AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
CORPORATE COMPLIANCE COMMITTEE MEETING

Thursday, November 5, 2026 at 5:00 pm

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

	Committee Members:	Present	Excused	Absent	Committee Members:	Present	Excused	Absent	Others Present:
	Patrick Conley, Ch				Shelley King				BABH: Sarah Holsinger, Christopher Pinter, and Sara McRae
	Pam Schumacher, V Ch				Patrick McFarland, Ex Off				
	Tim Banaszak				Robert Pawlak, Ex Off				
	Christopher Girard								Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained

	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) BABH Corporate Compliance Quarterly Report 4.2) Corporate Compliance Committee Notes from the meetings dated: a) July 13, 2026 b) August 10, 2026 4.3) Security Risk Assessment Executive Summary 4.4) Midstate Health Network (MSHN) Medicaid Event Verification (MEV) Report		4.1) No action necessary 4.2) No action necessary 4.3) No action necessary 4.4) No action necessary

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	4.5) Dashboard Reports 4.6) Strategic Initiatives		4.5) No action necessary 4.6) No action necessary
5.	Adjournment	M - S - pm MA	

BAY ARENAC BEHAVIORAL HEALTH

Corporate Compliance Report

FY26 Quarter 3 through FY26 Quarter 4

Scale for Status Rating: Good-Improved-Fair-Poor

COMPLIANCE MONITORING

Monitoring	Status at Last Report	Status as of this Report	Comments
Electronic health record security breach monitoring (for violations of role-based security)	Good	Good	No findings.
Sanctioned provider (exclusion/ debarment) checks for employees and officers, contracted clinical service providers and selected vendors	Good	Good	No findings.

Auditing	Status at Last Report	Status at this Report	Comments
Contracted Service Provider Site Reviews	Good	Good	During FY26Q3 and FY26Q4 there were 42 site reviews completed. These reviews included specialized residential, community living supports (CLS), and vocational providers.
Record Reviews	Improved	Fair	In FY26Q3, a new process was developed for completing record reviews. The Quality Department will be completing a sample of records from direct operated services as well as our contracted primary providers. There is no data for comparison due to this change. However, during the FY26Q3 record review process, there were 142 records reviews. Areas needing improvement included making sure the Individual Plan of Service (IPOS) is signed by the consumer/guardian, all services are listed in the frequency/methodology section of the IPOS, and the review of progress being completed after the due date.
Verification of Medicaid services provided for direct operated programs & contracted service providers	Good	Good	Eighty-one Medicaid Event Verification (MEV) reviews were completed during Q3 and Q4. These reviews included CLS, Applied Behavior Analysis (ABA), Vocational, Financial Management Services, Primary Providers including Bay Direct operated services, and Specialized Residential providers. These reviews totaled $589,103.29 of claims with a recoupment amount of $47,820.61. There are five reviews that have not yet been finalized. Some of these recoupments allowed for providers to rebill a portion of the original claim so the total recoupment would be less than this. Self Determination Coordinator has been completing monthly spot checks for MEV and quality in documentation and reporting to the CCC.

RISK ASSESSMENT			Status of Action Plans
Dep't of Justice Compliance Program Eval	Triennial	Next eval due in 2025 – pushed back to 2026	The 2022 self-evaluation was completed during the reporting period as scheduled. BABHA scored 99-100% on 34 out of 43 standards (80%). Of the 9 standards warranting improvement, action steps include more training for supervisors on compliance, strengthening training on policies and procedures, and post implementation evaluation of process changes to ensure regulatory compliance is fully actualized. Training for Supervisors has been developed and individual new supervisors have had one on one training. To address education on policies and procedures this has been incorporated in the Relias System. The DOJ Evaluation is in process now and will be completed by 11/30/2026.
Fraud/Abuse Risk Assessment	Triennial	Next Assessment	Completed and presented to CCC 12/2023. Presented and Approved by HCICC 1/2024. The MEV reviews have been completed as scheduled and the increased amount of MEV's being conducted has been implemented. The

<table>
<tr><th colspan="3">RISK ASSESSMENT</th><th>Status of Action Plans</th></tr>
<tr><td></td><td></td><td>due 12/2026</td><td>external providers have been restricted from being able to do stand alone authorizations. A report for expired IPOS is available to external providers now that everyone is on PCE. The Self Determination Coordinator has provided monthly MEV and provider education and reported this to the CCC. A training schedule has been developed and staff development has assigned children's training to staff who need the hours. The EVV system has had a soft launch and is being implemented. IPOS training continues to be missed. Additional training has been conducted at Leadership Meetings and PNOQMC. The children's team has been educated on how to run reports on the training hours within Relias.</td></tr>
<tr><td>Security Risk Assessment</td><td>Annual</td><td>Completed September 2026</td><td>BABHA demonstrated a strong overall level of compliance, with 118 of 123 assessment questions compliant, for an overall compliance rate of 96%. Required questions were 97% compliant and addressable questions were 94% compliant.
BABHA achieved 100% compliance in four of the seven assessment areas:
• SRA Basics
• Security Policies
• Security and Workforce
• Contingency Planning
The remaining findings were concentrated in Security and Data, Security and the Practice, and Security and Business Associates.
<table>
<tr><th>Question Type</th><th>Questions</th><th>Compliant Answers</th><th>Compliance %</th></tr>
<tr><td>Required</td><td>92</td><td>89</td><td>97%</td></tr>
<tr><td>Addressable</td><td>31</td><td>29</td><td>94%</td></tr>
<tr><td>Total</td><td>123</td><td>118</td><td>96%</td></tr>
</table></td></tr>
<tr><td>Independent Security Risk Assessment</td><td>PRN</td><td>Completed September 2026</td><td>Brandon Smith from the Michigan State Police completed an independent Security Risk Assessment via a table top exercise on September 24, 2026, with the Security Officer and the IS Department. Results TBD and provided to SLT to help strengthen the SRA and Remediation Plan.</td></tr>
</table>

<table>
<tr><th colspan="3">EDUCATION</th></tr>
<tr><th>Persons Served</th><th>Frequency</th><th>Status</th></tr>
<tr><td>Consumer Council-Bay
Consumer Council-Arenac</td><td>Annual/ PRN</td><td>Website contains Fraud Abuse and Privacy education. Consumer Council training scheduled for 12/2026.</td></tr>
<tr><td>Self-Determination</td><td>As Needed</td><td>Self Determination education for new consumers has begun to be tracked and reported to MSHN as well as the 5% EOB's that are sent out annually.</td></tr>
<tr><th>Board of Directors</th><th>Frequency</th><th>Status</th></tr>
<tr><td>Full Board Corporate Compliance training</td><td>Annual</td><td>Completed June 2026</td></tr>
<tr><td colspan="3">Additional compliance information provided for Board of Directors:
<table>
<tr><th>Date</th><th>Audience</th><th>Topic</th></tr>
<tr><td>5/7/2026</td><td>CCC Board Members</td><td>CC Semi Annual Plan, CC Plan, Dashboards for Privacy and Fraud, OIG work plan.</td></tr>
<tr><td>5/7/2026</td><td>CCC Board Members</td><td>CC Dashboard, MSHN MEV Findings, Quarterly Fraud and Abuse report for FY26Q1 and FY26Q2.</td></tr>
</table></td></tr>
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Supervisors	Frequency	Status
Standing compliance agenda item on Bi-Weekly Leadership meetings	Monthly	On-going
Supervisor-specific corporate compliance training	Annual	Developed initial training and provided training via email to Supervisors. Incorporated elements into the annual Corporate Compliance Training 2026.

Additional Educational Activities for Supervisors:

Date	Audience	Topic	Type
10/21/2026	BABHA Supervisors	CPT Code Updates	Email
10/06/2026	BABHA Supervisors	New Link for Unsigned Documents in Phoenix – to ensure compliance/timeliness in documentation	Email
10/06/2026	BABHA Supervisors	MMP 26-41 Intensive Crisis Stabilization Services (ICSS), MMP 26-18 Autism Behavioral Health Treatment services, including ABA	Teams Meeting

Employees	Frequency	Status
New employee orientation to corporate compliance, privacy and confidentiality	Monthly	Completed every month.
Corporate compliance training	Annual	Completed 06/2026 – Annually for all employees during Staff Development Days
Privacy/security/confidentiality training	Annual	Completed 06/2026 – Annually for all employees during Staff Development Days
Corporate Compliance Plan in-service	Annual	2026 Corporate Compliance Plan 03/03/2026
Email security drills (by Security Officer Designee)	Quarterly	Being completed monthly to quarterly last completed October 2026.

Additional Educational Activities for Personnel:

Date	Audience	Topic	Type
09/29/2026	All Staff	Transition from BHTEDS to MHCLD	Email/PPT/Teams
09/30/2026	All Staff	Prior Authorization Changes in Phoenix	Email/Teams
09/17/2026	All Staff	Keeping Agency Cell Phones Updated	Email
08/26/2026	All Staff	Potential Security Concern/Suspicious Email	Email

Contracted Service Providers	Frequency	Status
Corporate Compliance Training for Residential/ Community Living Support Providers	Annual	Competed 4/30/2026
Corporate Compliance Training for Vocational Providers	Annual	Completed 09/2026
Corporate Compliance Training for Primary Providers	Annual	Completed 11/2025
Corporate Compliance Training for Autism Providers	Annual	Completed 4/30/2026

Additional Educational Activities for Contracted Service Providers:

Date	Audience	Topic	Type

09/29/2026	Primary Providers	Transition from BHTEDS to MHCLD	Email/PPT
09/30/2026	Primary Providers	Prior Authorization Changes in Phoenix	Email

Corporate Compliance Staff & Leadership	**Frequency**	**Status**
Review of Regulatory Changes	Monthly	In process
Review of Medicaid and General Fund Contract Boilerplate and Attachments	Yearly	In process
Review of CMS Office of Inspector General [Regulatory Compliance] Work Plan	Yearly	In process

Educational activities for compliance leadership:

Date	Audience	Topics	Type
06/08/2026	Melissa Prusi	CMHA Summer Conference	In-Person
07/23/2026	Melissa Prusi	Medicaid and the Road Ahead: Spending Cuts, Work Requirements and What's Next for States, Providers and Families	Webinar
07/29/2026	Melissa Prusi	MDHHS Recovery Audit Center Portal Training	Webinar
08/13/2026	Melissa Prusi	Right-Sizing Compliance: What Flexes (and What doesn't) Under OIG Guidance	Webinar
08/19/2026	Melissa Prusi	H.R.1 and Medicaid Update: From policy to practice	Webinar
09/16/2026	Melissa Prusi	From Regulatory Audit Anxiety to Continuous Readiness	Webinar
09/30/2026	Melissa Prusi	When Risk Becomes Reality: Cybersecurity, Compliance, & Crisis Response in Behavioral Health	Webinar

Report Prepared by:
Melissa Prusi, LBSW, MHSL
Director of Healthcare Accountability

Date: October 30, 2026

BAY-ARENAC BEHAVIORAL HEALTH
BABHA CORPORATE COMPLIANCE COMMITTEE MEETING
Monday, July 13, 2026 (1:00 - 3:00 pm)

MEMBERS	Present	MEMBERS	Present	MEMBERS	Present
Amy Folsom, Clinical Program Manager	X	Joelle Sporman, BI Secretary (Recorder)	X	Nicole Sweet, Director of IHC	X
Heather Friebe, Integrated Care Director, Arenac	X	Karen Amon, Directory of IHC	-	Sarah Holsinger, Quality Manager	X
Jackie Kish, RR/CS Manager	X	Marci Rozek, Chief Financial Officer	X	Stephanie Gunsell, Contract Manager	X
Jennifer Lasceski, Director of HR	X	Melissa Prusi, Compliance & Privacy Officer & Security Officer (Chair)	X	**GUESTS**	**Present**
Joelin Hahn, Director of IHC	X	Michele Perry, Finance Manager	X		

#	Topic	Key Discussion Points	Action Steps
1.	a) **Agenda**: Review/Additions b) **Meeting Notes**: Approval of May 11, 2026, meeting notes c) **Next Meeting**: August 10, 2026	a) The agenda was reviewed with no additions or changes. b) May 11, 2026, meeting notes were reviewed and approved as written. c) The next meeting is scheduled for August 10, 2026.	
2.	**State-Federal Laws, MDHHS Notices and Regulations:** a) Review of Log and Subject Matter Expert Report Outs	a) Review of Log and Subject Matter Expert Report Outs – Melissa and the committee reviewed the log (Log can be found at G:\BABH\Corp Comp Regs-Codes-Manuals - CC Committee Law-Reg Mgt Log). Log Issue 447 – WHODAS Announcement - No updates to report. Log Issue 451 – MSHN CFA & P Next Steps Plan - MDHHS review for CSM and nursing being the same provider. Asked for technical assistance on this but may have to address through Extended SLT then a workgroup to figure out how to address it. Log Issue 453 – Autism Diagnosis - HB4146 - No updates to report.	

#	Topic	Key Discussion Points	Action Steps
		Log Issue 474 – Psychologist Supervision - SB 413 - No updates to report. Log Issue 475 – AOT Bills - SB 219 - No updates to report. Log Issue 477 – AOT Bills - SB 220 - No updates to report. Log Issue 478 – AOT Bills - SB 221 - No updates to report. Log Issue 479 – Mental Health Framework - No updates to report. Log Issue 481 – Guardian and Conservator Licensure - HB 4727-4729 and 4959 - No updates to report. Log Issue 495 – EVV Compliance MMP 26-10 - Second quarter reports are coming out soon. Grace period ends for the current provider after this quarter. Log Issue 502 – Health Occupations - HB 5074 - No updates to report. Log Issue 533 – CPS release of information - HB-4530 - This is when there is a CPS involvement that they request our records that instead of the 14-day requirement that we have to adhere to, we now have a 7 day turn around to be able to provide information to CPS. We will continue to monitor. Log Issue 534 – HSW Waiver Amendment - MDHHS Final Bulletin - Our staff doing the renewal were delayed until renewal training developed. Log Issue 539 – Standardized mental health assessment requirements MMP 26-01 - Nothing to report this month. Log Issue 540 – HCBS 1915 iSPA - MMP 26-12 - Nothing to report this month. Log Issue 541 – BH treatment requirements for Autism Services 2613-BCCHPS-P - MPM has no updates at this time.	

#	Topic	Key Discussion Points	Action Steps
		Log Issue 543 – Reimbursement of Specialty MH Services MMP 26-17 – Provide prescriber services at JDC with incarcerated code so it doesn't get billed to Medicaid. Will discuss at CLC with MSHN. Log Issue 544 – CPT & HCPCS Update - Bulletin MMP 26-15 - Guidance was sent out regarding this to staff. This can be closed. Log Issue 545 – 1915 HSW - Bulletin MMP 26-14 - Nothing to report this month. Log Issue 547 – One Big Beautiful Bill, H.R.1 - H.R. 1 Medicaid eligibility redetermination changes that will require six-month renewals for the Medicaid expansion population beginning January 1, 2027. Recommended compliance actions include strengthening procedures to verify and update beneficiary contact information at intake and every service encounter; developing policies to address potential coverage gaps and continuity of care during periods of Medicaid termination and reinstatement; ensuring billing staff are trained on retroactive eligibility, claim resubmission requirements, and complex household renewal scenarios; implementing routine eligibility monitoring through care coordination. GF LOC being worked on. Educating providers to ensure contact information is maintained/updated in real time. Be prepared for redetermination. HMP enrollees need to apply for disability if chronic/ensure Medicaid application. Develop HM plan like GF plan. Log Issue 548 – Calendar Year 2027 Hospital Outpatient Prospective Payments System (OPPS) and Ambulatory Surgical Center (ASC) Proposed Rule CMS-1850-P - For both community mental health centers (CMHCs) and hospital-based programs, CMS proposes to increase IOP and PHP per diem rates over CY 2026 levels by 1.48% for programs furnishing three services per day and by 3.03% for programs furnishing four or more services per day. No changes to the payment methodology are proposed. The CY 2027 OPPS/ASC proposed rule would update Medicare payment rates for IOP and PHP services furnished in hospital outpatient departments and Community	

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		Mental Health Centers (CMHCs). The IOP is a distinct and organized outpatient program of psychiatric services provided for individuals who have an acute mental illness or substance use disorder, consisting of a specified group of behavioral health services paid on a per diem basis for a minimum of 9 hours of IOP services per week under the OPPS, or other applicable payment system, when furnished in hospital outpatient departments, CMHCs, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (RHCs). IOP services may also be furnished in Opioid Treatment Programs (OTPs) for opioid use disorder (OUD). The PHP is an intensive, structured outpatient program provided as an alternative to psychiatric hospitalization, consisting of a specified group of mental health services paid on a per diem basis for a minimum of 20 hours of PHP services per week under the OPPS, based on PHP per diem costs. We were never given the CMH's codes for IOPs. No updates that have come through.	
	b) Review of CMHA Update on Legislative and Policy Changes c) Review of Compliance Updates/Regulatory Education Needed for Staff d) Process for Ensuring Implementation of Policy Changes e) Updates from CMHAM ED Forum	b) <u>Review of CMHA Update on Legislative and Policy Changes</u> – See above. c) <u>Review of Compliance Updates/Regulatory Education Needed for Staff</u> – See above. d) <u>Process for Ensuring Implementation of Policy Changes</u> – See above. e) <u>Updates from CMHAM ED Forum</u> – No updates to report this month. 5121 CAA DMS Guidelines - To provide targeted case management and diagnostic and screenings for youth 30 days prior to release in juvenile detention to coordinate services post release. This is for anyone 26 years old and younger that has been in foster care and is Medicaid eligible and affects the jails as well.	Nicole to send information to Melissa to add to the Law-Reg Meeting Log.
3.	**<u>Plans, Policies, Procedures, Assessments</u>:** a) Status of Employee Attestations/Time for new	a) <u>Employee Attestations</u> – We need to move this back to end of summer. Jennifer will get with Melissa on a timeframe to align with Staff Development Days.	a) <u>Employee Attestations</u> – Jennifer to get with Melissa on a timeframe.

#	Topic	Key Discussion Points	Action Steps
	ones (end of Summer/early Fall)		
4.	**Data/Monitoring/Reports:** a) Phoenix and Gallery Breach Monitoring b) Exclusion/Debarment – Officers, Employees, Contractors, Vendors (Annual staff Attestation for Fraud /Abuse/ Convictions during Staff Development Days) c) Monitoring of Group Drives for Unsecured PHI Files d) Security Officer Update e) Ethics/Recipient Rights/Customer Service Update f) Report on spot checks for compliance for Self Determination g) Corporate Compliance Activity Report – Summary of log **June Reports:** h) Quality Review of Medical Records **July Reports:** i) Email Security Phishing Drills j) Security Risk Assessment k) Review of Compliance Audit Findings l) Corporate Compliance Semi-Annual Progress Report	a) Phoenix and Gallery Breach Monitoring – No breaches to report for May, June or July. b) Exclusion/Debarment – No findings to report this month. c) Monitoring for Unsecured PHI Files – No unsecured PHI to report. d) Security Officer Update – There are no security issues beyond phishing drills. Education is not being completed by repeat clickers. The IT Department is reviewing the situation and will provide recommendations to SLT. e) Ethics/RR/CS Update – Nothing to report for July. The next Ethic's meeting is in September. f) Report on spot checks for SD – There were 3 new referrals in May and 2 were completed. Reviewed 15 sets of notes and education was provided to two SD cases. There was 1 referral in June from a provider agency to SD. Reviewed 13 sets of notes and education was provided to one case to enhance documentation. g) Corporate Compliance Activity Report – Main issues are MEV's with recoupments with nothing extraordinary. One investigation regarding potential fraud. This is still in process. There is a lack of training forms with regard to a contractor. Need to problem solve how to get the training forms into the record and in a timely manner. h) Quality Review of Medical Records – Sarah went over the Quality Record Review Summary Report for FY26Q2. The report has been saved in the meeting folder.	

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	m) Dashboard Fraud-Abuse-Privacy-Security n) Fraud/Abuse Risk Assessment (Triennial) o) DOJ Compliance Progress Evaluation (Triennial)	i) Phishing Drills – The June results look good. The July results have not been sent yet. Consistent in reporting and hope to have more suspicious email posts. j) Security Risk Assessment – This is being reviewed/updated now. k) Review of Compliance Audit Findings – Defer l) Semi-Annual Progress Report – MEV reviews are being done. Information Management Strategic Operating Plan has gone through SLT and will go to the CCC committee meeting next month. Staff Development Days is upcoming with the trainings. m) Dashboard – The dashboard is not complete yet, but we have a good start to our Corporate Compliance dashboard being updated for both fraud and abuse, including MEV reviews, as well as privacy and security. This will be ready to go for our next meeting. n) Fraud/Abuse Risk Assessment – This needs to be scheduled. o) DOJ Compliance Progress Evaluation – This needs to be scheduled.	
5.	**Outstanding Items/Other** a) None	Nothing to address this month.	
6.	**Adjourn**	**The next meeting is scheduled for Monday, August 10, 2026, from 1:00 - 3:00 pm via MS Teams.**	

BAY-ARENAC BEHAVIORAL HEALTH
BABHA CORPORATE COMPLIANCE COMMITTEE MEETING
Monday, August 10, 2026 (1:00 - 2:30 pm)

MEMBERS	Present	MEMBERS	Present	MEMBERS	Present
Amy Folsom, Clinical Program Manager	-	Joelle Sporman, BI Secretary III (Recorder)	X	Nicole Sweet, Director of IHC	X
Heather Friebe, Director of IHC, Arenac	X	Karen Amon, Directory of IHC	X	Sarah Holsinger, Quality Manager	X
Jackie Kish, RR/CS Manager	-	Marci Rozek, Chief Financial Officer	-	Stephanie Gunsell, Contract Manager	X
Jennifer Lasceski, Director of HR	X	Melissa Prusi, Compliance, Privacy & Security Officer (Chair)	X	**GUESTS**	**Present**
Joelin Hahn, Director of IHC	X	Michele Perry, Finance Manager	X		

#	Topic	Key Discussion Points	Action Steps
1.	a) **Agenda**: Review/Additions b) **Meeting Notes**: Approval of July 13, 2026, meeting notes c) **Next Meeting**: September 14, 2026	a) The agenda was reviewed with no additions or changes. b) July 13, 2026, meeting notes were reviewed and approved as written. c) The next meeting is scheduled for September 14, 2026.	
2.	**State-Federal Laws, MDHHS Notices and Regulations:** a) Review of Log and Subject Matter Expert Report Outs	a) Review of Log and Subject Matter Expert Report Outs – Melissa and the committee reviewed the log (Log can be found at G:\BABH\Corp Comp Regs-Codes-Manuals - CC Committee Law-Reg Mgt Log). Log Issue 447 – WHODAS Announcement - The MDHHS Team has identified the MichiCANS as the preferred assessment for that 18-21 but will be creating more specific guidance on this soon. It is not clear whether this age population will require both the MichiCANS and the WHODAS for the HSW. Log Issue 451 – MSHN CFA & P Next Steps Plan - CEOs at MSHN have a workgroup to discuss/determine how to implement with the least amount of disruption. Log Issue 453 – Autism Diagnosis - HB4146 - No updates to report.	

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		Log Issue 474 – Psychologist Supervision - SB 413 - No updates to report. Log Issue 475 – AOT Bills - SB 219 - No updates to report. Log Issue 477 – AOT Bills - SB 220 - No updates to report. Log Issue 478 – AOT Bills - SB 221 - No updates to report. Log Issue 479 – Mental Health Framework - No updates to report. Log Issue 481 – Guardian and Conservator Licensure - HB 4727-4729 and 4959 - No updates to report. Log Issue 495 – EVV Compliance MMP 26-10 - Second quarter reports were out in July. Stephani and Justeen get provider reports for TBHS that we provide services for, so this report needs to be forwarded. We have no idea how they will be addressing any non-compliance. Log Issue 502 – Health Occupations HB5074 - Modifies renewal limits for temporary or limited mental health licenses. No updates to report. Log Issue 533 – CPS release of information - HB-4530 - This is when there is a CPS involvement that they request our records that instead of the 14-day requirement that we have to adhere to, we now have a 7 day turn around to be able to provide information to CPS. We will continue to monitor. Log Issue 534 – HSW Waiver Amendment - MDHHS Final Bulletin - No new updates. Log Issue 540 – HCBS 1915 iSPA - MMP 26-12 - Got a corrective action from MDHHS regarding 8 elements being in the IPOS and BTP. Due to MSHN mi-August.	

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		Log Issue 541 – BH treatment requirements for Autism Services 2613-BCCHPS-P - No updates to report. Log Issue 543 – Reimbursement of Specialty MH Services MMP 26-17 – Did not discuss at CLS. Needs review. Log Issue 545 – 1915 HSW - Bulletin MMP 26-14 - Nothing to report this month. Log Issue 546 – Recovery Audit Contract Program, L 26-36 - Nothing to report this month. Log Issue 547 – One Big Beautiful Bill, H.R.1 - Joelin met with Jodi from DHS re: this. Not a lot of guidance provided. Local DHS discovered they were doing their determinations incorrectly. (Misinterpreted rules.) Person has to have filed for disability or SSA disability. The SSA disability MUST occur first and if not eligible then they may meet state disability. Looking at PCE data elements to see if it captures what we need. Need to have a lot of historical information/generate information for streamlining the process. Application would be able to be filled out with the assistance of this information. Log Issue 548 – Calendar Year 2027 Hospital Outpatient Prospective Payments System (OPPS) and Ambulatory Surgical Center (ASC) Proposed Rule CMS-1850-P – Could we add a reviewer? Log Issue 549 – MI Medicaid Juvenile Justice Reentry Services, 5121-CAA - CAA Section 5121 is intended to help reduce these gaps by supporting eligible Medicaid and CHIP youth with services before release and targeted case management after release. For youth leaving juvenile justice and correctional settings, timely connection to health care, behavioral health services, and care coordination can help reduce gaps in care and support a smoother transition back to the community. Medicaid will reimburse for screening and diagnostic provided in the 30 days prior to release and	

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		targeted case management (TCM) in the 30 days prior to release and for up to one-year post-release. Eligible Populations: Medicaid/CHIP eligible youth who are: Within 30 days of their scheduled release date; AND held post-adjudication; AND Under 21 OR Former foster youth up to age 26. Required Services: Screening & diagnostic services and targeted case management (TCM) 30 days prior to release; TCM in the post release period (up to one year in Michigan). No updates. Proposed policy to be released for comment period. Not released yet. Log Issue 550 – Enrollment of LL Non-Physician Behavioral Health Providers, LOCUS, MichiCANS - MMP 26-30 – Enrollment and billing instructions specified within this bulletin are not applicable to PIHPs and PIHP providers, so it does not apply to us. See page 4, PIHP, does not apply. Log Issue 551 – 1915(i)SPA-OHSS 2634-BH-P - OSHH being added as a SPA service – contingent upon approval of a SPA by CMS. Log Issue 552 – Placement SB586 – Jill is working with the court to prepare for this. Log Issue 553 – ICSS Policy Update 2627-BH - Updating the ICSS section of the MPM - Behavioral Health & IDD Chapter - Updating the requirement found in the Emergency Intervention Services subsection of the policy, removing "Must" related to Mobile crisis services being provided for adults 21 and older and replacing with "may" provide mobile crisis response services. Also, MDHSS will update timeliness standard requirements for mobile crisis response teams. They are rescinding the requirement that Mobile Crisis Stabilization team to travel to the individual in crisis for a face-to-face contact within 1 hour or less (urban) and 2 hours or less (rural).	
	b) Review of CMHA Update on Legislative and Policy Changes c) Review of Compliance Updates/Regulatory Education Needed for Staff	b) Review of CMHA Update on Legislative and Policy Changes – See above. c) Review of Compliance Updates/Regulatory Education Needed for Staff – See above.	

#	Topic	Key Discussion Points	Action Steps
	d) Process for Ensuring Implementation of Policy Changes e) Updates from CMHAM ED Forum	d) Process for Ensuring Implementation of Policy Changes – See above. e) Updates from CMHAM ED Forum – CMHA Annual Fall Conference 10/26/26 - 10/27/26; IO Winter Conference 11/04/26 - 11/06/26; CMHA Annual Winter Conference 02/08/27 - 02/10/27	
3.	**Plans, Policies, Procedures, Assessments:** a) Status of Employee Attestations/Time for new ones (end of Summer/early Fall)	a) Employee Attestations – The Help Desk is assisting with this so the data can get out as soon as possible. Information needs to be entered in for each individual staff, so when they are completed, a reminder is sent out and it will go out to only those who didn't complete them. Hoping to have it launched to all staff by the end of August.	
4.	**Data/Monitoring/Reports:** a) Phoenix and Gallery Breach Monitoring b) Exclusion/Debarment – Officers, Employees, Contractors, Vendors (Annual staff Attestation for Fraud /Abuse/ Convictions during Staff Development Days) c) Monitoring of Group Drives for Unsecured PHI Files d) Security Officer Update e) Ethics/Recipient Rights/Customer Service Update f) Report on spot checks for compliance for Self Determination g) Corporate Compliance Activity Report – Summary of log	a) Phoenix and Gallery Breach Monitoring – No breaches to report this month. b) Exclusion/Debarment – No findings to report this month. c) Monitoring for Unsecured PHI Files – No unsecured PHI to report this month. d) Security Officer Update – The Security Risk Assessment is being reviewed. Policies are being reviewed. Brandon Smith with the Michigan State Police will be conducting the Security Risk Tabletop exercise in September. He will be working with the IT staff to make sure that our policies are set, that we are looking at everything, and it is free of charge. e) Ethics/RR/CS Update – The next Ethics Committee is scheduled for September 30th. Defer f) Report on spot checks for SD – The Staff Development Center reviewed 13 sets of notes. The bulk of these notes were of good quality. The SDC met with one family face-to-face because the education provided a couple of times has not seemed to have stuck. The SDC directly assisted in the	

#	Topic	Key Discussion Points	Action Steps
	<u>August Reports</u>: h) Verification of Medicaid Services; Plan within 15 Days; HCC; Medical Necessity (FY26Q2) i) Ability to Pay Compliance Rate	onboarding of 2 staff at the request of people served. Had 3 referrals come through and wrapped up one that was till underway from last month. Of this month's 3 referrals, all have budgets developed now. One of them is holding off because their Medicaid got cut and they are working on putting it in place. Once case was supposed to meet with me and FMS for a 'kickoff meeting" but could not figure Zoom out; so SDC will likely meet with them at their home and zoom from there to troubleshoot this one. The third, SDC is trying to schedule a kickoff meeting; The 2 with scheduling and tech issues should be wrapped up within a week with the case with no Medicaid TBD. We have a situation where a person is attempting to set up services in WA and MDHHS stated his HHA could be used in that state. The individual found legislation that indicated it could not be used as it was less than the per hour wage. The State countered that we could supplement the budget with CLS. Also dealing with the new Waskul settlement and how that impacts us - including goods and services - but mainly CLS activities such as memberships. We will have to provide a few ABDs to delay the implementation until things get figured out. g) <u>Corporate Compliance Activity Report</u> – There were MEV recoupment amounts that were a little higher than anticipated for a provider. There were some minor issues with confidentiality. h) <u>Verification of MCaid Services; Plan within 15 Days; HCC; Medical Necessity</u> – Defer i) <u>ATP Compliance Rate</u> – PCE is not pulling the data as a report is not available anymore. Discuss in Data Governance.	
5.	**<u>Outstanding Items/Other</u>** a) None	Nothing to address this month.	
6.	**Adjourn**	**The next meeting is scheduled for Monday, September 14, 2026, from 1:00 - 3:00 pm via MS Teams.**	

BABHA SLT/Corporate Compliance Committee Board Meeting Executive Summary

Melissa Prusi, DHCA, CCO, SO, PO
10/30/2026

2026 HIPAA Security Risk Assessment Findings and Remediation Plan

Bay-Arenac Behavioral Health (BABHA) completed its 2026 HIPAA Security Risk Assessment on September 10, 2026, using the U.S. Department of Health and Human Services (HHS) Security Risk Assessment tool. The assessment evaluates safeguards for electronic protected health information (ePHI) across seven areas, including security policies, workforce practices, data security, physical safeguards, business associates, and contingency planning.

Overall Assessment Results

BABHA demonstrated a strong overall level of compliance, with 118 of 123 assessment questions compliant, for an overall compliance rate of 96%. Required questions were 97% compliant and addressable questions were 94% compliant.

BABHA achieved 100% compliance in four of the seven assessment areas:

- SRA Basics
- Security Policies
- Security and Workforce
- Contingency Planning

The remaining findings were concentrated in Security and Data, Security and the Practice, and Security and Business Associates.

Key Findings and Remediation

1. Access to ePHI and device management
The assessment identified that BABHA inventories and approves applications that access ePHI but does not manage or preapprove every device that can access those applications. The remediation review considered additional device restrictions such as IP filtering and browser-based controls; however, BABHA determined these options would create an unreasonable operational burden because of its use of contracted providers. BABHA's EHR currently uses unique credentials, passwords, and two-factor authentication to verify users accessing ePHI.

2. Physical Facility Access Documentation
Physical access controls: BABHA has access controls at most facilities. The primary area identified for review is the Mulholland second floor, where a hallway is shared with hospital staff. Individual offices

can be locked when unoccupied, and the Facilities Manager will evaluate whether additional safeguards should be implemented.

3. Business Associate Oversight
The most significant concentration of assessment exceptions was within the Business Associate section, which was 80% compliant, with 12 of 15 required questions receiving compliant answers. BABHA currently relies on executed Business Associate Agreements to obtain assurances that business associates will protect PHI and ePHI. BABH does not presently conduct additional monitoring, require standards exceeding HIPAA, or perform ongoing vendor security evaluations. The Security Officer will work with Senior Leadership to evaluate whether additional controls are feasible and to prepare for potential regulatory changes.

August 2026 Mid-State Health Network (MSHN) Medicaid Event Verification (MEV) Results

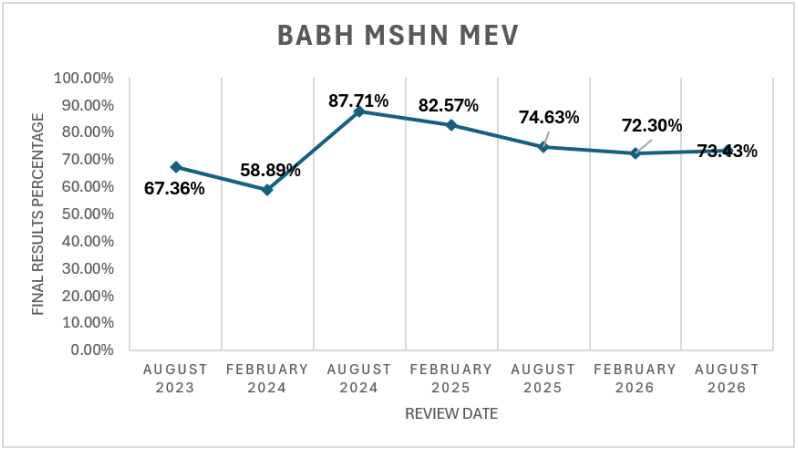
Bay Arenac Behavioral Health Authority received **73.43%** for the MSHN MEV review that took place in August 2026. There was a total of 321 claims reviewed.

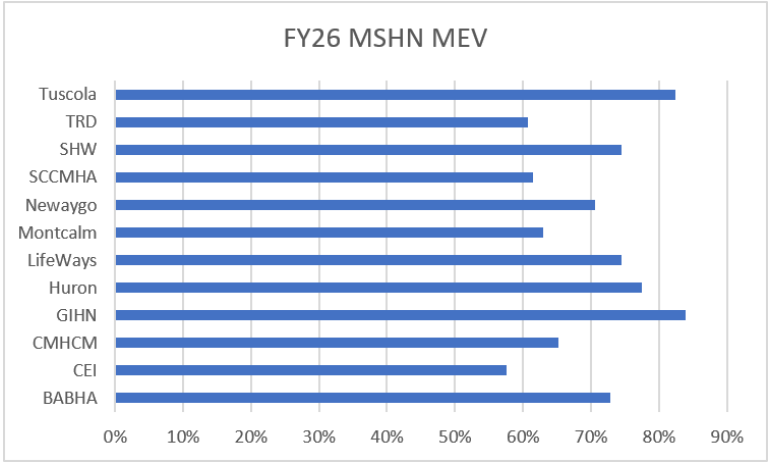
Findings:

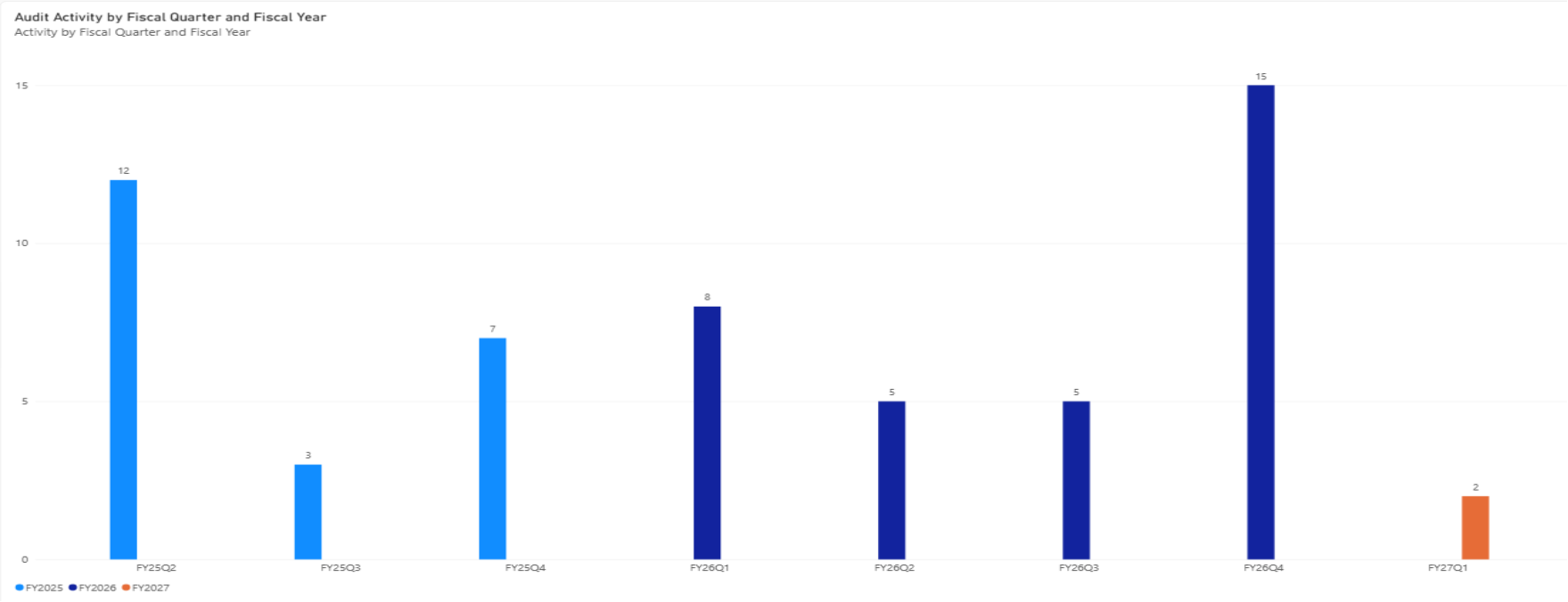
- **21** claims contained errors with the *Plan of Service Training Form*.
  - This is for 3 unique consumers.
  - Of those 21 claims 17 were due to there not being an IPOS Training form stating that the trainer was trained by the case holder.
- **47** claims were missing consumer/guardian signatures on an Addendum or IPOS.
  - This is for 4 unique consumers.
  - Of those 47 claims, 4 were due to the IPOS stating "REFUSED TO SIGN."
- **17** claims were submitted with the incorrect modifier, or they were missing a modifier.
  - This is for 3 unique consumers.
  - Of those 17 claims, 15 were due to the Progress Note missing the HH modifier when the consumer had a documented Tobacco Use Disorder which is classified as a Substance Use Disorder.
- **11** claims had documentation issues, including missing provider signatures, start/stop times, narratives, missing documentation or mismatched units.
  - This is for 6 unique consumers.

Trends from the Previous Audit:

- There were 21 claims related to insufficient IPOS training forms for the February 2026 review compared to 40 claims during the February 2026 review.
- There were 47 claims where the auditor was unable to locate consumer/parent/guardian signature on IPOS Addendum for the February 2026 review compared to 32 claims during the February 2026 review.

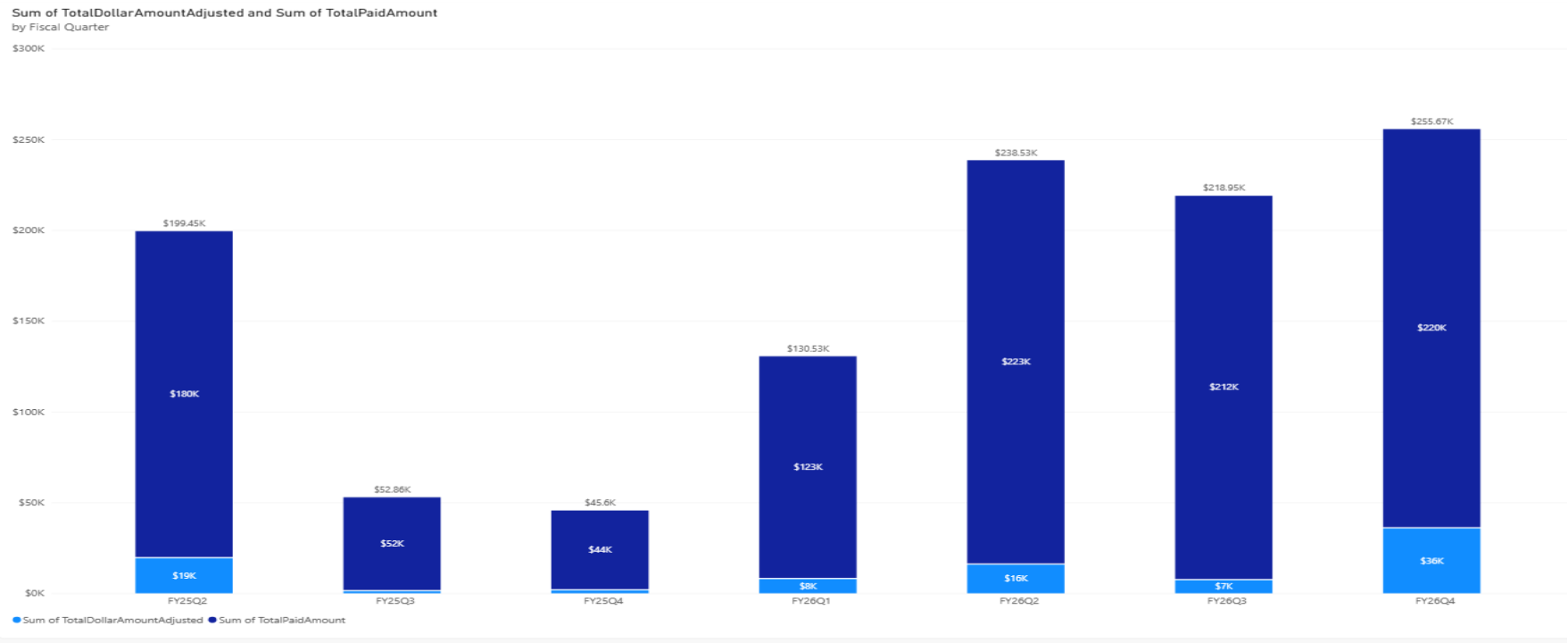






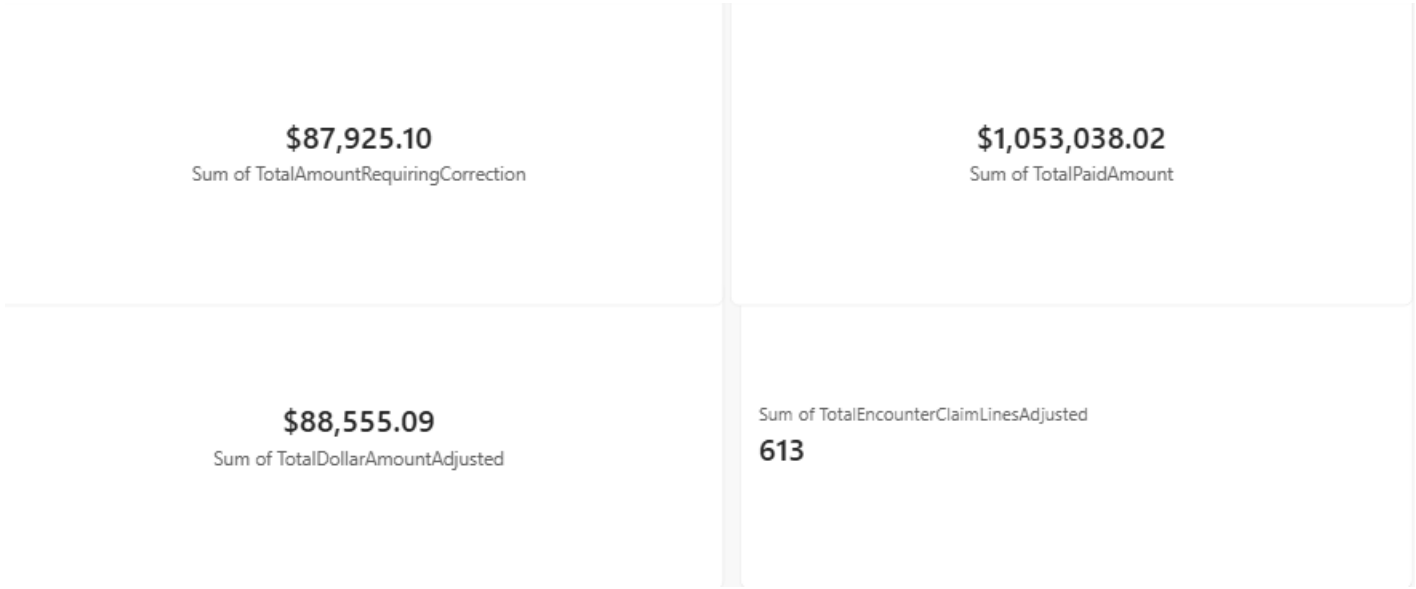
Audit Activity by Quarter/FY:

Audit activity is an important component of BABHA's Corporate Compliance Program throughout FY2025 and FY2026. Following moderate audit activity during FY25 and the first three quarters of FY26, audit activity increased significantly in FY26 Q4, with 15 audits completed, representing the highest quarterly audit volume during the reporting period. The increase in audit activity reflects enhanced compliance monitoring, risk identification, and oversight efforts aimed at strengthening internal controls, documentation quality, and regulatory compliance. Audit results continue to support corrective action planning, process improvement, and ongoing evaluation of compliance program effectiveness.



Key trends in Audit Activity:

Recoupment audit activity increased substantially during FY26, particularly in the second half of the fiscal year. The highest level of recoveries occurred in FY26 Q4, reflecting enhanced audit efforts and follow-up activities. Recovered funds consistently represented the majority of identified adjustments, demonstrating effective recovery and recoupment processes. FY27 activity is beginning with lower volumes and will continue to be monitored for emerging trends. The upward trend in recovery audit activity and associated recoveries demonstrates the effectiveness of BABHA's compliance and quality monitoring and financial oversight processes. These activities help ensure appropriate use and oversight of public resources, identify billing and documentation concerns, and support corrective actions to reduce future compliance risks.



BABHA's audit activities included approximately $1.05 million in claims being reviewed. Of that amount, $87,925 was identified as requiring correction, with $88,555 ultimately recouped across 613 encounter claim lines. While the total dollar amount reviewed exceeded $1 million, less than 9% required adjustment/recoupment. This indicates strong billing and documentation compliance. The identified adjustments provide valuable opportunities to educate providers/staff to strengthen billing accuracy, documentation practices, and internal controls.

Information Management Strategic Operational Plan Strategic Initiative Review

10/30/2026

Melissa Prusi, DHCA, CCO/SO/PO

1. Health Information Exchange *(Lead: IS Department)*

- Continue to build on MiHIN health information exchange (HIE) solutions to share information with primary care and hospitals. *(Ongoing)*
    - *MIHIN Longitundinal Link will be added to the Phoenix E.H.R. for staff use which will allow for BABHA staff to review MIHIN information. Waiting on MSHN agreements to be finalized.*
- Use Direct Address messaging to exchange PHI with providers when they have that capability. *(Ongoing)*
    - *Staff are educated at least annually to utilize this as primary communication of PHI.*

2. Management of Computing Resources *(Lead: IS Department)*

- Consider using cheaper MS 365 cloud storage options where it makes sense. *(Ongoing)*
    - *Meeting with NSO to flesh out most appropriate options for workforce on November 2, 2026*
- Work with departments and users to set consistent data storage practices. *(Ongoing)*
- Move computing resources to Azure to save money, improve reliability, and make the environment simpler. *(Ongoing)*
    - *Meeting with NSO to address cloud computing needs on November 2, 2026.*
- Get and review at least three vendor proposals for major computing investments. *(Ongoing)*

3. Business Continuity and Disaster Recovery Plan and Testing *(Lead: IS Department)*

- Keep improving testing procedures, documentation, and how well the business continuity and disaster recovery plan works. *(Ongoing)*
    - *Independent Security Risk Assessment (SRA) completed with Michigan State Police Cyber Security staff on September 24, 2026.*
    - *MSP Cyber Security staff offered free opportunities to engage in on-going tabletop exercises to improve testing procedures.*
    - *MSP Cyber Security staff also offered a free, agency-wide Business Continuity and Disaster Recovery tabletop exercise.*
- Look into backup ways to communicate and set outage procedures, so the Help Desk and Emergency After Hours Services (EAS) can keep working if RingCentral goes down. *(Ongoing)*
- Use the business continuity and security risk assessments to review hotspot use, vendor performance, and backup options. *(Ongoing)*

- *Results from Independent SRA will be added to the BABHA SRA to help strengthen Security Risk Remediation Plan and security practices.*

4. Improve BABHA's Website and Ensure the Patient Portal Provides Equal Access to Digital Content (Enhancement or Redesign) *(Lead: IS Department)*

- Look at web design options to improve the website and meet Section 504 requirements. *(09/30/2026)*
  - *BABHA contracted with Envigor for website redesign and meet Section 504 requirements. (10/29/2026)*
- Review BABHA's online content and assign each website section to the right people to review and update. *(09/30/2026)*
  - *Online content reviewed and updated prior to 10/15/2026.*
- Work with PCE to make sure the patient portal meets Section 504 requirements. *(09/30/2026)*
  - *PCE reported the patient portal does meet Section 504 requirements.*
- Review business associate agreements (BAAs) to make sure vendors meet accessibility requirements. *(09/30/2026; IS Department and legal counsel)*
  - *The Corporate Compliance Officer/Security Officer drafted an updated BAA that addresses security requirements in the proposed HIPAA Security Rule, which has not yet been enacted. Current target: The federal regulatory agenda now lists the rule as a "long-term action," with final action expected in July 2027. That date is a planning estimate, not a binding deadline. HHS could finalize the rule earlier or later, change it, or withdraw it. Likely compliance date: If the rule is finalized as proposed, it would take effect 60 days after publication, and organizations would then have 180 days to comply. If HHS meets its July 2027 target, compliance would be required around March 2028.*

5. Improve System Security Practices and Technology *(Lead: IS Department)*

- Look into in-person training options on security threats. *(09/30/2026)*
- Keep educating staff on security threats, especially through Hook phishing campaigns and one-on-one training as needed. *(Ongoing)*
- Add targeted training for high-risk groups (Finance, IT, HR). *(09/30/2026)*

6. Streamline Mobile and Remote Work Technologies *(Lead: IS Department)*

- Review SharePoint and OneDrive permissions and features by department, so access matches each employee's need to know. *(09/30/2026)*
- Review Teams channel permissions and features the same way. Sub-steps:
  - The IS Department becomes skilled with the use and structure of SharePoint and Teams channels. *(Completed 09/30/2026)*
  - The IS Department trains pilot users, then trains each pilot group before it moves over. *(Ongoing)*

    - Pilot with work groups, committees, or departments to confirm permissions fit their workflows, then expand as appropriate. *(Ongoing)*
- Work with leadership to look at options for monitoring staff productivity. *(09/30/2026)*
- Find and address the reasons staff are still using Zoom. *(09/30/2026)*

7. Increase Technical Training Offered to Staff *(Lead: IS Department)*

- Share software tips and training online instead of adding more mandatory annual training. *(09/30/2026)*
- Offer training in several formats, such as Tech Tips, videos, and lunch-and-learns. *(09/30/2026)*
- Find out where staff knowledge gaps are and offer training to close them. *(09/30/2026)*
    - *Look for ways to measure knowledge gaps and learn which training topics staff prefer.*
        - *Survey developed for workforce.*