AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
PROGRAM COMMITTEE MEETING

Thursday, July 9, 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:
	Christopher Girard, Ch				Carole O'Brien				BABH: Joelin Hahn, Karen Amon, Nicole Sweet, Melissa Prusi, Sarah Van Paris, Chris Pinter, and Sara McRae
	Pam Schumacher, V Ch				Staci Tuggle				
	Shelley King				Pat McFarland, Ex Off				Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
	Sally Mrozinski				Robert Pawlak, Ex Off				

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Unfinished Business 3.1) None		
4.	New Business 4.1) Clinical Program Review: Nursing Services, S. Van Paris 4.2) Request for Clinical Privileges: a) Sylvia Exum, M.D. – three-year renewal term expiring July 31, 2029 b) Yasmin Jilla, M.D. – three-year term expiring July 31, 2029 c) Ryan Waugh, FNP-C – three-year term expiring July 31, 2029 d) Sunil Parashar, M.D. – three-year term expiring July 31, 2029		4.1) No action necessary 4.2) Consideration of a motion to refer the following requests for clinical privileges to the full board for approval: a) Sylvia Exum, M.D. – three-year renewal term expiring July 31, 2029 b) Yasmin Jilla, M.D. – three-year term expiring July 31, 2029 c) Ryan Waugh, FNP-C – three-year term expiring July 31, 2029 d) Sunil Parashar, M.D. – three-year term expiring July 31, 2029

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	4.3) Mobile Response Team, Assertive Community Treatment, County Jail, Juvenile Center Services Integration		4.3) No action necessary
	4.4) House Bill 6022 Update		4.4) No action necessary
	4.5) Fiscal Year 2027 State Budget Agreement		4.5) No action necessary
5.	Adjournment	M - S -	pm MA

Troy R. Cunningham

Sheriff Of Bay County

Christopher D. Mausolf
Undersheriff

Troy A. Stewart
Jail Administrator

June 22, 2026

Representative Bill Schuette, Chairperson, House Rules Committee
Representative Timothy Beson, 96th District
Representative Matthen Bierlein, 97th District
P.O. Box 30014
Lansing, Michigan 48909

Dear Representatives Schuette, Beson and Bierlein:

I am writing in my capacity as the Bay County Sheriff to express my concerns regarding House Bill (HB) 6022.

The Bay County Sheriff's Office has a very strong relationship with Bay-Arenac Behavioral Health Authority (BABHA), the community mental health services program (CMHSP) responsible for public inpatient prescreening services in our area. The 24/7 CMHSP system ensures that a single, accountable crisis response structure exists to coordinate with law enforcement, hospitals, courts, and families for access to emergency mental health services, similar to 911 for first responders. This greatly reduces the amount of time deputies spend on transporting and supervising individuals in protective custody and allows law enforcement to more promptly return to road patrol and other public safety responsibilities.

HB 6022 seeks to fundamentally alter Michigan law by transferring some of these critical public safety responsibilities to commercial health plans that have no accountability to our county partners or the larger community. Our deputies simply do not have the luxury of extra time needed to navigate varying health insurance requirements during an emergency. We need the most direct and efficient path to a resolution, particularly for situations involving emergency petitions and involuntary hospitalization proceedings. Our local CMHSP provides this outcome. HB 6022 will only lead to more delays, confusion, and uncertainty regarding who has authority to make urgent decisions affecting an individual's access to treatment and will make our community less safe.

For these reasons, I respectfully urge you to oppose HB 6022.

Sincerely,

Troy R Cunningham

Troy R. Cunningham, Bay County Sheriff

Arenac County Sheriff Office

126 North Grove Street
P.O. Box 606
Standish, Michigan 48658
989-846-3002
Fax 989-846-1100

James Mosciski
Sheriff
jmosciski@arenaccountygov.com
Donald McIntyre
Undersheriff
dmcintyre@arenaccountygov.com

June 16, 2026

Representative Matt Hall, Speaker of the House
Representative Michael Hoadley, 99th District
P.O. Box 30014
Lansing, Michigan 48909

Dear Representatives Hall and Hoadley:

I am writing in my capacity as the Arenac County Sheriff to express my concerns regarding House Bill (HB) 6022.

The Arenac County Sheriff's Department has a strong relationship with Bay-Arenac Behavioral Health Authority (BABHA), the community mental health services program (CMHSP) responsible for public inpatient prescreening services in our area. The 24/7 CMHSP system ensures that a single, accountable crisis response structure exists to coordinate with law enforcement, hospitals, courts, and families for access to emergency mental health services, similar to 911 for first responders. This greatly reduces the amount of time deputies spend on transporting and supervising individuals in protective custody and allows law enforcement to more promptly return to road patrol and other public safety responsibilities.

HB 6022 seeks to fundamentally alter Michigan law by transferring some of these critical public safety responsibilities to commercial health plans that have no accountability to our county partners or the larger community. Our deputies simply do not have the luxury of extra time needed to navigate varying health insurance requirements during an emergency. We need the most direct and efficient path to a resolution, particularly for situations involving emergency petitions and involuntary hospitalization proceedings. Our local CMHSP provides this outcome. HB 6022 will only lead to more delays, confusion, and uncertainty regarding these urgent care decisions and will make our community less safe.

For these reasons, I respectfully urge you to oppose HB 6022.

Sincerely,

Jim Mosciski, Sheriff
Arenac County

Subject: FW: Fiscal Year 2027 State Budget Agreement

From: Chris Pinter <cpinter@babha.org>
Sent: Monday, July 6, 2026 5:21 PM
To: Robert Pawlak (bopav@aol.com) <bopav@aol.com>; Patrick McFarland <pjmcfarland52@gmail.com>; Sally Mrozinski <smrozinski@arenaccountymi.gov>; pschumacher82@gmail.com; Tim Banaszak Secondary (banaszakt@baycountymi.gov) <banaszakt@baycountymi.gov>; Richard Byrne (redhorse2121@yahoo.com) <redhorse2121@yahoo.com>; Kathy Niemiec District 1 <niemieck@baycountymi.gov>; conleypat@gmail.com; Christopher Girard <cgirard1@msn.com>; CAROLE OBRIEN <caroleo3@sbcglobal.net>; Shelley King <kingsct3@yahoo.com>; stuggle@email.davenport.edu
Cc: Marci Rozek <mrozek@babha.org>; Sara McRae <smcrae@babha.org>
Subject: Fiscal Year 2027 State Budget Agreement

BABHA Board of Directors,

As anticipated late last week, the Michigan House, Senate and Executive have agreed upon a State budget for FY 2027 effective 10-1-26. The budget contains **$75,190,716,400** in total funding, with **$14,111,030,100** being General Fund dollars. The budget bills, Senate Bill 878 and House Bill 5630, are expected to be passed with bipartisan support after the agreement was made by the House, Senate and Governor. The budget represents a decrease from last year's budget of nearly $1 Billion dollars, which totaled $76,123,653,700, with $14,266,637,000 being General Fund dollars.

The final budget bill language has not yet been made publicly available because the legislation has not been formally passed. It appears the final documents are still being completed by the bill drafters. In the meantime, the House and Senate are advancing a package of approximately 50 policy bills that were negotiated as part of the overall budget agreement.

Bottom line: None of our requested items regarding the RFP, Mental Health Framework or Waskul settlements were included in the final budget. This confirms that the MDHHS animus toward the county CMHSPs extends beyond Hertel and that another RFP is likely to be released soon.

In the meantime, this is a quick summary of the Medicaid behavioral health items using the House and Senate Fiscal agency summaries:

- **Traditional Medicaid Cost Adjustments**
  Executive includes **an increase of $677.3 million** Gross ($159.1 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments, and traditional FMAP cost-sharing adjustments from FMAP increasing from 65.30% to 65.70% for medical and behavioral health services in the traditional Medicaid program. Also incorporates estimates of caseload and provider tax-related savings resulting from the implementation of federal requirements under H.R.-1, totaling $142.1 million Gross ($55.9 million GF/GP). House concurs, but retains provider tax revenue and associated federal match as boilerplate contingency. Senate concurs with the Executive. Conference concurs with the House and revises for the May Consensus Revenue Estimating Conference (CREC). **This is a typical annual adjustment although it is higher next year due to compensating for the anticipated loss of federal funds from HR. 1.**

- **Healthy Michigan Plan Cost Adjustments**

Executive includes a **net reduction of $149.9 million** Gross ($12.1 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Also incorporates estimates of caseload and provider tax-related savings resulting from the implementation of federal requirements under H.R.-1, totaling $204.4 million Gross ($14.0 million GF/GP). House concurs, but retains provider tax revenue and associated federal match as boilerplate contingency. Senate concurs with the Executive. Conference concurs with the House and revises for May CREC estimates. **This is a significant reduction of about 33% of federal Healthy MI funding based on HR.1 and is likely to place enormous pressure on our general and local funds in 2027. We will need to advocate with the legislature for a supplemental general fund increase to the CMHSP appropriation line throughout next year.**

- **Actuarial Soundness**
  Executive **includes $658.1 million** Gross ($182.1 million GF/GP) for estimated managed care actuarial soundness adjustments for prepaid inpatient health plans (PIHPs) (3.0%), Medicaid health plans (5.0%), Program of All-inclusive Care for the Elderly (PACE) (3.5%), home- and community-based services (MI Choice) (6.8%), Integrated Care Organizations (MI Health Link) (4.3%), and Healthy Kids Dental (1.3%). House, Senate, and Conference concur.

    - **Related Boilerplate Sec. 920. Rate-Setting Process for PIHPs – REVISED**
      Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases. Conference adds requirement that DHHS complete rate setting process before requiring PIHPs to implement new direct care worker wage requirements, and requires a report. **The 3.0% increase should keep our Medicaid services adequately funded at both the MSHN and BABHA level; however, other regions and CCBHCs are struggling so it is possible that MSHN will receive less than the 3% next year.**

- **Direct Care Worker Wages**
  Executive includes $351.8 million Gross ($118.9 million GF/GP) to backfill federal COVID-19 Public Health Emergency (ARPA) revenue and retain $3.40 per hour wage add-on, incorporate state minimum wage increases for CY 2025 and 2026, include an additional $1.27 per hour increase to recognize minimum wage rate effective January 1, 2027, and provide for statutorily-required sick-leave payment costs for Medicaid reimbursed Direct Care Worker wages. House includes adjustments for CY 2025 and 2026 minimum wage increases only. Senate concurs with the Executive. Conference does not include in FY 2026-27, but includes in a FY 2025-26 supplemental.

    - **Related Boilerplate Section 264 Direct Care Worker Wage Increase and Report – REVISED**
      Requires DHHS, Medicaid managed care organizations of MI Choice, MI Health Link, and PIHPs to continue the wage increase of up to $3.40 per hour paid to direct care workers funded by DHHS appropriations, and states specific workers and wage increases to be supported. Includes provisions if a worker elects to reject the increase. Requires DHHS to report on previous fiscal year information and outcomes. Conference revises to remove specific direct care wage and references rate of previous fiscal year; requires pass-through of wage uplift directly to direct care workers, and requires documented proof from contractors; and requires the department to recoup payments from employers that do not provide for the wage uplift pass-through. **This uses state funds to replace the expiring COVID-related federal funds for this appropriation but does not clear up some of the ongoing confusion in the field related to this matter, hence the current year remedy noted above in yellow is only a supplemental. We most likely will need another supplemental again in 2027.**

- **Applied Behavior Analysis (ABA) Service Delivery**
  Conference reduces $21.6 million Gross ($7.4 million GF/GP) from the department implementing service and delivery changes to ABA services either independently or associated with federal policy or regulatory modifications.

    - **Related Boilerplate Section Sec. 923. ABA Adjustments – NEW**
      Conference requires DHHS to identify and implement services delivery and policy modifications to realize utilization efficiencies for ABA either independently or in alignment with federal policy modifications.
    - **Related Boilerplate Section Sec. 924. Autism Services Fee Schedule – REVISED**
      Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. Executive revises to only require a minimum fee of not less than $66.00 per hour for behavioral technicians. House revised so that behavioral technicians receive not more than $66.00 per hour. Senate and Conference concur with the Executive.
    - **Related Boilerplate Section Sec. 925. Autism Services Quality Control – NEW**
      House requires DHHS to dedicate up to $1.0% from the autism line to contract with an independent agency to identify fraud, institute quality control measures, and provide technical assistance to improve outcomes and accountability. Senate does not include. Conference concurs with the House. **This entire autism section is a hodge-podge of conflicting objectives. The section 923 seems to anticipate more federal initiatives specific to autism in 2027 (likely) that will reduce expenses and in fact, the last section 925 permits MDHHS to use an outside agency for autism "quality control". However, section 924 RETAINS the most significant factor inflating these expenses: a guaranteed price fix of $66 per hour! This unnecessary requirement has cost BABHA nearly $1 Million in annual expenses without increasing services to ANY child or family.**

- **Certified Community Behavioral Health Clinics (CCBHCs)**
  Executive includes $7.9 million GF/GP to offset a like amount of federal funds based on updated, anticipated federal cost reimbursements. House, Senate, and Conference concur.

- **Health Homes**
  Executive adds $4.9 million GF/GP to account for a temporary enhanced Medicaid match ending for most of the behavioral health and substance use disorder health homes. Health homes receive a 90% enhanced federal match for its first 8 quarters. House, Senate, and Conference concur.

    - **Related Boilerplate Sec. 1005. Health Home Programs – REVISED**
      Requires DHHS to maintain the number of behavioral health homes in PIHP regions and the number of opioid health homes in PIHP regions, and permits expansion into additional PIHP regions; requires a report. House revises to permit DHHS to submit a legislative approval to expand the number of health homes and revises the report to list the number of health homes that qualify for enhanced federal reimbursement and the date when the enhanced federal reimbursement expires. Senate retains. Conference concurs with the House. **The CCBHCs and Health Home changes for 2027 do not compensate for the significant reduction in federal matching funds expected in mid-2027. This will be approximately $350+ Million additional needed from state funds in a supplemental next year to continue to sustain the program, unless other federal changes occur to support this model.**

Sec. 1034. PIHP Performance Incentives – RETAINED

Requires PIHP to verify compliance with applicable reimbursement rates or fees required for autism services and direct care in section 924 and 231 using actual claims and utilization data; requires DHHS to seek CMS approval to condition PIHP performance incentives on compliance with the provider rates for autism services and direct care in section 924 and 231; and requires DHHS to audit the claims and utilization data and notify a PIHP if the audit determines provides are not being reimbursed at not the required rates. House revises so performance incentives are tied to compliance with network adequacy standards rather than reimbursement rates. Senate and Conference retain.

This was added by Hertel in 2026 due to confusion (and deliberate underfunding) of the autism and DCW rates. It permits MDHHS to punish the PIHPs that may not be complying by withholding the Medicaid performance incentive bonus.

Sec. 1530. Medicaid Waiver Approvals – NEW
House prohibits the department from requesting or implementing a CMS waiver or Medicaid State Plan amendment prior to statutory approval. Senate does not include. Conference concurs with the House.

This might be the silver lining: it states legislative intent that any MDHHS waiver requests or state plan amendments have statutory approval. This might be useful in our next litigation against MDHHS on the RFP.

We plan to review with the Board as more details on the final numbers are released. In the meantime, please contact me if any questions.

Chris