MINUTES

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	X			Kathy Niemiec	X			BABH: Marci Rozek, Joelin Hahn, Melissa Prusi, and Sara McRae
Sally Mrozinski, V Ch, Ex Off	X			Pam Schumacher	X			
Richard Byrne	X			Pat McFarland, Ex Off		X		
Patrick Conley	X			Robert Pawlak, Ex Off	X			Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Christopher Girard	X							

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	The Committee Chair, T. Banaszak, called the meeting to order at 5:00 pm.	On motion of C. Girard and support of P. Conley, P. McFarland was excused. The motion passed unanimously.
2.	Public Input (Maximum of 5 Minutes)	There were not any members of the public present.	
3.	Unfinished Business	There was not any unfinished business.	
4.	New Business 4.1) Investment earnings reports for the period ending June 30, 2026 4.2) Finance July 2026 contract list	4.1) M. Rozek reviewed the reports noting the interest rate and its decreasing trend as well as the average daily cash balance. 4.2) M. Rozek reviewed the contract list.	4.1) On the motion by P. Conley and support by C. Girard, the investment earnings reports for the period ending June 30, 2026 were forwarded to the full Board for information. The motion was adopted unanimously. 4.2) On the motion by C. Girard and support by P. Schumacher, the Finance July 2026 contract list was forwarded to the full Board for approval. The motion was adopted unanimously.

	4.3) Strategic Initiatives and Dashboard Reports	4.3) M. Rozek reviewed the dashboard reports noting the number of operating days with the fund balance has been trending downward the last few fiscal years and the impact of community hospital costs on general fund dollars. There were general discussions that Midstate Health Network has not heard any news on additional funding from the state.	4.3) No action was necessary
	4.4) Autism Procurement Update	4.4) M. Rozek provided an update on the request for proposals (RFP) released for autism services. M. Rozek reviewed the bid requirements and expectations. M. Rozek also reviewed the RFP results, noting that only half of the bids submitted met expectations of the information requested through the RFP based on the scoring scale. RFP requirements included in-clinic services, in-home services, expanded hours, and transportation. M. Rozek reported the current capacity for autism services, the waitlist, the potential capacity needs, and those waiting for an evaluation. M. Rozek also reviewed the internal RFP evaluation committee composition and its recommendation to rescind the RFP and establish FY2027 contracts with a preferred provider system determined by leadership. Leadership recommends autism providers would need to be a "preferred provider" status to receive new referrals. M. Rozek reported MSHN has a standard contract for autism providers with a local practices page that would include the additional requirements determined by leadership such as extended hours and financial audits performed by an independent entity. There were general discussions related to autism providers that are for-profit versus non-profit, quality concerns of providers and that BABHA can and has terminated contracts due to quality concerns, the amount of marketing done by some autism providers, the increased cost and staff time to add providers due to training requirements and audits that must be conducted, autism staffing requirements, and the goal is to build autism service capacity within our current network of providers.	4.4) No action was necessary

	4.5) H.R. 1 Financial Impact Fiscal Year (FY) 2027	4.5) M. Rozek reported the Big Beautiful Bill, also known as H.R.1 was signed into law in July of 2025 and reviewed the changes pertaining to Medicaid for adults aged 19 to 64 through the Affordable Care Act (ACA) expansion. These changes include work and/or school requirements, and the length of redetermination provisions have been reduced from twelve months to six. M. Rozek reviewed the projected impacts to revenue reductions due to these new requirements and the possible remediation options including actuarial increase for FY2027 Medicaid rates and/or returning the general fund appropriation levels to pre-ACA expansion levels.	4.5) No action was necessary
	4.6) FY2025 Midstate Health Network (MSHN) Cost Settlement	4.6) M. Rozek reported the FY2025 cost settlement figures received from MSHN.	4.6) No action was necessary
	4.7) FY2026 IT Equipment Purchases	4.7) M. Rozek reported the annual IT plan includes a replacement equipment schedule. M. Rozek reviewed the replacement timelines and noted BABHA did not replace IT equipment in 2023 or 2025 due to funding. M. Rozek also reviewed the financial status of MSHN. Leadership is recommending the replacement of IT equipment that is four years or older. There were general discussions regarding the possibility of leasing computer equipment in the future, the process of disposing of old computer equipment, and the concerns of security breaches with older equipment.	4.7) On the motion by R. Pawlak and support by R. Byrne, purchasing the IT replacement equipment in the amount of $105,443.78 was forwarded to the full board for approval. The motion was adopted unanimously.
5.	Adjournment	On the motion by C. Girard and support by R. Pawlak, the meeting adjourned at 5:54 pm. The motion passed unanimously.	

Tim Banaszak, Committee Chair