

**NEXT MEETING: MONDAY, NOVEMBER 24, 2025**  
**TBHS TRAINING CENTER**  
**129 EAST BURNSIDE STREET, CARO, MI 48723**  
**IF UNABLE TO ATTEND CALL: 989.673.6191 / 1.800.462.6814**

**TUSCOLA BEHAVIORAL HEALTH SYSTEMS**  
**REGULAR MONTHLY BOARD MEETING MINUTES**

The regular meeting of the Tuscola Behavioral Health Systems' Board of Directors was called to order by Chairperson Snider, October 23, 2025 at 7:00 pm, at the TBHS Training Center, 129 East Burnside Street, Caro, MI 48723.

<b>BOARD ATTENDANCE:</b>	Bardwell	Present	McNett	Present
	Bruno	Present	Partridge	Present
	Fritz	Excused	Ryan	Present
	Griesing	Absent	Sherman	Present
	Grimshaw	Present	Snider	Present
	Harrington	Present		

<b>STAFF ATTENDANCE:</b>	Majeske	Present	Canady	Present
	Dudewicz	Present	Mitchell	Present

**ROLL CALL** taken by Harrington.

**GUESTS:** Deb Geroux, Butzel Law via Zoom.

**MEETING OPEN TO THE PUBLIC:** No public.

**COMPLIANCE TRAINING** was provided by Butzel Law, Deb Geroux. Handouts were provided in tonight's Board packet. Questions were asked and answered. Geroux left the meeting at 7:51 pm.

<b>DATE-NUMBER</b>	<b>BODY</b>	<b>ACTION</b>
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**APPROVAL OF PUBLIC HEARING MINUTES:**

October 23, 2025 - - 1	Partridge moved and Grimshaw supported to approve the minutes from the September 25, 2025 Public Hearing as presented.	
		Motion Carried

**APPROVAL OF MINUTES:**

October 23, 2025 - - 2	Grimshaw moved and Partridge supported to approve the minutes from the September 25, 2025 regular board meeting, with a correction noted on page 3, first paragraph, last sentence: "Court of Appeals" was amended to "Court of Claims."	
		Motion Carried

**CONTRACTS/AGREEMENTS REVIEWED BY DUDEWICZ:**

October 23, 2025 - - 3                      McNett moved and Sherman supported to approve the Contracts/Agreements as presented on the Contract List Sheet(s) dated October 23, 2025.  
  
Motion Carried

**FINANCIAL STATEMENTS REVIEWED BY DUDEWICZ:**

October 23, 2025 - - 4                      Partridge moved and McNett supported placing the Financial Statements on file.  
  
Motion Carried

**CDARS RENEWAL PRESENTED BY DUDEWICZ:**

Handout was provided for current CDARS rates with the recommendation to move current CDARS account to the Huntington Bank for 13 weeks at the rate of 3.7% APR/3.78% APY, allowing one additional rollover for 13 weeks.

October 23, 2025 - - 5                      Grimshaw moved and Bruno supported to open a new CDARS account with a deposit of \$521,000.00 at Huntington Bank for 13 weeks at the rate of 3.78 APY, allowing one additional rollover for a 13-week period.  
  
Motion Carried

October 23, 2025 - - 6                      Grimshaw moved and Partridge supported to approve Julie Majeske and Sheila Canady as authorized signers on the accounts and authorize the CEO to sign on behalf of the Board.  
  
Motion Carried

October 23, 2025 - - 7                      Partridge moved and Bruno supported to approve finance staff to have view-only access to the CDARS account at Huntington Bank and approve Julie Majeske to authorize said access.  
  
Motion Carried

**CHIEF EXECUTIVE OFFICER’S REPORT BY MAJESKE** (highlighted areas of written report):

- Medicaid/General Fund – Mid-State Health Network (MSHN) received FY26 rate information from the Michigan Department of Health and Human Services (MDHHS), which resulted in a regional increase of approximately \$75M from the preliminary FY26 budget which was developed utilizing FY25 rates. Currently, MSHN is requesting additional information and clarity specific to implications of the Waskul Settlement, the Earned Sick Time Act and new Minimum Wage requirements on revenue. It is anticipated that mid-year rebasing may also impact regional revenue for FY26. Cost containment strategies continue to be implemented across the MSHN region. A new FY26 budget will be presented once MSHN provides an updated contract.
- General Fund – TBHS staff are continuing to collaborate with MDHHS on Medicaid redeterminations. There remain a small number of Medicaid beneficiaries with classification/eligibility errors, resulting in increased General Fund expenditures at the present time. TBHS continues to partner with the local DHHS office in pursuit of resolution prior to the finalization of the Financial Status Report and Encounter Quality Initiative (EQI) Reporting to MDHHS.

Local – TBHS requested a review of State Inpatient charges related to verification of county of financial responsibility as it relates one admission, resulting in MDHHS reimbursing TBHS in the amount of \$58,429. These will be local funds for FY25.

- TBHS Workforce Update - Workforce – Staffing has remained relatively stable since the last Board meeting; there were no new hires during the month. Currently, TBHS continues to have 10 full-time vacant positions and one part-time position. Recruitment efforts remain ongoing.
- Benefits – TBHS has commenced work on benefit renewals for the upcoming year. Given the significant slated rate increases, the goal is to preserve the quality of benefits while attempting to minimize the financial impact on both the agency and staff.
- PIHP Procurement Process – On October 9, 2025, an evidentiary hearing was held in the Michigan Court of Claims in Grand Rapids, with a subsequent opinion and order being issued on October 14, 2025. The Court determined that MDHHS has the authority to switch from a single-source procurement system to a competitive procurement system for Medicaid behavioral health services, and that the MDHHS may reduce the number of PIHP regions from ten (10) to three (3). The Court also said that it could not issue a final decision in the case because the Court “has made clear that a genuine issue of material fact remains as to the legality of the 2025 Request for Proposal concerning the matters at issue...” Specifically, the RFP may violate Michigan law in assigning functions to a PIHP that a CMHSP is statutorily obligated to provide, and in not funding CMHSPs so that they can fulfill their statutory obligations. The lawsuit will continue.

In addition to the case above, a second lawsuit was filed on October 9, 2025, by Centra Wellness Network, Northeast Michigan Community Mental Health Authority, Wellvance, Gogebic Community Mental Health Authority, North Country Community Mental Health Authority, and Manistee County against the Michigan Department of Health and Human Services and the State of Michigan Department of Technology and Budget. Additional information will be shared once available.

- Community Collaboration - A meeting to discuss collaborative opportunities related mental health needs and services has been scheduled with the Tuscola County Jail Administrator for October 30, 2025. As noted last month, a formal collaboration with the Tuscola County Juvenile Probation Department to provide parenting and teen support groups for youth currently under legal supervision was initiated on October 1, 2025.
- Medicaid Event Verification (MEV) Review – TBHS is scheduled for a MEV review to be conducted by MSHN on November 12 – 13, 2025. The review is completed to ensure compliance with federal and state regulations, and to establish a standardized process for the review of claims/encounters in accordance with the MDHHS Medicaid Verification Process. Results will be shared at a future meeting.

#### **BOARD MEMBER CODE OF ETHICS REVIEW:**

A copy of the current TBHS Board Member Code of Ethics along with the TBHS Draft Code of Ethics for TBHS staff were in tonight’s packet for review. After discussion, it was agreed to revise the second bullet point of the Board Member Code of Ethics by incorporating language from the highlighted section under the “Excerpt” portion of the staff draft (starting at “abide by” and ending at “from time to time.”) Mitchell to make changes and email to board members for review prior to the next meeting.

**COMMITTEE REPORTS:** No committee reports.

**OTHER BUSINESS:** None

**BOARD'S SELF-EVALUATION:** In compliance.

**NOVEMBER MEETING AGENDA ITEMS:** Communication & Counsel to the Board, Recipient Rights Training, and Board Member Code of Ethics Review.

**MEETING OPEN TO THE PUBLIC:** No public.

**NEXT MEETING DATE:** Monday, November 24, 2025 – 7:00 pm at the TBHS Training Center, 129 East Burnside Street, Caro, MI 48723.

**ADJOURNMENT:**

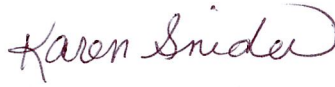
October 23, 2025 - - 8

Ryan moved and Sherman supported to adjourn the meeting at 8:49 p.m.

Motion Carried



Cindy Mitchell  
Recorder



Karen Snider  
Chairperson



Marianne Harrington  
Secretary