



BOARD OF DIRECTORS REGULAR MEETING

Thursday, August 20, 2026 at 5:00 pm
Arenac Center, 1000 West cedar Street (M-61), Standish, MI 48658

MINUTES

<u>Board Members:</u>	Present	Excused	Absent
Robert Pawlak, Chair		5:13 pm	
Patrick McFarland, Vice Chair	X		
Christopher Girard, Treasurer	X		
Sally Mrozinski, Secretary	X		
Tim Banaszak	X		
Richard Byrne	X		
Patrick Conley		X	
Shelley King		5:04 pm	
Kathy Niemiec	X		
Carole O'Brien	X		
Pamela Schumacher	X		
Staci Tuggle	X		

OTHERS PRESENT FROM BAY ARENAC BEHAVIORAL HEALTH (BABH)

Christopher Pinter, Marci Rozek, Jennifer Lasceski, and Sara McRae.

CALL TO ORDER & ROLL CALL

The Board Vice Chair, P. McFarland, called the meeting to order at 5:00 pm.

M#091-26: On the motion by T. Banaszak and support by C. Girard, P. Conley was excused. The motion passed unanimously.

M#092-26: On the motion by C. Girard and support by S. Mrozinski, S. King was excused. The motion passed unanimously.

M#093-26: On the motion by T. Banaszak and support by C. Girard, R. Pawlak was excused. The motion passed unanimously.

S. King arrived at 5:04 pm.

R. Pawlak arrived at 5:13 pm.

PUBLIC INPUT

There were not any members of the public present.

REGULAR BOARD MEETING, July 16, 2026

Meeting Minutes:

- M#094-26: On the motion by R. Byrne and support by T. Banaszak, the Board approved the minutes of the regular Board meeting of July 16, 2026. The motion was adopted unanimously.

SPECIAL FACILITIES & SAFETY COMMITTEE, August 5, 2026

Meeting Minutes:

- M#095-26: On the motion by T. Banaszak and support by P. Schumacher, the Board approved the minutes of the special Facilities & Safety Committee meeting of August 5, 2026. The motion was adopted unanimously.

CORPORATE COMPLIANCE COMMITTEE, August 6, 2026

Information Management Strategic & Operational Plan:

- R#2608001: On the motion by P. Schumacher and support by C. Girard, the Board approved the 2026 Information Management Strategic and Operational Plan. The motion was adopted unanimously.

Meeting Minutes:

- M#096-26: On the motion by P. Schumacher and support by T. Banaszak, the Board approved the minutes of the Corporate Compliance Committee meeting of August 6, 2026. The motion was adopted unanimously.

FINANCE COMMITTEE, August 12, 2026

Investment Earnings Balances:

- M#097-26: On the motion by T. Banaszak and support by S. Mrozinski, the Board approved the investment earnings balances for the period ending July 31, 2026. The motion was adopted unanimously.

Contract List:

- R#2608002: On the motion by T. Banaszak and support by R. Byrne, the Board approved the Finance Committee August 2026 contract list. The motion was adopted unanimously.

Van Lift Purchase:

- R#2608003: On the motion by T. Banaszak and support by P. Schumacher, the Board approved purchasing a van lift for a Habilitation Supports Waiver (HSW) Beneficiary from Mobility Works in the amount of \$26,086.72. The motion was adopted unanimously.

Meeting Minutes:

- M#098-26: On motion of T. Banaszak and support by C. Girard, the Board approved the minutes of the Finance Committee meeting of August 12, 2026. The motion was adopted unanimously.

PROGRAM COMMITTEE, August 13, 2026

Meeting Minutes:

- M#099-26: On the motion by C. Girard and support by P. Schumacher, the Board approved the minutes of the Program Committee meeting of August 13, 2026. The motion was adopted unanimously.

AUDIT COMMITTEE, August 17, 2026

Financial Statements:

- R#2608004: On the motion by T. Banaszak and support by R. Byrne, the Board approved the financial statements for the period ending July 31, 2026. The motion was adopted unanimously.

Electronic Fund Transfers:

R#2608005: On the motion by T. Banaszak and support by S. Tuggle, the Board approved the electronic fund transfers for the period ending July 31, 2026. The motion was adopted unanimously.

Disbursements & Health Care Claims:

R#2608006: On the motion by T. Banaszak and support by S. Tuggle, the Board approved the disbursement & health care claims payments from July 12, 2026 through August 14, 2026. The motion was adopted unanimously.

Meeting Minutes:

M#100-26: On the motion by T. Banaszak and support by C. O'Brien, the Board approved the minutes of the Audit Committee meeting of August 17, 2026. The motion was adopted unanimously.

BOARD MEETING CONTRACT LIST, August 20, 2026

M. Rozek reviewed the proposed contract list with the Board noting agreements for a rate adjustment for Do-All, Inc., the rate adjustment for residential home vacancies, and the Adult Foster Care home.

M#101-26: On the motion by C. Girard and support by T. Banaszak, the Board approved the Board meeting August 2026 contract list. The motion was adopted unanimously.

REPORT FROM ADMINISTRATION

Midstate Health Network (MSHN) v. Michigan Department of Health and Human Services (MDHHS)
Court of Appeals Update:

C. Pinter reported the Court of Appeals order from the lawsuit against the MDHHS over the request for proposals (RFP) for prepaid inpatient health plans (PIHPs) in 2025 ruled that MDHHS can decide the new regions regardless of existing county of community mental health service program (CMHSP) boundaries. This decision was appealed to the MI Court of Appeals based on the Mental Health Code (MHC) and is still active litigation. The Court of Appeals has requested additional filings in September of 2026.

MSHN and Southwest MI Behavioral Health Inter-Regional Discussions:

C. Pinter reported the CMHSPs involved in the original lawsuit against MDHHS regarding the RFP are having preliminary strategic discussions in case the state releases a new RFP contrary to state law. Several CMHSPs have agreed to a joint representation agreement with Miller Johnson to provide privilege protections in case of future litigation. C. Pinter reviewed the proposed letter of engagement with Miller Johnson that would move forward with the joint representation arrangement, noting that BABH could rescind at any time. There were general discussions related to privileged communications, that another CMHSP in the MSHN region has agreed to cover all legal costs, and that BABHA would be represented by Miller Johnson but not be committed to cover any legal fees under this joint representation agreement.

M#102-26: On the motion by C. Girard and support by T. Banaszak, the Board authorized the Chief Executive Officer to continue to represent BABHA in the inter-regional discussions and sign the letter of engagement with Miller Johnson. The motion was adopted unanimously.

UNFINISHED BUSINESS

There was not any unfinished business.

NEW BUSINESS

Budget Process Update:

There were discussions regarding the possibility of logistics, combining meetings where possible, the timing of health insurance premiums, and legal deadlines for approving the budget. The Board scheduled a special meeting and public hearing for 5:00 pm on Monday, September 28, 2026 for consideration of the fiscal year 2027 operating budget.

Upcoming Meeting Schedule:

The Board Vice Chair, P. McFarland, reported the following upcoming meetings:

- 1) Special Personnel & Compensation Committee meeting on Wednesday, September 2, 2026 at 5:00 pm for consideration of fiscal year 2027 retiree benefits.
- 2) Facilities & Safety Committee meeting on Thursday, September 3, 2026 at 5:00 pm.
- 3) Recipient Rights Advisory & Appeals Committee meeting is rescheduled for 5:00 pm on Tuesday, September 8, 2026 at 5:00 pm due to Labor Day. This meeting will be a mock appeal.

Holiday Schedule:

BABHA Offices will be closed on Monday, September 7, 2026 for Labor Day.

Upcoming Conferences:

The Board Vice Chair, P. McFarland, reported the 33rd Annual Recipient Rights Conference at Crystal Mountain is Wednesday, September 16 – Friday, September 18, 2026. A list of attendees was reviewed for this conference. P. McFarland also reported that the Community Mental Health Association (CMHA) Fall Conference at Grand Traverse Resort is Monday, October 26 and Tuesday, October 27, 2026. S. McRae reviewed the current attendee list with the Board.

BOARD MEMBER COMMENTS

Board member comments included:

- 1) Being aware of the average cost for an individual to attend a conference
- 2) Constituents should know the board is being fiscally responsible and staying educated
- 3) BABHA is a well-respected CMH board/staff in the state
- 4) Suggestions to consider:
 - a. Members rotate attendance at conferences
 - b. Express concerns to CMHA of conference expenses
 - c. Shorten length of conferences to one day to minimize expenses

ADJOURNMENT

M#103-26:

On motion of C. Girard and support by S. Mrozinski, the Board meeting adjourned at 5:26 pm. The motion was adopted unanimously.

Submitted by:



Pamela Schumacher, Board Secretary

Accepted by:



Robert Pawlak, Board Chair