CERTIFICATE OF NEED APPLICATION

for

LAKE REGIONAL HEALTH SYSTEM

PROJECT 6162

Replace Cath Lab

Submitted to

MISSOURI HEALTH FACILITIES REVIEW COMMITTEE

on

March 11, 2025

Certificate of Need Program

EQUIPMENT REPLACEMENT APPLICATION

Applicant's Completeness Checklist and Table of Contents

Project Name: Lake Regional Health System Cardiac Cath Lab Project No: #6162

Project Description: Replace Cath Lab

Done	Page	N/A	Description
			Divider I. Application Summary:
✔		☐	1. Applicant Identification and Certification (Form MO 580-1861)
✔		☐	2. Representative Registration (From MO 580-1869)
✔		☐	3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.
			Divider II. Proposal Description:
✔		☐	1. Provide a complete detailed project description, CON project number of the existing equipment (if prev. CON approved), and include the type/brand of both the existing equipment and the replacement equipment.
✔		☐	2. Provide a listing with itemized costs of the medical equipment to be acquired and bid quotes.
✔		☐	3. Provide a timeline of events for the project, from CON issuance through project completion.
			Divider III. Service Specific Criteria and Standards:
✔		☐	1. Describe the financial rationale for the proposed replacement equipment.
✔		☐	2. Document if the existing equipment has exceeded its useful life.
✔		☐	3. Describe the effect the replacement unit would have on quality of care.
✔		☐	4. Document if the existing equipment is in constant need of repair.
✔		☐	5. Document if the lease on the current unit has expired.
✔		☐	6. Describe the technological advances provided by the new unit.
✔		☐	7. Describe how patient satisfaction would be improved.
✔		☐	8. Describe how patient outcomes would be improved.
✔		☐	9. Describe what impact the new unit would have on utilization.
✔		☐	10. Describe any new capabilities that the new unit would provide.
✔		☐	11. By what percent will this replacement increase patient charges.

(If replacement equipment was not previously approved, also complete Divider IV below.)

			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.
✔		☐	2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
✔		☐	3. Document how patient charges are derived.
✔		☐	4. Document responsiveness to the needs of the medically indigent.

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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	Project Number
Replace Cath Lab	#6162
Project Address *(Street/City/State/Zip Code)*	**County**
54 Hospital Dr Osage Beach MO 65065	Camden

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
Lake Regional Health System	54 Hospital Dr Osage Beach MO 65065	573)348-8000

List All Operator(s): *(List entity to be licensed or certified.)*	Address (Street/City/State/Zip Code)	Telephone Number
Lake Regional Health System	54 Hospital Dr Osage Beach MO 65065	573)348-8000

3. Ownership *(Check applicable category.)*

- ☑ Nonprofit Corporation
- ☐ Individual
- ☐ City
- ☐ District
- ☐ Partnership
- ☐ Corporation
- ☐ County
- ☐ Other_____

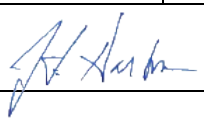
4. Certification

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		Title
Jonathan Dalton		Attorney
Telephone Number	**Fax Number**	**E-mail Address**
(314)259-4702	(314)621-5065	jdalton@armstrongteasdale.com
Signature of Contact Person		**Date of Signature**
		3.12.2025

Certificate of Need Program

REPRESENTATIVE REGISTRATION

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

Project Name	Number
Replace Cath Lab	#6162

(Please type or print legibly.)

Name of Representative	Title
Jonathan Dalton	Attorney

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other)	Telephone Number
Armstrong Teasdale LLP	(314)259-4702

Address (Street/City/State/Zip Code)

7700 Forsyth Blvd., Suite 1800, St. Louis, Missouri 63105-1847

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	Telephone Number
Lake Regional Health System	(573)348-8000

Address (Street/City/State/Zip Code)

54 Hospital Dr Osage Beach MO 65065

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
	03.12.2025

Certificate of Need Application for Missouri Healthcare Facilities Review Committee

Project: Replace Cath Lab

Lake Regional Health System, Osage Beach, MO

Divider I

Application Summary

Divider I. Application Summary:

1. Applicant Identification Form

   Please see Exhibit I.1: Missouri Form **580-1861**

2. Representative Registration Form

   Please see Exhibit I.2: Missouri Form **580-1869**

3. Proposed Project Budget and details sheet with document of costs.

   Please see Exhibit I.3: Missouri Form **580-1863**

   The following is a detailed breakdown of costs applicable to the Proposed Project Budget:

   Line 1. New Construction Costs are based on a construction quotation attached as Exhibit 1.3.1. The bid from Wyrick Mechanical including Project support, floor protection and infection control $120,000 and lead sheetrock and door removal and instillation $155,633.00.

   Line 2. Renovation Costs are based on a construction quotation attached as Exhibit 1.3.1. The bid from Wyrick Mechanical includes Med gas, electrical work, and wall patch.

   Line 4. Architectural/Engineering Fees includes actual architectural and engineering proposals received by the Applicant.

   Line 5. Other Equipment (not in construction contract) includes $1000 for possible saw cutting and placement of new conduits referenced in Wyrich Mechanical bid attached as Exhibit 1.3.1.

   Line 6. Major Medical Equipment. Please see attached as Exhibit 1.3.6 the proposal from Philips and connected purchase order which is terminable by the Applicant.

   Line 7. Land Acquisition Costs does not apply here.

   .Line 8. Consultants' Fees/Legal Fees include actual and proposed legal service fees incurred.

   Line 9. Interest During Construction (net of interest earned) does not apply here.

   Line 10. Other Costs does not apply here.

Exhibit I.3

Certificate of Need Program

PROPOSED PROJECT BUDGET

Description	Dollars
COSTS:*	*(Fill in every line, even if the amount is "$0".)*
1. New Construction Costs ***	$275,633
2. Renovation Costs ***	$88,703
3. Subtotal Construction Costs (#1 plus #2)	$364,336
4. Architectural/Engineering Fees	$50,000
5. Other Equipment (not in construction contract)	$1,000
6. Major Medical Equipment	$960,991
7. Land Acquisition Costs ***	$0
8. Consultants' Fees/Legal Fees ***	$4,500
9. Interest During Construction (net of interest earned) ***	$0
10. Other Costs ***	$0
11. Subtotal Non-Construction Costs (sum of #4 through #10	$1,016,491
12. Total Project Development Costs (#3 plus #11)	$1,380,827 **
FINANCING:	
13. Unrestricted Funds	$1,380,827
14. Bonds	
15. Loans	
16. Other Methods (specify)	
17. Total Project Financing (sum of #13 through #16)	$1,380,827 **
18. New Construction Total Square Footage	0
19. New Construction Costs Per Square Foot *****	$0
20. Renovated Space Total Square Footage	728
21. Renovated Space Costs Per Square Foot ******	$122

* *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.*

Exhibi 1.3.1

Wyrick Mechanical, LLC
43352 Highway CC
Russellville, MO 65074
Email: wyrickech@gmail.com
Office Phone: 660-489-2418, Cell Phone: 573-680-9062
Fax:660-489-2518

1/16/2025
Updated 2/25/2025

Erin Wyrick
Project manager
Lake Regional Health Systems

Erin,

Below is a breakdown of different parts of the overall project in Cath Lab improvements. I have gone back and sorted through all the different bids and tried to simplify it to make sense of it. Below is the final pricing for support and floor protection We removed any floor leveling. Electrical now includes replacement of the lighting. Any conduits after the last meeting will simply be a change order so that we can keep that cost to a minim. The extent of saw cutting and placement of new conduits is still an unknown. Philips said they would not know until the equipment is removed.

Project support, floor protection and infection control. = $120,000.00

Med gas install = $38,925,00

Electrical work= $41,277.40

Wall patch = $8,500.00

Electrical work does not include dimmer switch issues - that would be time and material.
Below is the breakout for lead sheetrock install:

Demo sheetrock and frames	=$11,880.00
Remove and reinstall existing case work	=$3,898.00
Demo flooring	=$4,300.00
Install sheetrock	=$31,939.00
Install door frames	=$40,387.00
Cleanup/supervision	=$2,216.00
Install closet doors in both Cath labs	=$14,256.00
Fuel/truck	=$1,000.00
Epoxy paint	=$10,850.00
Drywall finishing	=$8,285.00
o/p	=$12,472.00
total	=$141,484.00
Wyrick Final Total O & P	=$155,633.00

Bill Wyrick,
Cell 573-680-9062
Office 660-489-2418

Exhibit 1.3.6 Philips Cath Lab Room 2 Quote

PHILIPS

Sold to:
Lake Regional Health System
54 Hospital Dr
Osage Beach, MO 65065-3051

Presented By
Stephanie Folkers
Philips Healthcare a division of Philips North America LLC
414 Union Street
Nashville, Tennessee 37219
Phone: (913) 514-4061
Email: stephanie.folkers@philips.com

Ship to:
Lake Regional Health System
54 Hospital Dr
Osage Beach, MO 65065-3051

Quote #: Q-00255366
Customer #: 94049382
Quote Date: 12/15/23
Valid Until: 12/27/23

Lake Regional Azurion FD20

Dear Valued Customer,

I am pleased to submit the attached proposal for your consideration. Philips Healthcare is transitioning to a new quoting system and you will notice that this quote looks different than the ones you are used to receiving from us.
I would like to point out a specific area of change to you. Promotions are applied to the line item price of individual items, instead of to the total net price as you are used to. As a result the line item prices appear lower than you might expect based on previous quotations. Please note that the list price of the system has not changed and promotion values are subject to availability.
I trust this meets your expectation, however should you have any queries or require further information or clarification, please do not hesitate to contact me using the details shown at the bottom of this letter.
Please note that all necessary initial applications training is included in the offer price. Further application training can be purchased separately by contacting our Customer Care Center.
Orders relating to this proposal should be sent to the address or fax number at the top of this document.

"To receive pricing quoted herein, which includes a special one-time $100K discount to help offset customer's costs in replacing a Philips image guided therapy x-ray system with End-of-Support date of 2024 or earlier, customer must place order by December 31, 2023"

Thank you,

Stephanie Folkers

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This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, it may not be disclosed to third parties without the prior written consent of Philips.

IMPORTANT NOTICE: Health care providers are reminded that if the transactions herein include or involve a loan or discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including but not limited to 42 CFR 1001.952(h).

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1. Financial Overview

Line	Article No.	Description	Qty
1	722224	Azurion 7 M20	1
2	100133	CV Third Party Products	1
3	100263	CS Clinical Education IXR	1
4	SP008	MAVIG Offer #762716	1
5	SP00410_RE	Trade In: Allura Xper FD20	1
6	SP005	charge to remove	1
7	SP059D	SPOO59D	1

Total Section Trade In: **$ -10,000.00**

Total Section Price: **$ 960,990.77**

	Total Price
Promotion Discount	$ -10,000.00
Trade In	$ -10,000.00
Total Net Price	**$ 960,990.77**

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2. Quote Summary

Line	Article No.	Description	Qty
1	**722224**	**Azurion 7 M20**	
1.1	NNAT214	Azurion 7 C20 Catalyst Upgrade	1
1.2	989801278456	Compact Full Load UPS	1
1.3	NNAE597	IXR Dynamic Coronary Roadmap OnSite Education	1
1.4	NNAE675	Azurion Clinical Education Pkg	1
1.5	NCVD069	ClarityIQ.	1
1.6	NCVD220	MRC200+ GS 04/07	1
1.7	NCVD032	FlexVision XL HD + 2 LCD's	1
1.8	NCVD064	extension to FlexVision Pro	1
1.9	FCV0812	live/ref slaving for ER	3
1.10	FCV0588	Isolated Wall Connection Box	1
1.11	FCV0824	video WCB on rear side 1st MCS	1
1.12	NCVA781	Dicom Print compose	1
1.13	NCVA694	Subtracted Bolus Chase	1
1.14	NCVD072	SmartMask Monoplane	1
1.15	NCVD076	extension to 30Fr/sec (mono)	1
1.16	NCVD128	storage extension	1
1.17	NCVD099	Quantitative Coronary Analysis	1
1.18	NCVD100	Left Ventricular Analysis	1
1.19	NCVA082	Intercom	1
1.20	NCVC199	Wireless footswitch: mono-plane version	1
1.21	NCVD081	Touch Screen Module Pro	1
1.22	NCVA101	Peripheral X-ray filter	1
1.23	NCVA783	Pivot for table base.	1
1.24	NCVD138	table tilt option	1
1.25	NCVC542	Dynamic Coronary Roadmap	1
1.26	459801079651	Cabinet Rear Cover	4
1.27	989600205302	FLOORPLATE AD5/AD7(NONSWIVEL)	1
1.28	459800660501	Clip rail 390 cm G-Stand	1
1.29	459800938361	Clip rails for Monitor Ceiling Carriage (390cm, 153.5")	1
1.30	459800706722	MONITOR CEILING CARRIAGE	1
Promotion Discount:			$ -10,000.00
• IGTS CATALYST 10K TRADE IN PROMOTION			
2	**100133**	**CV Third Party Products**	
2.1	989801220012	Cable Spooler	1

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2.2	989801229910	RAD SHIELD W/ARM (CONTOURED) 61X76	1
2.3	989801220273	Ceiling Track w/Column & Handle Ext	1
3	**100263**	**CS Clinical Education IXR**	
3.1	989801256034	iXR Full Travel Package OffSite	2
4	**SP008**	**MAVIG Offer #762716**	1
5	**SP00410_RE**	**Trade In: Allura Xper FD20**	1
6	**SP005**	**charge to remove**	1
7	**SP059D**	**SPOO59D**	1

Total Section Trade In: **$ -10,000.00**

Total Section Price: **$ 960,990.77**

	Total Price
Promotion Discount	$ -10,000.00
Trade In	$ -10,000.00
Total Net Price	**$ 960,990.77**

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3. Quote Details

Line	Description	Qty
1	**Azurion 7 M20** **Article No. 722224**	

Promotion Name	**Promotion description**
IGTS CATALYST 10K TRADE IN PROMOTION	Philips will provide a discount $10,000 towards the cost deinstalling an existing Philips system as part of a Catalyst to Azurion order which has received a cost to remove quote from NATID (North American Trade In Desk). Promotion is only eligible on Catalyst quotes, not new Azurion quotes with trade ins. Promotion expires 12/31/23.

Details

The list of items below represent a tailored configuration of our Philips Azurion 7 M20 Image-Guided Therapy system.

1.1	**Azurion 7 C20 Catalyst Upgrade** **Article No. NNAT214**	1

Azurion 7 C20 Catalyst Upgrade

Advanced solution for vascular, non-vascular, embolization to interventional oncology procedures

Key benefits

- Optimized utilization of your lab by procedure based workflow
- Superb image quality to evaluate small details and vessels with clarity.
- Intuitive user interaction delivering an easy to use, easy to learn system

The Philips Catalyst Conversion Program is a cost-effective way to transform your current system into the Philips Azurion 7 FC20. The end result after conversion is fully equal to a completely new Philips Azurion 7 C20 system, including lifetime support, compatibility, functionality, upgradeability and technology protection options.

Like4Like [L4L] is optionally available as a value-up offer. By bundling the Catalyst system with Technology Maximizer, Like4Like [L4L] included at zero incremental cost, enabling the conversion of selected Interventional tools and Clinical Quantification Software currently installed onto the old system to the new Catalyst Azurion configuration. This is handled as an early delivery of the underlying Technology Maximizer agreement. This L4L conversion is included 'Free of Charge'when the Catalyst system is purchased with a Technology Maximizer agreement (Basic, Plus, or PRO).Includes the newest and latest Interventional WorkStation. Requires subscription to Technology Maximizer.

Changing interventions

With our Live Image Guidance we aim to remove barriers to safer, effective and reproducible treatments, delivering clinical value where it's needed most - at the point of patient treatment.

Intelligent and intuitive integration of live imaging, patient information, and procedure-based applications optimize real time therapy guidance.

The 7 series C20 ceiling system is designed to enhance all the different procedures your interventional lab faces, from vascular, non-vascular and embolization to interventional oncology procedures. This future proof solution is designed around a single, standardized hardware and software platform that can be upgraded and expanded as new needs arise or requirements change. Its architecture is made to easily integrate with third party applications and devices. A new workflow approach aims to support interventional teams in carrying out procedures for their patients, consistently and efficiently with great ease of use.

The Philips Azurion 7C20 uses a range of Procedure Cards to help optimize and standardize system set-up for your cases, from routine to mixed procedures.
Procedure Cards can increase the consistency of exams by offering presets (e.g. most-frequently used, default protocols and user-specified settings) on procedure-, physician- or departmental level. In addition, hospital checklists and/or protocols can be uploaded into the Procedure Cards to help safeguard the consistency of interventional procedures and help to minimize preparation errors.

The Philips Azurion 7 C20 interventional X-ray suite has been specifically designed to save time by enabling the interventional team to work on all activities in the exam room - and at one or more work spots in the control room at the same time - without interrupting each other. This leads to higher throughput and faster exam turnover and contributes to quality of care.
To improve dose management, Philips Zero dose positioning enables you to move the stand and table to the region of interest shown on the last clinical image hold before a new acquisition is started, without any radiation.

Specifications

The Philips Azurion series contain a number of features to support a flexible and patient centric procedural workflow.

The Philips Azurion series (within the limits of the used Operating Room table) are intended for use to perform:

- Image guidance in diagnostic, interventional and minimally invasive surgery procedures for the following clinical application areas: vascular, non-vascular, cardiovascular and neuro procedures.
- Cardiac imaging applications including diagnostics, interventional and minimally invasive surgery procedures.

The Philips Azurion 7 C20 system comprises five functional building blocks:

- Geometry
- X-ray Generation
- Image Detection
- User Interface
- Viewing

Each functional building block is explained in further detail including accessories.

Geometry

A. 7 C20 stand

The Philips Azurion 7 C20 stand is a stable assembly of a C-arm and a ceiling suspended L-arm. The X-ray tube and the flat detector are integrated into the C-arm. This provides a compact assembly completely free from the floor, with maximal positioning flexibility and unrestricted access to the patient. The robust design ensures excellent reproducibility of projections, needed in for example subtracted imaging procedures and advanced 3D imaging. The L-arm can be rotated and moved in longitudinal direction allowing a three-sided patient approach and total body coverage.

- L-arm rotation around the patient table: +90, 0, -90 degrees.
- L-arm longitudinal movement: 300 cm

This movement features auto-stops at the parking position, cardio/neuro position and lower peripheral position.

B. Patient Support

The patient support provides very light manual float movement, even for heavy patients, thanks to the mono-bearing technology. The long flat carbon fiber tabletop provides ample space to place e.g. catheters and endovascular tools. On customer request, the standard table top can be replaced by a table top for neuro procedures. This table top has a smaller width at the head end for better imaging results in neuro procedures. It comprises:

- Table top length of 319 cm, width 50 cm (neuro table top is 45cm at head end)
- Metal-free cantilever 125 cm
- Floating table-top movement of 120 cm longitudinal and 36 cm lateral float range
- Motorized height adjustment range is 74 -102 cm cm for a table without swivel nor cradle/tilt.
- Maximum cantilever of 223 cm , for full patient coverage
- Table tilt +17 /-17 degrees (optional)
- Table cradle +15 / -15 degrees (optional)
- Pivot range 270 degrees (-90 to +180 or +90 to -180 degrees), table can be locked at any position and has stops at 0, +/-13, +/- 90 and +/- 180 (optional)
- Table swivel, 78.2 cm longitudinal displacement, motorized (optional).
- Maximum load: 250 kg (up to 250 kg patient weight plus 25kg accessorie) plus 500 N for CPR in any longitudinal position of the table top

The UIM modules are not accessories; make consistent with "AD7 accessories Cardiac"

The Philips Azurion system can be fitted with a comprehensive set of accessories to help you perform your procedures as conveniently as possible. Included are:

- Cerebral filter
- Drip stand

- Rail accessory clamp
- Set of cable holders
- Patient straps
- Arm Support Board
- Set of Elbow Supports
- Head Support
- Lower Body Protection
- Black anti-fatigue floor mat w/logo
- Mattress

The mattress is a slow recovery foam mattress with a density of 58 kg/m3. The mattress has a thickness of 7 cm and adapts to the body shape of the patient. It makes the pressure being divided equally and it recovers when the patient is taken off the mattress. The light yellow cover is easy to clean. Patients are more relaxed due to the comfort of this mattress.

Prep Table for Volcano

Prep Table for Volcano prepares the table with the cabling needed for an integrated version of the Volcano IntraSight system. This preparation will facilitate the installation of the integrated system and reduce the cable clutter around the table. The user interface can be placed on the table OP rails, while the Volcano IntraSight unit is typically placed in the control room. The Volcano IntraSight Bedside Utility Box (BUB) that is used to connect the IVUS and FFR PIM cables can be stored on the Auxiliary OP-Rail mounted at the foot of the table base.

The Prep Table for Volcano option cannot be purchased in combination with Swivel AND Prep Table for Table Mount Injector.
Content:

- OP rail at table foot
- Cables

X-ray Generation

A. Generator

The 7 C20 system comprises an integrated, micro-processor controlled Certeray generator based on high frequency converter technique. The user interface control of this X-ray Generator is incorporated in the touch screen module, review module, and the on-screen displays. The Certeray generator comprises:

- X-ray generator 100 kW
- Voltage range is 40 - 125 kV
- Maximum current 1000 mA at 100 kV
- Maximum continuous power for fluoroscopy: 1.5 kW
- Program selection:
- Pulsed X-ray up to 3.75 , 7.5 , 15 , 30 (optional), 60 (optional) frames/s for digital dynamic exposures
- Pulsed X-ray for pulsed fluoroscopy (3.75 , 7.5 , 15 , 25, 30 frames/s).

- Minimum exposure time of 1 ms
- ECG triggered acquisition: allows acquiring one exposure for each QRS peak with selectable delay time (optional)
- Automatic kV and mA control for excellent image quality prior to run to save dose
- X-ray tube load incorporated in the Certeray generator
- Pulsed X-ray for (subtracted) acquisition up to 12 frames/s for vascular applications

B. X-ray tube

The 7 C20 system has the Maximus ROTALIX Ceramic grid switch tube assembly MRC200+ GS 0407 integrated.

The MRC 200+ GS 04 07 tube assembly and cooling unit CU 3101 for cardiovascular systems comprises:

- 0.4/0.7 mm nominal focal spot values maximal 30 and 65 kW short time load
- Grid switching at pulsed fluoroscopy and low load exposure (to eliminate soft radiation and improve image quality)
- Continuous loadability: 3500 W (at 21 degrees C room temperature) / 4000 W (= Max assembly continuous heat dissipation)
- Application of SpectraBeam dose management
- Tube housing is oil cooled with thermal safety switch
- Maximum anode cooling rate of 1750 kHU/min
- Anode heat storage capacity of 6.4 [MHUeff]

C. System intrinsic

- Fully digital imaging chain in maximizing the utilization and technology of the x-ray generator, x-ray tube, flat detector and image processing.
- Customizable EPX protocols to each application according to user preferences for different composition of dose rate, pulse speed, filter setting, and image processing (noise reduction, adaptive contour enhancement, adaptive harmonization)
- Built-in SpectraBeam filtering of low energy radiation to improve image quality and dose efficiency with MRC200+ X-ray tubes.
- Pre-filters of 0.2, 0.5 and 1.0 mm CU equivalent
- Automatic cardiac wedge positioning
- X-ray depth collimator with single semi-transparent wedge filter with manual and automatic positioning.
- Xper Beam Shaping, which means that both shutters and wedges can be positioned on the Last image Hold without the need for X-ray radiation.
- Xper Fluoro Storage, a grab function allows storage and archiving of both a fluoro image or the last 20 seconds of fluoroscopy run. These images or runs can be archived and reviewed as a regular run.

D. User selections

- Removable anti-scatter grid to lower x-ray dose for pediatrics (grid ratio 12:1)
- ECG triggered acquisition, offering the possibility to acquire images at the same phase of the heart cycle. This applies to the low dose fluoro and exposure program for EP applications. This allows patient dose reduction by lowering the pulse rate to 1 pulse per heart and let the physician still focus on relevant items (optional)
- Three programmable fluoroscopy modes can be selected from the control module. Each mode has a different composition of dose rate, pulse speed, filter setting, and image processing (noise reduction, adaptive contour enhancement, adaptive harmonization)

Roadmap Pro can be selected from the control module.

In the first Roadmap phase a vessel map is created by live fluoroscopy or by selecting an exposure image (SmartMask) with a vessel map which, in the second Roadmap phase, is superimposed with subtracted live fluoroscopy.

Roadmap Pro features Smart Settings in special clinical modes that are optimized to visualize special materials such as coils and glue.

- Acquisition runs can be done without losing the vessel map of Roadmap Pro.
- Live processing of the vessel map, the device map and the landmark map can be done on the touch screen module.
- Field of View (FoV) can be altered during the second phase.
- Xres for vascular procedures is standard part of Roadmap Pro.

E. User dose awareness

DoseWise program: Philips DoseWise program is a set of techniques, programs and practices built into the X-ray system that ensures excellent image quality during each interventional application, while at the same time reducing x-ray dose at every opportunity. The DoseWise comprises of three building blocks to help reduce x-ray dose without compromising diagnostic quality: system intrinsic, user selection and awareness.

On-system monitor display provides and displays body zone specific Air Kerma data (10 zones for cardiac applications) in numeric and graphical bars.

- Graph displays the accumulated Air Kerma dose for the particular body zone of the actual projection
- When the accumulated Air Kerma dose of the particular body zone reaches the critical skin dose level of 2 Gy, it will be indicated on the display and made visible to the x-ray operator.

Radiation Dose Structured Report

Collection of dose relevant parameters and settings and export to a DICOM database (e.g. PACS) (dose information is sent in MPPS message not as Radiation Dose Structure report), according IEC60601-2-43, 2nd Edition. The reported data can be used for, for example:

- Quality improvement: evaluating trends in X-ray dose performance per facility, system and operator. RDSR enables analysis of average dose levels & variance for routinely performed exams and procedures. Also, typical system usage can be extracted from the data, helping to identify root causes behind deviations and measures to improve.
- Analysis of individual patient cases: using dose levels and system usage per procedure
- Alerting for high dose cases, timely identifying patients at risk or deterministic effects, for proper follow-up.

Secondary Capture Dose Report

The Secondary Capture Dose Report function allows the user to save & transfer, manually or automatically, a patient Dose Report to PACS in DICOM secondary capture format.

The dose report will be stored in the related patient image folder.

Image Detection

The system has a 20 inch flat panel image detector. This detector can be rotated over 90 degrees from portrait to landscape and vice versa.

The image chain with the 20 inch flat panel image detector comprises the following:

- A 30 cm by 40 cm (20 in.) diagonal 8 mode Dynamic Flat Detector subsystem for fluoroscopy and cine-fluorography.
- 8 modes 30*38/30*30/26*26/22*22/19*19/16*16/13.5*13.5/11*11 cm, Dynamic Flat Detector
- The outer detector physical housing is 36 x 47.2 cm
- The digital output of the Flat detector is 2480*1920 pixels at 16 bit depth.
- The pixel pitch is 154 micron by 154 micron
- The DQE(0) is >77% providing high conversion of X-ray into a digital image, while maintaining a high MTF.

Philips Azurion offers a storage capacity of (optionally extendable) of 50,000 images at matrix size of 1024 x 1024, in 8 or 10 bit depth. With a matrix size of 2048 x 2048 this is 12,500 images. Maximum number of examinations is 999, with no limit to the maximum number of images per examination.

Xres is a multi-resolution spatial temporal noise reduction and edge enhancement filter for interventional applications. Xres exploits the full benefits of dynamic digital flat detector imaging to enhance sharpness and contrast and has been designed to reduce noise in fluoroscopy and exposure runs. The settings for Xres Cardio can be customized to improve image quality.
Xres is a Philips unique image processing algorithm developed at Philips Research for medical applications. Xres is used with Philips MR and US scanners next to Philips Azurion systems.

User Interface

User Interface in Examination Room

The User Interface comprises a variety of User Interface modules in the Examination Room. There is the On-Screen Display, the touch screen module, Viewpad and the control modules.
The On-Screen Display is positioned on the left side of the live/ref monitor. The following system information is displayed:

- X-ray indicator
- X-ray tube temperature condition
- Gantry position in rotation and angulation
- Source Image Distance
- Table height
- Table top tilt and cradle angle, if applicable
- Detector field size display
- General System messages ()
- Selected Frame speed ()
- Fluoroscopy mode ()
- Integrated fluoroscopy time ()
- Skin Dose: dose rate during X-ray, cumulated dose when no X-ray ()
- Dose Area Product: dose rate during X-ray, cumulated dose when no X-ray ()
- Graphical bars for Body Zone specific dose-rate and accumulated skin dose levels, related to the 2 Gy level (for cardiac applications)
- Stopwatch

Touch screen module

The touch screen module is provided for use at either the tableside or in the control room. Optionally, it is possible to connect in parallel up to three touch screen modules on the system. The touch screen module has a touch screen, which can be operated when covered with sterile covers. The touch screen module includes multi-modality function that allows control of (depending on configuration):

- 3rd party equipment (e.g. IntraSight, CX50, Interventional Tools, EchoNav, DoseAware)
- Monitor layout (Flexvision, switchable viewing)
- X-Ray settings (Collimation, Projections, Table, Series and Processing)
- Quantitative Analysis (optional) User can only start QA from the touch screen module. No controls like coronary analysis, left ventricular and vessel analysis can be performed on the touch screen module.
- Operation of Xcelera, XperIM and IntelliSpace Portal viewing (optional)
- Operation of CX50 Ultrasound (optional)

Viewpad

The Viewpad contains the preprogrammed function settings. The system is provided with two Viewpads. The following functions are provided:

- Run and image selection
- File and run cycle

- File overview
- Store to Reference image file
- Copy image to photo file
- Digital (fixed) zoom and panning
- Recall reference images, which means switching control of Viewpad function from life to reference monitor
- Laser pointer, intended to point at regions of interest on the image monitors
- LED indication of laser pointer on/off and battery low
- Subtraction on/off
- Remasking
- Landmarking
- Access flat detector rotation

User Interface in Control Room

The control room comprises a review module, data color monitor and review monitor. The data and review functions are controlled by a single keyboard and mouse. The review module offers the basic functions for review. The most prominent functions can be controlled by the push of a button. The review module comprises the following functionality:

- Power on/off
- File and run cycle
- File, Run, and Image stepping
- Run and file overview
- Reset fluoroscopy timer
- Enable/disable X-ray
- Geo disable

Acquisition monitor. A standard keyboard and mouse control the user interface. The acquisition monitor is intended to follow live case in the ER. System information is displayed on the bottom of the monitor:

- Stopwatch and Time
- System guidance information
- Dose Area Product (DAP) and Skin Dose, as dose rate during X-ray and cumulative dose at no X-ray
- Frame speed settings, fluoroscopy mode, and accumulated Fluoroscopy time
- Exposure and fluoroscopy settings as Voltage (kV), Current (mA) and time (ms)
- Geometry information as rotation, angulation, and SID

The acquisition monitor is designed for standard workflow based on scheduling, preparation, acquisition, review, report, and archive.

Scheduling

In the scheduling page it is possible to add new patients (either querying from RIS/CIS or by creating patient locally). The patients can be listed and selected per date, physician, and intervention type. Previous DICOM patient studies can be uploaded with the DICOM Query Retrieve function in the Philips Azurion system. Patient management protocols are flexible and allow for multiple studies to be selected under one patient identification number. This means that new studies can be appended to an earlier patient file. Furthermore, each study can contain multiple examinations to allow for split administrative purposes. Each examination contains multiple files, like acquisition file, reference file, and QA results file.

Procedure Cards

Procedure Cards provide the information of room and patient preparation for each individual physician. Procedure Cards are customizable per setting and allow each physician to provide their own room protocols. Procedure Cards is intended to make hard copies of the protocol instructions redundant.

Acquisition

The acquisition page contains information on the currently selected patient.

Reviewing

The review page allows for reviewing of patients:

- Previous examination cases
- Review of other DICOM XA or DICOM SC studies.

Archiving

Clinical studies can be archived to a CD/DVD, USB or a PACS. The archive process can be completely automated and customized with settings. Parameters like multiple destinations, archive formats can be selected to the individual needs and wishes for programming under the settings.

With Philips Azurion the control room comprises of an acquisition monitor
and a review monitor. The review monitor is a 24 inch color TFT-LCD medical grade monitor.

The Graphical User Interface on the Review monitor has the following features and possibilities:

- Step through file, run, or images
- File, and run overview
- Contrast, brightness, and edge enhancement settings
- Flagging of runs or images for transfer
- Applying text annotation in images
- DICOM printing if available
- Executing Quantitative Analysis Packages if available
- Subtraction functionality

This system is delivered with printed instructions for use and/or electronic instructions for use, as well as a quick start leaflet. A printed paper instructions for use can also be ordered at no additional cost.

Viewing

A. Viewing in Examination room

Philips Azurion systems come with one 27 inch high brightness color medical grade LCD monitor for clinical image display in the Examination room. This LCD monitor is intended for viewing in the examination room and is designed for medical applications. The monitors is used for combined viewing of live images and reference display. Selection and storing of live to reference monitor is controlled by the infra-red remote-control viewpad or via touch screen module.

The On-Screen Display provides status information on stand rotation-angulation, table height, display of system messages, X-ray tube load status, selected fluoroscopy mode, selected detector Field of View, and both the rate and accumulation of the dose area product and Air Kerma dose.

The main characteristics are:

- 27 inch high brightness color TFT-LCD display
- Native format 1920x1080 Full HD
- 10 bit gray-scale resolution with gray-scale correction
- Wide viewing angle (approx. 178 degrees)
- High brightness (max 650 Cd/m2, default 400 Cd/m2)
- Long term luminance stability through backlight stabilization circuit
- Automatic brightness control with backlight sensor
- Control functions on side
- User programmable and standard reference setting
- On-Screen Display
- Internal selectable lookup table for gray-scale transfer function, including DICOM
- Internal power supply (100-240 VAC)
- Integrated LCD protection screen

If applicable included is a flat monitor ceiling suspension for 2 monitors (2F MCS). MCS includes motorized height adjustment. The ceiling suspension allows flexible monitor positioning over a range of about 360 x 300 cm. At customer request, this 2 monitor MCS can be replaced by a 4 or 6 fold MCS or an MCS integration kit HD for non-Philips MCS. The MCS integration kit HD contains vital parts for system operation.

B. Viewing in Control room

Philips Azurion includes two 24 inch high brightness color LCD monitors. The color monitors are for acquisition and reviewing display.

The main characteristics for color monitor are:

- 24 inch color TFT-LCD display
- Native format 1920x1080 Full HD

- High brightness (max 400 Cd/m2, default 350 Cd/m2)
- Wide viewing angle (approx. 178 degrees)
- Long term luminance stability through backlight stabilization circuit
- Automatic brightness control with backlight sensor
- Control functions on side
- User programmable and standard reference setting
- On-Screen Display
- Internal selectable lookup table for gray-scale transfer function, including DICOM
- Internal power supply (100-240 VAC)
- Integrated USB hub

A Philips Azurion system includes the DICOM Image Interface which enables the export of clinical images to a DICOM destination like a CD-Medical station or a PACS server. The export formats are based on DICOM 3.0 protocols. The system exports clinical studies in Cardiac DICOM XA Multi-Frame or DICOM Secondary Capture formats.
The DICOM Image Interface transfers through its fast Ethernet link, making images available on-line within seconds. The archive process can be configured by X-ray settings. The images are sent out either in the background, or manually upon completion of the examination. The export format is configurable in 512x512 or 1024x1024 matrix in 8 or 12 bit depth. The examination can be sent to multiple destinations for archiving and reviewing purposes. The DICOM Image Interface provides DICOM Storage and DICOM Storage Commitment Services. The DICOM Query/Retrieve function allows older DICOM XA MF and DICOM SC studies to be uploaded in the system. Furthermore, additional information can be appended to a study while keeping the patient identification the same.

Security

The Philips Azurion system runs on the Windows 10 Operating system and offers features such as OS Hardening, AppLocker, BitLocker & Device guard functionality

Remote service

Access to the system from a Remote location is possible via network or modem connection. Remote access to a system can shorten the time needed for e.g. changing system settings or problem diagnosis.

Environmental

At Philips Healthcare, we feel the responsibility towards society and the environment. The latest 7 C20 system is a perfect example of our EcoVision program. By examining every aspect of the 7 C20 design and development through a green eye, we drastically reduced the products environmental impact.

Full System APC

Store and recall stand-related positions
Helps to save time and manage X-ray dose with automatic positioning

Positioning the X-ray system to visualize relevant anatomy from different perspectives can involve a great deal of time and many scout images during interventional procedures. To help save time and manage X-ray dose while working, the Automatic Position Controller (APC) provides an easy way for interventional team members to store and recall stand & table related positions. Operators can select a

sequence from a pre-defined list or from positions stored during a procedure or use an image to define the position to be recalled.
Specifications
Different modes of Automatic Positioning Control for system are defined:

- Sequence: for recalling a list of user customizable positions of the stand
- Store / Recall: for storing and recalling stand positions during system use.
- Image Reference: an image is used to determine the stand & table position that has to be recalled
- Image Reference 3D: an image from a 3D work spot is used to recall.
- The operator can define a new point of the table (longitudinal, lateral and height) as the new iso-center and recall this table position.

Quantitative Vascular Analysis

Key benefits

- Allows quantitative assessment of different size vessels such as aortic and peripheral
- Aids confident decision making for device selection, approach angles and follow-up
- Designed for efficiency with single click functions and fast results

Easily obtain objective assessment of aortic and peripheral vasculature

To support decision-making and allow quantitative assessment of vasculature during vascular interventions, the 2D quantitative vascular analysis option supports quantification such as aortic and peripheral artery dimensions of about 5 to 50 mm from 2D angiographic images. With one click, the relevant segment is detected and a visualization of the obstruction, healthy vessel, reference diameter, stenosis diameter and plaque area is created.

Specifications:

- Automated vessel segmentation
- Diameter measurement along selected segment
- Automated obstruction analysis
- Stenosis diameter, stenosis length
- % stenosis diameter, % stenosis area
- Automated and manual calibration routines
- Store result page

Analysis of the targeted vessel segment has been simplified with the single click function. Position the mouse on or close to the stenotic area and click once to detect the relevant segment. The visualization shows the obstruction, healthy vessel, reference diameter, stenosis diameter and plaque area.

RIS/CIS Interface

This package allows communication of the X-ray system with a local information system (CIS or RIS).

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Key benefits

- Reduce errors in patient information
- Facilitate X-ray dose management

Reduce data errors and facilitate X-ray dose management

Connecting the X-ray system with your local information system (CIS or RIS) helps streamline exam workflow and promote radiation management. The RIS/CIS DICOM interface package allows your X-ray system to communicate with a local CIS or RIS information system. The interface uses the DICOM Worklist Management (DICOM WLM) and Modality Performed Procedure Step (DICOM MPPS) standards.
If a hospital has an X-ray system and an information system it can receive patient and examination request information from the information system and report examination results to:

- Eliminate the need for retyping patient information on the X-ray system
- Prevent errors in typing patient names and registration numbers (ensuring consistency with IS information to prevent problems in archive clusters or to search for a name in case of later retrieval)
- Inform the information system about the acquired images and radiation dose for each examination

Specifications

Upon request from the X-ray system the complete worklist with all relevant patient and examination data is returned from the IS to the X-ray system. For each patient the following information will be shown on the -ray system after it has been retrieved from the IS:

- Patient Identification: Patient name, Patient ID, Birth date, Sex
- Examination/Request Information: Accession number, Scheduled procedure step start time, scheduled performing physician's name

It is possible at all times to enter patient demographics information manually within the X-ray system in case of an emergency or in case the local Information System connection is down.

On request of the clinical user the X-ray system will report the following information about the selected patient to the IS:

- Patient Identification: Patient name, Patient ID, Birth date, Sex
- Examination/Request Information: Accession number, Performed procedure step status start/end date and time, Performing physician's name, Referenced image sequence

- Radiation dose: Total time of fluoroscopy, Accumulated fluoroscopy dose, Accumulated exposure dose, Total dose, Total number of exposures, Total number of frames

Further detailed information can be found in the X-ray system DICOM Conformance Statement.
The interface requires an EasyLink (hardware and software) if the RIS/CIS is not compliant with DICOM WLM and DICOM MPPS.

Contrast Injector Interface

Simplify contrast injection timing and enhance imaging results

The Contrast Injector Interface allows the injection of contrast to be coupled to the start of X-ray acquisition. This simplifies contrast injection timing during interventions.
Specifications

The Contrast Injector Interface allows injection of contrast coupled to the start of X-ray acquisition, controlled by the X-ray ON button. The timing of the X-ray start related to the contrast injection is programmable.

Pan Handle
An optional extension of the control possibilities for floating movements of the table top in cardio vascular and neuro systems.

Key benefits

- Flexible positioning during cardio and neuro procedures
- Flexible positioning during cardio and neuro procedures

To allow more flexible positioning during cardio and neuro procedures, the pan handle option can be used to perform floating table movements. The pan handle provides a solid grip of the tabletop and can release and apply the tabletop brakes. It can be attached anywhere along the tabletop and accessory rails without affecting the floating range.

Specifications

- Pan handle with cable and connector
- Table-top attachment clamp
- Accessory-rail attachment clamp

Marker tool

Marker tool allows you to easily mark areas of interest on a 2D image. Clear and precise markings on the image as the marking scales with the image when it's zoomed or panned

Key benefits

- Allows you to mark areas of interest to on a image during your procedure (e.g. to indicate where to put stent/grafts)

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Enhance functionality on the touch screen module
This option extends the functionality of the touch screen module, allowing markings on images.
Affordable alternative vs expensive 3rd party applications

Specifications

- Enhance functionality on the TSM
- Provides intuitive zooming and panning functionality (also during fluoroscopy)
- Turns the touchscreen into the marking device in order to improve communication during the procedure

Hemo on TSM
Control Xper Flex Cardio from table side
Key benefits

- Helps to perform a complete hemodynamic study from tableside.
- Optimizes workflow in the interventional lab by seamlessly integrating Xper Flex Cardio with the X-ray system.

The touch screen module interface acts as a remote control to the Xper Flex Cardio system. The "Hemo" menu on the touch screen module contains a subset of the Xper Flex Cardio features. Changes selected on the touch screen module will be displayed on the Xper Flex Cardio system.
Specifications
Now you can perform common FlexCardio features at table side:

- SNAP (Auto record)
- Obtain/Capture and store hemodynamic waveforms and ECG's
- Cardiac Output measurements
- Monitor scale and sweep speed
- FFR measurements
- NIBP measurement

1.2 **Compact Full Load UPS** 1
Article No. 989801278456

Compact Full Load UPS
Socomec IGT Compact Full UPS 75kva:
Enough battery for full functionality for 2-5 minutes. (Assumes batteries are in good condition) (gets you well beyond the ten seconds needed for the hospital emergency generator to come online and feed the UPS).
(1 cabinet plus remote display panel).
Full imaging system conditioning power protection allowing full Imaging System functionality during two minutes of power outage.

- Small footprint and weight
- True online double-conversion technology

- Power factor corrected input
- IGBT inverter: PWM-design
- Dry contact status and alarm indications
- Exchangeable batteries and power modules
- Internal maintenance bypass

UPS has a compatibility statement with Philips Imaging Systems.

1.3 **IXR Dynamic Coronary Roadmap OnSite Education** 1
Article No. NNAE597

Philips Imaging Systems Clinical Education Specialist will provide eight (8) hours of education for up to four (4) students, as selected by customer, including technologists from weekend/night shifts as necessary. CEU credits are not available for this portion of training. Please refer to guidelines for more information. Note: Site must be patient ready. Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation.

Education expires one (1) year from equipment installation date (or purchase date if sold separately).
Ref#296309-20170315
This training requires the purchase of Dynamic Coronary Roadmap.

1.4 **Azurion Clinical Education Pkg** 1
Article No. NNAE675

Azurion Clinical Education Pkg

Clinical Education Program for Azurion System:

Essentials Offsite Education: Philips will provide two (2) Cardiovascular Technologists, Registered Technologists, Registered Nurse, or other system operators as selected by customer, with in-depth didactic, tutorial, and hands-on training covering basic functionality and work-flow of the cardiovascular imaging system. In order to provide trainees with the ability to apply all fundamental functioning on their system, and to achieve maximum effectiveness, this class should be attended no earlier than two weeks prior to system installation. This twenty-eight (28) hour class is located in Cleveland, Ohio, and is scheduled based on your equipment configuration and availability. Due to program updates, the number of class hours is subject to change without notice. Customer will be notified of current, total class hours at the time of registration. This class is a prerequisite to your equipment handover OnSite Education. CEU credits may be available for each participant that meets the guidelines provided by Philips. Please refer to guidelines for more information. **In the event that an EP Navigator workstation has also been ordered, the offsite training course will be tailored to focus on the electrophysiology functionality of the Azurion system and the EPN workstation. Travel and lodging are not included, but may be purchased through Philips. It is highly recommended that 989801292102 (CV Full Travel Pkg OffSite) is purchased with all OffSite courses.** Clinical Services cancellation policies apply and will be provided during scheduling process.

Introductory e-Learning: Introductory electronic learnings are provided on the Philips Learning Center educational portal. These courses introduce the Philips IGT systems. Course topics include system startup and shutdown, system functionalities, helpful quick-steps and more. The modules will provide

the technologist familiarity with the workflow and software prior to onsite training. It is recommended that this online self-paced learning be completed prior to the onsite applications training. The eLearning modules can be accessed by technologists as needed for reference and refresher. Clinical Services cancellation policies apply and will be provided during scheduling process.

Initial Handover OnSite Education: The primary Philips Education Specialists will provide one consecutive session of twenty-eight (28) hours of education for up to four (4) students, selected by customer, including technologists from night/weekend shifts if necessary. Students should attend all 28 hours, and must include the two OffSite education attendees. CEU credits may be available for each participant that meets the guidelines provided by Philips. Please refer to guidelines for more information. Note: Site must be patient-ready. Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation. **It is highly recommended for systems that are fully loaded or for customers with a large number of staff members to also purchase 989801292099 (CV Add OnSite Clin Educ 24h).** Clinical Services cancellation policies apply and will be provided during scheduling process.

FollowUp OnSite Education: Philips Education Specialists will provide one consecutive session of sixteen (16) hours of education for up to four (4) students, selected by customer, including technologists from night/weekend shifts if necessary. Students should attend all 16 hours, and must include the two OffSite education attendees. CEU credits may be available for each participant that meets the guidelines provided by Philips. Please refer to guidelines for more information. Note: Site must be patient-ready. Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation. Clinical Services cancellation policies apply and will be provided during scheduling process.

Education expires one (1) year from installation date (or purchase date if sold separately).

1.5 **ClarityIQ.** 1
Article No. NCVD069

Significantly lower dose- across clinical areas, patients and operators.

Key benefits
- High-quality imaging at low dose levels
- Enhanced work environment for staff through active management of scatter radiation
- Expands treatment options enables longer procedures to treat obese and high-risk patients with confidence

See with confidence every time
Interventions are becoming increasingly complex, which lengthens fluoroscopy time and increases the need for high resolution imaging. New devices can be more difficult to visualize, making it harder to position them precisely. The prevalence of patients with a high BMI can also require increased dose levels to visualize anatomy. All of these factors inspired us to completely redefine the balance in interventional X-ray with AlluraClarity.

AlluraClarity with its unique ClarityIQ technology gives you exceptional live image guidance during treatment. What's more, you can confidently manage low X-ray dose levels without changing your way of working. In short, you can see what you have to regardless of patient size.

Specifications

ClarityIQ technology is the foundation of Philips X-ray systems with AlluraClarity. It offers:
- Noise and artefact reduction, also on moving structures and objects
- Image enhancement and edge sharpening
- Automatic real-time patient and table motion correction on live images
- A flexible digital imaging pipeline from tube to display that is tailored for each application area
- Over 500 clinically fine-tuned system parameters making it possible to filter out more X-ray radiation and use smaller focal spot sizes and shorter pulses with the grid switching technology of Philips MRC tube and accompanying generator

Pulsed X-ray for pulsed fluoroscopy
25 | 12.5 | 6.25 | 3.125 | 2.5 | 1.25 | 0.625 img/s

1.6 **MRC200+ GS 04/07** 1
Article No. NCVD220

Maximus ROTALIX Ceramic grid switch tube assembly MRC200+ GS 0407

The MRC 200+ GS 04 07 tube assembly and cooling unit CU 3101 for cardiovascular systems comprises:
- 0.4/0.7 mm nominal focal spot values maximal 30 and 65 kW short time load
- Grid switching at pulsed fluoroscopy and low load exposure (to eliminate soft radiation and improve image quality)
- Continuous loadability: 3400 W (at 21 degrees C room temperature) / 4000 W (= Max assembly continuous heat dissipation)
- Application of SpectraBeam dose management
- Tube housing is oil cooled with thermal safety switch
- Maximum anode cooling rate of 1820 kHU/min
- Anode heat storage capacity of 6.4 [MHUeff]

1.7 **FlexVision XL HD + 2 LCD's** 1
Article No. NCVD032

FlexVision XL HD is an integrated viewing solution designed to give you full control over your viewing environment which brings High Definition viewing.
This FlexVision XL HD is delivered with two 27 inch high brightness color medical grade LCD monitors. The monitors can be mounted on top side or on rear side of the MCS.

Key benefits
• Easily access multiple, up to 8, video inputs (including third party systems) video inputs to inform decision making during procedures
• Create custom display templates to support diverse procedures
• The screen layout of the FlexVision XL HD can also be changed from the control room
• Enlarge images to reveal more details and support comfortable working positions

Diagnostic information easily made available at table side
In today's interventional setting, as you perform more complex procedures with smaller devices in complex anatomy, you rely on various types of diagnostic information to guide you. To inform decision making in the exam room, Philips offers an advanced digital workspace called FlexVision HD. You can display multiple images in a variety of custom layouts on a large, high-definition LCD screen. Zoom in

and out to enhance fine details, while maintaining an overview of all information. Create custom display templates for specific procedures/physician preferences to easily support diverse procedures.

Specifications

FlexVision XL HD offers:

- Native resolution of FD20 can be displayed.
- Sharp images at full size without zoom
- High Definition display at native resolution for ultimate detail
- Up to 2k*2k image display fully integrated
- Enhanced small vessel visualization

1. DVI video composition unit.

The DVI video composition unit allows the user to direct and switch the video output of all connected medical equipment to specific sub windows of the Philips 58-inch color LCD with LED backlight in the Examination Room.

- The DVI video composition unit is operated from the touch screen module.
- The DVI video composition unit supports a wide variety of display formats (up to 1920x1200)
- Up to 11 external inputs are connected to the DVI video composition unit via wall connection box or boxes.

2. Medical grade, high resolution color LCD in the Examination Room

This display supports the image quality requirements for monochrome X-ray images as well as color images and replaces all displays normally delivered with the system for the Examination Room.

Main characteristics are:

- 58-inch, 8 Megapixel color LCD
- Native resolution: 3840x2160
- Brightness: Max: 700 Cd/m2 (typical) stabilized: 400 Cd/m2
- Contrast ratio: 1:4000 (typical)
- Wide viewing angle (approx. 176 degrees)
- Constant brightness stabilization control
- Lookup tables for gray-scale, color and DICOM transfer function
- Full protective screen Ingress Protection: IP-21

3. Large color LCD control (touch screen module)

- Enlarge information at any stage during the case via the touch screen module in the Examination Room or Control Room.
- Select viewing lay-outs via the touch screen module in the Examination Room.
- Create new layouts by matching inputs to desired locations on preset templates.
- Adjust the screen layout during the procedure without going into configuration
- 20 layouts; each layout is customizable, size of viewports can be customized by end user X-ray status area visible with all X-ray details

4. Monitor ceiling suspension

Monitor ceiling suspension for use in the Examination Room carries the 58-inch color LCD, providing highly flexible viewing capabilities. The monitor ceiling suspension is height-adjustable and moveable along ceiling rails. It can be positioned on either side of the table.

5. Snapshot

The snapshot function allows the user to store/save a screen-capture of any image on the FlexVision HD as a photo image to the current acquisition patient study.

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1.8 **extension to FlexVision Pro** 1
Article No. NCVD064

Extension to Flexvision large 58 inch high resolution LCD for exam room, enabling flexible screen lay outs and full control (seamless mouse) of up to 11 external sources including third party systems.

Key benefits
- Full control at table side of all applications with seamless mouse control or via touch screen module
- Full flexibility of screen layouts (live resize, drag and drop, unlimited number)
- To simplify and standardize system set-up for your FlexVision Pro, your personalized layout will come up automatically with ProcedureCards.

Easy tableside control
With FlexVision Pro, user can control FlexVision and video sources on FlexVision through wireless mouse in Examination Room as well as virtual keyboard and touchpad on the touch screen module in the Examination Room. An operator can resize images and adjust the screen layout during the procedure without going into configuration.

Specifications
Full control at table side of all applications in the interventional lab (view and control) with a single wireless mouse or with a Touch Screen Module
• Integration: control of up to 11 external sources
• Possibility to configure unlimited flexible screen layouts
• Screenshots: with single click all displayed inputs can be captured
• Live resize the video window and adjust the screen layout during the procedure without going into configuration
• Operate all the video sources displayed on the monitor using the wireless mouse at tableside
• Mouse and keyboard function on the touch screen module (TSM) to control (external) sources

1.9 **live/ref slaving for ER** 3
Article No. FCV0812

Key Benefits

- Easily display any data or clinical information needed to work efficiently
- Simplify workflow with flexible viewing control
- The live/ref slaving enables the option to slave the Live and Ref video source from the X-ray system

Details

Live/ref slaving for Exam Room.

Having patient data and clinical information easily available on screen can enhance decision making and efficiency during interventions

The total amount of live/ref slaving that can be selected is max 5, minus the number of FCV0807 Live/ref slaving for CR.
If the customer chooses for FlexSpot, then the total amount of live/ref slaving that can be selected is max 3, minus the number of FCV0807 Live/ref slaving for CR

Specifications:
- Live/ref slaving for ER is possible
- On Philips MCS (additional monitor excluded from this option)
- In combination with FCV0519 1 or 2 MCS from Skytron/Steris

1.10 **Isolated Wall Connection Box** 1
Article No. FCV0588

Introduction

Isolated Wall Connection box to support the display of an external video source on a monitor in the examination room

Key Benefits

- Easily stream video to other locations
- Stream video from other modalities on the interventional X-ray suite
- Connect external video in the exam room

Details

Specifications
The quantity of the VWCB's has to be calculated as follows:
- For each video signal via MultiVision: 1 VWCB (max = 4)
- For each video signal to FlexVision XL on Cardio System: 1 VWCB (max = 9)
- For each video signal to FlexVision XL on Vascular System: 1 VWCB (max = 8)
- For each 3rd party video signal directly connected to an LCD in the MCS: 1x VWCB

Note:
No VWCB is required in case a video signal is connected directly to a dedicated LCD from the following sources:

1) Live/ref Slaving
2) Interventional HW (XtraVision), IntelliSpace Portal, Philips Xcelera (only if workstations are powered by Philips X-ray system)
3)XperIM

Includes

Many interventional facilities use video to record and stream images from other modalities on the interventional X-ray suite for training or presentation purposes. The Video Wall Connection Box facilitates connection of the video source via a standard DVI cable/connector and lossless transfer of the video signal over the approximate 30 meter long cable. It can be mounted in the examination room or in the control room, depending on the location of the video source.

1.11 **video WCB on rear side 1st MCS** 1
Article No. FCV0824

Isolated Wall Connection box on the rear side of the monitor ceiling suspension to support the display of an external video source on a monitor in the examination room.

Key benefits
• Easily connect external video in the exam room

Specifications
A wall connection box to connect external video (input only), USB and Ethernet. One or two WCB's (option) can be attached on the rear side of the 1st MCS with a bracket. A cable box (also attached to rear side of 1st MCS) can be used to store connected equipment cables. A maximum of two WCBs/cable boxes can be attached.

1.12 **Dicom Print compose** 1
Article No. NCVA781

• Print images from X-ray system

Share and archive hardcopies of images
To print examination images from the X-ray system, the DICOM Print option can be used to connect the X-ray system to any DICOM printer. This is an automated printing protocol. The option provides Print Manual Overrides, Print Job submission, and Print Job management.

1.13 **Subtracted Bolus Chase** 1
Article No. NCVA694

Helps to visualize vessel structures when blood flow is difficult to estimate.

Key benefits
• Bolus Chase improves results in case of challenging step movements, a mismatch between blood flow and selected program, or lack of real-time image information.

During digital acquisition in non-subtracted mode with uninterrupted real-time image display, the contrast bolus is followed (chased) interactively by a motorized table scan movement using a hanbd-hold speed controller to adapt the speed of the table scan to the contrast flow. With biplane systems, this Bolus Chase is applied with the lateral channel.

Specifications
• Framespeed can be adapted.
• Bolusrun is followed with a maskrun, using the same speed curve and framespeed that was generated during the bolusrun.
• Viewing is possible in the subtracted and non-subtracted mode. If subtracted viewing is not required, the maskrun can be skipped.
• Subtracted Bolus Chase gives fast, accurate results high patient throughput and efficient patient management.
• Automated exposure control and precise speed control generate high quality images and excellent subtraction cases.

1.14 **SmartMask Monoplane** 1
Article No. NCVD072

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Key benefits
• Simplifies roadmap procedures by overlaying fluoroscopy with a selected acquired image.
• Enables roadmap procedures to manage radiation dose and contrast media by selecting an image from an acquired series as a mask image.

Supports navigation during interventions without the need of additional contrast media.
SmartMask simplifies roadmap procedures by overlaying fluoroscopy with a selected acquired image in the Live X-ray window.

Specifications
The reference image can be faded in/out with variable intensity, controlled from tableside. SmartMask uses the reference image displayed on the reference monitor. Any previously acquired image can be used as reference. SmartMask facilitates pre- and post- intervention comparisons to assess treatment results.

1.15 **extension to 30Fr/sec (mono)** 1
Article No. NCVD076

Frame rate extension to 30 frames per second.

Designed to enhance visualization of complex and pediatric interventions
Frame rate extension to 30Fr/sec increases the system acquisition speed up to 30 frames per second for cardio studies requiring high speed imaging.

Specifications
The frame rate extension increases the acquisition speed to 15fps and 30fps with a 1024x1024 matrix.

1.16 **storage extension** 1
Article No. NCVD128

Extends image storage capacity on your X-ray system

As imaging data becomes larger, you can quickly reach the limit of the storage capacity on your interventional X-ray system. The Storage extension extends the storage capacity of your interventional X-ray system.

Specifications

By default 50.000 images are available, this option will give 100.000 images (this is for 1K2 image size).

1.17 **Quantitative Coronary Analysis** 1
Article No. NCVD099

Key benefits
• Allows quantitative quantification of coronary artery dimensions
• Aids confident decision making for device selection, approach angles and follow-up
• Designed for efficiency with single click functions and fast results

Easily obtain objective assessment of coronary artery

To support decision making and allow assessment of vasculature during cardiac interventions, the 2D quantitative coronary analysis supports quantification of coronary artery dimensions of about 1 to 6 mm from 2D angiographic images. With one click, the relevant segment is detected and a visualization of the obstruction, healthy vessel, reference diameter, stenosis diameter and plaque area is created.

Specifications
- Automated segmentation of selected coronary
- Diameter measurement along the selected segment
- Automated obstruction analysis
- Stenosis diameter, stenosis length
- % stenosis diameter, % stenosis area
- Automated and manual calibration routines
- Store result page

Analysis of the targeted vessel segment has been simplified with the single click function. Position the mouse on or close to the stenotic area and click once to detect the relevant segment. The visualization shows the obstruction, healthy vessel, reference diameter, stenosis diameter and plaque area.

1.18 **Left Ventricular Analysis** 1
Article No. NCVD100

Key benefits
- Allows quantitative quantification of left ventricular volumes
- Designed for efficiency with single click functions and fast results

Easily obtain objective assessment of coronary artery
To support decision making and allow quantitative assessment of anatomy during cardiac interventions, the 2D Left Ventricular Analysis option supports quantification of left ventricular volumes and local wall motion from angiographic series. It calculates the ejection fraction and local wall motion parameters in different formats. Wall contours can be easily drawn both automatically and manually.

Specifications
- Various LV-volumes: ED, ES, Stroke Volume
- Ejection Fraction
- Cardiac Output
- Centerline Wall Motion
- Slager Wall Motion
- Automated and manual calibration routines
- ECG visualization facilitates image selection for analysis
- Store result pages

1.19 **Intercom** 1
Article No. NCVA082

- Enhance communication between exam room and control room

Enhance communication
The remote intercom is used to communicate between the examination and control room. A separate intercom can be connected to the system and placed in the preferred working position in the control

room or examination room. The listen function can be selected separately on each intercom. Activating the talk function on a selected intercom automatically disables this function on the other intercom.

1.20 **Wireless footswitch: mono-plane version** 1
Article No. NCVC199

One wireless footswitch in the examination room.

Key benefits
- Reduces clutter around the examination table
- Simplifies preparation and cleanup
- Streamlines workflow in the interventional suite

Reduce clutter and streamline workflow
The wireless footswitch option streamlines workflow, reduces clutter, and simplifies preparation and cleanup in the interventional suite. Clinicians can use the footswitch to wirelessly control the X-ray system in the examination room, from any convenient position around the table. No sterile covers are needed with the IPX8 certified waterproof design.

Specifications
- The mono-plane wireless footswitch is a 3 pedal version; one pedal for fluoroscopy, one for exposure and one to control the room light/single shot. The pedals can be configured according customers preferred lay-out.
- The wireless footswitch is working via RF technology and is fully tested and released for medical use. It has an active range up to 10 meters, depending on structures within this range.
- The wireless footswitch has a lithium battery which only needs to be recharged once per week. During recharging the footswitch still can be used and is fully functional. In parallel, a wired footswitch can also be used.
- The status of the battery is indicated by an LED-indication on the footswitch itself, so that the user can decide when the footswitch needs to be recharged.
- The wireless footswitch has high water ingress protection standard (IPX8), it can easily be cleaned in water.

The wireless footswitch has an on/off switch. It can be switched off when not in use. When the footswitch is active, but not in use, it will go into a sleep-mode. It will be re-activated when touched or when one of the pedals is pressed.

1.21 **Touch Screen Module Pro** 1
Article No. NCVD081

Extension of Touch Screen Module for easy control of X-Ray images at table site

Key benefits
- Imaging parameters can be quickly and easily adjusted at tableside
- Clinical image are shown to support easy navigation. Collimate on the clinical image with one finger. Pinch, zoom, pan and flag images for processing. Position shutters and wedges by simply swiping the image on screen.
- All X-ray settings can be easily adjusted to help you effectively manage patient and staff dose

Enhance image navigation on the touch screen module

This option extends the functionality of the touch screen module, allowing live X-ray images and source images from reference monitors to be displayed on the touch screen module. Shutters and wedges can also be easily positioned with a fingertip by simply dragging them into position. A pointer is also available on screen to improve communication in and between the exam room and control room.

Specifications
- enhance image navigation on the TSM
- intuitive control of shutters and wedges by simply dragging the lines shown on top of the image
- provides intuitive zooming an panning functionality (also during fluoroscopy)
- turns the touchscreen into the pointing device in order to improve communication in ER/CR: when activated the pointer is shown on corresponding monitor

!!! Note: Touchpad and Keyboard control from the TSM is NOT part of this option but 'FlexVision Pro' option.

!!! Note: Images shown on the TSM are not meant for diagnostic purposes (image is downscaled, compressed and latency during live/replay maybe higher than on the live monitor)

1.22 **Peripheral X-ray filter** 1
Article No. NCVA101

• Obtain uniform density of lower peripheral areas

Enhance consistency of lower peripheral images
To help clinicians obtain consistent images of lower peripheral anatomy, this option provides a set of flexible X-ray filters. They provide uniform density in angiographic examinations of the lower peripheral area.

1.23 **Pivot for table base.** 1
Article No. NCVA783

• Flexible positioning for upper extremity angiography
• Easy patient transfer

Flexible positioning and transfers
Transradial access, upper extremity angiography, and patient transfer have never been simpler with our optional Pivot feature. One finger push-to-pivot allows effortless patient positioning. It moves with less friction, making it easier to move larger patients. A secure mechanism locks the tabletop in place to prevent it from moving.

1.24 **table tilt option** 1
Article No. NCVD138

Table tilt option provides precise imaging of contrast medium, blood, or objects in the body.

Key benefits
• Tilts the table to support gravity oriented and puncture procedures
• Keeps the region of interest in the isocenter of rotation and angulation
• Allows more precise imaging of contrast medium, blood, or objects in the body

Precise imaging during gravity oriented and puncture procedures

To obtain high quality results and avoid re-takes during gravity oriented or puncture procedures, it's important to keep the region of interest centered at all times. The tilt option allows you to tilt the table. As the table tilts, the X-ray beam automatically adapts to the movement to keep the region of interest in the isocenter of rotation and angulation of the stand. As a result, your region of interest always remains centered to allow more precise imaging of contrast medium, blood, or objects in the body.

The table floats even when tilted, and the region of interest can be followed by panning the tabletop. When combined with the Bolus Chase option, the table tilt option enables phlebography to be performed with a head-up tilted patient.

Specifications
- Motorized table height from 78.5 - 103.5 cm
- Maximum tilt range: -17 degrees (head down) to +17 degrees (head up).
- Tilt speed: 2 degrees/sec
- Automatic safeguarding system with manual override
- Panning range in tilted plane: equal to the standard tabletop specifications (longitudinal 120cm, lateral 36cm)
- Easy to use controls

1.25 **Dynamic Coronary Roadmap** 1
Article No. NCVC542

Introduction

When advancing guidewires and devices through the vasculature during percutaneous coronary interventions, it's important to understand the relationship between the device and the anatomy. Navigation is based on the physician's knowledge of the patient's anatomy, shown on angiograms and live fluoroscopic images. As the physician works, small shots of contrast agent are applied to check the device position, on the live fluoro image with the anatomical reference provided by the previously acquired angiogram.

Details

Note: when ordering Dynamic Coronary Roadmap and/or StentBoost Live for a non-FlexVision system a single dedicated color monitor must be added to the MCS.

Dynamic Coronary Roadmap is a Medical Device as defined in Regulation (EU) 2017/745 (EU-MDR)

Includes

Dynamic Coronary Roadmap combines the live fluoro and angiogram image into a single adaptive roadmap image, which provides immediate feedback on the position of the device and its relationship to the anatomy to guide navigation. Dynamic Coronary Roadmap features include: - Automatic creation and storage of a dynamic roadmap from each acquired coronary angiogram. Only one roadmap per projection is stored; - Automatic overlay of the dynamic roadmap on live fluoroscopy; - Automatic guidance to reach projections for which a roadmap is available; - The Dynamic Coronary Roadmap functionality is fully integrated in the interventional X-ray system; - Image snapshots or movies can be archived to any DICOM compatible PACS. These include DICOM XA and DICOM SC.

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1.26	**Cabinet Rear Cover** **Article No. 459801079651** Cabinet Rear Cover	4
1.27	**FLOORPLATE AD5/AD7(NONSWIVEL)** **Article No. 989600205302** This unit is a prerequisite for the installation of the table. This item can be ordered in advance in order to perform hospital room preparations in advance for the installations of the table. Compatible with: • Patient table, both without and with pivot	1
1.28	**Clip rail 390 cm G-Stand** **Article No. 459800660501** Ceiling rails with clip mounting and isolation parts length 390 cm.	1
1.29	**Clip rails for Monitor Ceiling Carriage (390cm, 153.5")** **Article No. 459800938361** **Introduction** The clip rails for the Monitor Ceiling Carriage (MCC) are part of the ceiling rail construction, which holds the exam room monitors. Depending on country of delivery, these rails can be delivered and installed before the actual delivery of the Philips Azurion IGT system to support a more efficient installation process.	1
1.30	**MONITOR CEILING CARRIAGE** **Article No. 459800706722** Monitor ceiling carriage	1

Line	Description	Qty
2	**CV Third Party Products** **Article No. 100133** **Details** Configured offering	
2.1	**Cable Spooler** **Article No. 989801220012**	1
2.2	**RAD SHIELD W/ARM (CONTOURED) 61X76** **Article No. 989801229910** Contoured Rad Shield with Arm rest. 61X76	1

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2.3	**Ceiling Track w/Column & Handle Ext** **Article No. 989801220273** Mavig 2.5m Ceiling Track with Ceiling trolley, 360 degree column, and brake handle extension.	1

Line	Description	Qty
3	**CS Clinical Education IXR** **Article No. 100263** **Details** Configured offering	
3.1	**iXR Full Travel Package OffSite** **Article No. 989801256034** Includes one (1) participant's airfare from North American customer location to Cleveland, Ohio, with lodging, ground transportation, and meal expenses. Breakfast/dinner provided by the hotel, and lunch/breaks are catered by Philips. All other expenses will be the responsibility of the attendee. Details are provided during the scheduling process. Note: Cancellation/rescheduling policy strictly enforced. Education expires one (1) year from equipment installation date (or purchase date if sold separately).	2

Line	Description	Qty
4	**MAVIG Offer #762716** **Article No. SP008** LE7069111 Lamp LED 6 MC (basic) with Portegra2 Extension/Spring Arm, 750/910 mm	1

Line	Description	Qty
5	Trade In: **Allura Xper FD20** **Article No. SP00410_RE** Serial number: 366 Removal Date: 3/31/2024	1

Line	Description	Qty
6	**charge to remove** **Article No. SP005**	1

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trade in 114884

Line	Description	Qty
7	**SPOO59D** **Article No. SP059D** Deinstallation/Reinstallation	1

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4. Local Sales Terms and Conditions

Line	Product Code	Contract Name	Contract No.	Billing Plan
1	722224 Azurion 7 M20	Vizient Supply LLC XR0703	XR0703	0/80/20
2	100133 CV Third Party Products	Vizient Supply LLC XR0703	XR0703	0/80/20
3	100263 CS Clinical Education IXR	Vizient Supply LLC XR0531	XR0531	0/80/20
4	SP008 MAVIG Offer #762716	NONE	NONE	0/80/20
5	SP00410_RE Trade In: Allura Xper FD20	NONE	NONE	0/80/20
6	SP005 charge to remove	NONE	NONE	0/80/20
7	SP059D SPOO59D	NONE	NONE	0/80/20

Payment Terms US: Net 30 Days

INCO Terms: Carriage and Insurance Paid To Destination

This is a cash price quote, which includes ACH, check, and wire transfer. Any other form of payment will result in different price, which may be higher.

Billing Terms: Are as displayed under the Billing Plan table above. For each item, X/Y/Z milestones are defined as follows (unless an Agreement specifying alternative payment terms has been negotiated between the parties):

X is the percentage invoiced upon signed acceptance of quotation or upon receipt of Customer Purchase Order
Y is the percentage invoiced upon delivery of major components to Customer designated location or Philips warehouse.
Z is the percentage invoiced upon completion of installation or product available for first patient use, whichever occurs first.

If DEMO Equipment is included in this quotation it is sold under the Contact No. Contract Name/Contract Number ("Contract") of the products/solution included in this quotation.

All amounts in this quote are in USD

Additional Terms US:

This purchase is governed by the terms and conditions applicable to Customer Member of the specific Vizient Contract number identified above, as well as any Philips Standard Terms and Conditions of Sale and Software License, set forth below, to the extent not in conflict with the applicable Vizient Contract terms.

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5. Signature Page

Invoice to:
Lake Regional Health System
54 Hospital Dr
Osage Beach, MO 65065-3051

Ship to:
Lake Regional Health System
54 Hospital Dr
Osage Beach, MO 65065-3051

	Total Price
Total Net Price	$ 960,990.77

Acceptance by Parties

Each Quotation solution is issued pursuant to and will reference a specific Contract Name/Contract Number ("Contract") representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. Any PO for the items herein will be accepted subject to the terms of that Contract. If no Contract is shown, Philips Terms and Conditions of Sale including applicable product warranty or Philips Terms of Service ("Philips Terms") located in the Philips Standard Terms and Conditions of the quotation shall solely apply to the quoted solution.

Each equipment system and/or service listed on purchase order/orders represents a separate and distinct financial transaction. We understand and agree that each transaction is to be individually billed and paid. This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, it may not be disclosed to third parties without the prior written consent of Philips.

This quotation provides contract agreement discounts and does not reflect rebates that may be earned by Customer, under separate written rebate agreements, from cumulative volume purchases beyond the individual quantity being ordered under this quote. Customer is reminded that rebates constitute discounts under government laws which are reportable by Customers.

The price above does not include sales tax.

Please fill in the below if applicable:

1. Tax Status: Taxable _____ Tax Exempt X
   If Exempt, please indicate the Exemption Certification Number: 125495698, and attach a copy of the certificate.
2. Requested equipment delivery date June 2024
3. If you do not issue formal purchase orders indicate by initialing here: _____
4. Our facility does issue formal purchase orders; however, due to our business/system limitation, we cannot issue a formal purchase order until 90 days prior to standard warranty expiration. Initialed: _____

CUSTOMER SIGNATURE
by its authorized representative

Signature: _____
Print Name: KEVIN MCROBERTS
Title: CEO

Date: _____

PHILIPS SIGNATURE
by its authorized representative

Signature: _____
Print Name: _____
Title: _____

Date: _____

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6. Philips Standard Terms and Conditions

GENERAL TERMS AND CONDITIONS OF SALE AND SOFTWARE LICENSE ("Conditions of Sale") Rev 22

1. **Initial Provisions.**

1.1 The Products (equipment, service, and software) offered on the quotation by the Philips legal entity identified thereon are subject to these Conditions of Sale.

1.2 The purchase prices set out on the quotation excludes all taxes. All taxes on the Products will be borne by the Customer unless Customer provides a tax exemption certification.

2. **Quotation, Order and Payment.**

2.1 Any quotation on the Products will be open for acceptance within the period indicated therein and may be amended or revoked by Philips prior to Customer's acceptance. Any purchase orders shall be subject to Philips' confirmation. Any terms and conditions set forth on the Customer's purchase order or otherwise issued by the Customer shall not apply to the Products.

2.2 The prices and payment terms are set out on the quotation. Orders are subject to Philips' ongoing credit review and approval. If the quotation indicates net prices that are each associated with a payment method then Philips will invoice Customer, and Customer will pay the net price that corresponds to the payment method that Customer elected in its purchase order or signed quote. Prior to invoice, Customer may modify the payment method by providing Philips with an amended purchase order that reflects the new payment method and corresponding price.

2.3 Interest will apply to any late payments. Customer shall pay interest on any overdue amount not actively disputed paid at the annual rate of twelve percent (12%) which may be billed monthly. If the Customer fails to pay any amounts due or breaches these Conditions of Sale, Philips will be entitled to suspend the performance of its obligations and deduct the unpaid amount from any amounts otherwise owed to Customer by Philips, in addition to any other rights or remedies available to Philips. Philips shall be entitled to recover all costs and expenses, including reasonable attorneys' fees related to the enforcement of its rights or remedies.

2.4 Customer has no right to cancel an order, unless such cancellation right is granted to the Customer by mandatory law in which case the Customer shall pay the costs incurred by Philips up to the date of cancellation In other cases of cancellation, Customer shall pay a 15% cancellation fee.

2.5 Philips may make partial or early shipments and Customer will pay such invoice based on the date of invoice for each product in accordance with the payment terms set forth in the quotation

2.6 Payments may be made by check, ACH or wire. Philips does not accept transaction fees for any electronic fund transfers or any other payment method; Philips imposes a surcharge on credit cards of 2%, which is not greater than our cost of acceptance. All check payments over $50,000 usd must be paid via eCheck or via Philips prepaid FedEx account with tracking to secure against fraud and misappropriation.

3. **Philips Security Interest until Full Payment.**

3.1 Philips is entitled to retain a security interest in the Philips products, until Philips receives full payment.

4. **Technical Changes; Obsolescence of the Product.**

4.1 Philips shall be entitled to make changes to the design or specifications of the Products at any time, provided such change does not adversely affect the performance of the Products.

5. **Lease and Trade In**

5.1 If the Customer desires to convert the purchase of any Products to a lease the Customer shall within ninety (90) prior to the delivery of the Products provide all relevant rental documents for review and approval by Philips. The Customer is responsible for converting the transaction to a lease and is required to secure the leasing company's approval of all these Conditions of Sale. No product will be delivered to the Customer until Philips has received copies of the fully executed lease documents and has approved the same. For any lease, if the lease does not fund then: (i) Customer guarantees the payment of all monies due or that may become due under these Conditions of Sale; (ii) Philips may convert the lease back to a purchase and invoice Customer; accordingly, and (iii) Customer will pay all such invoiced amounts per the invoice terms. In the event that there are multiple Products on one quote, the Product with the longest period for converting the transaction to a lease shall prevail.

5.2 Philips may provide a rental agreement at its discretion.

5.3 In the event Customer will be trading-in equipment ("Trade-In"), the Customer will provide the following:

5.3.1 Customer undertakes to possess good and marketable title to the Trade-In as of the date of the quotation and when Philips takes possession of the Trade-in from Customer's site. In the event Customer is in breach of this undertaking, Customer shall not be entitled to keep a trade-in credit for such Trade-In and shall promptly refund Philips such credited amounts upon receipt of an invoice from Philips.

5.3.2 The trade-in value set forth on Philips quotation is conditioned upon Customer providing Trade-In no later than the date Philips makes the new Product listed on such quotation available for first patient use. Customer shall bear the costs of any reduction in trade-in value arising due to a delay by the Customer causing the trade-in not to occur by the expected date and promptly pay the revised invoice.

5.3.3 In the event Philips receives a Trade-In having a different configuration (including software version) or model number than the Trade- In described on the Philips quotation, Philips reserves the right to adjust the trade in value and revise the invoice accordingly and Customer shall pay such revised invoice promptly upon receipt.

5.3.4 Customer undertakes to (i) clean and sanitize all components that may be infected and all biological fluids from the Trade-In; (ii) drain any applicable chiller lines and cap any associated plumbing and (iii) delete all personal data in the Trade-In. Customer agrees to reimburse Philips against any out-of-pocket costs incurred by Philips arising from Customer's breach of its obligations herein.

6. Shipment and Delivery Date.

6.1 Philips shall deliver the Products in accordance with the Incoterms set forth on the quotation. If Philips and the Customer agree any other terms of delivery, additional costs shall be for the account of the Customer. Title (subject to Section 3 entitled Philips Security Interest) to any product (excluding software), and risk of loss shall pass to the Customer upon delivery to the shipping carrier. However, Philips shall pay the cost of freight and risk insurance (during transport to destination). Customer shall obtain and pay insurance covering such risks at destination.

6.2 Philips will make reasonable efforts to meet delivery dates quoted or acknowledged. Failure to deliver by the specified date will not be a sufficient cause for cancellation nor will Philips be liable for any penalty, loss, or expense due to delay in delivery. If the Customer causes the delay, any reasonable expenses incurred by Philips will be paid for by Customer, including all storage fees, transportation expenses, and related costs., Customer shall pay the 80% installment payment upon delivery to Customer site or Philips warehouse. For the purposes of clarification, "Delay" in this section shall mean a date later than the Customer agreed delivery date identified via confirmation of the delivery date with Customer prior to releasing the Product for production.

7. Installation.

7.1 If Philips has undertaken installation of the Products, the Customer shall be responsible for the following at its sole expense and risk:

7.1.1 The provision of adequate and lockable storage for the Products on or near the installation site. Additionally, Customers shall consider the mfg. labeling requirements for environmental and storge conditions. The Customer will repair or replace any lost or damaged item during the storage period.

7.1.2 Philips or its (affiliate's) representative shall have access to the installation site without obstacle or hindrance in due time to start the installation work at the scheduled date.

7.1.3 The timely execution and completion of the preparatory works, in conformity with Philips' installation requirements. The Customer shall ensure that the prepared site shall comply with all safety, electrical and building codes relevant to the Products and installation thereof.

7.1.4 The proper removal and disposal of any hazardous material at the installation site prior to installation by Philips.

7.1.5 The timely provision of all visa, entry, exit, residence, work or any other permits and licenses necessary for Philips' or Philips' representatives' personnel and for the import and export of tools, equipment, Products, and materials necessary for the installation works and subsequent testing.

7.1.6 The assistance to Philips or Philips' representative for moving the Products from the entrance of the Customer's premises to the installation site. The Customer shall be responsible, at its expense, for rigging, the removal of partitions or other obstacles, and restoration work.

7.2 If Products are connected to a computer network, the Customer shall be responsible for network security, including but not limited to, using secure administrative passwords, installing the latest validated security updates of operating software and web browsers, running a Customer firewall as well as maintaining up-to-date drivers, validated anti-virus and anti-spyware software. Unauthorized Updates, as defined in the Product Schedules, may adversely affect the functionality and performance of the Licensed Software.

7.3 If any of the above conditions are not complied with, Philips or Philips' representative may interrupt the installation and subsequent testing for reasons not attributable to Philips and the parties shall extend the period for completing the installation. Any additional costs shall be for the Customer's account and Philips shall have no liability for any damage resulting from or in connection with the delayed installation.

7.4 Philips shall have no liability for the fitness or adequacy of the premises or the utilities available at the premises for installation or storage of the Products.

8. Product Damages and Returns.

8.1 The following shall apply solely to medical consumables:
The Customer shall notify Philips in writing substantiating its complaints within ten (10) days from its receipt of the Products. If Philips accepts the claim as valid, Philips shall issue a return authorization notice and the Customer shall return the Products. Each returned Product shall be packed in its original packaging.

9. Product Warranty.

9.1 In the absence of any specific Product warranty attached to the quotation, the following warranty provisions will apply to the Product.

9.2 Hardware Products. Philips warrants to Customer that the Product shall materially comply with its product specification on the quotation and the user documentation accompanying the shipment of such Product for a period of one year from the date of acceptance or first clinical use, whichever occurs first, but under any circumstances, no more than fifteen (15) months from the date of shipment, provided the Product has been subject to proper use and maintenance. Any disposable Product intended for single use supplied by Philips to the Customer will be of good quality until the expiration date applicable to such Product.

9.3 Stand-alone Licensed Software Products. Philips warrants that the Stand-alone Licensed Software shall substantially conform to the technical specification for a period of ninety (90) days from the date Philips makes such Stand-alone Licensed Software available to the Customer. "Stand-alone Licensed Software" means Licensed Software sold without a contemporaneous purchase of a server for the Licensed Software.

9.4 Service. Philips warrants that all services will be carried out with reasonable care and skill. Philips' sole liability and Customer's sole remedy for breach of this warranty shall be at its option to give credit for or re-perform the services in question. This warranty shall only extend for a period of ninety (90) days after the completion of the services.

9.5 Customer shall only be entitled to make Product warranty claim if Philips receives written notice of the defect during the warranty period within ten (10) days from the Customer discovering the defect and, if required the Product or the defective parts shall be returned to an address stated by Philips. Such defective parts shall be the property of Philips after their replacement.

9.6 Philips' warranty obligations and Customer's sole remedy for the Product shall be limited, at Philips' option, to the repair or replacement of the Product or any part thereof, in which case the spare parts shall be new or equivalent to new in performance, or to the refund of a pro rata portion of the purchase price paid by the Customer solely after a reasonable cure period is given to Philips.

9.7 Philips' warranty obligations shall not apply to any defects resulting from:

9.7.1 improper or unsuitable maintenance, configuration or calibration by the Customer or its agents.

9.7.2 use, operation, modification, or maintenance of the Product not in accordance with the Product specification and the applicable written instructions of Philips or performed prior to the completion of Philips' validation process.

9.7.3 abuse, negligence, accident, damages (including damage in transit) caused by the Customer.

9.7.4 improper site preparation, including corrosion to Product caused by Customer.

9.7.5 any damage to the Product or any medical data or other data stored, caused by an external source (including viruses or similar software interference) resulting from the connection of the Product to a Customer network, Customer client devices, a third-party product or use of removable devices.

9.8 Philips is not responsible for the warranty for the third-party product provided by Philips to the Customer and Customer shall make any warranty claims directly with such vendors. However, if Philips, under its license agreement or purchase agreement with such third party, has right to warranties and service solutions, Philips shall make reasonable efforts to extend to the Customer the third-party warranty and service solutions for such Products.

9.9 During the term of the warranty and any customer service arrangement the Customer shall provide Philips with a dedicated high-speed broadband internet connection suitable to establish a remote connection to the Products in order for Philips to provide remote servicing of the Products by:

9.9.1 supporting the installation of a Philips approved router (or a Customer-owned router acceptable for Philips) for connection to the Products and Customer network (which router remains Philips property if provided by Philips and is only provided during the warranty term.

9.9.2 maintaining a secure location for hardware to connect the Products to the Philips Remote Service Data Center (PRSDC).

9.9.3 providing and maintaining a free IP address within the site network to be used to connect the Products to the Customer's network

9.9.4 maintaining the so established connection throughout the applicable period.

9.9.5 facilitating the reconnection to Philips in case any temporary disconnection occurs.

9.9.6 If Customer fails to provide the access described in this section and the Product is not connected to the PRSDC (including any temporary disconnection), Customer accepts any related impact on Products availability, additional cost, and speed of resolution.

9.9.7 THE WARRANTIES SET FORTH IN THIS CONDITIONS OF SALE AND QUOTATION ARE THE SOLE WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT, ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, QUIET ENJOYMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PHILIPS EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MOREOVER, PHILIPS DOES NOT WARRANT ANY PRODUCT USING THE CLOUD TO BE UNINTERRUPTED OR ERROR FREE.

10. Limitation of Liability.

10.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PRODUCT FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, NEGLIGENCE, UNLAWFUL ACT OR OTHERWISE IN CONNECTION WITH THE PRODUCT IS LIMITED TO THE ACTUAL PURCHASE PRICE RECEIVED FOR THE PRODUCT THAT GAVE RISE TO THE CLAIM.

10.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AND/OR FOR ANY DAMAGES INCLUDING, LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SALE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, AT LAW OR IN EQUITY. NEITHER PHILIPS NOR PHILIPS' SUPPLIERS SHALL BE LIABLE FOR ANY LOSS OR INABILITY TO USE MEDICAL OR OTHER DATA STORED ON OR BY THE PRODUCT.

10.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SALE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.

10.4 FOR US CUSTOMERS, THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 10.1:

10.4.1 THIRD PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.

10.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.

10.4.3 OUT OF POCKET COSTS INCURRED BY CUSTOMER TO PROVIDE PATIENT NOTIFICATIONS, REQUIRED BY LAW, TO THE EXTENT SUCH NOTICES ARE CAUSED BY PHILIPS UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION.

10.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

11. Infringement of Intellectual Property Rights to the Products.

11.1 Philips will, at its option and expense, defend or settle any suit or proceeding brought against Customer based on any third-party claim that any Product or use thereof for its intended purpose constitutes an infringement of any intellectual property rights in the country where the Product is delivered by Philips.

11.2 Customer will promptly give Philips written notice of such claim and the authority, information and assistance needed to defend such claim. Philips shall have the full and exclusive authority to defend and settle such claim. Customer shall not make any admission which might be prejudicial to Philips and shall not enter a settlement without Philips' prior written consent.

11.3 If the Product is held to constitute infringement of any intellectual property right and its use by Customer is enjoined, Philips will, at its option and expense, either: (i) procure for Customer the right to continue using the Product; (ii) replace it with an equivalent non-infringing Product; (iii) modify the Product so it becomes non-infringing; or (iv) refund to the Customer a pro rata portion of the Products' purchase price upon the return of the original Products.

11.4 Philips will have no duty or obligation under this clause 11 if the infringement is caused by a Product being:

11.4.1 supplied in accordance with Customer's design, specifications or instructions and compliance therewith has caused Philips to deviate from its normal course of performance.

11.4.2 modified by Customer or its contractors after delivery.

11.4.3 not updated by Customer in accordance with instructions provided by Philips (e.g. software updates).

11.4.4 combined by Customer or its contractors with devices, software, methods, systems, or processes not furnished hereunder and the third-party claim is based on such modification or combination.
The above states Philips' sole liability and Customer's exclusive remedy in respect of third-party intellectual property claims.

12. Use and exclusivity of Product documents.

12.1 All documents and manuals including technical information related to the Products and its maintenance as delivered by Philips is the proprietary information of Philips, covered by Philips' copyright, and remains the property of Philips, and as such, it shall not be copied, reproduced, transmitted, or disclosed to or used by third parties without the prior written consent of Philips.

13. Export Control and Product Resale.

13.1 Customer agrees to comply with relevant export control and sanction laws and regulations, including the UN, EU or US ("Export Laws"), to ensure that the Products are not (i) exported or re-exported directly or indirectly in violation of Export Laws; or (ii) used for any purposes prohibited by the Export Laws, including military end-use, human rights abuses, nuclear, chemical or biological weapons proliferation.

13.2 Customer represents that (i) Customer is not located in a country that is subject to a UN, US or EU embargo and trade restriction; and (ii) Customer is not listed on any UN, EU, US export and sanctions list of prohibited or restricted parties.

13.3 Philips may suspend its obligation to fulfil any order or subsequent service if the delivery is restricted under Export Laws or an export/import license is not granted by relevant authorities.

14. License Software Terms.

14.1 Subject to any usage limitations set forth on the quotation, Philips grants to Customer a non-exclusive, non-transferable license, without the right to grant sub-licenses, to incorporate and use the Licensed Software (as specified on the quotation, whether embedded or stand-alone) in Licensed Products and the permitted use (as referenced in the quotation) in accordance with these Conditions of Sale.

14.2 The Licensed Software is licensed and not sold. All intellectual property rights in the Licensed Software shall remain with Philips.

14.3 Customer may make one copy of the Licensed Software in machine-readable form solely for backup purposes. Philips reserves the right to charge for backup copies created by Philips. Customer may not reproduce, sell, assign, transfer or sublicense the Licensed Software. Customer shall preserve the confidential nature of the Licensed Software and shall not disclose or transfer any portion of the Licensed Software to any third party.

14.4 Customer shall maintain Philips' copyright notice or other proprietary legends on any copies of the Licensed Software. Customer shall not (and shall not allow any third party to) decompile, disassemble, or reverse engineer the Licensed Software.

14. 5 The Licensed Software may only be used in relation to Licensed Products or systems certified by Philips. If Customer modifies the Licensed Software in any manner, all warranties associated with the Licensed Software and the Products shall become null and void. Customer installation of Philips' issued patches or updates shall not be deemed to be a modification.

14.6 Philips and its affiliates shall be free to use any feedback or suggestions for modification or enhancement of the Licensed Software provided by Customer, for the purpose of modifying or enhancing the Licensed Software as well as for licensing such enhancements to third parties.

14.7 With respect to any third-party licensed software, the Customer agrees to comply with the terms applicable to such licensed software. Customer shall indemnify Philips for any damage arising from its failure to comply with such terms. If the third-party licensor terminates the third party license, Philips shall be entitled to terminate the third party license with the Customer and make reasonable effort to procure a solution.

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15. Confidentiality.

15.1 If any of the parties have access to confidential information of the other party, it shall keep this information confidential. Such information shall only be used if and to the extent that it is necessary to carry out the concerned transactions. This obligation does not extend to public domain information and/or information that is disclosed by operation of law or court order.

16. Compliance with Laws and Privacy.

16.1 Each party shall comply with all laws, rules, and regulations applicable to the party in connection with the performance of its obligations in connection with the transactions contemplated by the quotation, including, but not limited to, those relating to employment practices federal and state anti-discrimination laws (including Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended and the Veterans Readjustment ACT of 1972 as amended), E-Verify, FDA, Medicare fraud and abuse, and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Health care providers are reminded that if the purchase includes a discount or loan, they must fully and accurately report such discount or loan on cost reports or other applicable claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, as required by federal law (see 42 CFR 1001.952[h]).

16.2 Processing of personal data: In relation to the provision of services, Philips may process information, in any form, that can relate to identified or identifiable individuals, which may qualify as personal data. Philips and/or its affiliates will: a) process any protected health information (PHI) as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) on behalf and by instruction of the Customer, the terms, rights and responsibilities of the Parties for such processing of PHI are set forth in a Business Associate Agreement between the parties and b) process information such as log files or device parameters (which may contain personal data), to provide the services and to enable its compliance with and performance of its task as manufacturer of (medical) devices under the applicable regulations and standards (including but not limited to the performance of vigilance, post market surveillance and clinical evaluation related activities).

16.3 Customer agrees that Philips and/or its affiliates may use any data, other than personal data, generated by a Product and/or otherwise provided by Customer to Philips for Philips' own legitimate business purposes including, but not limited to, for data analytics activities to determine trends of usage and advise on the use of products and services, for research, product and service development and improvement (including the development of new offerings), substantiation of marketing claims and for benchmarking purposes.

17. Force Majeure.

17.1 Each party shall not be liable in respect of the non-performance of any of its obligations to the extent such performance is prevented by any circumstances beyond its reasonable control, including, but not limited to, acts of God, war, civil war, insurrection, fire, flood, labor disputes, epidemics, pandemic, cyber-attack, act of terrorism, governmental regulations and/or similar acts, embargoes, export control sanctions or restrictions, Philips' unavailability regarding any required permits, licenses and/or authorizations, default or force majeure of suppliers or subcontractors.

17.2 If force majeure prevents Philips from fulfilling any order from the Customer or otherwise performing any obligation arising out of the sale, Philips shall not be liable to the Customer for any compensation, reimbursement, or damages.

18. Miscellaneous

18.1 Any newly manufactured Product provided may contain selected remanufactured parts equivalent to new in terms of performance.

18.2 If the Customer becomes insolvent, unable to pay its debts as they fall due, files for bankruptcy or is subject to it, has appointed a recipient, is subject to a late fee on payments (temporary or permanent), or has its assets assigned or frozen, Philips may cancel any unfulfilled obligations or suspend its performance; provided that, however, the Customer's financial obligations to Philips shall remain in full force and effect.

18.3 If any provision of these Conditions of Sale is found to be unlawful, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall remain in full force and effect. In lieu of any provision deemed to be unlawful, unenforceable, or invalid, in whole or in part, a provision reflecting the original intent of these Conditions of Sale, to the extent permitted by the applicable law, shall be deemed to be a substitute for that provision.

18.4 Notices or other communications shall be given in writing and shall be deemed effective if they are delivered in person or if they are sent by courier or mail to the relevant party.

18.5 The failure by the Customer or Philips at any time to require compliance with any obligation shall not affect the right to require its enforcement at any time thereafter.

18.6 Philips may assign or novate its rights and obligations in whole or in part, to any of its affiliates or may assign any of its accounts receivable to any party without Customer's consent. Customer agrees to execute any documents that may be necessary to complete Philips' assignment or novation. The Customer shall not, without the prior written consent of Philips, transfer or assign any of its rights or obligations

18.7 The Customer's obligations do not depend on any other obligations it may have under any other agreement or arrangement with Philips. The Customer shall not exercise any offset right in the quotation or sale in relation to any other agreement or arrangement with Philips.

18.8 These Conditions of Sale shall be governed by the laws of the country or state wherein the Philips legal entity identified in the quotation is situated, and the parties submit to the exclusive jurisdiction of the courts of that country or state, provided that Philips will be entitled to start legal proceedings against the Customer in any other court of competent jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act (UCITA), in any form, is expressly excluded.

18.9 Customer will report immediately to Philips any event of which Customer becomes aware that suggests that any Products provided by Philips, for any reason:

18.9.1 may have caused or contributed to a death or serious injury, or

18.9.2 have malfunctioned where such malfunctions would likely cause or contribute to a death or serious injury if the malfunction were to occur again. Additionally, Customer will also report to Philips complaints it receives from its personnel and patients or any other person regarding the identity, quality, performance, reliability, safety, effectiveness, labels, or instructions for use of the Products provided by Philips. Philips shall be solely responsible for submitting any filings or reports to any governmental authorities with respect to the Products provided by Philips hereunder, unless otherwise required by law.

18.10 To the extent applicable to your country or state, Philips and Customer shall comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and it's implementing regulations (42 CFR, Part 420). Philips agrees that until the expiration of four (4) years after furnishing Products pursuant to these Conditions of Sale, Philips shall make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, these Conditions of Sale and the books, documents and records of Philips that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Philips further agrees that if Philips carries out any of the duties of these Conditions of Sale through a subcontract with a value or cost of ten-thousand U.S. dollars ($10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such Products pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives the subcontract, and books and documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v) (1) (1) of the Social Security Act (42 U.S.C. 1395x (v) (1) (I) (1989)), as amended from to time to these Conditions of Sale. If Section 1861(v) (1) (1) should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

18.11 As of the date of the sale of this Product, Philips represents and warrants that Philips, its employees and subcontractors, are not debarred, excluded, suspended or otherwise ineligible to participate in a federal or state health care program, nor have they been convicted of any health care related crime for Products provided under these Conditions of Sale (an "Excluded Provider"). Philips shall promptly notify Customer if it becomes aware that Philips or any of its employees or subcontractors providing Products hereunder have become an Excluded Provider under a federal or state healthcare program, whereupon Customer shall provide Philips with a reasonable opportunity to discuss and attempt to resolve in good faith with Customer any Customer related concerns in relation thereto, and/or will give Philips a reasonable opportunity to dispute its, or its employee's or subcontractor's, designation as an Excluded Provider. In the event that the parties are unable to resolve any such Customer concerns of the applicable party's designation as an Excluded Provider, then Customer may terminate this order by express written notice for Products not yet shipped or rendered prior to a date of exclusion.

18.12 To the extent applicable to your country or state, it is Customer's responsibility to notify Philips if any portion of the order is funded under the American Reinvestment and Recovery Act (ARRA). To ensure compliance with the ARRA regulation, Customer shall include a clause stating that the order is funded under ARRA on its purchase order or other document issued by Customer.

18.13 To the extent applicable, Customer acknowledges it shall comply with all Medicare. Medicaid or state cost reporting requirements, including discounts afforded to Customer under these Conditions of Sale, for any Products purchased hereunder.

18.14 Entire Agreement. These Terms and Conditions of Sale, the terms and conditions set forth in the quotation and the applicable Philips' product-specific warranty constitute the entire understanding and agreement by and between the parties with respect to the transactions contemplated by the quotation and supersede any previous understandings or agreements between the parties, whether written or oral, regarding the transactions contemplated by the quotation. The pricing in the quotation is based upon the terms and conditions in the quotation. No additional terms, conditions, consents, waivers, alterations, or modifications shall be binding unless in writing and signed by the parties. Customer's additional or different terms and conditions, whether stated in a purchase order or other document issued by Customer, are specifically rejected and shall not apply to the transactions contemplated by the quotation.

19. Product specific terms

Product specific schedules are incorporated herein as they apply to the Products listed in the quotation and their additional terms shall apply solely to the Products specified therein. If any terms set forth in the Product specific schedules conflict with terms set forth in these Conditions of Sale, the terms set forth in the Product specific schedule shall take precedent.

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Schedule 1
Imaging Systems Portfolio (IS) Rev 22

Product Category	Products
Image Guided Therapy (IGT)	Interventional X-Ray (iXR)
	Mobile C-Arms (Surg)
	Philips Image Guided Therapy Corporation (IGTD)fka Volcano (Capital only)
Imaging Clinical Applications (ICAP)	IntelliSpace Portal (ISP)
Diagnostic Imaging	Digital X-Ray (DXR)
	Computed Tomography (CT)
	Magnetic Resonance (MR)
	OEM Imaging Components (Coils)
	Positron Emission Tomography (PET/CT)
	Advanced Molecular Imaging (SPECT & SPECT/CT)
	Radiation Oncology (PROS)

1. **Payment Terms.**

Unless otherwise specified in the quotation, Philips will invoice Customer and Customer will pay such invoice based on the date of the invoice for each of the products and integration services as follows:

1.1 For Imaging Systems Portfolio:

1.1.1 0% of the purchase price shall be due with Customer's submission of its purchase order.

1.1.2 80% of the purchase price shall be due on delivery of the major components of the Product to Customer designated location or Philips warehouse. Product installation will not begin until Customer has paid this portion of the purchase price.

Subject to Section 6.2 of the Conditions of Sale, 20% of the purchase price shall be due net thirty (30) days from the invoice date based on Product(s) availability for first patient use. Available for first patient use means the product has been installed and substantially meets Philips' systems verification functionality set forth in the installation manual.

2. **For IGT Fixed Systems.**

2.1 Project management support to enable delivery and installation is provided at no additional cost. Consulting and other turnkey room preparation services are not included.

2.2 Delivery and Installation are included in the purchase of the system.

3. **Additional Customer Installation Obligations for Magnetic Resonance (MR).**

3.1 Customer shall provide any and all site preparation and shall be in compliance with all radio frequency (RF) or magnetic shielding and acoustical suppression and building codes relevant to the Product and its installation and use.

3.2 If applicable, Customer's contractor or Customer's architect is required to provide detailed information on theproposed Helium Exhaust Pipe for their MRI system prior to installation to ensure safety specifications are being met.

Required Details include:

3.2.1 Architectural drawing or sketch with complete dimensions including lengths, bending radii, bending angles, and pipe diameters for entire Helium Exhaust Pipe run from RF enclosure to discharge location.

3.2.2 Completed Helium Exhaust Pipe Verification Checklist (Provided by Local Philips Project Manager)

3.2.3 Picture showing the area where the Helium Exhaust Pipe will discharge.

3.3 If applicable, Magnets will not be released for delivery unless and until Helium Exhaust Pipe details are provided for verification and have been confirmed to meet all life safety specifications.

3.4 Costs of equipment preservation, to ensure a high-quality system, will be passed to the Customer if the installation site is not ready due to delays not caused by Philips. Additionally, climate control costs during and after equipment installation are also the responsibility of the Customer. Preservation of equipment is required to prevent exposing equipment to the negative effects of a non-climate-controlled construction environment, where there is dust or high humidity. Climate control could include costs associated with ensuring a climate- controlled environment. Activities and expenses required for preservation may include time, materials, and transportation to package and seal, and transport the equipment to a controlled environment to prevent dustfrom entering the equipment. For MR, as may be applicable, this includes the consumption of Helium for life support.

4 **Further use of System Data.**

4.1 Mandatory Data. Customer acknowledges and agrees that by executing this Agreement and using the Licensed Software, it has agreed that product inventory and crash signature data generated by the LicensedSoftware shall be delivered into the custody of Philips, or of systems maintained on Philips' behalf, without notice to Customer. Such data is referred to herein as "Mandatory Data" and such data is described in the Licensed Software's documentation

for each Licensed Software release; the data comprising Mandatory Data is subject to change with each release of upgrades, updates, patches and modifications to the Licensed Software.

4.2 Customer agrees that any Mandatory Data will be the property of Philips. Part of the Mandatory Data might constitute (non-sensitive) Personal Data, which is anonymized data or aggregate log files, device parameters and other signals collected from the equipment used by Customer and associated with Customer. Customeragrees that Philips may use and disclose Mandatory Data for Philips' own business purposes (including, butnot limited to, for data analytics activities to determine trends of usage of Philips' or its affiliates' devices andservices, to facilitate and advise on continued and sustained use of Philips' or its affiliates' products and services, for product and service development and improvement (including the development of new offerings), substantiation of marketing claims and for benchmarking purposes). In connection with any disclosure of Mandatory Data, Philips will not associate such data with the Personal Data of Customer's patients, consumers, or employees.

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7. Warranty

INTERVENTIONAL X-RAY (iXR) SYSTEMS
PRODUCT WARRANTY

This product warranty document is an addition to the terms and conditions set forth in the quotation to which this warranty document is attached. Unless specifically listed below, this warranty does not apply to replacement parts. The terms and conditions of the quotation are incorporated into this warranty document. The capitalized terms herein have the same meaning as set forth in the quotation.

1. **Twelve (12) Month System Warranty.**

   1.1 Philips Healthcare, a division of Philips North America LLC (Philips) warrants to Customer that the Philips' Interventional X-Ray Systems (System) will perform in substantial compliance with its performance specifications, in the documentation accompanying the System, for a period of twelve (12) months after completion of installation and availability for first patient use.

   1.2 Any glassware or flat detectors provided with the System is subject to special warranty terms set forth below.

2. **Planned Maintenance.**

   2.1 During the warranty period, Philips' personnel will schedule planned maintenance visits, in advance, at a mutually agreeable time on weekdays, between 8:00am and 5:00pm local time, excluding Philips' observed holidays.

3. **System Options, Upgrades or Accessories.**

   3.1 Any Philips' authorized upgrades, options or accessories for the System which are delivered and/or installed on the System during the original term of the System warranty shall be subject to the same warranty terms contained in the first paragraph of this warranty, except that such warranty shall expire:

   3.1.1 upon termination of the initial twelve (12) month warranty period for the System on which the upgrade, option or accessory is installed; or

   3.1.2 after ninety (90) days for parts only from the date of installation.

4. **MRC X-Ray Tubes.**

   4.1 Philips warrants to Customer, for the warranty periods further specified in this section, that the Philips' X-Ray Tubes (tube) will be substantially free from defects in material and manufacturing workmanship, which impair performance under normal use as specified in Philips' System descriptions and specifications.

   4.2 The warranty period for MRC Tubes provided with Customer's purchase of a new or refurbished X-Ray System shall be the shorter of thirty-six (36) months after installation or thirty-eight (38) months after date of shipment from Philips.

   4.3 The warranty period for purchases of replacement tubes shall be the shorter of twelve (12) months after installation or fourteen (14) months after date of shipment from Philips.

5. **MRC Tube Warranty Exclusions.**

   5.1 The above warranty shall not apply to X-Ray Tubes outside the United States and Canada.

   5.2 Philips' obligations under the System warranty do not apply to any System defects resulting from: improper or inadequate maintenance or calibration by Customer or its agents; Customer or third party supplied software, interfaces, or supplies; use or operation of the System other than in accordance with Philips' applicable System specifications and written instructions; improper site preparation; abuse, negligence, accident, loss or damage in transit; improper site preparation; unauthorized maintenance or modifications to the System; or, to viruses or similar software interference resulting from the connection of the System to a network.

6. **MRC Tube Warranty Remedies.**

   6.1 If a tube is found to fail during the warranty period, and if, in the best judgment of Philips, the failure is not due to neglect, accident, improper installation, use contrary to instructions, or the exclusions stated above, Philips' tube warranty liability hereunder is limited to, at Philips' option, the repair or replacement of the tube.

   6.2 Any replacement tube would have a warranty period equal to the balance of the warranty period left on the tube replaced.

7. **Dynamic Flat Detectors.**

   7.1 Philips warrants the Dynamic Flat Detectors (detector) provided with the System, if any, will be free from defects in material and manufacturing workmanship for twelve (12) months.

   7.2 Claims must be made within twelve (12) months after installation or fifteen (15) months after date of shipment from Philips, whichever occurs first.

   7.3 If a detector fails to meet this warranty, as Customer's sole and exclusive remedy, upon return of the detector, Philips will provide Customer a replacement detector at no additional charge.

8. **System Software and Software Updates.**

   8.1 The software provided with the System will be the latest version of the standard software available for that System as of the ninetieth (90th) day prior to the date the System is delivered to Customer.

8.2 Updates to standard software for the System that do not require additional hardware or equipment modifications will be performed as a part of normal warranty service during the term of the warranty.

8.3 All software is and shall remain the sole property of Philips or its software suppliers.

8.4 Use of the software is subject to the terms of a separate software license agreement.

8.5 No license or other right is granted to Customer or to any other party to use the software except as set forth in the license agreements.

8.6 Any Philips maintenance or service software and documentation provided with the System and/or located at Customer's premises is intended solely to assist Philips and its authorized agents to install and to test the System, to assist Philips and its authorized agents to maintain and to service the System under a separate support agreement with Customer, or to permit Customer to maintain and service the System.

8.7 Customer agrees to restrict the access to such software and documentation to Philips employees, those of its authorized agents and its authorized employees of Customer only.

9. Warranty Limitations.

9.1 Philips' sole obligations and Customer's exclusive remedy under any product warranty are limited, at Philips' option, to the repair or the replacement of the product or a portion thereof within thirty (30) days after receipt of written notice of such material breach from Customer (Product Warranty Cure Period) or, upon expiration of the Product Warranty Cure Period, to a refund of a portion of the purchase price paid by the Customer, upon Customer's request.

9.2 Any refund will be paid, to the Customer when the product is returned to Philips.

9.3 Warranty service outside of normal working hours (i.e. 8:00am - 5:00pm, Monday through Friday, excluding Philips' observed holidays), will be subject to payment by Customer at Philips' standard service rates.

9.4 This warranty is subject to the following conditions: the product:

9.4.1 is to be installed by authorized Philips' representatives (or is to be installed in accordance with all Philips' installation instructions by personnel trained by Philips);

9.4.2 is to be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Philips' written instructions and for the purpose for which the products were intended; and,

9.4.3 is to be maintained and in strict compliance with all recommended and scheduled maintenance instructions provided with the product and Customer is to notify Philips immediately if the product at any time fails to meet its printed performance specifications.

9.5 Philips' obligations under any product warranty do not apply to any product defects resulting from improper or inadequate maintenance or calibration by the Customer or its agents; Customer or third party supplied interfaces, supplies, or software including without limitation loading of operating system patches to the Licensed Software and/or upgrades to anti-virus software running in connection with the Licensed Software without prior approval by Philips; use or operation of the product other than in accordance with Philips' applicable product specifications and written instructions; abuse, negligence, accident, loss, or damage in transit; improper site preparation; unauthorized maintenance or modifications to the product; or viruses or similar software interference resulting from connection of the product to a network.

9.6 Philips does not provide a warranty for any third-party products furnished to Customer by Philips under the quotation; however, Philips shall use reasonable efforts to extend to Customer the third-party warranty for the product.

9.7 The obligations of Philips described herein are Philips' only obligations and Customer's sole and exclusive remedy for a breach of a product warranty.

9.8 THE WARRANTIES SET FORTH HEREIN WITH RESPECT TO A PRODUCT (INCLUDING THE SOFTWARE PROVIDED WITH THE PRODUCT), ARE THE ONLY WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT; THE SOFTWARE, AND THE TRANSACTIONS CONTEMPLATED BY THE QUOTATION, AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9.9 Philips may use refurbished parts in the manufacture of the products, which are subject to the same quality control procedures and warranties as for new products.

10. Philips' Remote Services Network (RSN).

10.1 Customer will:

10.1.1 provide Philips with a secure location at Customer's premises to store one Philips' Remote Services Network router and provide full and free access to this router, (or a Customer-owned router acceptable to Philips) for connection to the equipment and to Customer's network; or

10.1.2 provide Philips with outbound internet access over SSL; at all times during the warranty period provide full and free access to the equipment and the Customer network for Philips' use in remote servicing of the product, remote assistance to personnel that operate the products, updating the products software, transmitting automated status notifications from the product and regular uploading of products data files (such as but not limited to error logs and utilization data for improvement of Philips' products and services and aggregation into services).

10.2 Customer's failure to provide such access will constitute Customer's waiver of the scheduled planned maintenance service and will void support or warranty coverage of product malfunctions until such time as planned maintenance service is completed or RSN access is provided.

10.3 Customer agrees to pay Philips at the prevailing demand service rates for all time spent by Philips' service personnel waiting or access to the products.

PHILIPS

11. Transfer of System.

11.1 In the event Customer transfers or relocates the System, all obligations under this warranty will terminate unless Customer receives the prior written consent of Philips for the transfer or relocation.

11.2 Upon any transfer or relocation, the System must be inspected and certified by Philips as being free from all defects in material, software and workmanship and as being in compliance with all technical and performance specifications.

11.3 Customer will compensate Philips for these services at the prevailing service rates in effect as of the date the inspection is performed.

11.4 Any System which is transported intact to pre-approved locations and is maintained as originally installed in mobile configurations will remain covered by this warranty.

12. Limitation of Liability.

12.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PRODUCT FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, NEGLIGENCE, UNLAWFUL ACT OR OTHERWISE IN CONNECTION WITH THE PRODUCT IS LIMITED TO THE ACTUAL PURCHASE PRICE RECEIVED FOR THE PRODUCT THAT GAVE RISE TO THE CLAIM.

12.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AND/OR FOR ANY DAMAGES INCLUDING, LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SALE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, AT LAW OR IN EQUITY. NEITHER PHILIPS NOR PHILIPS' SUPPLIERS SHALL BE LIABLE FOR ANY LOSS OR INABILITY TO USE MEDICAL OR OTHER DATA STORED ON OR BY THE PRODUCT.

12.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SALE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.

12.4 FOR US CUSTOMERS, THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 12.1:

12.4.1 THIRD PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.

12.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.

12.4.3 OUT OF POCKET COSTS INCURRED BY CUSTOMER TO PROVIDE PATIENT NOTIFICATIONS, REQUIRED BY LAW, TO THE EXTENT SUCH NOTICES ARE CAUSED BY PHILIPS UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION.

12.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

13. Disclaimer.

13.1 IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

14. Force Majeure.

14.1 Philips and Customer shall each be excused from performing its obligations (except for payment obligations) arising from any delay or default caused by events beyond its reasonable control including, but not limited to: acts of God, health pandemic, acts of any civil, military, or government authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, voluntary or mandatory compliance with any government act, regulation or mandatory direction, or request. For clarity, Customer requests shall not be considered 'government' requests under this section.

Philips' system specifications are subject to change without notice.

iXR Product Warranty Rev 22

Exhibit I.3.6.1

Steven Pozaric

From: Maxwell, Willie <WMaxwell@lakeregional.com>
Sent: Wednesday, March 12, 2025 2:39 PM
To: Steven Pozaric; Hunter, Melissa; Green, Sarah; Jonathan F. Dalton
Subject: FW: Lake Regional Azurion 7

Here you go

Willie Maxwell
Cath Lab Director

Lake Regional Health System
Cath Lab
54 Hospital Drive | Osage Beach, MO 65065
Phone: 573-348-8773
Fax: 573-348-8266
wmaxwell@lakeregional.com

LAKE REGIONAL HEALTH SYSTEM

From: Kuehn, Angela <Angela.Kuehn@philips.com>
Sent: Wednesday, March 12, 2025 2:38 PM
To: Maxwell, Willie <WMaxwell@lakeregional.com>
Subject: [EXTERNAL] Re: Lake Regional Azurion 7

Thank you Willie,
You are correct.
Best Regards,
Angela

Get Outlook for iOS

From: Maxwell, Willie <WMaxwell@lakeregional.com>
Sent: Wednesday, March 12, 2025 2:31:47 PM
To: Kuehn, Angela <Angela.Kuehn@philips.com>
Subject: Lake Regional Azurion 7

Angela

Re: Quote: Q-00255366 dated 12/15/23

Can you please confirm that the price set forth in the above referenced quotation of $960,990.77 is still valid and is the total amount Lake Regional will pay for the Azurion 7 M20?

Willie Maxwell
Cath Lab Director

Lake Regional Health System
Cath Lab
54 Hospital Drive | Osage Beach, MO 65065
Phone: 573-348-8773
Fax: 573-348-8266
wmaxwell@lakeregional.com

NOTICE:
This email may contain confidential or proprietary information that may be legally privileged. It is intended only for the named recipient(s). Any views expressed in this message are those of the individual sender, except where the sender specifies, and with authority states, them to be the views of Lake Regional Health System. If an addressing or transmission error has misdirected the email, please notify the author by replying to this message. If you are not the named recipient, you are not authorized to use, disclose, distribute, copy, print, or rely on this email, and should immediately delete it from your computer system. **Please consider the Environment before printing this e-mail.**

Divider II

Proposal Description

Divider II. Proposal Description:

1. Provide a complete detailed project description, CON project number of the existing equipment (if prev. CON approved), and include the type brand of both the existing equipment and the replacement equipment.

   The cath lab X-ray equipment we are planning to replace was manufactured in 2006 by Philips and has reached end of service life meaning many parts are no longer being manufactured for repairs. Installing new X-ray equipment will provide continued heart care for lake area residence as well as visitors. The new equipment will provide improved imaging while reducing radiation exposure to patients and caregivers. Additionally we will be installing additional lead shielding further reducing possible radiation exposure. With the improved images, we will be able to more accurately diagnose heart and vascular disease as well as calculate vessel sizes.

   No prior CON approval was required since the existing equipment was acquired for an amount below the expenditure minimum.

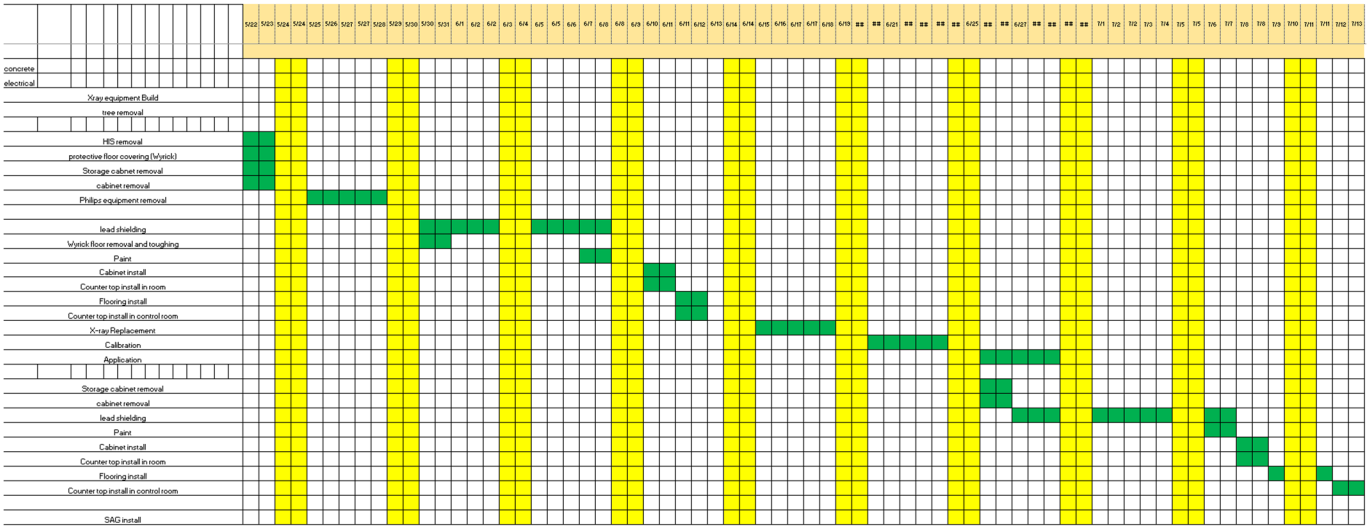
   Current Equipment: Philips Allura.

   Replacement Equipment: Philips Azurion.

2. Provide a listing with itemized costs of the medical equipment to be acquired and bid quotes.

   Please see Exhibit I.3.6, the "Philips cath lab room 2 quote".

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



Divider III

Service Specific Criteria and Standards

Divider III. Service Specific Criteria and Standards:

1. Describe the financial rationale for the proposed replacement equipment:

   Lake Regional Health System services as a Level II STEMI Center. It strives to provide the best possible patient care to not only the cardiac patients but to all the patients it serves. In order to continue to provide the best possible care, the imaging equipment that is end of service/end of life is needing to be replaced in order to provide this care without interruption.

2. Document if the existing equipment has exceeded its useful life:

   Philips notified Lake Regional on September 1, 2023 that its current Allura Xper FD20-538406 would be end of support on December 31, 2023. Please find attached letter notification Exhibit III.2 - -"Lab 2 EOS".

3. Describe the effect the replacement unit would have on quality of care:

   Replacing the imaging equipment in the cardiac cath lab would allow for continued cardiac care in the service area. It will allow Lake Regional to seamlessly provide top of the line imaging for patients undergoing a heart attack, chest pain, and peripheral disease among other disease processes. With the new equipment, Lake Regional is also able to provide lower dose radiation exposure to not only our patients but also our staff. It will also allow Lake Regional to expand into more of a hybrid model for our cases.

4. Document if the existing equipment is in constant need of repair:

   The current equipment is end of service and therefor holds the possibility of going down for maintenance without being able to be brought back up in service.

5. Document if the lease on the current unit has expired:

   There is no lease on the current equipment.

6. Describe the technological advancement provided by the new unit:

   The Philips Azurion system provides advanced solution options for vascular, non-vascular and embolization. The new system also has features such as user dose awareness, quantitative assessment of different size vessels, flexible positioning, coronary road mapping, and full table control.

7. Describe how patient satisfaction would be improved:

   Patients in the region will continue to be able to stay in the local area to receive high quality advanced heart care locally. They will also have a new state of the art table with cushioned table top for comfort.

8. Describe how patient outcomes would be improved:

   Patients would continue to receive the same high quality care with the advancements in technology. Patient outcomes will continue to remain positive. The word "heart attack" is devastating. It creates fear and a sense of urgency for our patients and their loved ones. Lake Regional Health System understands the emotional impact of this and makes every effort to respond with accuracy, transparency, and efficiency. Time critical fixes are the focus of every heart attack (STEMI) patient. Timely response by the staff and door to balloon times are critical. Routinely, patients and their families provide feedback regarding the availability and the desire to receive this type of care close to home.

9. Describe what impact the new unit would have on utilization:

   The new unit will allow for a more efficient way of documenting and collecting the imaging, thus allowing for more patients to be seen in a given day.

10. Describe any new capabilities that the new unit would provide:

    See response to Item III.6. The Philips Azurion system provides advanced solution options for vascular, non-vascular and embolization. The new system also has features such as user dose awareness, quantitative assessment of different size vessels, flexible positioning, coronary road mapping, and full table control.

11. By what percent will this replacement increase patient charges:

    Patient charges will not likely increase due to the current process and practices. Lake Regional Health System is currently capturing all patient charges through our system now and that will continue.

Ehhibit III.2

PHILIPS

September 01, 2023

Lake Regional Hospital
54 Hospital Dr
Osage Beach Missouri 65065
United States

Product End of Lifecycle Notification

For additional information please contact your Philips account manager or call 1-800-229-6417.
Reference campaign code **EOS Help**.

Dear Customer:

Ensuring your medical equipment is in good operating condition is critical to maintaining your standard of patient care. Knowing it is essential to your long-term planning to anticipate any changes in the lifecycle status of your medical equipment, we are notifying you in advance when systems approach an end of support status.

Based on an assessment of the system's reliability and our resources, we have designated or expect to designate your **Allura Xper FD20 - 538406** as End of Support (EoS) on **12/31/2023.** The EoS date signals the end of all Philips support. After the EoS date, we cannot safely and effectively maintain the system, and no service activity, whatsoever, will be executed.

We intend to continue supporting your system until the EoS date, under time & material or on contract on a commercially reasonable effort basis, but without guaranteed uptime commitments, and with limitations on renewing or extending the service contracts. Upon reaching the EoS date, applicable service agreements will be terminated, however, if Philips determines that the system can no longer be maintained in a safe or effective manner, then Philips may terminate service agreements prior to the EoS date, and any pre-paid amounts will be pro-rated and refunded.

Transitioning to the latest technology through upgrades or replacement may be your best long-term options and we will help facilitate a smooth transition. The SmartPath Program provides a portfolio of solutions and innovations designed to optimize, enhance, and transform existing imaging system capabilities with new Philips solutions.

Because you are a valued Philips customer, you may be eligible for loyalty incentives to help you transition to newer technology. Please contact your Account Manager to discuss options specific to your device and identify a solution that meets the evolving needs of your patients and clinicians. You can also check the Philips Customer Service Portal (www.customerservices.philips.com) for updates and notifications of the life cycle status.

If this equipent is no longer in use, please inform us so we can update our records.

Sincerely,

David A. Phillips
Services and Installed Base Marketing Leader
Philips North America

8. Describe how patient outcomes would be improved:

   Patients would continue to receive the same high quality care with the advancements in technology. Patient outcomes will continue to remain positive. The word "heart attack" is devastating. It creates fear and a sense of urgency for our patients and their loved ones. Lake Regional Health System understands the emotional impact of this and makes every effort to respond with accuracy, transparency, and efficiency. Time critical fixes are the focus of every heart attack (STEMI) patient. Timely response by the staff and door to balloon times are critical. Routinely, patients and their families provide feedback regarding the availability and the desire to receive this type of care close to home.

9. Describe what impact the new unit would have on utilization:

   The new unit will allow for a more efficient way of documenting and collecting the imaging, thus allowing for more patients to be seen in a given day.

10. Describe any new capabilities that the new unit would provide:

    See response to Item III.6. The Philips Azurion system provides advanced solution options for vascular, non-vascular and embolization. The new system also has features such as user dose awareness, quantitative assessment of different size vessels, flexible positioning, coronary road mapping, and full table control.

11. By what percent will this replacement increase patient charges:

    Patient charges will not likely increase due to the current process and practices. Lake Regional Health System is currently capturing all patient charges through our system now and that will continue.

Divider IV

Financial Feasibility Review Criteria and Standards

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**.**

   Please see the attached Exhibit IV.1, Lake Regional Health System's audited financial statements for the fiscal year ending April 30, 2024.

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

   Please see Exhibit IV.2, Missouri form **580-1865**

   Key Assumptions:

   Amount of Utilization = Key Stats (i.e., Patient Visits) from Lake Regional Health System's Axiom accounting software

   Average Charge = Gross revenue/Key Stats

   Gross Revenue = Budgeted gross revenue from Axiom accounting software

   Revenue Deductions = Gross revenue X 74%

   Salaries = Nurse and technician salaries + 28% from Axiom accounting software

   Fees = other expenses in Axiom accounting software

   Supplies = Supplies from Axiom accounting software

   Depreciation = 10 year depreciation of $960,991 for cost of X-ray equipment

   Overhead = Overhead was calculated using Axiom to determine total indirect costs calculated at 40% of direct expenses.

   Assumptions for patient visits, revenue and expenses were calculated using budget planning from Axiom accounting software from FY 2025 budget with 3% growth plan per year.

3. Document how patient charges are derived.

   Patient charges are derived based on Lake Regional Health System's historical charges.

4. Document responsiveness to the need of the medically indigent.

   Lake Regional Health System provides financial aid assistance to those patients who meet the eligibility tests and comply with the requirements of the State of Missouri. Lake Regional Health System also offers a Patient Discount Payment in certain circumstances.

Exhibit IV.1

Lake Regional Health System

Independent Auditor's Report and Consolidated Financial Statements

April 30, 2024 and 2023

Contents

Forvis Mazars, LLP
910 E. St. Louis Street
Springfield, MO 65806
P 417.865.8701 | F 417.865.0682
forvismazars.us

Independent Auditor's Report

Board of Directors
Lake Regional Health System
Osage Beach, Missouri

Opinion

We have audited the consolidated financial statements of Lake Regional Health System, which comprise the consolidated balance sheets as of April 30, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lake Regional Health System as of April 30, 2024 and 2023, and the results of its operations, changes in its net assets, 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 Consolidated Financial Statements" section of our report. We are required to be independent of Lake Regional Health System 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Lake Regional Health System'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Regional Health System'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.

Forvis Mazars, LLP

Springfield, Missouri
September 4, 2024

Lake Regional Health System
Consolidated Balance Sheets
April 30, 2024 and 2023

Assets

	2024	2023
Current Assets		
Cash and cash equivalents	$ 7,930,401	$ 7,908,111
Short-term investments	3,088,450	1,467,003
Assets limited as to use – current	-	1,348,134
Patient accounts receivable	31,901,779	31,865,377
Other receivables	3,713,804	2,868,101
Supplies	6,915,911	6,335,425
Prepaid expenses and other	3,214,029	4,213,383
Total current assets	56,764,374	56,005,534
Assets Limited As To Use		
Internally and externally designated	102,726,794	97,880,502
Held by trustee under indenture agreements	674,963	1,684,422
Deferred compensation plan assets	5,384,187	4,410,976
	108,785,944	103,975,900
Less amount required to meet current obligations	-	1,348,134
	108,785,944	102,627,766
Property and Equipment, At Cost		
Land and land improvements	13,635,276	13,150,880
Buildings and fixed equipment	154,668,377	135,010,416
Movable equipment	122,009,076	116,351,284
Construction in progress	2,840,952	16,044,241
	293,153,681	280,556,821
Less accumulated depreciation	196,059,731	182,992,822
	97,093,950	97,563,999
Other Assets		
Right-of-use assets - operating leases	351,893	422,472
Intangible assets, net	868,065	2,025,485
	1,219,958	2,447,957
Total assets	$ 263,864,226	$ 258,645,256

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2024	2023
Current Liabilities		
Current maturities of long-term debt and finance lease obligations	$ 1,345,073	$ 2,170,315
Accounts payable	15,278,498	12,434,992
Accrued payroll	3,337,125	2,751,378
Accrued vacation pay	4,675,888	4,327,956
Accrued payroll taxes and other expenses	7,182,153	6,669,375
Estimated amounts due to third-party payors	5,601,316	4,320,208
Total current liabilities	37,420,053	32,674,224
Deferred Compensation	5,384,187	4,178,369
Long-Term Debt		
Notes payable and finance lease obligations	2,439,167	1,530,127
Bonds payable	58,347,226	60,243,884
	60,786,393	61,774,011
Less current maturities of long-term debt	1,345,073	2,170,315
Total non-current long-term debt	59,441,320	59,603,696
Other Liabilities		
Operating lease liabilities	118,749	187,376
Total liabilities	102,364,309	96,643,665
Net Assets		
Without donor restrictions		
Undesignated - Health System	158,562,150	159,334,067
Noncontrolling interest	1,983,017	1,712,774
Total net assets without donor restrictions	160,545,167	161,046,841
With donor restrictions	954,750	954,750
Total net assets	161,499,917	162,001,591
Total liabilities and net assets	$ 263,864,226	$ 258,645,256

Lake Regional Health System
Consolidated Statements of Operations
Years Ended April 30, 2024 and 2023

	2024	2023
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue	$ 268,267,583	$ 264,247,578
Other	10,578,444	9,062,562
Total revenues, gains, and other support without donor restrictions	278,846,027	273,310,140
Expenses and Losses		
Salaries and wages	120,753,983	113,664,106
Employee benefits	23,725,181	22,343,350
Professional fees	14,097,405	14,852,883
Supplies and other	118,843,395	115,610,464
Depreciation and amortization	14,255,740	12,952,389
Interest	1,667,703	(183,099)
Total expenses and losses	293,343,407	279,240,093
Operating Loss	(14,497,380)	(5,929,953)
Other Income (Expense)		
Other	-	(41,000)
Investment return, net	11,257,184	1,292,522
Total other income (expense)	11,257,184	1,251,522
Deficiency of Revenues Over Expenses	(3,240,196)	(4,678,431)
Net assets released from restriction for property, plant, and equipment	-	371,059
Distributions to noncontrolling interest	(1,261,478)	(798,739)
Grants for acquisition of property and equipment	4,000,000	-
Decrease in Net Assets Without Donor Restrictions	$ (501,674)	$ (5,106,111)

Lake Regional Health System
Consolidated Statements of Changes in Net Assets
Years Ended April 30, 2024 and 2023

	2024	2023
Net Assets Without Donor Restrictions		
Deficiency of revenues over expenses	$ (3,240,196)	$ (4,678,431)
Net assets released from restriction for property, plant, and equipment	-	371,059
Distributions to noncontrolling interest	(1,261,478)	(798,739)
Grants for acquisition of property and equipment	4,000,000	-
Decrease in Net Assets Without Donor Restrictions	(501,674)	(5,106,111)
Net Assets With Donor Restrictions		
Net assets released from restrictions	-	(371,059)
Decrease in Net Assets With Donor Restrictions	-	(371,059)
Change in Net Assets	(501,674)	(5,477,170)
Net Assets, Beginning of Year	162,001,591	167,478,761
Net Assets, End of Year	$ 161,499,917	$ 162,001,591

Lake Regional Health System
Consolidated Statements of Cash Flows
Years Ended April 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	$ (501,674)	$ (5,477,170)
Items not requiring (providing) cash		
Depreciation and amortization	13,857,597	12,555,531
Net (gain) loss on investments	(7,506,466)	1,763,425
Loss on sale of property and equipment	4,560	372,688
Distributions to noncontrolling interest	1,261,478	798,739
Grants for acquisition of property and equipment	(4,000,000)	-
Changes in		
Patient accounts receivable	(36,402)	813,969
Supplies	(580,486)	689,926
Accounts payable and accrued expenses	5,046,112	1,635,672
Estimated amounts due to third-party payors	1,281,108	1,962,454
Other assets and liabilities	(6,729)	(1,521,648)
Contract liabilities	-	(7,566,536)
Net cash provided by operating activities	8,819,098	6,027,050
Investing Activities		
Purchases of investments	(34,049,538)	(9,267,531)
Proceeds from sale of investments	35,106,897	16,091,475
Purchases of property and equipment	(11,535,958)	(25,912,032)
Proceeds from sale of property and equipment	900	544,266
Net cash used in investing activities	(10,477,699)	(18,543,822)
Financing Activities		
Proceeds from issuance of long-term debt	140,499	-
Principal payments on long-term debt and financing lease obligations	(2,188,957)	(2,856,027)
Distributions to noncontrolling interest	(1,261,478)	(798,739)
Grants for acquisition of property and equipment	4,000,000	-
Net cash provided by (used in) financing activities	690,064	(3,654,766)
Decrease in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	(968,537)	(16,171,538)
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, Beginning of Year	9,671,703	25,843,241
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, End of Year	$ 8,703,166	$ 9,671,703

Lake Regional Health System
Consolidated Statements of Cash Flows
Years Ended April 30, 2024 and 2023

	2024	2023
Reconciliation of Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents to the Consolidated Balance Sheets		
Cash in current assets	$ 7,930,401	$ 7,908,111
Cash and cash equivalents in assets limited as to use	772,765	1,763,592
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	$ 8,703,166	$ 9,671,703
Supplemental Cash Flows Information		
Purchase of property and equipment in accounts payable	$ 1,790,062	$ 2,349,932
ROU assets obtained in exchange for new finance lease liabilities	$ 1,657,643	$ 247,000
ROU assets obtained in exchange for new operating lease liabilities	$ 194,327	$ -
Interest paid (net of amount capitalized)	$ 1,862,347	$ -

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Lake Regional Health System (the "Health System") owns and operates a short-term acute care facility, Lake Regional Hospital (the "Hospital"), in Osage Beach, Missouri. The Hospital also operates medical clinics. A wholly owned subsidiary, Lake Regional Medical Management, Inc., d/b/a Lake Regional Medical Group (Medical Management), operates medical clinics and retail pharmacies in Camden, Laclede, Miller, and Morgan counties.

The Hospital also has a 51% ownership of Lake Regional Imaging Partners, LLC (Imaging Partners). Imaging Partners is a limited liability company that operates an imaging center in Osage Beach, Missouri, which offers closed hybrid MRI services, PET and CT scans, ultrasound services, and radiography imaging services.

Lake Regional Health Foundation (the "Foundation") is a wholly owned subsidiary of the Health System. The Foundation is a not-for-profit entity whose sole purpose is to support the Health System's fundraising efforts to assist with educational and healthcare needs.

Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital, Medical Management, the Foundation, and Imaging Partners (collectively, the "Health System"). All material intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Noncontrolling Interest

Noncontrolling interest represents the 49% interest in the Imaging Partners the Health System does not own. For the years ended April 30, 2024 and 2023, changes in consolidated net assets without donor restriction attributable to the controlling financial interest of the Health System and the noncontrolling interest are:

	Total	Controlling Interest	Noncontrolling Interest
Balance, April 30, 2022	$ 2,897,069	$ 1,477,505	$ 1,419,564
Excess of revenues over expenses	2,228,467	1,136,518	1,091,949
Transfers to affiliate	(831,340)	(831,340)	-
Distributions to noncontrolling interest	(798,739)	-	(798,739)
Increase in net assets without donor restriction	598,388	305,178	293,210
Balance, April 30, 2023	3,495,457	1,782,683	1,712,774
Excess of revenues over expenses	3,125,960	1,594,239	1,531,721
Transfers to affiliate	(1,312,966)	(1,312,966)	-
Distributions to noncontrolling interest	(1,261,478)	-	(1,261,478)
Increase in net assets without donor restriction	551,516	281,273	270,243
Balance, April 30, 2024	$ 4,046,973	$ 2,063,956	$ 1,983,017

Cash and Cash Equivalents

The Health System considers all liquid investments with original maturities of three months or less to be cash equivalents. At April 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit. Uninvested cash and cash equivalents included in funds held by trustee under indenture agreements and certain internally designated funds are considered to be cash and cash equivalents.

At April 30, 2024, the Health System's cash accounts exceeded federally insured limits by approximately $3,949,000. Approximately $3,738,000 and $8,775,000 was held in a sweep account at April 30, 2024 and 2023, respectively, that due to the nature of the arrangement is covered by FDIC.

Debt Investments

Debt securities held by the Health System generally are classified and recorded in the consolidated financial statements as follows:

Classified as	Description	Recorded at
Trading	Securities that are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time	Fair value, with changes in fair value included in deficiency of revenues over expenses
Other than trading	Securities not classified as trading	Fair value, with unrealized gains and losses (for those which no allowance for credit losses are recorded) excluded from deficiency of revenues over expenses

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

When the fair value of securities is below the amortized cost, and the Health System will not be required to sell the security before recovery of its amortized cost basis, the Health System evaluates whether the decline in fair value has resulted from credit losses or other factors. If the present value of cash flows expected to be collected from the security are less than the amortized cost basis of the security, an allowance for credit losses is recorded for the credit loss, limited to the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is excluded from deficiency of revenues over expenses.

Circumstances of Impairment Considerations	Accounting Treatment for Credit Component	Accounting Treatment for Remaining Portion
Not intended for sale and more likely than not that the Health System will not have to sell before recovery of cost basis	Recognized as an allowance for credit loss	Excluded from excess (deficiency) revenues over expenses
Intended for sale or more likely than not that the Health System will be required to sell before recovery of cost basis	Recognized in excess (deficiency) revenues over expenses	

Equity Investments

The Health System measures equity securities, other than investments that qualify for the equity method of accounting, at fair value with changes recognized in deficiency of revenues over expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external, and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of operations or the consolidated statements of changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Health System maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Assets Limited As To Use

Assets limited as to use include (1) assets set aside by the Board of Directors for future capital improvements or which were originally received from donors over which the Board retains control and may at its discretion subsequently use for other purposes, (2) assets held by trustees, (3) assets restricted by donors, and (4) deferred compensation plan assets. Amounts required to meet current liabilities of the Health System are included in current assets.

Patient Accounts Receivable

Patient accounts receivable reflect the outstanding amount of consideration to which the Health System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others. As a service to the patient, the Health System bills third-party payors directly and bills the patient when the patient's responsibility for copays, coinsurance, and deductibles is determined. Patient accounts receivable are due in full when billed. Credit loss expense was not significant for the years ended April 30, 2024 and 2023.

Refund Liabilities

The consideration the Health System has received from patients for which it does not expect to be entitled to is recorded as a refund liability.

Other Assets

Other long-term assets include amounts with finite lives that are being amortized on the straight-line basis over a period of the life of the contract, approximately six years. Such assets are periodically evaluated as to the recoverability of their carrying values, see *Note 7*.

Contract Assets and Liabilities

Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract assets consist primarily of health care services provided to patients who are still receiving inpatient care in the Health System at the end of the year. Contract assets are included in patient accounts receivable on the consolidated balance sheets.

Amounts received related to health care services that have not yet been provided to patients are contract liabilities. Contract liabilities consist of Medicare advanced payments received under the provision of the *Coronavirus Aid, Relief, and Economic Securities Act* (CARES Act), see *Note 2*.

Supplies

Supply inventories are stated at the lower of cost, determined using the first-in, first-out method, or net realizable value.

Property and Equipment

Property and equipment acquisitions over $5,000 are stated at cost, less accumulated depreciation and amortization. This amount was $2,500 prior to the adoption of the new policy, effective March 2023. Depreciation and amortization are charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under finance lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Land improvements	5 - 40 years
Buildings and fixed equipment	5 - 40 years
Moveable equipment	3 - 20 years

Donations of property and equipment are reported at fair value as an increase in assets without donor restriction unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in assets without donor restriction when the donated asset is placed in service.

The Health System capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Interest expense includes bond premium amortization (see *Note 10)*.

At April 30, 2024, construction in progress represents costs incurred in connection with the construction of the Lebanon Clinic Surgery Center and the and the Meditech information technology migration project. The Clinic is being completed over three phases. Phase one and two cost $15,843,000, and were completed and placed into service on May 1, 2023. This construction was financed through the Series 2021 Bond funds. Phase three began construction during fiscal year 2024 and is budgeted to cost $16,000,000 of which funding for this project is expected to be obtained through grants, private donors, and ongoing operations of the Health System. The information technology project was finished and placed into service subsequent to year-end on May 1, 2024.

Long-Lived Asset Impairment

The Health System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended April 30, 2024 and 2023.

Debt Issuance Costs

Debt issuance costs, which relate to bonds payable, are being amortized over the life of the related bonds using the effective interest method of amortization. The Health System records these costs as direct deductions from the related debt, consistent with bond premiums.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Patient Service Revenue

Patient service revenue is recognized as the Health System satisfies performance obligations under its contracts with patients. Patient service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing patient care. The Health System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policies, and implicit price concessions provided to uninsured patients.

The Health System determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies, and historical experience by payor groups. The Health System determines its estimate of implicit price concessions based on its historical collection experience by classes of patients. The estimated amounts also include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations by third-party payors.

340B Outpatient Drug Discount Program

The Health System participates in the 340B outpatient drug discount program administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). The Health System receives discounts on certain outpatient drugs and benefits from contracts with certain local pharmacies to assist them in providing outpatient drugs.

Regulations associated with the program are complex and eligibility for the program is determined annually. Changes in 340B outpatient drug discount program regulations could have a significant impact on the operations of the Health System.

Charity Care

The Health System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Health System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as patient service revenue.

The Health System's direct and indirect costs for services furnished under its charity care policy aggregated approximately $6,888,000 and $9,088,000 in 2024 and 2023, respectively.

Contributions

Contributions are provided to the Health System either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Health System overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.,* the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Grant Revenue

Support funded by grants is generally considered a conditional contribution and recognized as the Health System performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency that, as a result of such audit, adjustments could be required.

During the year ended April 30, 2024, the Health System received a reimbursement-based state grant totaling $4,000,000 to fund expansion at a campus or surgical center to improve health access. The Health System has recorded the revenue within grants for acquisition of property and equipment on the consolidated statements of operations.

Professional Liability Claims

The Health System recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in *Note 8*.

Income Taxes

The Hospital and Foundation have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Hospital and the Foundation are subject to federal income tax on any unrelated business taxable income.

These exemptions do not apply to Medical Management. No provision for income taxes has been included for Medical Management as it has incurred operating losses since inception and has unused operating loss carryforwards which expire between 2023 and 2036.

Imaging Partners' members have elected to have the company's income taxed as a partnership under provisions of the Internal Revenue Code and a similar section of the state income tax law. Therefore, taxable income or loss is reported to the individual members for inclusion in their respective tax returns. To the extent that the operations of Imaging Partners are related to the Health System's tax-exempt purpose, its income will be exempt from income taxes.

The Health System files tax returns in the U.S. federal jurisdiction.

Deficiency of Revenues Over Expenses

The consolidated statements of operations include deficiency of revenues over expenses. Changes in net assets without donor restriction, which are excluded from excess of revenues over expenses, consistent with industry practice, include net assets released from restriction for property and equipment, grants for acquisition of property and equipment, and distributions to the noncontrolling interest.

Change in Accounting Principle

Effective May 1, 2023, the Organization adopted ASU 2016-13, *Financial Instrument – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, related to the impairment of financial instruments. This guidance, commonly referred to as current expected credit loss (CECL), changes impairment recognition to a model that is based on expected losses rather than incurred losses. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including notes receivables and trade receivables. It also applies to off-balance sheet credit exposures and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. Upon adoption of the guidance on May 1, 2023, the Organization recognized no impact on net assets.

Self-Insurance

The Health System has elected to self-insure certain costs related to employee health programs. Costs resulting from noninsured losses are charged to income when incurred. The estimated liability is included in accrued payroll taxes and other expenses in the accompanying consolidated balance sheets. The Health System has purchased insurance that limits its exposure for individual claims and that limits its aggregate exposure to $300,000 and $250,000 at April 30, 2024 and 2023, respectively.

Estimated claims incurred, but not paid activity for 2024 and 2023, are shown in the following table:

	2024	2023
Balance, beginning of year	$ 1,671,000	$ 1,684,000
Provision for claims incurred in current year	9,192,746	8,753,251
Payments for claims incurred in current and prior years	(9,640,746)	(8,766,251)
Balance, end of year	$ 1,223,000	$ 1,671,000

Note 2. COVID-19 Pandemic & CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic.

Because of these and other uncertainties, the Health System cannot estimate the length or severity of the effect of the pandemic on the Health System's business. Decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated implicit price concessions related to uninsured patient accounts, and potential impairments of long-lived assets.

Medicare Accelerated & Advanced Payment Program

During the year ended April 30, 2020, the Health System requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25% of the remittance advice payment followed by a six-month payback period at 50% of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29 months at a rate of 4%.

During the year ended April 30, 2020, the Health System received approximately $22,400,000 from these accelerated Medicare payment requests. During the year ended April 30, 2023, Medicare had applied the remaining $22,400,000 from these accelerated Medicare payment requests against filed claims.

Federal Emergency Management Agency (FEMA) Assistance

On March 13, 2020, a nationwide emergency declaration was declared for COVID-19. Under this emergency declaration, and subsequent major disaster declarations, certain organizations are eligible to apply for funding through FEMA's public assistance program. Funds are to be utilized to combat certain expenses to navigate the impact of the COVID-19 outbreak.

During the years ended April 30, 2024 and 2023, the Health System received and recognized approximately $425,000 and $875,000 of funds, respectively. These funds are included in other operating revenues in the accompanying consolidated financial statements.

In addition, the Health System has applied for approximately an additional $1,100,000 in FEMA public assistance. As of April 30, 2024, these funding requests were not yet obligated by FEMA and therefore have not been recognized within the consolidated financial statements on April 30, 2024. If these funding requests are approved in a subsequent period, the funds will be recorded in the period FEMA obligates the funds.

Note 3. Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Health System bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility and patient accounts receivable are due in full when billed. Revenue is recognized as performance obligations are satisfied.

Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Health System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total actual charges. The Health System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in

the Health System receiving inpatient acute care services or patients receiving services in its outpatient centers or in their homes (home care). The Health System measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to its patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the Health System does not believe it is required to provide additional goods related to the patient.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Health System has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period.

The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Transaction Price

The Health System determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policy, and implicit price concessions provided to uninsured patients. The Health System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Health System determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Third-Party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare. Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. The Health System is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare administrative contractor.

Medicaid. Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member. The Health System is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicaid administrative contractor.

The Health System receives reimbursement from the Medicaid program in relation to the percentage of Medicaid and indigent population they serve. Funding received in excess of costs to provide these services will be refunded to the state. As of April 30, 2024 and 2023, the Health System has recorded a liability of approximately $5,425,000 and $3,450,000 for the estimated portion of funding received in excess of costs, respectively, and is included in estimated amounts due to third parties on the consolidated balance sheets. It is reasonably possible that this estimate could materially change in the near term.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs.

There can be no assurance that regulatory authorities will not challenge the Health System's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Health System. In addition, the contracts the Health System has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to cost report or other audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Health System's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known based on newly available information or as years are settled or are no longer subject to such audits, reviews, and investigations.

Refund Liabilities

From time to time the Health System will receive overpayments of patient balances from third-party payors or patients resulting in amounts owed back to either the patients or third-party payors. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of April 30, 2024 and 2023, the Health System has a liability for refunds to third-party payors and patients recorded of approximately $2,375,000 and $1,530,000, respectively, and is included in accounts payable on the consolidated balance sheets.

Patient and Uninsured Payors

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Health System also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Health System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as credit loss expense.

Consistent with the Health System's mission, care is provided to patients regardless of their ability to pay. Therefore, the Health System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Health System expects to collect based on its collection history with those patients.

Patients who meet the Health System's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

Revenue Composition

The Health System has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors and service lines. Tables providing details of these factors are presented below.

The composition of patient service revenue by primary payor for the years ended April 30, 2024 and 2023, is as follows:

	2024	2023
Medicare	$ 118,515,980	$ 122,650,227
Medicaid	38,786,063	45,548,547
Other third-party payors	107,013,705	92,832,826
Patients	3,951,835	3,215,978
	$ 268,267,583	$ 264,247,578

Revenue from patients' deductibles and coinsurance are included in the categories presented above based on the primary payor.

The composition of patient service revenue based on service lines for the years ended April 30, 2024 and 2023, is as follows:

	2024	2023
Hospital - inpatient	$ 68,293,789	$ 70,769,591
Hospital - outpatient	145,268,746	143,995,585
Physician services and clinics	54,705,048	49,482,402
	$ 268,267,583	$ 264,247,578

The Health System does not have a significant amount of revenue from methods of reimbursement other than fee for service.

For the years ended April 30, 2024 and 2023, the Health System recognized revenue of approximately $26,000,000 and $25,000,000, respectively, from goods and services that transfer to the customer at a point in time.

Financing Component

The Health System has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Health System's expectation that the period between the time the service is provided to a patient and the time the patient or a third-party payor pays for that service will be one year or less.

However, the Health System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Cost

Contract assets consist primarily of health care services provided to patients who are still receiving inpatient care in the Health System at the end of the year. Contract assets are transferred to receivables when the rights become unconditional. Contract liabilities represent the Health System's obligation to provide services to patients when consideration has already been received from the patient or a third-party payor.

The following table provides information about the Health System's receivables and liabilities from contracts with customers:

	2024	2023
Accounts receivable, beginning of year	$ 31,865,377	$ 32,679,346
Accounts receivable, end of year	31,901,779	31,865,377
Contract liabilities, beginning of year	$ -	$ 7,566,536
Contract liabilities, end of year	-	-

The Health System has no significant contract assets at April 30, 2024 or 2023.

Note 4. Concentrations of Credit Risk

The Health System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at April 30, 2024 and 2023, is:

	2024	2023
Medicare	38%	34%
Medicaid	10%	12%
Other third-party payors	41%	36%
Patients	11%	18%
	100%	100%

Note 5. Contributions Receivable

During the year ended April 30, 2024, the Health System was awarded approximately $2,700,000 through an irrevocable trust. As of April 30, 2024, the amounts had not been paid out and, therefore, the Health System has the amount recorded under other receivables on the consolidated balance sheets and the revenue recorded under other operating revenue on the consolidated statements of operations. Subsequent to year-end, the Health System received an interim payment of $2,160,000 of the award.

Note 6. Investments and Investment Return

Investments at April 30, 2024 and 2023, include:

	2024	2023
Cash equivalents	$ 11,278,304	$ 10,366,831
U.S. governmental agency obligations	12,707,789	13,137,839
Corporate obligations	4,280,478	5,183,891
Equity mutual funds	75,328,508	67,977,263
Fixed income mutual funds	7,156,938	5,739,473
Equity securities	1,014,330	2,922,888
Certificates of deposit	100,000	100,000
Interest and dividends receivable	8,047	14,718
	$ 111,874,394	$ 105,442,903

Investments are included on the consolidated balance sheets as follows:

	2024	2023
Short-term investments	$ 3,088,450	$ 1,467,003
Assets limited as to use		
Internally designated	101,755,397	96,925,752
Externally restricted by donors	971,397	954,750
Held by trustee under indenture agreements	674,963	1,684,422
Deferred compensation plan assets	5,384,187	4,410,976
	$ 111,874,394	$ 105,442,903

Investment Return

Total investment return is comprised of the following:

	2024	2023
Realized gains (losses) on trading securities	$ 5,525,052	$ (248,144)
Unrealized gains (losses) on trading securities	1,981,414	(1,515,311)
Interest and dividend income	3,750,718	3,055,977
	$ 11,257,184	$ 1,292,522

Total investment return is reflected in the consolidated statements of operations and changes in net assets as follows:

	2024	2023
Net assets without donor restrictions		
Other nonoperating income	$ 11,257,184	$ 1,292,522

Note 7. Acquired Intangible Assets

The carrying basis and accumulated amortization of recognized intangible assets for a remote hosting right of use intangible asset at April 30, 2024 and 2023, were as follows:

	2024	2023
Gross carrying amount	$ 6,558,714	$ 6,558,714
Accumulated amortization	5,690,649	4,533,229
	$ 868,065	$ 2,025,485

Amortization expense for the years ended April 30, 2024 and 2023, was $1,157,420 both years. The remote hosting agreement was placed in service and amortized beginning on June 15, 2019. The estimated remaining amortization expense as of April 30, 2024, is as follows:

2025	$ 868,065

Note 8. Professional Liability Claims

The Health System purchases medical malpractice insurance under a claims-made policy. Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered. The Health System also purchases excess umbrella liability coverage, which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy.

Based upon the Health System's claims experience, an accrual has been made for the Health System's estimated medical malpractice costs, including costs associated with litigating or settling claims, under its malpractice insurance policy. It is reasonably possible that this estimate could change materially in the near term. At April 30, 2024 and 2023, an accrual of approximately $200,000 for probable settlements is included in accrued payroll taxes and other expenses on the accompanying consolidated balance sheets. The Health System had no receivable recorded as of April 30, 2024 and 2023.

The estimates are continually reviewed and adjustments are recorded as experience develops or new information becomes known. The time period required to resolve these claims can vary depending upon whether the claim is settled or litigated. The estimation of the timing of payments beyond a year can vary significantly. Although considerable variability is inherent in professional liability reserve estimates, the Health System believes reserves for losses and loss expenses are adequate based on information currently known. It is reasonably possible that these estimates could change materially in the near term, including claims that exceed insurance coverage limits.

Note 9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the April 30, 2024 and 2023, comprise the following:

	2024	2023
Total financial assets		
Cash and cash equivalents	$ 7,930,401	$ 7,908,111
Short-term investments	3,088,450	1,467,003
Patient accounts receivable, net	31,901,779	31,865,377
Other receivables	3,713,804	2,868,101
Assets limited as to use	108,785,944	103,975,900
Total financial assets	155,420,378	148,084,492
Less amounts not available to be used within one year		
Held by trustee under indenture agreements	674,963	1,684,422
Externally restricted assets	954,750	954,750
Deferred compensation plan assets	5,384,187	4,410,976
Financial assets not available to be used within one year	7,013,900	7,050,148
Financial assets available to meet general expenditures within one year	$ 148,406,478	$ 141,034,344

The Health System has certain Board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

The Health System has other assets limited to use for debt service and for deferred compensation plan assets. These assets limited to use are not available for general expenditure within the next year.

As part of the Health System's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Health System invests cash in excess of daily requirements in short-term investments.

Note 10. Long-Term Debt

	2024	2023
Series 2021 Health Facilities Revenue Bonds (A)	$ 51,400,000	$ 51,400,000
Series 2019 Health Facilities Revenue Bonds (B)	-	1,500,000
Note payable (C)	-	144,087
Note payable (D)	-	78,459
Finance leases (E)	1,612,340	236,023
Imaging Partners note payable (F)	686,328	1,071,558
Notes payable - vehicles (G)	141,983	-
	53,840,651	54,430,127
Plus unamortized bond premium	7,657,305	8,105,538
Less unamortized debt issuance costs	711,563	761,654
Less current maturities	1,345,073	2,170,315
	$ 59,441,320	$ 59,603,696

(A) Series 2021 Health Facilities Revenue Bonds issued in the original amount of $51,400,000 with stated interest rates ranging from 3.0 percent to 5.0 percent; maturing annually at varying amounts through February 2051. Unamortized debt issuance costs were $711,563 and $753,216 at April 30, 2024 and 2023, respectively.

The Health and Educational Facilities Authority of the State of Missouri (the “Authority”) issued the Series 2021 Bonds (the “Bonds”) on behalf of the Health System. The Bonds are payable from the net revenues of the Health System and secured by certain assets restricted under the Master Trust Indenture dated as of July 15, 1996, and Supplemental Master Trust Indentures issued with each series of bonds (collectively, the “Indentures”). The Bonds have not been guaranteed by the Authority or the State of Missouri.

The Indentures require that certain funds be established with the trustee. Accordingly, these funds are included in the consolidated financial statements as assets limited as to use held by trustee. The Indentures also require the Health System to comply with certain restrictive covenants including maintaining minimum insurance coverage, maintaining a historical debt service coverage ratio of 1.10 to 1, and complying with restrictions on incurrence of additional debt.

(B) Series 2019 Health Facilities Revenue Bonds issued in the original amount of $8,000,000. The stated interest rate is fixed at 3.20 percent. The Bonds are payable in monthly installments including interest through maturity January 1, 2024. Unamortized debt issuance costs were $0 and $8,438 at April 30, 2024 and 2023, respectively. This bond was paid in full during the year ended April 30, 2024.

(C) Due December 2023; payable $18,273 monthly, including stated interest at 4 percent; secured by real property. This note was paid in full during the year ended April 30, 2024.

(D) Due December 2023; payable $10,152 monthly, including stated interest at 4 percent; secured by real property. This note was paid in full during the year ended April 30, 2024.

(E) Finance lease obligations, payable in monthly installments, including interest rates from 4.66 percent to 6.63 percent secured by the equipment. At April 30, 2024 and 2023, the net book value of equipment under these finance leases was $1,588,589 and $222,300, including accumulated amortization of $317,014 and $619,626, respectively.

(F) Due February 2026; payable $35,445 monthly, including stated interest at 4 percent. The note payable is secured by a second deed of trust on the Imaging Center, second lien on business assets, and second assignment of rents.

(G) Various 60-month term notes payable for vehicles, payable in monthly installments including implicit interest at 8.4 percent, with initial effective dates during the year ended April 30, 2024. The notes payable are secured by the purchased vehicles.

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on finance lease obligations at April 30, 2024, are:

	Long-Term Debt (Excluding Finance Lease Obligations)	Finance Leases
2025	$ 989,079	$ 450,326
2026	1,465,026	445,246
2027	1,183,100	445,169
2028	1,243,100	403,674
2029	1,303,100	90,032
Thereafter	46,044,906	-
	$ 52,228,311	1,834,447
Less amount representing interest		222,107
Present value of future minimum lease payments		1,612,340
Less current maturities		355,994
Noncurrent portion		$ 1,256,346

Imaging Partners had a $600,000 revolving line of credit that expired in February 2024. The line was renewed February 7, 2024, and is set to expire in February 2025. At April 30, 2024 and 2023, there were no amounts borrowed against this line. This line was collateralized by Imaging Partners equipment. Interest was payable monthly at prime, with a floor of 6.5% at April 30, 2024.

The Health System opened a revolving line of credit in March 2023. On May 13, 2024, this was not canceled by the Health System. At April 30, 2024 and April 30, 2023, there were no amounts borrowed against this line. Interest was payable monthly at a rate per annum equal to the WSJ Prime Rate for such day minus 0.50% as of April 30, 2024.

Note 11. Functional Expenses

The Health System provides health care services primarily to residents within its geographic area. Certain costs attributable to more than one function have been allocated among the health care services and general and administrative classifications based on the direct assignment, expenses, and other methods. The following schedule presents the natural classification of expenses by function as follows:

	2024			
	Health Care Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 94,677,336	$ 25,916,788	$ 159,859	$ 120,753,983
Employee benefits	18,608,129	5,092,010	25,042	23,725,181
Professional fees	11,071,754	3,025,651	-	14,097,405
Supplies and other	93,251,827	25,506,728	84,840	118,843,395
Depreciation and amortization	11,196,106	3,059,634	-	14,255,740
Interest	1,309,773	357,930	-	1,667,703
Total expenses	$ 230,114,925	$ 62,958,741	$ 269,741	$ 293,343,407

	2023			
	Health Care Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 90,895,305	$ 22,605,440	$ 163,361	$ 113,664,106
Employee benefits	17,899,720	4,443,630	-	22,343,350
Professional fees	11,898,952	2,953,931	-	14,852,883
Supplies and other	92,616,034	22,951,505	42,925	115,610,464
Depreciation and amortization	10,376,427	2,575,962	-	12,952,389
Interest	(146,684)	(36,415)	-	(183,099)
Total expenses	$ 223,539,754	$ 55,494,053	$ 206,286	$ 279,240,093

Note 12. Retirement Plan

The Hospital has a defined contribution retirement plan which covers substantially all employees. The Hospital's contributions to the plan are determined annually by the Board of Directors. The plan includes provisions for employees to make voluntary contributions pursuant to Internal Revenue Code Section 401(k). Retirement plan expense for the years ended April 30, 2024 and 2023, was approximately $2,735,000 and $2,515,000, respectively.

Note 13. Related Party Transactions

In the ordinary course of business, the Health System purchases legal, banking, investment management, and similar services from organizations with employees or partners represented on the Health System's Board of Directors. Management believes such services are purchased at fair value. Each member of the Board of Directors is required to complete a disclosure statement annually with regard to any possible conflicts of interest.

Note 14. Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2024 and 2023:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
April 30, 2024				
U.S. governmental agency obligations	$ 12,707,789	$ -	$ 12,707,789	$ -
Corporate obligations	4,280,478	-	4,280,478	-
Fixed income mutual funds	7,156,938	7,156,938	-	-
Equity mutual funds	75,328,508	75,328,508	-	-
Equity securities	1,014,330	1,014,330	-	-
Cash equivalents	11,278,304	11,278,304	-	-
Total	$ 111,766,347	$ 94,778,080	$ 16,988,267	$ -
April 30, 2023				
U.S. governmental agency obligations	$ 13,137,839	$ -	$ 13,137,839	$ -
Corporate obligations	5,183,891	-	5,183,891	-
Fixed income mutual funds	5,739,473	5,739,473	-	-
Equity mutual funds	67,977,263	67,977,263	-	-
Equity securities	2,922,888	2,922,888	-	-
Cash equivalents	10,366,831	10,366,831	-	-
Total	$ 105,328,185	$ 87,006,455	$ 18,321,730	$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended April 30, 2024.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Health System has no investments classified as Level 3.

Note 15. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerability due to certain concentrations. Those matters include the following:

Variable Consideration

Estimates of variable consideration in determining the transaction price for patient service revenue are described in *Notes 1* and *3*.

Medical Malpractice and Employee Health Claims

Estimates related to the accrual for employee health insurance and medical malpractice claims are described in *Notes 1* and *8*.

Litigation

In the normal course of business, the Health System is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Health System evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Investments

The Health System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

Note 16. Information Technology Commitment

The Health System has entered into an agreement as of January 11, 2019, with a national revenue cycle software company to provide software support and other services for the Health System through 2025. The future amounts to be paid are as follows:

2025	$ 1,378,622
	$ 1,378,622

Note 17. Leases

Accounting Policies

The Health System determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Health System determines lease classification as operating or finance at the lease commencement date.

The Health System combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its real estate leases. The lease components consist of real estate property. The nonlease components consist of maintenance service for common maintenance areas that the Health System has the ability to use.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Health System uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Health System uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to the Health System's secured debt yields corresponding to the lease commencement date.

The lease term may include options to extend or to terminate the lease that the Health System is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Health System has elected not to record leases with an initial term of 12 months or less on the consolidated balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term. Additionally, the Health System has elected not to record intercompany leases in accordance with ASU 2016-02, *Leases,* Topic 842. This election by management has no impact on the consolidated financial statements as a whole; however, the supplemental consolidating schedules within the consolidating financial statements are not prepared within generally accepted accounting principles due to this election by management.

Nature of Lease

The Health System has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of equipment for the use of medical procedures and information technology, payable in monthly installments through 2028 at various interest rates from 4.66% to 6.63%. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases

The Health System leases various information technology equipment, medical equipment, and buildings for the operational use of the Health System.

The Health System leases buildings and other office space for the use of the Health System. The buildings leased by the Health System expire in various years through 2026. The leases contain renewal period options from one-year to five-year renewals, in which the Health System does not expect to execute.

Short-Term Leases

The Health System leases certain equipment based upon demand. The expected lease terms are less than 12 months. Total lease expense included in operating expenses for periods ended April 30, 2024 and 2023, was $81,669 and $126,155, respectively.

All Leases

The Health System has no material related party leases.

The Health System's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the periods ended April 30, 2024 and 2023:

	2024	2023
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	$ 275,687	$ 72,571
Interest on lease liabilities	80,826	10,761
Operating leases cost	284,030	332,263
Short-term lease cost	81,669	126,155
Total lease cost	$ 722,212	$ 541,750
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 356,513	$ 83,332
Financing cash flows from finance leases	279,723	100,510
Operating cash flows from operating leases	284,030	332,263
Right-of-use assets obtained in exchange for new financing leases	1,657,643	247,000
Right-of-use assets obtained in exchange for new operating leases	194,327	-
Weighted average remaining lease term		
Finance lease	4.18	2.46
Operating leases	1.74	1.87
Weighted average discount rate		
Finance lease	6.28%	4.43%
Operating leases	5.00%	1.85%

Future minimum lease payments and reconciliation to the consolidated balance sheets at April 30, 2024, are as follows:

	Operating Leases	Finance Leases
2025	$ 233,144	$ 450,326
2026	105,501	445,246
2027	28,881	445,169
2028	-	403,674
2029	-	90,032
Total future undiscounted lease payments	367,526	1,834,447
Less interest	15,633	222,107
Lease liabilities	$ 351,893	$ 1,612,340

The operating leases and finance leases are included in the consolidated balance sheets as of April 30, 2024 and 2023, as follows:

		2024	2023
Operating Leases	**Balance Sheet Location**		
Operating lease right-of-use assets	Right-of-use assets - operating leases	$ 351,893	$ 422,472
Current operating lease liabilities	Accrued payroll taxes and other expenses	233,144	235,096
Long-term operating lease liabilities	Other long-term liabilities	118,749	187,376
Finance Leases	**Balance Sheet Location**		
Current finance lease liabilities	Current maturities of long-term debt	$ 450,326	$ 89,860
Long-term finance lease liabilities	Notes payable and finance lease obligations	1,162,014	146,163

Note 18. Subsequent Events

Subsequent events have been evaluated through September 4, 2024, which is the date the consolidated financial statements were issued.

Certificate of Need Program

Exhibit IV.2

SERVICE-SPECIFIC REVENUES AND EXPENSES

Project Title: Cath Lab Imaging Equipment Lake Re **Project #:** 6162

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

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.

	Year 2026	2027	2028
Amount of Utilization:*	850	946	974
Revenue:			
Average Charge**	$40,123	$41,326	$42,565
Gross Revenue	$34,104,550	$39,094,396	$41,458,310
Revenue Deductions	25,237,367	28,929,853	30,679,149
Operating Revenue	8,867,183	10,164,543	10,779,161
Other Revenue	0	0	0
TOTAL REVENUE	**$8,867,183**	**$10,164,543**	**$10,779,161**
Expenses:			
Direct Expenses			
Salaries	795,899	819,775	844,367
Fees	229,507	236,392	243,483
Supplies	2,042,221	2,103,487	2,166,591
Other	0	0	0
TOTAL DIRECT	$3,067,627	$3,159,654	$3,254,441
Indirect Expenses			
Depreciation	100,000	100,000	100,000
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	1,227,051	1,263,862	1,301,776
TOTAL INDIRECT	$1,327,051	$1,363,862	$1,401,776
TOTAL EXPENSES	**$4,394,678**	**$4,523,516**	**$4,656,217**
NET INCOME (LOSS):	**$4,472,505**	**$5,641,027**	**$6,122,944**

*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.