/1/26 -3/31/27	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							

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

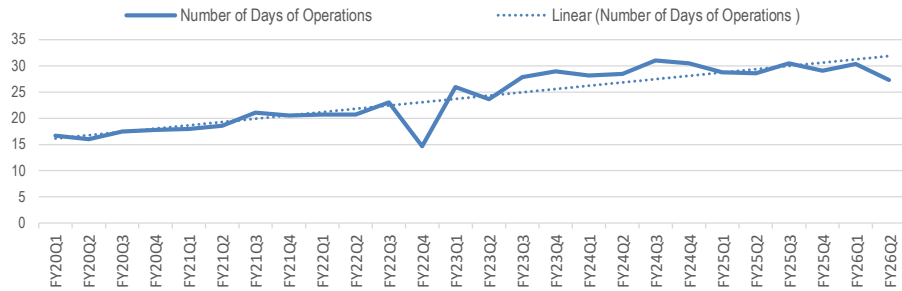
Footnotes:

Indicators for Finance Committee

Number of Days of Operations

Updated 4/17/2026

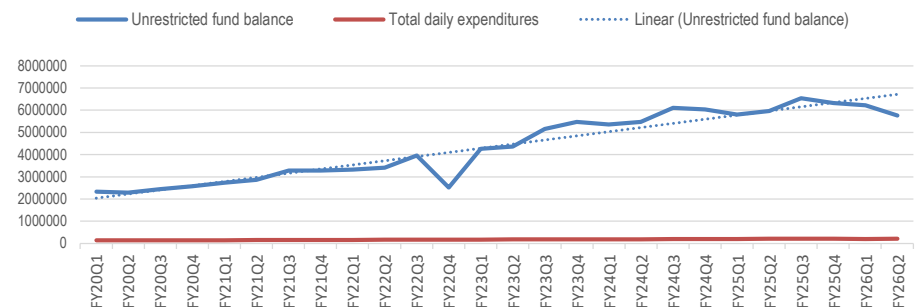
Through FY26Q2



Unrestricted fund balance

Updated 4/17/2026

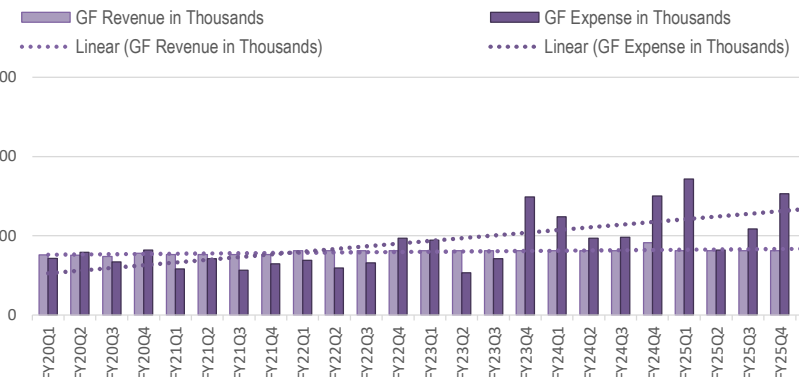
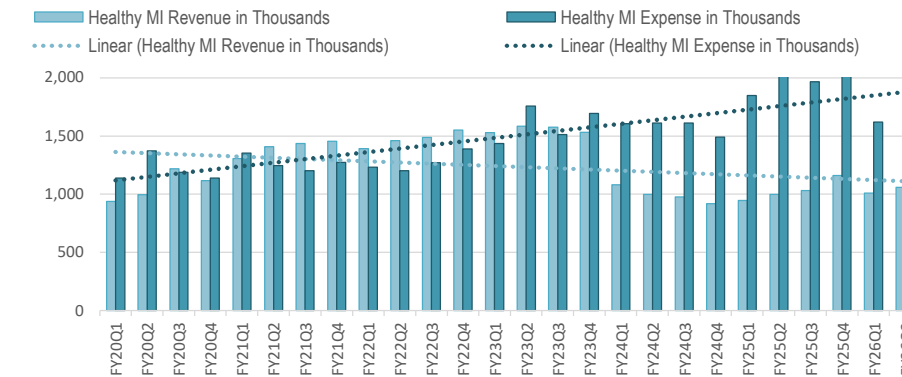
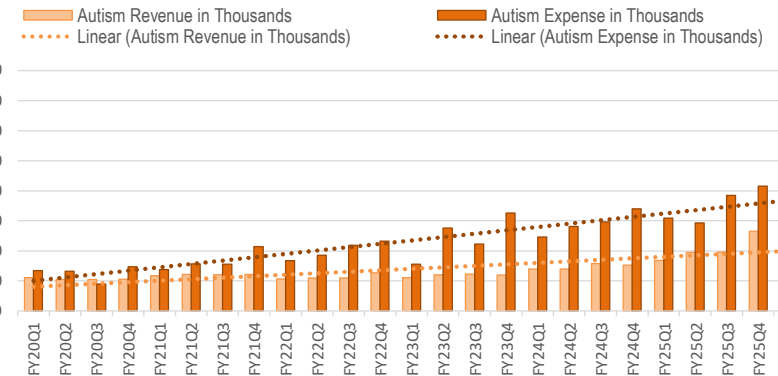
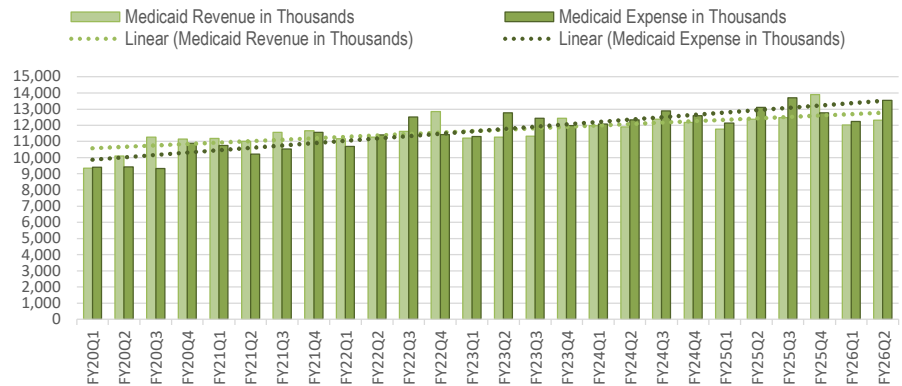
Through FY26Q2



Revenue vs Funds Expended by Fund Source Per Quarter in Thousands (Medicaid, Autism, Healthy MI, GF) - Cumulative

Updated 4/17/2026

Through FY26Q2



Recommendations for CMHAM MDHHS Contract Negotiations Process

Federal Medicaid Changes 2027

- The One Big Beautiful Bill Act or H.R.1, the budget reconciliation bill signed into law in July of 2025, included many important changes to the Medicaid program, particularly for adults ages 19 to 64 who have Medicaid coverage through the Affordable Care Act (ACA) expansion.
- H.R. 1 requires that expansion/waiver applicants and enrollees work, attend school, or participate in other specified activities as a condition for receiving Medicaid coverage unless they qualify for an exemption.
- The work requirement and six-month redetermination provisions will result in lower enrollment in every expansion state, with projections specific to Michigan ACA/Healthy MI enrollment falling by as much as 50% in the low mitigation scenario, by 40% in the medium mitigation scenario, and by 24% in the high mitigation scenario¹.

Projected Reductions to Healthy MI Revenue 2027 and beyond

- FY2026 State-wide Healthy MI revenue was budgeted at **\$438.3M**; Proposed FY2027 Appropriations range from \$375.8M (House) to \$525.3M (Executive)
- Full year implementation of H. R. 1 in 2027-2028 projects between a 24-50% revenue loss depending upon Michigan's mitigation strategy; this estimates to a state-wide annual Healthy MI revenue loss of between **\$109M and \$220M**.
- Assuming no changes to current trends or Healthy MI behavioral health eligibility or benefits, this translates to an additional cost to the CMHSP system between 90-180% of their current annual non-Medicaid general funds².

Possible Remediation Options

- Actuarial increase of the 2027 Healthy MI rates to account for acuity differences for persons remaining eligible
- Return the CMHSP general fund appropriation for the newly uninsured to more approximate pre-ACA expansion levels³

¹ HEAL TH POLICY Projected Reductions in Medicaid Expansion Enrollment Under OBBBA's Work Requirements and Six-Month Redeterminations National and State Estimates for 2028, Urban Institute, March 2026

² CMHSP non-Medicaid general funds have been fixed at \$125M for 12 years.

³ The actual general fund savings from the CMHSP non-Medicaid line due to expansion was approximately \$149M annually (\$274M in 2013 less \$125M after 2014)

Community Mental Health Member Authorities

Bay-Arenac
Behavioral Health

CMH of
Clinton.Eaton.Ingham
Counties

CMH for Central
Michigan

Gratiot Integrated
Health Network

Huron Behavioral
Health

The Right Door for
Hope, Recovery &
Wellness (Ionia County)

LifeWays

Montcalm Care
Network

Newaygo County
Mental Health Center

Saginaw County CMH

Shiawassee
Health & Wellness

Tuscola Behavioral
Health Systems

Board Officers
Edward Woods
Chairperson

Irene O'Boyle
Vice-Chairperson

Deb McPeek-McFadden
Secretary

June 26, 2026

Bay-Arenac Behavioral Health
Attn: Christopher Pinter
201 Mulholland
Bay City, MI 48708

Re: FY2025 Final Cost Settlement

Mid-State Health Network has completed the financial audit and compliance examination for fiscal year 2025. Below are the final amounts reported and verified through the year-end reporting process. Any adjustments made through the compliance examination are also included.

Medicaid, including Autism*	(2,457,171.49)
Healthy Michigan Plan*	(3,901,914.39)
Interim Cost Settlement Activity	4,662,967.00
Remaining Balance Due To (Due From) MSHN*	(1,696,118.88)

*Amounts indicated as a negative represent amounts due from Mid-State Health Network.

If you have any questions, please do not hesitate to contact me at 517.253.7546.

Sincerely,



Leslie Thomas
Chief Financial Officer

cc: Joseph Sedlock, MSHN
Marci Rozek

Proposal for IT Replacement Equipment 2026

<u>Device Type</u>	Included in 2026 IT Plan			<u>Device Type Proposal</u>	Insight Quote		
	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>		<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
*Chromebooks	17	\$ 1,500.00	\$ 25,500.00	Lenovo Thinkbooks 16" Monitor	17	\$ 1,163.77	\$ 19,784.09
Laptop	57	\$ 1,500.00	\$ 85,500.00	Lenovo Thinkbooks 16" Monitor	57	\$ 1,163.77	\$ 66,334.89
Desktop	17	\$ 1,500.00	\$ 25,500.00	Lenovo ThinkCentre Neo	17	\$ 1,052.73	\$ 17,896.41
iPad	3	\$ 449.00	\$ 1,347.00	iPad with Cover	3	\$ 476.13	\$ 1,428.39
TOTAL			\$ 137,847.00				\$ 105,443.78

*Intended to swap Chromebooks with Surfaces. The Surfaces are unavailable and more expensive. Proposing Thinkbooks.