

Gallatin County Attorney
Marty Lambert, County Attorney



Judge Guenther Memorial Center
1709 West College, Bozeman, MT 59715
Phone: (406) 582-3745
Fax: (406) 582-3758

January 10, 2022

Levi Anderson, CEO
Chairperson, Board of Directors
Western Montana Mental Health Center
1321 Wyoming St.
Missoula, MT 59801

**SENT VIA SCANNED EMAIL
ATTACHMENTS – ORIGINALS
TO FOLLOW BY FIRST CLASS
U.S. MAIL**

Debra Parker
Parker Law Firm
P.O. Box 7873
Missoula, Montana 59807

John Hill, CEO
Katie Daughenbaugh, Chair, Board of Directors
Darci Benston, General Counsel
Bozeman Health
915 Highland Boulevard
Bozeman, MT 59715

Andrew Larson, Vice President
First Security Bank of Missoula,
A Division of Glacier Bank
1704 Dearborn
P.O. Box 4506
Missoula, MT 59801

Dear Sirs and Madams:

Re: Notice of Default and Request for Meeting

This letter is submitted on behalf of the Gallatin County Commission and involves existing contracts between Gallatin County and Western Montana Mental Health Center (WMMHC). These contracts concern WMMHC's provision of mental health services to Gallatin County residents in exchange for the County's financial assistance and payment. Also at issue is the lien encumbering the Hope House Crisis Facility. That lien was created by WMMHC in favor of Gallatin County for funding the facility's construction.

Gallatin County hereby advises all of you that WMMHC has, on multiple occasions, breached its contractual obligations to the County, including but not limited to, the provisions identified below:

Funding and Availability of Service Agreement, Western Montana Mental Health Center Hope House (eff. Jan. 4, 2010):

8. ***WMMHC'S COVENANTS. WMMHC shall:***
- a. *WMMHC shall at all times have the Hope House available for the purposes of housing no less than one person in Emergency Detention as designated and arranged by the Gallatin County Attorney or the Eighteenth Judicial District for the entire term of this Agreement and County agrees that the nightly rate per person paid to WMMHC for such detention shall be the current average daily rate charged by the Montana State Hospital, less 5%.*
 - b. *WMMHC [sic] shall in no way encumber the Real Property after the date of Closing without the express written consent of the County, which consent shall not be unreasonably denied. . . .*
 - f. *Maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business and similar situation, in such amounts and by such methods as shall be adequate and as may be reasonably requested from time to time by County, including but not limited to, unemployment insurance, workers compensation insurance for WMMHC's employees, casualty insurance, comprehensive general liability insurance, in amounts acceptable to County for property damage, personal liability and bodily injury and deliver evidence of such coverage to County as County may require from time to time. . . .*
 - h. *At any reasonable time and from time to time, permit County or its agents or representatives to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the WMMHC and to discuss the affairs, finances and accounts of WMMHC with any of his [sic] independent accounts or representatives.*

Master Services Agreement between Western Montana Mental Health Center and Gallatin County, Montana (eff. Apr. 3, 2018):

- 1.1 Availability of Hope House. As required by the Funding and Availability of Services Agreement, WMMHC shall at all times have the Hope House available for the purpose of housing no less than one person in an Emergency Detention Unit as designated and arranged by the Gallatin County Attorney or the Montana Eighteenth Judicial District Court. . . .***

4.4 Billing. *WMMHC shall submit payment requests for the Additional Services to the COUNTY's Finance Department on a quarterly basis and include itemization of all services and expenses for reimbursement. WMMHC may only bill and receive payment for service actually performed and authorized by a Statement of Work. . . .*

10. Access to Records. *The Parties shall maintain and provide free and full access to each other, including the right to reproduce this Agreement and all books, documents, and records necessary to verify and certify the nature and extent of costs and services provided pursuant to this Agreement.*

11. Financial Compliance Requirements. *WMMHC shall maintain appropriate financial, accounting, and programmatic records necessary for the COUNTY to substantiate conformance with this Agreement and all other applicable requirements governing the expenditure or utilization of COUNTY funding. At any reasonable time and from time to time, WMMHC shall permit COUNTY or its agents to examine and make copies of the records, books, accounts, and financial statements of WMMHC and to discuss the affairs, finances, and accounts of WMMHC with any of its independent accountants or representatives.*

18. Insurance. *WMMHC shall maintain in effect during the term of this Agreement: Commercial General Liability insurance providing combined single limits for bodily injury, personal harm or loss, and property damage or loss in an amount not less than \$1,500,000.00 per occurrence; Automobile Liability insurance providing combined single limits for body injury, personal injury or loss, and property damage in an amount not less than \$1,500,000.00 per occurrence; and Professional Errors and Omissions insurance providing combined single limits for any error, omission, malpractice, or other negligent act of WMMHC and any employed, volunteering, or subcontracted professional staff in an amount not less than \$1,500,000 per occurrence. Certificates of Insurance evidencing the COUNTY as an additional insured and endorsement thereof must be supplied with the signed return of this Agreement and upon any subsequent request of the COUNTY. Such certificate shall require no less than thirty (30) days notice of cancellation to the COUNTY. WMMHC shall put the COUNTY on immediate notice of any material change or cancellation in coverage.*

Statement of Work #006, Fiscal Year 2021 (eff. December 22, 2020):

The Parties recognize that, in accordance with contract 2010-171, the Funding and Availability of Services Agreement, the County also will pay annual debt service in the amount of \$71,445 (\$50,000 principal and \$21,445 interest) on the loan secured previously by WMMHC for the construction of the Hope House. WMMHC will pay the County a \$350 Agent Fee for this transaction by June 1, 2021.

1) Mental Health Professional (MHP)/Crisis Response Team (CRT)

The Mental Health Professional (MHP)/Crisis Response Team (CRT) shall be a 24/7/365 service. MHPs shall respond to mental health emergencies and perform mental health evaluations in Gallatin County. WMMHC shall prioritize responses to mental health emergencies occurring while the individual is detained by law enforcement. . . .

Reporting required for each reporting period (quarterly):

- *The total number of responses and initial and second evaluations, as well as the outcome of each encounter.*
- *In-person initial and second evaluations and testimony provided and costs.*

2) Hope House

Reporting required for each reporting period (quarterly):

- *Expenditure and revenue reports for Hope House, including but not limited to the following breakouts to demonstrate the funding gap that the County allocation helps fill:*
 - *Starting costs compared to associated revenues*
 - *Uncompensated care costs aggregated by service with total client numbers provided, compared to associated revenues*
 - *Underpayment by Medicaid and Medicare costs aggregated by service with total client numbers provided, compared to associated revenues including private insurance and self-pay. Include payer mix.*
 - *Any operational or direct costs not reimbursed by other revenues, delineated by each cost. . . .*

4) Community Crisis Response (CCR) Team

With the support of other funding sources (\$44,000 from the City of Bozeman, \$11,000 from the City of Belgrade, and \$105,300 from the Mobile Crisis Unit grant), Gallatin County shall receive 80 hours of direct service/week from a Community Based Therapist (CBT). Any time spent on paperwork, data reporting, etc shall be in addition to the 80 hours/week of direct service.

Reporting required for each reporting period (quarterly):

- *Verification of 80 hours/week of direct service*
- *Number of clients served monthly, and average daily events Disposition*
- *Missed opportunities and reason; missed opportunities by agency Utilization by agency*
- *Primary presenting issue and primary service provided Location or service*
- *CCR time on calls*

Statement of Work #008, Fiscal Year 2022 (eff. October 5, 2021):

In addition to the services identified below, WMMHC shall provide the COUNTY with Emergency Detention Services at the Emergency Detention rate set forth in the Master Services Agreement. The parties agree that the nightly rate per person paid to WMMHC for Emergency Detention Services during the term of this Statement of Work shall be \$536.60. In accordance with Contract 2010-171, the funding and Availability of Services Agreement, and the Master Services Agreement, WMMHC shall at all times have the Hope House available for the purposes of housing no less than one person in Emergency Detention as designated and arranged by the Gallatin County Attorney or the Eighteenth Judicial District.

...

2) Hope House – not to exceed \$20,260.15 per month.

Hope House is a 24/7/365 crisis stabilization facility provide a safe, therapeutic environment for persons experiencing mental health emergency. Individuals admitted to Hope House have a variety of presenting issues including, but not limited to: thoughts of harming self or others, medication management problems, alcohol or drug use-related mental health treatment interference, and biological- or stress-related symptom exacerbation. Hope House additionally provides emergency detention placement for individuals experiencing mental health emergencies that have been ordered to engage in treatment by the Court pursuant to Title 53, Chapter 21, Part 1, Montana Code Annotated.

We request a meeting among the recipients of this letter as soon as possible. The meeting is to discuss WMMHC's breach of its contractual obligations and the remedies available to the County. Please contact either Commissioner Skinner or County Attorney Lambert with potential meeting dates and times so that a date, time and location for the meeting may be set.

Gallatin County remains dedicated to securing and maintaining quality mental health services for the community. We appreciate your attention to this matter and look forward to a positive discussion among all stakeholders.

Sincerely,



Joe Skinner
Chair, Gallatin County Commission



Marty Lambert
Gallatin County Attorney