GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

August 17, 2026

Jennifer Freeman Lockhart
Hope Network, S.E.
PO Box 190179
Burton, MI 48519

RE: License #:	AS090418047
Investigation #:	2026A1039041
	Bay Valley

Dear Jennifer Freeman Lockhart:

Attached is the Special Investigation Report for the above referenced facility. Due to the violations identified in the report, a written corrective action plan is required. The corrective action plan is due 15 days from the date of this letter and must include the following:

- How compliance with each rule will be achieved.
- Who is directly responsible for implementing the corrective action for each violation.
- Specific time frames for each violation as to when the correction will be completed or implemented.
- How continuing compliance will be maintained once compliance is achieved.
- The signature of the responsible party and a date.

If you desire technical assistance in addressing these issues, please feel free to contact me. In any event, the corrective action plan is due within 15 days. Failure to submit an acceptable corrective action plan will result in disciplinary action.

Please review the enclosed documentation for accuracy and contact me with any questions. In the event that I am not available and you need to speak to someone immediately, please contact the local office at (517) 643-7960.

Sincerely,

Martin Gonzales, Licensing Consultant
Bureau of Community and Health Systems
611 W. Ottawa Street
P.O. Box 30664
Lansing, MI 48909

enclosure

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY AND HEALTH SYSTEMS
SPECIAL INVESTIGATION REPORT

I. IDENTIFYING INFORMATION

License #:	AS090418047
Investigation #:	2026A1039041
Complaint Receipt Date:	06/30/2026
Investigation Initiation Date:	06/30/2026
Report Due Date:	08/29/2026
Licensee Name:	Hope Network, S.E.
Licensee Address:	PO Box 190179 Burton, MI 48519
Licensee Telephone #:	(517) 256-2939
Administrator:	Jennifer Freeman Lockhart - acting
Licensee Designee:	Jennifer Freeman Lockhart - acting
Name of Facility:	Bay Valley
Facility Address:	6050 Bay Valley Rd Bay City, MI 48706
Facility Telephone #:	(517) 256-2939
Original Issuance Date:	03/05/2024
License Status:	REGULAR
Effective Date:	09/05/2024
Expiration Date:	09/04/2026
Capacity:	6
Program Type:	DEVELOPMENTALLY DISABLED MENTALLY ILL

II. ALLEGATION(S)

	Violation Established?
It was alleged that Bay Valley increased Resident A's monthly charges beyond the agreed upon amount in the resident care agreement.	Yes

III. METHODOLOGY

06/30/2026	Special Investigation Intake 2026A1039041
06/30/2026	Special Investigation Initiated - Letter Email to Hope Network Case Worker concerning complaint.
07/01/2026	Contact - Document Received Email from Director of Operations Cheri Guard.
07/06/2026	APS Referral Completed online referral.
07/06/2026	Contact - Document Received APS Campbell sent of documents for Resident A.
07/14/2026	Inspection Completed On-site Interviewed DCW and Resident A.
08/03/2026	Exit Conference Completed with acting LD.
08/03/2026	Inspection Completed-BCAL Sub. Compliance

ALLEGATION:

It was alleged that Bay Valley increased Resident A's monthly charges beyond the agreed upon amount in the resident care agreement.

INVESTIGATION:

On 06/30/2026, the Bureau of Community and Health Systems (BCSH) received the above allegation, via the BCHS online complaint system. It is alleged that Bay Valley increased Resident A's monthly charges beyond the agreed upon amount in the resident care agreement.

On 07/06/2026, Department of Health and Human Services Adult Protective Services (APS) Worker Jackie Campbell contacted me concerning the complaint. APS Campbell informed me that she was assigned the complaint and was completing her investigation.

On 07/13/2026, Department of Health and Human Services Adult Protective Services (APS) Worker Jackie Campbell contacted me concerning the complaint. APS Campbell informed me that she completed her investigation and did not substantiate the complaint.

On 07/14/2026, I completed an unannounced investigation at Bay Valley concerning the allegations. I interviewed Direct Care Worker Marie Wojda and Resident A. While at the home, I also spoke to Home Manager Mellisa Walling on the phone.

On 07/14/2026, I completed an interview with Direct Care Worker (DCW) Marie Wojda concerning the allegations. DCW Wojda stated she was not familiar with the allegations and would provide me with any information requested. DCW Wojda stated she did not know anything about the payments for residents and that she would put me in contact with the Home Manager Melissa Walling. DCW Wojda was able to provide me with contact information for the home manager and for Resident A's guardian. DCW Wojda was able to provide the two Resident Care Agreements for Resident A. The first Resident Care Agreement was signed on 07/16/2025 and the agreed upon monthly amount was $1,080.50. The second Resident Care Agreement was signed on 02/02/2026 and the agreed monthly amount was $1,357.50.

On 07/14/2026, I completed an interview with Resident A concerning the allegations. Resident A was in his room at the time of the interview. Resident A appeared neat and clean and was able to communicate. Resident A stated that he was not aware of any issues with his monthly rent payment and that his guardian took care of all that for him. Resident A stated that he is doing good, has no issues and likes it at the home.

On 07/14/2026, I completed a phone interview with Home Manager (HM) Melissa Walling concerning the allegations. HM Walling stated she was aware of the allegations but that she believed that the Resident Care Agreements were up to date as the last one was signed on 02/02/2026. HM Walling stated that a letter and cost of care

worksheet was sent to Resident A's guardian concerning a new payment and that she would have the information sent to me via email.

I reviewed a letter that was sent to Resident's guardian on 04/15/2026. The letter stated, "I am writing to inform you that after conducting an audit of the Cost of Care (COC) calculation for Resident A with whom you represent, it was determined that their COC was calculated incorrectly. According to the Michigan Department of Health and Human Services (MDHHS) Adult Foster Care (AFC) standards individuals residing in an AFC are required to contribute towards their COC using the calculation method set forth based on their income determination and allowable deductions. The information I have included outlines the personal spending allowance based on the individual's income type. I have also included the calculation sheet specifically for Resident A which shows the corrected COC using the Calculation Sheet provided by MDHHS. The new amount of $1,760.00 will go into effect on June 1, 2026. Should you have any questions regarding any of the information provided, please reach out to Kelsey Hudgens, Consumer Benefits Manager at khudgens@hopenetwork.org or at 616-726-5191".

On 07/24/2026, I received an email from Consumer Benefits Manger (CBM) Kelsey Hudgens concerning the allegations. CBM Hudgens stated she reviewed the updated financial worksheet with Resident A's guardian over the phone on 07/15/2026 and an updated Resident Care Agreement reflecting the corrected cost of care had been sent to Resident A's guardian for signature and that it was currently pending.

On 07/27/2026, I completed a phone interview with Resident A's guardian, Guardian A1, concerning the allegations. Guardian A1 stated that she is familiar with the allegations, and she believes they are true. Guardian A1 stated the new payments for Resident A's monthly care increased on 06/03/2026 to $1,773.00. Guardian A1 was able to send me photos of her new payment. Guardian A1 stated that she was sent a letter and a worksheet stating that the payments were going to increase for Resident A's care, but she never signed a new Resident Care Agreement agreeing to the new amount before they began charging the new amount. Guardian A1 stated that CBM Hudgens informed her that there was an error in the payments and that the new payments would reflect that change. Guardian A1 stated she refused to sign the new Resident Care Agreement Initially but that she has since reconsidered and recently signed for the new monthly payments.

On 07/29/2026, I completed a phone interview with Consumer Benefits Manger (CBM) Kelsey Hudgens. I informed CBM Hudgens that I confirmed that there was a payment increase for Resident A's care on 06/03/2026 and that there did not appear to be a signed Resident Care Agreement for the new amount. CBM Hudgens confirmed that a letter and cost of care worksheet was sent to Guardian A1 about the payment changes, but a new Resident Care Agreement had not been signed before the payments began. I explained the rule violation and CBM Hudgens stated she would inform management of the violation and she would develop a new process in the future to avoid any further rule violations.

On 08/03/2026, I completed an exit conference with acting Licensee Designee (LD) Jennifer Lockhart. I informed LD Lockhart of the results of my investigation. LD Lockhart stated that she would correct this issue moving forward.

APPLICABLE RULE	
R 400.637	**Handling of resident funds and valuables.**
	(9) A resident fund transaction over the amount specified in the resident care agreement must require the signature of the resident or resident's designated representative and the licensee or administrator.
ANALYSIS:	It was alleged that Bay Valley increased Resident A's monthly charges beyond the agreed upon amount in the resident care agreement. I interviewed Guardian A1, Consumer Benefits Manger (CBM) Kelsey Hudgens and Acting Licensee Designee Lockhart concerning the allegations. All parties acknowledged that Resident A's monthly cost of care increased on 06/03/2026 prior to a new Resident Care Agreement being signed by Guardian A1. I reviewed the most recent Resident Care Agreement signed on 02/02/2026. The monthly cost of care was $1,357.50. I viewed Resident A's cost of care charge from 06/03/2026. The charge was $1,773.00. Bay Valley was not able to provide a signed Resident Care Agreement for the increase in monthly care costs for Resident A. Upon completion of my investigation, it has been determined that there is a preponderance of evidence to conclude that a rule was violated.
CONCLUSION:	**VIOLATION ESTABLISHED**

IV. RECOMMENDATION

Upon receipt of an approved corrective action plan, I recommend no change in licensure status.

08/17/2026

Martin Gonzales Licensing Consultant	Date

Approved By:

08/17/2026

Mary E. Holton Area Manager	Date