

**SSM Health St. Joseph St. Charles –  
DaVinci XI Off Lease Purchase**

**Project #6096**

**May 2024**



Certificate of Need Program  
**NEW OR ADDITIONAL EQUIPMENT APPLICATION**  
 Applicant's Completeness Checklist and Table of Contents

Project Name: SSM Health St. Joseph St. Charles DaVinci Purchase Project No: #6096

Project Description: Robot Purchase

Date Page N/A Description

**Divider I. Application Summary:**

- ✓ 4 1. Applicant Identification and Certification (Form MO 580-1861)
- ✓ 5 2. Representative Registration (Form MO 580-1869)
- ✓ 6 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

**Divider II. Proposal Description:**

- ✓ 8 & 38 1. Provide a complete detailed project description and include equipment bid quotes.
- ✓ 9 2. Provide a timeline of events for the project, from CON issuance through project competition.
- ✓ 9 3. Provide a legible city or county map showing the exact location of the project.
- ✓ 10 4. Define the community to be served and provide the geographic service area for the equipment.
- ✓ 11 5. Provide other statistics to document the size and validity of any user-defined geographic service area.
- ✓ 11 6. Identify specific community problems or unmet needs the proposal would address.
- ✓ 11 7. Provide the historical utilization for each of the past three years and utilization projections through the first three (3) **FULL** years of operation of the new equipment.
- ✓ 11 8. Provide the methods and assumptions used to project utilization.
- ✓ 12 9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
- ✓ 10. Provide copies of any petitions, letters of support or opposition received.
- ✓ 26 11. Document that providers of similar health services in the proposed service area have been notified of the application by a public notice in the local newspaper.
- ✓ 27 12. Document that providers of all affected facilities in the proposed service area were addressed letters regarding the application.

**Divider III. Service Specific Criteria and Standards:**

- ✓ 21 1. For new units, address the minimum annual utilization standard for the proposed geographic service area.
- ✓ 2. For any new unit where specific utilization standards are not listed, provide documentation to justify the new unit.
- ✓ 3. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit.
- ✓ 4. For evolving technology address the following:
  - ✓ - Medical effects as described and documented in published scientific literature;
  - ✓ - The degree to which the objectives of the technology have been met in practice;
  - ✓ - Any side effects, contraindications or environmental exposures;
  - ✓ - The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies;
  - ✓ - Food and Drug Administration approval;
  - ✓ - The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal;
  - ✓ - The degree of partnership, if any, with other institutions for joint use and financing.

**Divider IV. Financial Feasibility Review Criteria and Standards:**

- ✓ 24 & 28 1. Document that sufficient financing is available by providing a letter from a financial institution or an auditor's statement indicating that sufficient funds are available.
- ✓ 25 2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
- ✓ 24-25 3. Document how patient charges are derived.
- ✓ 27 4. Document responsiveness to the needs of the medically indigent.

## **Divider I**

# **Application Summary**



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the Letter of Intent for this project, without exception.

**1. Project Location** (Attach additional pages as necessary to identify multiple project sites.)

Title of Proposed Project SSM Health St. Joseph St. Charles DaVinci Purchase	Project Number #6096
Project Address (Street/City/State/Zip Code) 300 First Capitol Drive St. Charles MO 63301	County St. Charles

**2. Applicant Identification** (Information must agree with previously submitted Letter of Intent.)

List All Owner(s): (List corporate entity.)	Address (Street/City/State/Zip Code)	Telephone Number
SM Health St. Joseph St. Charles	300 First Capitol Drive St. Charles MO 63301	636-947-5000
(List entity to be licensed or certified.)		
List All Operator(s):	Address (Street/City/State/Zip Code)	Telephone Number
SM Health St. Joseph St. Charles	300 First Capitol Drive St. Charles MO 63301	636-947-5000

**3. Ownership** (Check applicable category.)

Nonprofit Corporation     
  Individual     
  City     
  District  
 Partnership     
  Corporation     
  County     
  Other \_\_\_\_\_

**4. Certification**

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

**5. Authorized Contact Person** (Attach a Contact Person Correction Form if different from the Letter of Intent.)

Name of Contact Person Mitch Miller	Title Director - Strategy and Business Development
Telephone Number 314-989-6329	Fax Number
Signature of Contact Person 	E-mail Address mitchell.miller@ssmhealth.com
	Date of Signature 5/3/2014



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)

Project Name SSM Health St. Joseph St. Charles DaVinci Purchase	Number #6096
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(Please type or print legibly.)

Name of Representative Mitch Miller	Title Director - Strategy and Business Develop
--	---

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) 300 First Capitol Drive St. Charles MO 63301	Telephone Number 314-989-6329
---	----------------------------------

Address (Street/City/State/Zip Code)  
SSM Health

Who's interests are being represented?  
(If more than one, submit a separate Representative Registration Form for each.)

Name of Individual/Agency/Corporation/Organization being Represented 300 First Capitol Drive St. Charles MO 63301	Telephone Number 636-947-5000
--	----------------------------------

Address (Street/City/State/Zip Code)

Check one. Do you:

- Support
- Oppose
- Neutral

Relationship to Project:

- None
- Employee
- Legal Counsel
- Consultant
- Lobbyist
- Other (explain):

Other Information:

\_\_\_\_\_

\_\_\_\_\_

I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: *Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.*

Original Signature 	Date 5/3/24
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Certificate of Need Program

**PROPOSED PROJECT BUDGET**

**Description**

**Dollars**

**COSTS:\***

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	_____
2. Renovation Costs ***	_____
<b>3. Subtotal Construction Costs (#1 plus #2)</b>	<b>\$0</b>
4. Architectural/Engineering Fees	_____
5. Other Equipment (not in construction contract)	_____
6. Major Medical Equipment	\$1,685,000
7. Land Acquisition Costs ***	_____
8. Consultants' Fees/Legal Fees ***	_____
9. Interest During Construction (net of interest earned) ***	_____
10. Other Costs ***	_____
<b>11. Subtotal Non-Construction Costs (sum of #4 through #10)</b>	<b>\$1,685,000</b>
<b>12. Total Project Development Costs (#3 plus #11)</b>	<b>\$1,685,000 **</b>

**FINANCING:**

13. Unrestricted Funds	_____
14. Bonds	_____
15. Loans	_____
16. Other Methods (specify)	_____
<b>17. Total Project Financing (sum of #13 through #16)</b>	<b>\$0 **</b>

18. New Construction Total Square Footage	_____
19. New Construction Costs Per Square Foot *****	_____
20. Renovated Space Total Square Footage	_____
21. Renovated Space Costs Per Square Foot *****	_____

\* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

\*\* These amounts should be the same.

\*\*\* Capitalizable items to be recognized as capital expenditures after project completion.

\*\*\*\* Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

\*\*\*\*\* Divide new construction costs by total new construction square footage.

\*\*\*\*\* Divide renovation costs by total renovation square footage.

# **Attachments**

## **Divider II**

### **Proposal Description**



System Invoice		Page 1 of 1
Invoice Number	904875072	
Invoice Date	11/02/2023	
Credit Terms	Net 30	
Purchase Order	CNT#4200611910	

**Bill-To 57745**  
 SSM HEALTH ST. JOSEPH HOSPITAL - MO  
 P.O. BOX 411063  
 SAINT LOUIS MO 63141  
 ATTN: ACCOUNTS PAYABLE

**Ship To 710607**  
 SSM HEALTH ST. JOSEPH HOSPITAL - MO  
 300 FIRST CAPITOL DRIVE  
 SAINT CHARLES MO 63301

REMITTANCE ADDRESS
Intuitive Surgical Inc. P.O. Box 883629 Los Angeles, CA 90088 USA Contact: Accts Receivable 1-408-523-2100 E-mail: AR@intusurg.com

**Sold To 36845**  
 Sales Order No: 5000038889  
 Order Date: 11/09/2023  
 Date Shipped: 11/02/2023  
 Ship Via: 34 UPS 2nd Day Air  
 Incoterms: FREE CARRIER  
 Bill Of Lading  
 Carrier Account

Line Item	Part Number/ Part Description	Quantity Shipped	Quantity Open	U/M	Unit Price	Taxable	Net Price
10	IS4001-01 IS4000 DA VINCI XI SYSTEM Serial No: SK5566	1	0	EA	1,685,500.00	N	1,685,500.00

Currency: USD

Subtotal	1,685,500.00
Shipping	0.00
Tax	0.00
<b>Total</b>	<b>1,685,500.00</b>



**1. Provide a complete detailed project description and include equipment bid quotes**

In November 2023 SSM Health St. Joseph St. Charles had a lease come up on a current piece of equipment, DaVinci XI, which due to being on a lease never had a CON completed. The decision was made to purchase the equipment, thus now completing the CON.

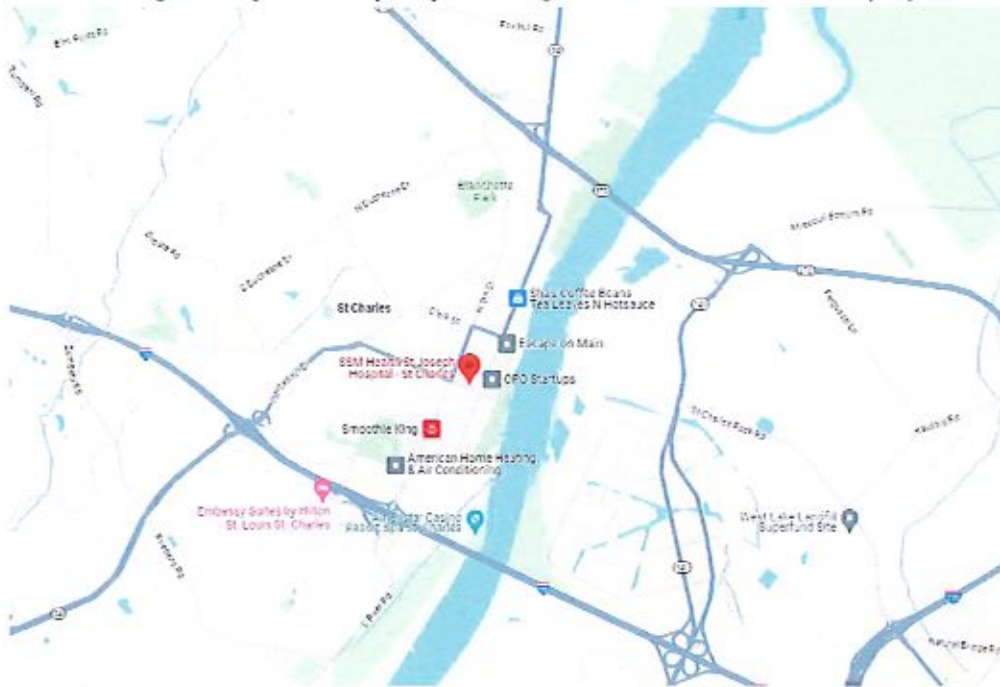
Project Description: Purchased DaVinci XI that came off lease.

The invoice for the device is included in Divider II – Attachments.

**2. Provide a timeline of events for the project, from CON issuance through project completion**

- Equipment arrival and installation: 11/9/23 (when assumed off lease)
- First case: 6/1/2022 (with leased equipment), 11/9/23 (with purchased equipment)
- Invoice received: 11/2/2023
- Payment cleared: 12/19/23

**3. Provide a legible city or county map showing the exact location of the project**



**4. Define the community to be served**

SSM Health St. Joseph St. Charles is one of 7 SSM Health hospitals in the greater St. Louis region. SSM Health Medical Group and SLUCare Medical Group offices are widely spread throughout the entire region.

SSM Health St. Joseph St. Charles primary and secondary service areas are home to a diverse population. Patients choose the location they prefer for health services typically based on proximity to their home and/or physician's office location.

Language*	Market 2023 Population	Market 2023 % of Total	Market 2028 Population	Market 2028 % of Total	Market Population % Change	National 2023 % of Total
Chinese at Home	1,711	0.35%	1,781	0.35%	4.09%	1.12%
Only English at Home	460,669	95.21%	480,627	95.21%	4.33%	78.25%
Other Asian-Pacific Lang at Home	2,236	0.46%	2,327	0.46%	4.07%	0.99%
Other Indo-European Lang at Home	2,600	0.55%	2,794	0.55%	4.25%	1.89%
Spanish at Home	10,000	2.07%	10,413	2.06%	4.13%	13.39%
All Others	6,544	1.35%	6,839	1.35%	4.51%	4.36%
<b>Total</b>	<b>483,840</b>	<b>100.00 %</b>	<b>504,781</b>	<b>100.00 %</b>	<b>4.33 %</b>	<b>100.00 %</b>

Household Income	Market 2023 Households	Market 2023 % of Total	Market 2028 Households	Market 2028 % of Total	Market Households % Change	National 2023 % of Total
<\$15K	7,962	4.06%	7,220	3.52%	(9.32 %)	8.63%
\$15-25K	8,262	4.21%	7,104	3.46%	(14.02 %)	7.40%
\$25-50K	28,026	14.69%	24,419	11.89%	(15.29 %)	18.81%
\$50-75K	29,696	15.23%	29,299	14.27%	(2.00 %)	16.13%
\$75-100K	28,436	14.49%	26,624	12.97%	(8.37 %)	12.60%
\$100K-200K	67,329	34.31%	73,618	35.86%	9.34%	25.15%
>\$200K	25,540	13.01%	37,033	18.04%	45.00%	11.26%
<b>Total</b>	<b>196,251</b>	<b>100.00 %</b>	<b>205,317</b>	<b>100.00 %</b>	<b>4.62 %</b>	<b>100.00 %</b>

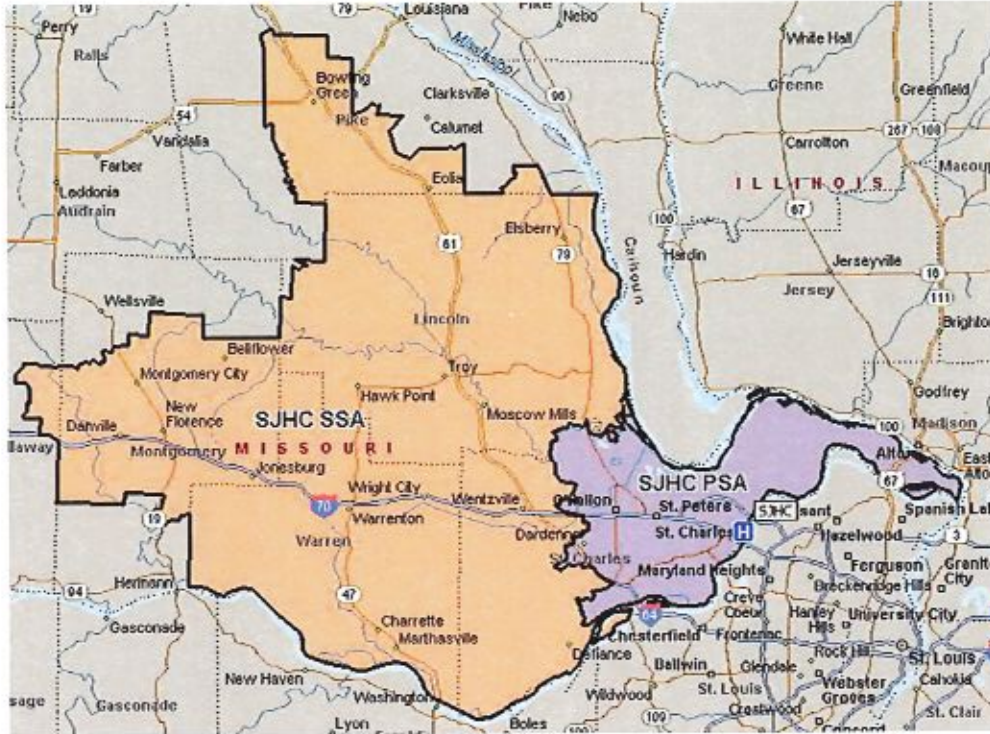
Education Level**	Market 2023 Population	Market 2023 % of Total	Market 2028 Population	Market 2028 % of Total	Market Population % Change	National 2023 % of Total
Less than High School	5,748	1.63%	6,068	1.64%	5.57%	4.80%
Some High School	16,555	4.68%	17,404	4.70%	5.13%	6.64%
High School Degree	95,393	26.90%	100,133	27.07%	4.97%	26.93%
Some College/Assoc. Degree	113,602	32.13%	118,822	32.12%	4.59%	30.85%
Bachelor's Degree or Greater	122,226	34.57%	127,539	34.47%	4.35%	30.69%
<b>Total</b>	<b>353,522</b>	<b>100.00 %</b>	<b>369,964</b>	<b>100.00 %</b>	<b>4.65 %</b>	<b>100.00 %</b>

**5. Provide population projections for the proposed geographic service area**

The 5-year projected population growth is 4.19%

**6. Provide other statistics to document the size and validity of any user-defined geographic service area**

Please see map below of our primary and secondary service areas. St. Charles County is the direct service area.



**7. Identify specific community problems or unmet needs the proposal would address.**

N/A

**8. Provide the historical utilization for each of the past three years and utilization projections through the first three (3) FULL years of operation of the new equipment**

Year	Cases
Full Year 2025	274
Full Year 2026	282
Full Year 2027	291

**9. Provide the methods and assumptions used to project utilization.**

We used current volumes as baseline then added in signed recruits and new services growth strategies to model future utilization assumptions.

**10. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input**

Robotic surgery continues to be a request of patients as it accommodates minimally invasive approach lessening recovery time and patient discomfort during recovery. In addition, academic programs continue to train all new surgeons which is projected to be the standard of care for many procedures in the future.

**11. Provide copies of any petitions, letters of support, or opposition received.**

N/A

## **Divider III**

# **Service Specific Criteria & Standards**

# Executive Summary- St. Charles County

(SSM Health St. Joseph Hospital - St. Charles, Lake Saint Louis, Wentzville)

Under the Patient Protection and Affordable Care Act (PPACA) enacted in 2010, nonprofit hospitals are required to conduct a Community Health Needs Assessment (CHNA) every 3 years. In the CHNA process, it is also imperative that hospitals pay specific attention to health care concerns that affect vulnerable and marginalized populations. For the 2021 Community Health Needs Assessment, SSM Health followed standard processes, consistent with IRS regulations and standards.

## CHNA Process

Over a 12-month period, in collaboration with other local health systems (BJC, Mercy, St. Luke's and Shriners' Hospital for Children) and many other community partners, we conducted a community health needs assessment by gathering health and social determinants of health-related information directly from the communities we serve through a single, regional community survey, a single, regional stakeholder survey and focus groups. Due to the ongoing COVID-19 pandemic, all surveys and focus groups were conducted virtually. Of 2,915 total CHNA community survey responses, 655 were submitted from St. Charles, Warren and Lincoln County zip codes. Additionally, a total of 17 Stakeholder CHNA surveys were submitted by organizations serving St. Charles County.

Quantitative data from a variety of secondary data sources were also assessed, in addition to our own 2019 hospital utilization data, to further inform our 2022-2024 health priorities. Input received directly from our communities through surveys and focus group conversations have been incorporated to identify concerns about the health of our communities, the types of community-based programs, organizations and services that currently exist to address community needs, as well as to identify gaps and opportunities for the enhancement and advancement of services.

Each source of data: 1) Community Survey, 2) Stakeholder survey, 3) Secondary data and 4) Hospital utilization data, played an important role in helping to identify and prioritize health needs based on the level of importance to community members and the hospital's ability to contribute to measurable impact.

## CHNA Alignment with our Mission

At SSM Health, we know that healthy communities don't just happen. Improving community health requires long-range, strategic efforts that take into account the entire eco-system of health by also addressing social determinants of health including, social, economic, environmental as well as political factors. Through our subsequent community health improvement plans (CHIPs), we anticipate engaging in a wide-range of activities to address and support meaningful improvements within each identified health priority.

## 2022-24 St. Charles County Priorities:

Overweight/Obesity



Behavioral Health



Chronic Conditions



# About SSM Health and SSM Health St. Joseph Hospital St. Charles, Lake St. Louis and Wentzville



## SSM Health

SSM Health is a Catholic not-for-profit health system serving the comprehensive health needs of communities across the Midwest through a robust and fully integrated health care delivery system. Headquartered in St. Louis, SSM Health has care delivery sites in Missouri, Illinois, Oklahoma, and Wisconsin. The

health system includes 24 hospitals, more than 300 physician offices and other outpatient care sites, 10 post-acute facilities, comprehensive home care and hospice services, a pharmacy benefit company, an insurance company, a technology company and an Accountable Care Organization.

With more than 10,000 providers and 40,000 employees in four states, SSM Health is one of the largest employers in every community it serves. An early adopter of the electronic health record (EHR), SSM Health is a national leader for the depth of its EHR integration.

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Through our exceptional health care services,  
we reveal the healing presence of God.

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## SSM Health St. Joseph Hospitals

### Highlights of services

The hospitals and ambulatory medical campuses are geographically distributed throughout the greater St. Charles community, offering a broad range of medical and surgical specialties in warm and welcoming environments.

### Community benefit

In 2020, SSM Health St. Joseph Hospitals collectively provided \$19 M in total community benefit, comprised of \$ 9 M in charity care; and \$8 M in unpaid costs of Medicaid and other public programs.

Examples of our community benefit programs include:

Fitness Forward, providing community fitness opportunities;  
Mother Odelia's Closet, providing clothing to patients in need; and  
Drug Take Back bins to remove unnecessary medications from cabinets.

### Community partnerships

We are proud to be part of community projects that work to improve health outcomes in the areas we serve:

- Volunteers in Medicine
- Youth in Need
- Community Council
- Sts. Joachim & Ann Care Services
- United Way of Greater St. Louis
- The Crisis Nursery
- Compass Health
- Lindenwood University
- St. Charles Community College
- St. Charles County Ambulance District (SCCAD)
- EDC Business & Community Partners

## Hospital at a glance

Admissions | 18,291

Outpatient visits | 183,888

ER visits | 83,418

Births | 1,316

Beds | 625

Employees | 2,400+

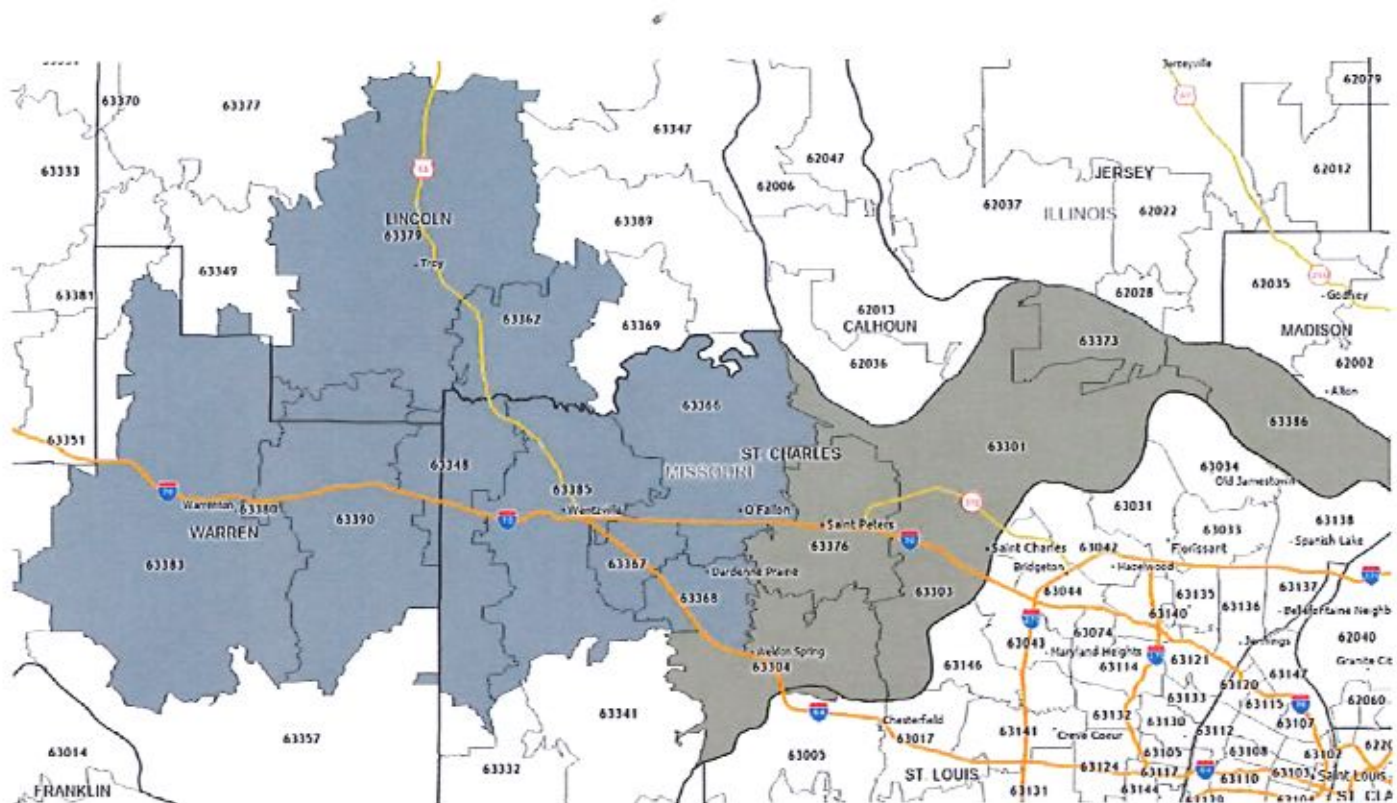
Medical staff | 850+

Volunteers | 110+

Charity care | \$25 M

# Definition of community

The community we serve is defined as greater St. Charles County and includes parts of Lincoln and Warren Counties, which accounts for 80% of the total patients served by our hospitals. There are 19 zip codes that are contained within or overlap the service area. The hospitals are located in St. Charles (63301), Lake Saint Louis (63367) and Wentzville (63385). In 2020, the service area had an estimated population of 500,000 persons.



SSM Health St. Joseph Hospitals' Service Area Map





# Impact Since 2018

## Examples of 2019-2021 CHNA Priorities In Action!

### Obesity

- Host annual Fitness Forward physical activity challenge, engaging over 1,100 residents over 6 weeks in St. Charles, Lincoln and Warren counties between 2020 and 2021
- Support of Sts. Joachim and Ann Community Garden- over 50 staff volunteer hours in 2019

### Access to Care

- Partnership with Volunteers in Medicine to provide specialty health services for under/uninsured patients, serving over 1,400 lives impacted in 2020
- Free Community Vaccine Clinics for St. Charles School Districts in 2020 in collaboration with St. Charles County Health Department and IFM Community Medicine- 99 children served, 250 vaccines provided.
- Mother Odelia's Closet, providing essential items such as clothing and toiletries to patients in need- over 190 lives impacted between 2020 and 2021

### Substance Abuse

- Drug Takeback Program
- Teen Drug Summit in partnership with Community Strong, over 175 lives impacted
- Art Therapy for residents experiencing heightened anxiety, disconnection, mental health and substance abuse issues, 50 lives impacted



# Our Community Partners

As our hospital continues to grow, so do our community partners. This page some of the many community with which we collaborate to better serve our communities.

## Community partners

- St. Charles Community College
- American Heart Association
- Barnes Jewish St. Peters
- Mercy Health
- Sts. Joachim and Ann
- Compass Health
- Youth in Need
- YMCA
- Economic Development Council (EDC) of St. Charles County
- St. Charles County Ambulance District (SCCAD)
- University of Missouri Extension-St. Charles County
- Volunteers in Medicine
- Drug Enforcement Agency
- IFM Community Medicine
- Lindenwood University
- The Crisis Nursery

## Community health coalitions

- Community Strong
- CRUSH

## Local public health department

- St. Charles County Department of Health





# The CHNA Process: Many Parts Make a Whole

## Primary Data-Community CHNA Survey:

A single online community health needs assessment survey was available for community members across multiple service areas of all collaborating hospital systems, inclusive of Missouri and Illinois. The online community survey was available to complete from April 2021 through July 2021. This survey asked about people's personal health, their thoughts about the community's health, and provided sections for people to provide on ways to improve both individual and community health. The survey took an average of 10 minutes to complete with a total of 2,915 individuals completing the survey. A total of 655 responses were received from our St. Charles County service areas, accounting for 21% of survey responses



All respondents were asked to provide their primary zip codes, which were tagged according to the SSM Health and partner hospital CHNA community geographies (e.g., North St. Louis County, South St. Louis County, St. Louis City, St. Charles County). Community members had the option to submit open ended responses, comments and suggestions throughout the survey.

Community survey comments were analyzed, allowing us to identify the top-ranking suggestions for how to improve both individual and community health among South St. Louis County residents, many of which will be integrated within our subsequent Community Health Improvement Plans (CHIPs).

**1. For new units, address the need formula for the proposed geographic service area.**

St. Charles County continues to grow at a rapid pace, the location determined for this DaVinci Xi will be at SSM Health St. Joseph St. Charles. Procedures to be done on this piece of equipment generally are done laparoscopically those will now begin to transition robotically. All demand for these procedures are currently backlogged within out SSMMG and anticipate no impact on other facilities within St. Charles County.

Robotic surgery continues to be a request of patients as it accommodates minimally invasive approach lessening recovery time and patient discomfort during recovery. In addition, academic programs continue to train all new surgeons which is projected to be the standard of care for many procedures in the future.

**2. For new units, address the minimum annual utilization standard for the proposed geographic service area.**

Listed minimum utilization from the DHSS is 240. We project to exceed that threshold by 34 in year one due to current demand and backlog within out SSM Health Medical Group.

**3. For any new unit where specific need and utilization standards are not listed, provide the methodology for determining need.**

N/A

**4. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit.**

N/A

**5. For evolving technology address the following:**

- a. Medical effects as described and documented in published scientific literature

N/A

- b. The degree to which the objectives of the technology have been met in practice

N/A

- c. Any side effects, contraindications, or environmental exposures

N/A

- d. The relationships, if any, to existing preventative diagnostic, therapeutic, or management technologies and the effects on the existing technologies

N/A

- e. Food and Drug Administration approval

N/A

- f. The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal

N/A

- g. The degree of partnership, if any, with other institutions for joint use and financing

## **Divider IV**

# **Financial Feasibility Review Criteria and Standards**

1. Document that sufficient financing is available by providing a letter from a financial institution or an auditor's statement indicating that sufficient funds are available

The DaVinci XI has already been paid for. Please see the below image documenting that payment cleared on 12/19/23. Note that \$1,692,724.00 was paid which is higher than the invoice price of \$1,685,500.00 due to 5 other invoices paid to Intuitive Surgical totaling \$7,224.00 on the same day.

CoCd	St	Reference	Local Crcty Amt	Inv. Ref.	Doc. Date	Patng Date	Clearing	DocumentNo	Type	PayT	Clrng doc.
0200		904875072	1,685,500.00-	1900282570	11/02/2023	12/15/2023	12/19/2023	1900282570	KR	Z008	2000048365
0200		904864340	2,898.00-	5100123396	11/20/2023	11/30/2023	12/19/2023	5100123396	RE	Z001	2000048365
0200		904863402	966.00-	5100123397	11/20/2023	11/30/2023	12/19/2023	5100123397	RE	Z001	2000048365
0200		904863865	756.00-	5100123398	11/20/2023	11/30/2023	12/19/2023	5100123398	RE	Z001	2000048365
0200		904863895	2,184.00-	5100123399	11/20/2023	11/30/2023	12/19/2023	5100123399	RE	Z001	2000048365
0200		904867088	420.00-	5100123400	11/21/2023	11/30/2023	12/19/2023	5100123400	RE	Z001	2000048365
0200			1,692,724.00	2000048365	12/19/2023	12/19/2023	12/19/2023	2000048365	ZV		2000048365
			0.00								

See attached for additional documentation.

2. Provide Service-Specific Revenues and Expenses projected through three (3) FULL years beyond project completion

See attached

3. Document how patient charges are derived.

SSM Health employs a market-based hospital pricing strategy to align and remain competitive with Hospital IP & OP services. Ancillary Procedures (Technical/Facility Component) charges will be computed using the local peer competitor price data when available. The Medicare OPSS APC Wage Index Adjusted Payment Rate will be used as a benchmark comparison when available. The Contracting Analytics team will provide input for charges affected by payor contract fee schedules.

4. Document responsiveness to the needs of the medical indigent

SSM Health (SSM) is committed to providing financial assistance to people who are without insurance, underinsured, ineligible for a government program, or otherwise unable to pay for

medically necessary care. SSM Health will provide care of emergency medical conditions to individuals regardless of their ability to pay.

Financial assistance is based on need and determined by Federal Poverty Levels, which includes income and number of family members. Financial need does not consider age, gender, race, social, or immigrant status, sexual orientation, or religious affiliation. SSM Health limits the amount charged for emergency and medically necessary care provided to patients who are eligible for financial assistance under this policy to not more than gross charges for the care multiplied by the amounts generally billed percentage.

SSM Health St. Joseph St. Charles provided \$4,903,775 in charity care for the year of 2023.



# SERVICE-SPECIFIC REVENUES AND EXPENSES

**Project Title:** SSM Health St. Joseph St. Charles  **Project #:** #6096

## Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion

<i>Use an individual form for each affected service with a sufficient number of copies of this form to cover entire period, and fill in the years in the appropriate blanks.</i>	Year		
	2025	2026	2027

<b>Amount of Utilization:*</b>	<u>274</u>	<u>282</u>	<u>291</u>
<b>Revenue:</b>			
Average Charge**	<u>\$51,329</u>	<u>\$52,484</u>	<u>\$53,665</u>
Gross Revenue	<u>\$14,064,245</u>	<u>\$14,800,564</u>	<u>\$15,616,562</u>
Revenue Deductions	<u>11,144,148</u>	<u>11,735,102</u>	<u>12,390,001</u>
Operating Revenue	<u>2,920,097</u>	<u>3,065,462</u>	<u>3,226,561</u>
Other Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUE</b>	<u><b>\$2,920,097</b></u>	<u><b>\$3,065,462</b></u>	<u><b>\$3,226,561</b></u>
<b>Expenses:</b>			
Direct Expenses			
Salaries	<u>1,505,868</u>	<u>1,611,829</u>	<u>1,729,801</u>
Fees	<u>0</u>	<u>0</u>	<u>0</u>
Supplies	<u>757,804</u>	<u>811,127</u>	<u>870,494</u>
Other	<u>1,172,628</u>	<u>1,255,140</u>	<u>1,347,006</u>
<b>TOTAL DIRECT</b>	<u><b>\$3,436,300</b></u>	<u><b>\$3,678,096</b></u>	<u><b>\$3,947,301</b></u>
Indirect Expenses			
Depreciation	<u>257,000</u>	<u>257,000</u>	<u>257,000</u>
Interest***	<u>0</u>	<u>0</u>	<u>0</u>
Rent/Lease	<u>0</u>	<u>0</u>	<u>0</u>
Overhead****	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL INDIRECT</b>	<u><b>\$257,000</b></u>	<u><b>\$257,000</b></u>	<u><b>\$257,000</b></u>
<b>TOTAL EXPENSES</b>	<u><b>\$3,693,300</b></u>	<u><b>\$3,935,096</b></u>	<u><b>\$4,204,301</b></u>
<b>NET INCOME (LOSS):</b>	<u><b>-\$773,203</b></u>	<u><b>-\$869,634</b></u>	<u><b>-\$977,740</b></u>

\*Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

\*\*Indicate how the average charge/procedure was calculated.

\*\*\*Only on long term debt, not construction.

\*\*\*\*Indicate how overhead was calculated.

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SSM Health St. Joseph St. Charles is applying for a Certificate of Need and seeking approval from the Missouri Health facilities Review Committee to add new robotic surgery equipment the DaVinci Xi at our campus in St. Charles and a new MRI unit at our soon to be opening Outpatient Center, Streets of Caledonia.

9589 0710 5270 0704 2120 72

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Certified Mail Fee	\$4.40
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
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<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.68
Total Postage and Fees	\$5.08
Send To	Greg Patterson
Street and Apt. No., P.O. Box No.	110 Hospital Dr. W
City, State, ZIP+4®	St. Peters MO 63376

9589 0710 5270 0704 2120 65

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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.68
Total Postage and Fees	\$5.08
Send To	Greg Patterson
Street and Apt. No., P.O. Box No.	2 Forest Point Pkwy
City, State, ZIP+4®	Stallion MD 63367

# SSM Health

Consolidated Financial Statements as of and  
for the Years Ended December 31, 2023 and  
2022 and Independent Auditor's Report

# SSM HEALTH

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
SSM Health Care Corporation  
St. Louis, Missouri

### Opinion

We have audited the consolidated financial statements of SSM Health Care Corporation and subsidiaries (doing business as SSM Health) (SSMH), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SSMH as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SSMH and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SSMH's ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SSMH's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SSMH's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte & Touche LLP*

March 20, 2024

## SSM HEALTH

### CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2022 (In thousands)

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 640,816	\$ 574,339
Investments	20,479	112,203
Current portion of assets limited as to use or restricted	519,413	454,838
Patient accounts receivable	934,411	976,730
Pharmacy claims and rebates receivable	1,196,998	900,547
Other receivables	125,745	151,393
Inventories, prepaid expenses, and other	269,311	274,458
Estimated third-party payor settlements	75,288	7,812
Assets held for sale	25,650	-
	<u>3,808,111</u>	<u>3,452,320</u>
<b>ASSETS LIMITED AS TO USE OR RESTRICTED—Excluding current portion</b>	<u>3,499,206</u>	<u>3,232,722</u>
<b>PROPERTY AND EQUIPMENT—Net</b>	<u>2,841,331</u>	<u>2,860,691</u>
<b>OPERATING RIGHT-OF-USE ASSETS</b>	<u>221,142</u>	<u>194,735</u>
<b>OTHER ASSETS:</b>		
Goodwill	528,949	289,661
Intangible assets—net	328,907	179,751
Investments in unconsolidated entities	328,563	383,567
Other	53,482	35,557
	<u>1,239,901</u>	<u>888,536</u>
<b>TOTAL</b>	<u>\$ 11,609,691</u>	<u>\$ 10,629,004</u>

(Continued)

## SSM HEALTH

### CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2022 (In thousands)

	2023	2022
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Revolving line of credit	\$ 97,410	\$ -
Current portion of long-term debt and finance lease obligations	57,931	602,034
Accounts payable and accrued expenses	3,043,994	2,529,080
Short-term borrowings	665,180	443,580
Deferred revenue	24,385	19,961
Estimated third-party payor settlements	108,969	126,390
Other current liabilities	<u>234,822</u>	<u>255,404</u>
Total current liabilities	4,232,691	3,976,449
LONG-TERM DEBT— Excluding current portion	1,590,813	1,354,142
ESTIMATED SELF-INSURANCE OBLIGATIONS	119,012	117,239
OPERATING LEASE OBLIGATIONS— Excluding current portion	201,018	164,641
FINANCE LEASE OBLIGATIONS— Excluding current portion	16,006	14,640
PENSION LIABILITY	173,536	173,266
OTHER LIABILITIES	<u>405,793</u>	<u>324,640</u>
Total liabilities	<u>6,738,869</u>	<u>6,125,017</u>
<b>NET ASSETS:</b>		
Without donor restrictions:		
SSM Health net assets without donor restrictions	4,497,191	4,286,657
Noncontrolling interest in subsidiaries	<u>185,488</u>	<u>74,297</u>
Total net assets without donor restrictions	4,682,679	4,360,954
With donor restrictions	<u>188,143</u>	<u>143,033</u>
Total net assets	<u>4,870,822</u>	<u>4,503,987</u>
<b>TOTAL</b>	<u>\$ 11,609,691</u>	<u>\$ 10,629,004</u>

See notes to consolidated financial statements.

(Concluded)



## SSM HEALTH

### CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In thousands)

	2023	2022
OPERATING REVENUES AND OTHER SUPPORT:		
Net patient service revenues	\$ 6,435,624	\$ 6,054,963
Capitation revenues	1,287,760	1,187,447
Pharmacy benefit manager revenue	1,716,343	1,452,577
Investment income (loss)	59,760	(69,547)
Income from unconsolidated entities—net	139,039	13,822
Other revenue	881,156	659,163
Net assets released from restrictions	<u>16,548</u>	<u>8,796</u>
Total operating revenues and other support	<u>10,536,230</u>	<u>9,307,221</u>
OPERATING EXPENSES:		
Salaries and benefits	4,485,653	4,081,423
Medical claims	624,843	520,249
Supplies	1,670,978	1,465,798
Pharmacy benefit manager supplies	1,464,877	1,222,826
Professional fees and other	1,946,655	1,876,904
Interest	80,670	80,284
Depreciation and amortization	<u>288,949</u>	<u>308,641</u>
Total operating expenses	<u>10,562,625</u>	<u>9,556,125</u>
LOSS FROM OPERATIONS BEFORE OTHER ITEMS	(26,395)	(248,904)
OTHER ITEMS:		
Long-lived asset impairment	<u>(33,096)</u>	<u>-</u>
OPERATING LOSS AFTER OTHER ITEMS	<u>(59,491)</u>	<u>(248,904)</u>
NONOPERATING GAINS AND (LOSSES):		
Investment income (loss)	321,583	(375,041)
Loss from early extinguishment of debt		(2,075)
Net periodic pension income (cost)	24,645	(3,454)
Change in fair value of interest rate swaps	25,646	165,200
Other—net	<u>(20,257)</u>	<u>266</u>
Total nonoperating gains (losses)—net	<u>351,617</u>	<u>(215,104)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	292,126	(464,008)
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>39,511</u>	<u>612</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES—Net of noncontrolling interest	<u>\$ 252,615</u>	<u>\$ (464,620)</u>

(Continued)

## SSM HEALTH

### CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In thousands)

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SSM Health net assets without donor restrictions:		
Excess (Deficit) of revenues over expenses	\$ 252,615	\$ (464,620)
Pension-related changes other than net periodic pension cost	(54,783)	323,592
Net assets released from restrictions for property acquisitions	3,536	113
Purchase of interest in subsidiaries	-	(35,754)
Other—net	<u>9,166</u>	<u>(6,470)</u>
Increase (Decrease) in SSM Health net assets without donor restrictions	<u>210,534</u>	<u>(183,139)</u>
Noncontrolling interest in subsidiaries net assets without donor restrictions:		
Excess of revenues over expenses	39,511	612
Distributions to noncontrolling owners	(13,425)	(5,689)
Purchase of noncontrolling interest in subsidiary	<u>85,105</u>	<u>(132,295)</u>
Increase (Decrease) in noncontrolling interest in subsidiaries net assets without donor restrictions	<u>111,191</u>	<u>(137,372)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions for charity care, property acquisitions, and other programs	55,576	27,087
Gains (Losses) on investments—net	9,628	(9,880)
Net assets with donor restrictions released from restrictions for operations	(16,551)	(8,573)
Net assets with donor restrictions released from restrictions for property acquisitions	(3,536)	(113)
Other—net	<u>(7)</u>	<u>2,243</u>
Increase in net assets with donor restrictions	<u>45,110</u>	<u>10,764</u>
CHANGE IN NET ASSETS	366,835	(309,747)
NET ASSETS—Beginning of year	<u>4,503,987</u>	<u>4,813,734</u>
NET ASSETS—End of year	<u>\$ 4,870,822</u>	<u>\$ 4,503,987</u>

See notes to consolidated financial statements.

(Concluded)

## SSM HEALTH

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 366,835	\$ (309,747)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension-related changes other than net periodic pension cost	54,783	(323,592)
Depreciation and amortization	288,949	308,641
Loss on early extinguishment of debt	-	2,075
Loss on impairment	33,096	-
Amortization of debt premium	(3,783)	(19,501)
Contributions for long-term investment	(902)	(9,143)
Distributions to noncontrolling owners—net	13,425	5,689
(Gains) losses on investments—net	(308,277)	528,794
Income from unconsolidated entities—net	(139,039)	(13,823)
Change in fair value of interest rate swaps	(25,646)	(165,200)
Loss on disposal of assets	1,921	9,810
Inherent contributions related to acquisition	-	(16,162)
Distributions from unconsolidated entities	24,315	17,766
Payments for acquisition of noncontrolling interest in subsidiary	-	164,100
Purchase of noncontrolling interest in subsidiary	(85,270)	-
Medicare advanced payments under CARES Act	-	(302,359)
Changes in assets and liabilities:		
Investments	90,485	4,774
Patient accounts receivable	42,319	(119,217)
Pharmacy claims and rebates receivable	(237,936)	(341,838)
Other receivables, inventories, prepaid expenses, and other	83,107	115,486
Operating right-of-use assets	45,752	50,423
Accounts payable, accrued expenses, and other liabilities	530,076	391,374
Other changes to pension liability	(56,231)	(50,910)
Operating lease obligations	(46,911)	(51,686)
Estimated self-insurance obligations	4,412	8,256
Net cash provided by (used in) operating activities	<u>675,480</u>	<u>(115,990)</u>

## SSM HEALTH

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In thousands)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (280,090)	\$ (309,103)
Proceeds from disposal of property and equipment and sales of other assets	570	7,096
Purchase of assets limited as to use or restricted and short-term investments	(3,074,105)	(2,712,400)
Proceeds from sales of assets limited as to use or restricted and short-term investments	2,893,312	3,290,515
Contributions to unconsolidated entities	(3,775)	(10,480)
Acquisitions, net of cash acquired	(117,290)	(143,855)
Purchases of other assets	(26,569)	(28,389)
	<u>(607,947)</u>	<u>93,384</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for acquisition of noncontrolling interest in subsidiary	-	(164,100)
Proceeds from issuance of long-term debt	389,760	354,654
Payments on long-term debt	(690,169)	(294,525)
Contributions for long-term investment	902	9,143
Distributions to noncontrolling owners—net	(13,425)	(5,689)
Debt issuance costs	(3,626)	(1,194)
Proceeds from patient loans	5,871	11,204
Payments on patient loans	(9,379)	(13,175)
Proceeds from short-term borrowings	224,600	167,277
Payments on short-term borrowings	(3,000)	(171,322)
Proceeds from revolving line of credit	97,410	-
Payments on revolving line of credit	-	(60,000)
	<u>(1,056)</u>	<u>(167,727)</u>
Net cash used in financing activities	<u>(1,056)</u>	<u>(167,727)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66,477	(190,333)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>574,339</u>	<u>764,672</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 640,816</u>	<u>\$ 574,339</u>

See notes to consolidated financial statements.

(Concluded)



Intuitive Surgical, Inc.  
 1020 Kifer Road  
 Sunnyvale, CA 94086  
 800-876-1310

Quote Details

Quote ID	Q-00050813
Quote Date	5/17/2024
Valid Until	06/30/2024
Sales Rep	Nick Purcell
Phone Number	+1-314-495-2080
Email	nick.purcell@intusurg.com

Company Information

Hospital Name	SSM Health St. Joseph Hospital
SF ID/IDN Affiliation	13366/SSM Health
Address	300 First Capitol Dr
City, State, Zip	St. Charles, Missouri, 63301-2893
Contact Name	
Telephone	

Please submit orders electronically via GHX or fax to 408-523-2377

Part Number	Qty	Item	Price	Subtotal
<b>Systems</b>				
	1	da Vinci Xi® Single Console System One (1): da Vinci Xi System Surgeon Console One (1): da Vinci Xi System Patient Cart One (1): da Vinci Xi System Vision Cart  da Vinci Xi System Documentation da Vinci Xi System Software Training Instrument Starter Kit Accessory Starter Kit Drapes Vision Equipment  (All Kits subject to change without notice)	\$ 1,900,000.00	\$ 1,900,000.00
<b>Upgrades</b>				
	1	E-100 Generator	\$ 25,000.00	\$ 25,000.00
	1	Da Vinci Xi Table Motion Upgrade	\$ 75,000.00	\$ 75,000.00
<b>Freight</b>				
	1	System Freight - Central (AR, IA, IL, KS, LA, MN, MO, ND, NE, OK, SD, TX, WI)	\$ 11,000.00	\$ 11,000.00
<b>Total</b>				<b>\$ 2,011,000.00</b>

Part Number	Months	Item	Price	Annual Service Fee
<b>Service</b>				
	12	da Vinci Xi-Single Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-Warranty (Included)	\$ 0.00	\$ 0.00
	48	da Vinci Xi-Single Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-After Warranty Service (Annual)	\$ 154,000.00	\$ 154,000.00

Terms and Conditions

1) System Terms and Conditions:

1.1 A signed Sales, License, and Service Agreement ("SLSA") or equivalent is required prior to shipment of the System(s). All site modifications and preparation are the Customer's responsibility and are to be completed to the specification given by Intuitive Surgical prior to the installation date. Delivery is subject to credit approval. Payment terms are Net 30 days from Intuitive Surgical's invoice date. Each

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System includes the patient side cart, vision cart, and surgeon console(s). System enhancements required to support new features may be purchased at Intuitive Surgical's then current list price. The price of the da Vinci® Surgical System includes the initial installation of the System at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate.

1.2 Intuitive makes no representation with regard to Certificate of Need requirements for this purchase. It is your (the Customer's) responsibility to determine whether this purchase complies with your State's Certificate of Need laws and what Certificate of Need filing, if any, needs to be made with regard to this purchase.

1.3 Customer acknowledges that the cleaning and sterilization equipment, not provided by Intuitive, is required to appropriately reprocess da Vinci instruments and endoscopes. Please refer to the Intuitive Surgical Reprocessing website: <https://reprocessing.intuitivesurgical.com>. Customer is responsible for ensuring that its' cleaning and sterilization program comply with all health and safety requirements.

## 2) System Upgrade Terms and Conditions:

2.1 A signed Purchase Order and/or an addendum to the existing Sales, License, and Service Agreement ("SLSA") is required prior to shipment of the System upgrade. All site modifications and preparation are the Customer's responsibility and are to be completed with the specification given by Intuitive Surgical prior to the installation date.

2.2 Payment terms are Net 30 days from Intuitive Surgical's invoice date. The price includes: the System upgrade, the initial installation at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate. Delivery is subject to credit approval and inventory availability. Standard shipping terms are FCA from Intuitive Surgical™ warehouse. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.

## 3) I&A Terms and Conditions:

3.1 To place an order, please fax Purchase Order to Intuitive Surgical Customer Service at 408-523-2377 or submit through the Global Health Exchange (GHX). Payment Terms Net 30 days from invoice date. Delivery is subject to credit approval by Intuitive Surgical. Estimated 2-Day standard delivery. Standard shipping terms are FCA from Intuitive Surgical™ warehouse and are subject to inventory availability. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate. Pricing is subject to change without notice. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.

## 4) Return Goods Policy :

4.1 All returns must be authorized through Intuitive Surgical Customer Service, please call 800-876-1310 to obtain a Return Material Authorization Number (RMA#). All items must be accompanied with valid RMA# for processing and are requested to be received within 14 days of issuance or the RMA could be subject to cancellation. Intuitive Surgical will prepay for the return of the defective instruments. Upon identification of a defective instrument, please call Intuitive Surgical Customer Service within 5 business days. Prior to returning to Intuitive Surgical, items must be cleaned and decontaminated in accordance with the then current local environmental and safety laws and standards. For all excess inventory returns, items are required to be in the original packaging with no markings, seals intact, and to have been purchased within the last 12 months. Package excess returned inventory in a separate shipping container to prevent damage to original product packaging.

## 5) Exchange Goods Policy :

5.1 Repairs to Endoscope, Camera Head and Skills Simulators may qualify for Intuitive Surgical advanced exchange program. Please contact Customer Service or send email to [CustomerSupport-ServiceSupport@intusurg.com](mailto:CustomerSupport-ServiceSupport@intusurg.com) to obtain information on our current exchange program.

## 6) Credit Policy :

6.1 Intuitive Surgical will issue credit against original purchase order after full inspection is complete. Credit for defective returns: Intuitive Surgical will issue credit on products based on failure analysis performed and individual warranty terms. For instruments, credit will be issued for the remaining lives, plus one additional life to compensate for usage at the time the issue was identified. Evidence of negligence, misuse and mishandling will not qualify for credit. Credit for excess inventory returns: Excess Inventory returns will be valued at the invoice price. Original packaging must be unmarked, undamaged and seals intact to qualify for credit. Credit will be issued if the products were shipped less than 12 months prior to return request, the original package is intact and the product is within expiration date. Intuitive Surgical will retain all returned product.

## 7) Miscellaneous :

7.1 Warranty: Warranties are applied for manufacturing defects. Endoscope, Camera, Simulator, and System upgrades – 1 year warranty. Accessories – 90 day warranty. Instruments: see above for credit.

7.2 Any term or condition contained in your purchase order or similar forms which is different from, inconsistent with, or in addition to these terms shall be void and of no effect unless agreed to in writing and signed by your authorized representative and authorized representative

of Intuitive Surgical. The terms and conditions of this quote, including pricing, are confidential and proprietary information of Intuitive Surgical and shall not be disclosed to any third party without the consent of Intuitive Surgical.

For questions please contact Customer Service at 800-876-1310

**EXHIBIT A**  
**Deliverables, Price and Delivery**

**da Vinci® Xi™ Single Console System (Firefly™ Fluorescence Imaging Enabled)**

One (1): da Vinci® Xi™ System Surgeon Console  
One (1): da Vinci® Xi™ System Patient Cart  
One (1) da Vinci® Xi™ System Vision Cart  
Warranty period: One (1) year from the Acceptance.

da Vinci® Xi™ System Documentation including:  
User's Manual For System  
Warranty period: n/a

User's Manual for Instruments and Accessories  
Warranty period: n/a

One (1) da Vinci® Xi™ Cleaning & Sterilization Kit  
Warranty period: 90 days from Acceptance  
Two (2) da Vinci® Xi™ Instrument Release Kit (IRK)  
Warranty period: 90 days from Acceptance

da Vinci® Xi™ System Software  
Warranty period: One (1) year from the Acceptance.

Instrument and Accessories including:

Accessory Starter Kit  
Two (2): Box of 6: 8 mm Bladeless Obturator  
One (1): 8 mm Blunt Obturator  
Four (4): Box of 10: 5 mm - 8 mm Universal Seal  
Four (4): 8 mm Cannula  
Three (3): Monopolar Energy Instrument Cord  
Three (3): Bipolar Energy Instrument Cord  
One (1): Box of 3: da Vinci® Xi™ Gage Pin  
Three (3): Instrument Introducer  
One (1): Box of 10: Tip Cover for Hot Shears™ (MCS)  
One (1): Pmed Cable, Covidien ForceTraid ESU  
Warranty period: 90 days from Acceptance

Drapes  
Two (2): Pack of 20 da Vinci® Xi™ Arm Drape  
One (1): Pack of 20 da Vinci® Xi™ Column Drape  
Warranty period: 90 days from Acceptance

Vision Equipment:  
Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 0 degree  
Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 30 degree  
Four (4): da Vinci® Xi™ Endoscope Sterilization Trays  
Warranty period: One (1) year from the Acceptance.

Training Instrument Starter Kit  
One (1): Large Needle Driver  
One (1): ProGrasp™ Forceps  
One (1): Maryland Bipolar Forceps  
One (1): Hot Shears™ (Monopolar Curved Scissors)  
One (1): Tip-Up Fenestrated Grasper  
One (1): Mega™ SutureCut™ Needle Driver  
Warranty period: 90 days from Acceptance

(all kits subject to change without notice) (rev 4/2015)



**Amendment 2 to the Lease Agreement**

This amendment 2 (the "Amendment") is made and entered into as of **September 22, 2023** (the "Amendment Effective Date") by and between **Intuitive Surgical, Inc.**, a Delaware corporation, with its principal place of business located at 1266 Kifer Road, Sunnyvale, CA 94086 ("Intuitive") and **SSM St. Joseph Health Center** located at 300 First Capitol Dr, St. Charles, Missouri 63301-2893 ("Customer").

WHEREAS, Intuitive and Customer entered into a Lease Agreement dated January 19, 2022, as amended from time to time, and known at Intuitive as MA-022-2022 / 416947 ("Lease Agreement"); and

WHEREAS, Lessee and Intuitive agree to amend the Lease Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants hereinafter expressed, and for other valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree to amend the Lease Agreement as follows:

- I. The Leased Equipment Description and pricing table, Lease Conditions, and Special Conditions in the Lease Agreement is hereby restated as follows:

Qty.	Included in Periodical Lease Payment	Not Included in Periodical Lease Payment	Equipment Description	Price
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	da Vinci Xi Single Console System (s/n: SK5566)	\$1,685,500.00
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E-100 Generator	\$0.00
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	da Vinci Xi Table Motion Upgrade	\$0.00
n/a	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Annual Service	\$154,000.00 per year
<b>Lease Conditions</b>				
<b>Lease Period</b>	58 Months. The Lease Period may be extended in accordance with the Lease Agreement.			
<b>Commencement Date</b>	This Lease Period will commence on the Amendment Effective Date.			
<b>Interest Rate</b>	5.00%			
<b>Periodical Lease Payments</b>	Months 1 – 1 <b>\$0.00 per month</b> Months 2 – 58 <b>\$29,799.98 per month</b>		No. of periodical Lease Payments: 58 (subject to extension of Lease Period)	<input checked="" type="checkbox"/> Monthly payments
	Lessee agrees and acknowledges payments due herein shall not be excused by any contingencies including, but not limited to, Lessee's internal practices, policies, or any state approvals.			
	<input type="checkbox"/> The first Periodical Lease Payment is due on Commencement Date. Thereafter, each subsequent Periodical Lease Payment is due on the corresponding day of each month, as applicable, of the Lease Period (payments in advance). <input checked="" type="checkbox"/> The first Periodical Lease Payment is due one month after the Commencement Date. Thereafter, each subsequent payment is due on the corresponding day of each month of the Lease Period (payments in arrears).			
<b>Deposit</b>	N/A	The Deposit, if any, is due on the Commencement Date		
<b>Balloon Payment</b>	N/A	The Balloon Payment, if any, is due on the last day of the Lease Period.		
<b>End of Lease Options</b>	<input type="checkbox"/> End of Lease option A applies (see 11.1 of Standard Terms and Conditions of Leasing) <input checked="" type="checkbox"/> End of Lease option B applies (see 11.2 of Standard Terms and Conditions of Leasing) <input checked="" type="checkbox"/> See Special Conditions below			
<b>Funding Amount</b>	Original Equipment Cost (OEC): \$1,685,500.00	Down-Payment from Lessee to Lessor: \$0.00	Funding Amount:	\$1,685,500.00
<b>Special Conditions*</b>				
At any time before October 27, 2023, the Lessee will have the following one-time options:				
1) Purchase the System for the Original Equipment Price, as referenced above, or				
2) The parties may agree to meet in good faith to discuss entering into a separate Fee Per Procedure agreement. In the event the parties enter into such an agreement for a Multi System Fee Per Procedure program, the parties may mutually agree to amend this Lease Agreement in writing.				
If Lessee is not in default, after the 16th payment and on each anniversary date of Acceptance thereafter, Lessee will have the option to upgrade the Equipment at a price to be mutually agreed to between the parties. Lessee must provide Lessor written notice sixty (60) days prior to the anniversary date of Acceptance with regards to intent. If the Lessee exercises its upgrade option, service shall be purchased on the upgraded Equipment. If Lessor does not receive notice as to Lessee's intent, Lessee will be deemed to continue the Lease as outlined above.				
Provided the Lessee is not in default, the Fair Market Value shall not exceed \$233,358.00 (plus applicable taxes).				

- 2. Lessee remains responsible for any open invoices issued pursuant to the Lease Agreement for amounts accrued thereunder and this Amendment is contingent upon Intuitive receiving Lessee's payment for those open invoices.
- 3. Except as set forth above, all other terms and conditions of the Lease Agreement remain the same.

Any capitalized terms used but not defined herein shall have the meaning used in the Lease Agreement. This Amendment includes any Annexes, Exhibits, or Attachments hereto. This Amendment is fully incorporated into the Lease Agreement. In the event of a conflict between this Amendment and the Lease Agreement, this Amendment shall control. Except as set forth above, all other terms and conditions of the Lease Agreement remain the same.

IF THIS AMENDMENT IS NOT SIGNED BY BOTH PARTIES AND RETURNED TO INTUITIVE ON OR BEFORE OCTOBER 10, 2023, THE TERMS WILL BE SUBJECT TO CHANGE.

In witness whereof, the parties have caused this Amendment to be executed by their duly authorized representatives.

Intuitive Surgical, Inc.


Signature:   
Marc Giuffrida (Oct 5, 2023 13:32 PDT)

Email: marc.giuffrida@intusurg.com

Title: Sr. Director, Contract Administration

Company: Intuitive Surgical, Inc

SSM St. Joseph Health Center

By:   
102033330020445

Name: Brad Forth

Title: VP, Sourcing & Vendor Management

e-mail: brad.forth@ssmhealth.com

Date: 10/9/2023

**From:** [Miller, Mitchell](#)  
**To:** [Fick, Mackinzey](#)  
**Subject:** RE: CON 6096  
**Date:** Wednesday, May 29, 2024 4:44:34 PM  
**Attachments:** [Notice Letter BJSP.docx](#)  
[Notice Letter PW.docx](#)

---

Hi Mackinzey,

Responses below in red.

**Mitch Miller, MHA | Director – Strategy and Business Development**

SSM Health – St. Louis Region | West Market

[mitchell.miller@ssmhealth.com](mailto:mitchell.miller@ssmhealth.com)

[ssmhealth.com](http://ssmhealth.com)

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**From:** Fick, Mackinzey <Mackinzey.Fick@health.mo.gov>  
**Sent:** Thursday, May 23, 2024 12:53 PM  
**To:** Miller, Mitchell <Mitchell.Miller@ssmhealth.com>  
**Subject:** RE: CON 6096

**CAUTION:** This email originated from outside of the SSM Health organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. Think this message could be malicious? Click the Report button or forward it to [Phishing@ssmhealth.com](mailto:Phishing@ssmhealth.com)

Mitchell,

After reviewing the additional information received, additional documentation is needed. When additional information is sent to you, please respond back answering each question within the email and only attach the needed documents.

- Provide the name of the newspaper this was posted in. **St. Louis Post Dispatch**
- Provide a list of facilities the notice was sent to. **Notice was sent to only facilities in the identified geographic service area of St. Charles County. Progress West Hospital & Barnes Jewish St. Peters. Letters are attached.**
- Provide a more specific service area. This can be a group of counties or zip codes. **St. Charles County MO**
- The form after the quote states the unit was purchased for \$1,685,500, while the application states \$1,685,500. Please advise. **These numbers are the same. You are correct, \$1,685,500.**
- Provide utilization numbers from other facilities that utilize a robotic surgery system within your geographic area. I was unable to find this within the information sent to me. **Sent a separate note on acquiring this information.**
- On the revenues and expenses form I calculate the gross income in 2025 to be 14,064,146, 2026 to be 14,800,488 and 2027 to be \$15,616,515. Please advise. **Your form auto calculated the gross revenue field. I cannot speak to the discrepancy but the numbers you calculated are in fact correct.**

**This information is needed by Thursday, May 30, 2024.**



**St. Joseph Hospital**  
300 First Capitol Drive  
St. Charles, MO 63301  
phone: 636-947-5000

May 17<sup>th</sup>, 2024  
Greg Patterson  
Barnes-Jewish St. Peters Hospital  
#10 Hospital Drive  
St. Peters, MO 63376

***Re: Certificates of Need Projects 6096 & 6107***

Dear Mr. Patterson:

SSM Health St. Joseph St. Charles is applying for a Certificate of Need and seeking approval from the Missouri Health facilities Review Committee to add new robotic surgery equipment the DaVinci Xi at our campus in St. Charles and a new MRI unit at our soon to be opening Outpatient Center, Streets of Caledonia.

Sincerely,

Mitch Miller  
Director – Strategy and Business Development

Through our exceptional  
health care services,  
we reveal the healing  
presence of God.



**St. Joseph Hospital**  
300 First Capitol Drive  
St. Charles, MO 63301  
phone: 636-947-5000

May 17<sup>th</sup>, 2024  
Greg Patterson  
Progress West Hospital  
2 Progress Point Pkwy  
O'Fallon, MO 63368

***Re: Certificates of Need Projects 6096 & 6107***

Dear Mr. Patterson:

SSM Health St. Joseph St. Charles is applying for a Certificate of Need and seeking approval from the Missouri Health facilities Review Committee to add new robotic surgery equipment the DaVinci Xi at our campus in St. Charles and a new MRI unit at our soon to be opening Outpatient Center, Streets of Caledonia.

Sincerely,

Mitch Miller  
Director – Strategy and Business Development

Through our exceptional  
health care services,  
we reveal the healing  
presence of God.

**From:** [Miller, Mitchell](#)  
**To:** [Fick, Mackinzey](#)  
**Subject:** RE: CON 6096  
**Date:** Tuesday, June 4, 2024 11:06:49 AM

---

Mackinzey,

The information requested was not obtainable.

Thanks,

**Mitch Miller, MHA | Director – Strategy and Business Development**

SSM Health – St. Louis Region | West Market

[mitchell.miller@ssmhealth.com](mailto:mitchell.miller@ssmhealth.com)

[ssmhealth.com](http://ssmhealth.com)

---

**From:** Fick, Mackinzey <Mackinzey.Fick@health.mo.gov>  
**Sent:** Monday, June 3, 2024 3:11 PM  
**To:** Miller, Mitchell <Mitchell.Miller@ssmhealth.com>  
**Cc:** Dorge, Alison <Alison.Dorge@health.mo.gov>  
**Subject:** RE: CON 6096  
**Importance:** High

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Mitchell,

After review of the additional information, I have some additional questions.

- The additional information states that a note was sent in regards to obtaining utilization. Has any utilization been obtained since?

**This information is needed by Monday, June 10, 2024.**

*Mackinzey Fick* (Name change from Lux to Fick)

Assistant Program Coordinator, Certificate of Need

Department of Health and Senior Services

920 Wildwood Drive, P.O. Box 570

Jefferson City, MO 65102

OFFICE: 573-751-6403

FAX: 573-751-7894

EMAIL: [mackinzey.fick@health.mo.gov](mailto:mackinzey.fick@health.mo.gov)

<http://health.mo.gov/information/boards/certificateofneed/index.php>

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**From:** [Miller, Mitchell](#)  
**To:** [Fick, Mackinzezy](#)  
**Subject:** RE: CON 6096  
**Date:** Monday, July 8, 2024 7:21:33 AM

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No disagreement, agree with the below.

**Mitch Miller, MHA | Director – Strategy and Business Development**

SSM Health – St. Louis Region | West Market  
[mitchell.miller@ssmhealth.com](mailto:mitchell.miller@ssmhealth.com)  
[ssmhealth.com](http://ssmhealth.com)

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**From:** Fick, Mackinzezy <Mackinzezy.Fick@health.mo.gov>  
**Sent:** Tuesday, July 2, 2024 4:02 PM  
**To:** Miller, Mitchell <Mitchell.Miller@ssmhealth.com>  
**Subject:** CON 6096  
**Importance:** High

**CAUTION:** This email originated from outside of the SSM Health organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. Think this message could be malicious? Click the Report button or forward it to [Phishing@ssmhealth.com](mailto:Phishing@ssmhealth.com)

We reviewed the utilization standard and geographic service area documentation presented in the CON application. Below is the data our office was able to obtain.

Location	County	# of Units	Utilization
Barnes-Jewish St. Peters Hospital	St. Charles	1	428 in 2021, 454 in 2022, and 613 in 2023
<b>Total</b>		<b>1</b>	

If you disagree with our findings, please provide alternative data with sources attached and if you agree with our findings, please state so.

**Your response is needed by 7/9/2024. Thank you.**

*Mackinzezy Fick* (Name change from Lux to Fick)

Assistant Program Coordinator, Certificate of Need  
Department of Health and Senior Services  
920 Wildwood Drive, P.O. Box 570  
Jefferson City, MO 65102  
OFFICE: 573-751-6403  
FAX: 573-751-7894  
EMAIL: [mackinzezy.fick@health.mo.gov](mailto:mackinzezy.fick@health.mo.gov)  
<http://health.mo.gov/information/boards/certificateofneed/index.php>