



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, August 13th, 2025

5:30 p.m.

812 E. Jolly Rd, G11-C

Lansing, MI 48910

Join Zoom Meeting

<https://zoom.us/j/98547470124>

Meeting ID: 985 4747 0124

Committee Members Present:

Tim Hanna

Jeanne Pearl-Wright

Paula Yensen

Raul Gonzales

Dwight Washington

Committee Members Excused:

Ryan Sebolt

Staff Present

Darby Vermeulen, Sara Lurie, Sue Panetta, Shana Badgley, Joanne Holland, Jana Baylis, Amy Rottman, Gwenda Summers

Other Board Members Present:

None

Public Present:

None

Others Present

None

Call to Order:

The meeting was called to order by Chairperson Tim Hanna at 5:30 p.m.

Previous Meeting Minutes:

MOVED by Paula Yensen and SUPPORTED by Raul Gonzales to approve the Finance Committee meeting minutes of July 9th, 2025.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Raul Gonzales and SUPPORTED by Dwight Washington to adopt the agenda of August 13th, 2025.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None

BUSINESS ITEMS:

Expense Contract: Dell Computer

Raul wondered how we arrived at 125 laptops. Joanne said this is part of the normal refresh cycle.

ACTION:

MOVED by Paula Yensen and SUPPORTED by Raul Gonzales that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to purchase laptop computers from Dell Computer and pay \$175,000.00.

MOTION CARRIED unanimously.

Expense Contract Amendment: Pine Rest Christian Mental Health Services

Shana Badgley presented this amendment to add ECT services to the contract.

ACTION:

MOVED by Paula Yensen and SUPPORTED by Raul Gonzales that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to approve the amendment to purchase outpatient ECT services to add to the existing hospital services contract with Pine Rest Christian Mental Health Services in accordance with the rate schedule shown below for the period of June 1, 2025 through September 30, 2025.

Hospital
Pine Rest Christian Mental Health Services 301 68th St. SE, Grand Rapids, MI, 49548

Services	Billing Code	Unit	Rate
Electroconvulsive Therapy (ECT) Inpatient (all inclusive) Paid in addition to Inpatient per diem.	0901	Encounter	\$879.00
Electroconvulsive Therapy (ECT) Outpatient (all inclusive)	0901	Encounter	\$1,136.00

MOTION CARRIED unanimously.

Revenue Contracts

MOVED by Paula Yensen and SUPPORTED by Jeanne Pearl-Wright that the Finance Committee recommends that the Board of Directors of Community

Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following revenue contracts based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Revenue Contract Renewal: Ingham County - Health Services Millage

With this contract renewal, CMHA-CEI will provide, for Ingham County, a range of behavioral health and developmental disability services and receive up to \$1,633,372.00 for the retroactive period of October 1, 2024 through September 30, 2025.

Revenue Contract Amendment: Ingham County - Health Services Millage

With this contract amendment, CMHA-CEI will receive an additional \$1,633,372.00 for the retroactive period of October 1, 2024 through September 30, 2025.

MOTION CARRIED unanimously.

Non-Rep Wage Increase

Jana Baylis presented this proposal for the non-represented group. The non-rep group includes HR, some of Finance, QCSRR, IS, and the Directors. Jeanne wondered what the percentage of non-union to Union at CEI? Jana estimated approximately 100 non-rep employees, excluding relief, out of 1,100 employees at CEI.

ACTION:

MOVED by Jeanne Pearl-Wright and **SUPPORTED** by Paula Yensen that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to approve the wage increase, one-time payment and additional vacation purchase for the Non-Represented employees as presented by staff at the August Finance Committee meeting.

Jana said the agreements presented tonight have all been ratified by the Unions. The four agreements have the same wage increase, one-time payment, and vacation/PTO purchase.

MOTION CARRIED unanimously.

Tentative Agreements

MOVED by Raul Gonzales and SUPPORTED by Paula Yensen that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following tentative agreements based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Tentative Agreement: OPEIU Local 512 – Supervisors Unit

The Collective Bargaining Agreements expire September 30, 2026.

Tentative Agreement: OPEIU Local 512 – Physicians Unit

The physicians have their own bargaining unit.

Tentative Agreement: OPEIU Local 459 – Large, RN & Residential Units

Jana said 459 has paid PTO bank as opposed to a paid vacation bank.

MOTION CARRIED unanimously.

Preliminary Steady State Budget Projections for Fiscal Year 2025/2026

Amy Rottman presented the preliminary budget. This budget narrative includes some of the high level assumptions management has had to make for the year. Starting with Medicaid and HealthyMI revenue – we are looking to lapse about \$28M in the settlement process. Looking to 2026, we are looking to lapse about \$19M. This means we will recognize more revenue in 2026 because of increased expenses.

In looking at the CCBHC earned revenue, Amy reminded the group of the daily or PPS-1 rate for services. We are projecting a small increase in CCBHC revenue next year. This is primarily due to an increase in daily visits. Amy noted we are expecting the PPS-1 rate will be decreasing to better match cost.

Moving to the expense side, we are budgeting more for salaries and wages. The 3% wage increase has been included. We have maintained a vacancy assumption of 10%.

In fringe benefits and FICA, when salaries and wages are increased, the fringes follow. Lastly, one of the main reasons our capitation revenue is expected to increase is because of an anticipated increase in contracted services. A 3% increase to providers has been built into the budget.

Amy noted this year we are anticipating opening the CSU, and we are expecting to utilize grant dollars for this purpose, so this is an increase of \$5M from this year. Jeanne asked about employee healthcare increases. Sue said we don't have official numbers back, but we are looking at an increase. For right now, Sue built in a 10% increase to the budget.

Overall, Amy highlighted the difference in total revenue and total expense due to CCBHC activity. This represents a loss to the org, because many folks are falling into CCBHC criteria, but don't fall into Medicaid or HealthyMI. Because of this, fund sources have been broken out into a bucket report. Amy said with folks losing eligibility, the number of those who cannot pay are growing. With the breakdown, this leaves us with an unfunded amount of \$10.7M. The rebasing process intends to bring the PPS-1 rate in-line with cost, as Amy mentioned prior. We are currently losing \$60/day in revenue. We are expecting by the end of 2025, we will have about \$16.7M in CCBHC reserves. This will help cover the losses in 2026.

Amy said general fund is still going to be about \$6.7M in expense. After this is covered, we are expecting a \$2.4M surplus in GF that can be applied to non-Medicaid CCBHC. Tim wondered when we would know the new PPS-1 rate. Amy said this is developed based on retrospective reporting. We likely won't have this number until at least halfway through 2026.

Discussion ensued about potential revenues for the CSU.

ACTION:

MOVED by Raul Gonzales and SUPPORTED by Jeanne Pearl-Wright that the Finance Committee of the CMHA-CEI Board of Directors approves the preliminary steady state budget projections for fiscal year 2025/2026.

FY2025 Q3 Financial Update

Sue noted the Bucket Report reviewed by Amy summarizes what is in the Q3 update.

Unfinished Business

None

New Business

New Fact Sheet Process

Sue reminded the committee that every summer, all of the renewal contracts come to the Board. She said a lot of CMHs take like-contracts and prepare a list for those types of contracts. This will be our process moving forward. This year, we will have six service lines and the appropriate providers on each list. The dollar amount provided will be the total dollar amount spent from each contract in FY2025. Sue said new contracts will continue to be presented at Program and Planning Committee.

Public Comment:

None

The meeting was adjourned at 6:33 pm. The next regularly scheduled Finance Committee meeting is Wednesday, September 10th, 2025 at 5:30pm, 812 E. Jolly Rd, conference room G11-C.

Minutes Submitted by:

Darby Vermeulen

Finance Administrative Assistant