

STATE OF MICHIGAN
COURT OF CLAIMS

REGION 10 PIHP, SOUTHWEST MICHIGAN
BEHAVIORAL HEALTH, MID-STATE
HEALTH NETWORK, ST. CLAIR COUNTY
COMMUNITY MENTAL HEALTH
AUTHORITY, INTEGRATED SERVICES OF
KALAMAZOO, and SAGINAW COUNTY
COMMUNITY MENTAL HEALTH
AUTHORITY,

Plaintiffs,

v

Case No. 25-000143-MB

STATE OF MICHIGAN, STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN
SERVICES, and STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY,
MANAGEMENT, AND BUDGET,

Hon. Christopher P. Yates

Defendants.

_____ /

OPINION AND ORDER DENYING MOTION FOR PRELIMINARY INJUNCTION

In this case contesting a decision by Defendant Michigan Department of Health and Human Services (MDHHS) to make a transition from a single-source procurement system to a competitive procurement system for providing public mental-health services, plaintiffs have filed a motion for a preliminary injunction preventing the MDHHS from proceeding with the bidding process for the selection of prepaid inpatient health plans (PIHPs) to serve three regions in the State of Michigan. The Court conducted an evidentiary hearing on plaintiffs' motion on October 9, 2025. Based upon the record developed at that hearing, the Court finds that plaintiffs have made a substantial showing that they will suffer irreparable harm in the absence of injunctive relief. Specifically, the plaintiffs

that now serve as PIHPs in several of the state's ten existing regions will be forced out of business in a matter of months if the MDHHS proceeds with its challenged bidding process, which in turn will result in job losses for the employees of those PIHPs. But the Court shall deny the motion for a preliminary injunction against the MDHHS and the other state defendants because "declaratory relief normally will suffice to induce the legislative and executive branches" to conform to the law. *Davis v Detroit Fin Review Team*, 296 Mich App 568, 614; 821 NW2d 896 (2012). "Only when declaratory relief has failed should the courts even begin to consider additional forms of relief in these situations." *Id.* Here, although the Court has not yet granted plaintiffs any declaratory relief, the possibility of such an outcome is significant, and the Court will act expeditiously to address what remains of the complaint seeking a declaratory judgment.

In a separate opinion and order issued today, 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, so the Court cannot yet grant summary disposition in full to either side. If circumstances develop after the issuance of this opinion and order denying injunctive relief that cause the Court to revisit the necessity of a preliminary injunction, the Court will reconvene the hearing addressing plaintiffs' motion. At that time, but not before, the Court will address the admissibility of the tape recording surreptitiously obtained by plaintiffs and marked as plaintiffs' proposed exhibit 10.

IT IS SO ORDERED.

This is not a final order because it does not resolve the last pending claim.

Dated: October 14, 2025


Hon. Christopher P. Yates (P41017)
Judge, Michigan Court of Claims

