Certificate of Need Application

Heartland Regional Medical Center
Project 6186 HS

Submitted to the Missouri Health Facilities Review Committee
May 1, 2025

Heartland Regional Medical Center dba Mosaic Life Care
5325 Faraon Street
St. Joseph, MO 64506

Certificate of Need Program

NEW OR ADDITIONAL EQUIPMENT APPLICATION

Applicant's Completeness Checklist and Table of Contents

Project Name: Heartland Rgional Medical Center Project No: 6186 HS

Project Description: Acquire Monoplane and EP Mapping System for Additional Cardiac EP Lab

Done	Page	N/A	Description
			Divider I. Application Summary:
✓	3		1. Applicant Identification and Certification (Form MO 580-1861)
✓	4-5		2. Representative Registration (From MO 580-1869)
✓	6-7		3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.
			Divider II. Proposal Description:
✓	9, 15-55		1. Provide a complete detailed project description and include equipment bid quotes.
✓	9		2. Provide a timeline of events for the project, from CON issuance through project completion.
✓	10-11		3. Provide a legible city or county map showing the exact location of the project.
✓	11		4. Define the community to be served and provide the geographic service area for the equipment.
✓	12		5. Provide other statistics to document the size and validity of any user-defined geographic service area.
✓	13		6. Identify specific community problems or unmet needs the proposal would address.
✓	13		7. Provide the historical utilization for each of the past three years and utilization projections through the first three (3) **FULL** years of operation of the new equipment.
✓	13		8. Provide the methods and assumptions used to project utilization.
✓	13, 56		9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
✓	57-58		10. Provide copies of any petitions, letters of support or opposition received.
✓	56		11. Document that providers of similar health services in the proposed service area have been notified of the application by a public notice in the local newspaper.
✓	59-65		12. Document that providers of all affected facilities in the proposed service area were addressed letters regarding the application.
			Divider III. Service Specific Criteria and Standards:
✓	67		1. For new units, address the minimum annual utilization standard for the proposed geographic service area.
		✓	2. For any new unit where specific utilization standards are not listed, provide documentation to justify the new unit.
		✓	3. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit.
		✓	4. For evolving technology address the following:
		✓	- Medical effects as described and documented in published scientific literature;
		✓	- The degree to which the objectives of the technology have been met in practice;
		✓	- Any side effects, contraindications or environmental exposures;
		✓	- The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies;
		✓	- Food and Drug Administration approval;
		✓	- The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal;
		✓	- The degree of partnership, if any, with other institutions for joint use and financing.
			Divider IV. Financial Feasibility Review Criteria and Standards:
✓	70-111		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.
✓	112		2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
✓	69		3. Document how patient charges are derived.
✓	69		4. Document responsiveness to the needs of the medically indigent.

DIVIDER I.

Application Summary

Divider I. Application Summary

1. **Applicant Identification and Certification (Form MO 580-1861).**

   See Exhibit 1.1

2. **Representative Registration (Form MO 580-1869).**

   See Exhibit 1.2

3. **Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.**

   See Exhibit 1.3

Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

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

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

Title of Proposed Project	Project Number
Heartland Regional Medical Center	6186 HS
Project Address *(Street/City/State/Zip Code)*	**County**
5325 Faraon Street, St. Joseph, MO 64506	Buchanan

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
Heartland Regional Medical Center	5325 Faraon Street, St. Joseph, MO 64506	816-271-6000

List All Operator(s): *(List entity to be licensed or certified.)*	Address (Street/City/State/Zip Code)	Telephone Number
Heartland Regional Medical Center dba Mosaic Life Care	5325 Faraon Street, St. Joseph, MO 64506	816-271-6000

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
Tony Claycomb		President, Mosaic Life Care Medical Center St. Joseph
Telephone Number	**Fax Number**	**E-mail Address**
816-271-1312	816-271-7125	tony.claycomb@mymlc.com
Signature of Contact Person		**Date of Signature**
		4/30/2025

MO 580-1861 (03/13)

Certificate of Need Program

REPRESENTATIVE REGISTRATION

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

Project Name	Number
Heartland Regional Medical Center	6186 HS

(Please type or print legibly.)

Name of Representative	Title
Tony Claycomb	President, Mosaic Life Care Medical Center St. Joseph

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other)	Telephone Number
Heartland Regional Medical Center	816-271-1312

Address (Street/City/State/Zip Code)

5325 Faraon Street, St. Joseph, MO 64506

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
Heartland Regional Medical Center	8162716000

Address (Street/City/State/Zip Code)

5325 Faraon Street, St. Joseph, MO 64506

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
TC	4/4/25

MO 580-1869 (11/01)

Certificate of Need Program

REPRESENTATIVE REGISTRATION

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

Project Name	Number
Heartland Regional Medical Center	6186 HS

(Please type or print legibly.)

Name of Representative	Title
Lacey Clark	Director, Cardiology Services

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other)	Telephone Number
Heartland Regional Medical Center	816-271-6630

Address (Street/City/State/Zip Code)

5325 Faraon Street, St. Joseph, MO 64506

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
Heartland Regional Medical Center	8162716000

Address (Street/City/State/Zip Code)

5325 Faraon Street, St. Joseph, MO 64506

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
Lacey Clark	04/03/2025

MO 580-1869 (11/01)

Certificate of Need Program

PROPOSED PROJECT BUDGET

Description	Dollars
COSTS:*	*(Fill in every line, even if the amount is "$0".)*
1. New Construction Costs ***	$204,700
2. Renovation Costs ***	$0
3. Subtotal Construction Costs (#1 plus #2)	$204,700
4. Architectural/Engineering Fees	$0
5. Other Equipment (not in construction contract)	$0
6. Major Medical Equipment	$1,181,029
7. Land Acquisition Costs ***	$0
8. Consultants' Fees/Legal Fees ***	$0
9. Interest During Construction (net of interest earned) ***	$0
10. Other Costs ***	$0
11. Subtotal Non-Construction Costs (sum of #4 through #10	$1,181,029
12. Total Project Development Costs (#3 plus #11)	$1,385,729 **
FINANCING:	
13. Unrestricted Funds	$1,385,729
14. Bonds	$0
15. Loans	$0
16. Other Methods (specify)	$0
17. Total Project Financing (sum of #13 through #16)	$1,385,729 **
18. New Construction Total Square Footage	1,020
19. New Construction Costs Per Square Foot *****	$200
20. Renovated Space Total Square Footage	0
21. Renovated Space Costs Per Square Foot ******	$0

* *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.*

Project Name: Heartland Regional Medical Center **Project Number:** 6186 HS

Date: 4/10/2025

CON Purposes Only

Item	Scope of Work	Total
Construction Cost	Electrical, mechanical, concrete, cabling, structural supports	$ 184,700
Lead Shielding	Estimated cost for lead shielding components and doors	$ 20,000
	Total Construction	**$ 204,700**
Major Medical Equipment	Philips Azurion 7 M12 Monoplane Ceiling Mounted Image Guided Therapy System	**$ 1,181,029**
	Total Project Cost	**$ 1,385,729**

DIVIDER II.

Proposal Description

Divider II. Proposal Description

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

   With the aging population, abnormal cardiac arrhythmias like atrial fibrillation and supraventricular tachycardia are becoming more common. Advances in electrophysiology (EP) technology are providing more effective treatments and options. However, Mosaic currently has only one EP lab, leading to long wait times for procedures and decreases the diagnosis and treatment for patients with abnormal cardiac rhythms. To address this, Mosaic Life Care proposes acquiring a Philips Azurion Monoplane and EP mapping system to establish an additional Cardiac EP lab on the first floor of the hospital in the shelled-out lab 5 in our existing Cath Lab department. This new lab will also perform other cardiac procedures such as cardiac catheterizations, device placements, transesophageal echocardiograms (TEE), and cardioversions .

   See Exhibit 2.1.

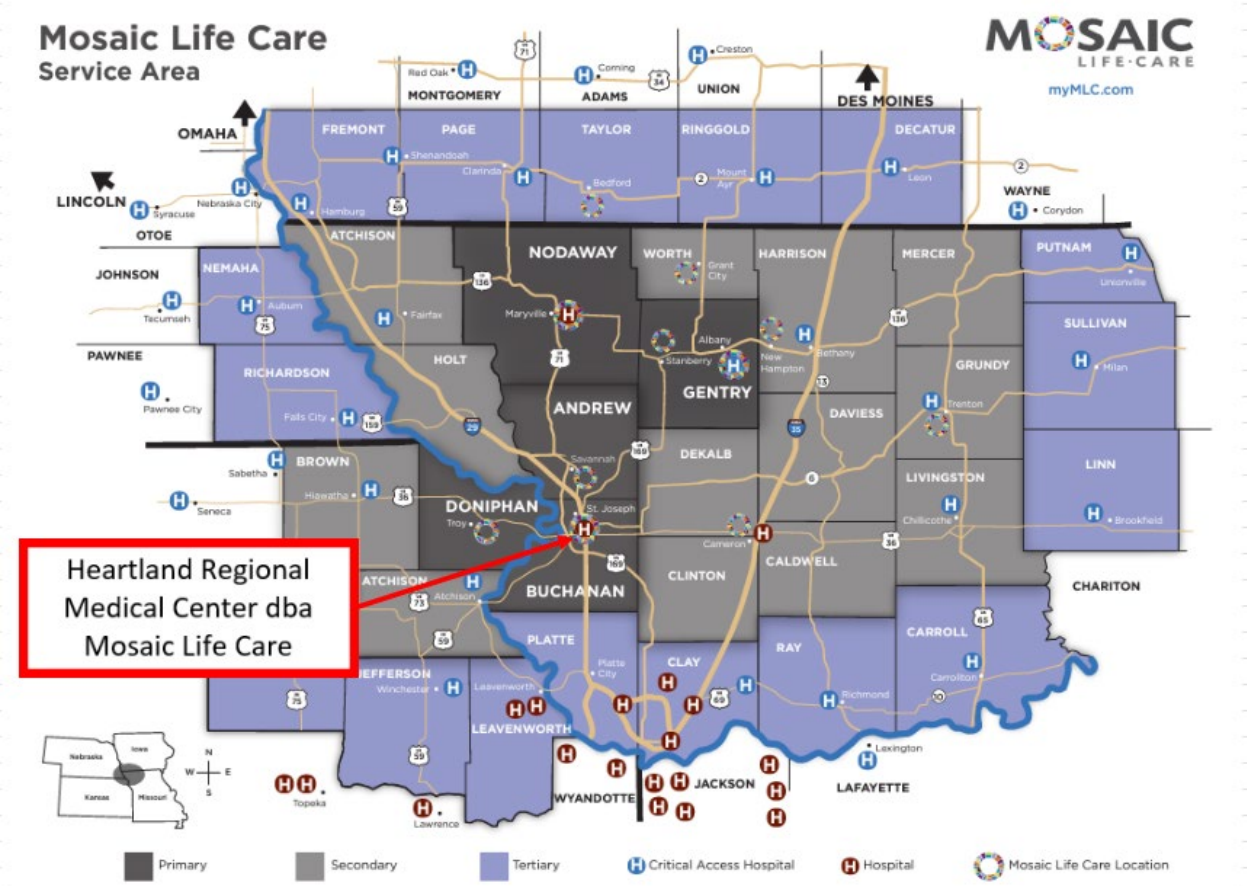
2. **Provide a timeline of events for the project, from CON issuance through project completion.**

Missouri CON Decision	-	July 2025
Design	-	August 2025
Order Equipment	-	August 2025
Construction Begins	-	December 2025
Construction Completed	-	April 2026
Installation of Equipment	-	April 2026
Monoplane EP Equipment Operational	-	May 2026

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

   Refer to the Mosaic Service Area map and city aerial map on the following pages.


St Joseph Memorial Park Cemetery
Frederick Boulevard Baptist Church
Drury Inn & Suites St. Joseph
N Riverside Rd
Cracker Barrel Old Country Store
Mosaic Medical Center - St. Joseph
One Hundred and Two River
Heartland Regional Medical Center dba Mosaic Life Care
Faraon St
N Riverside Rd
Missouri Western State University
Tyson Foods
Family Center Farm & Home St. Joseph
Altec Industries



4. **Define the community to be served and provide the geographic service area for the equipment.**

   Mosaic Health System Service Area is comprised of 18 counties in Northwest Missouri and Northeast Kansas. The system currently includes four hospitals and more than 60 clinical facilities.

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

   Refer to tables on the following page.

The following table provides population estimated for the Missouri counties in Mosaic Life Care's primary and secondary service areas.

County	State	Total Population	65+ Population
Andrew	MO	18,167	3,775
Buchanan	MO	86,745	15,814
Gentry	MO	6,399	1,396
Nodaway	MO	21,118	3,743
Doniphan	*KS*	*7,569*	*1,677*
Primary Service Area		**139,998**	**26,405**
Atchison	MO	4,842	1,330
Caldwell	MO	9,286	1,999
Clinton	MO	20,833	4,119
Daviess	MO	8,287	1,833
DeKalb	MO	12,774	2,407
Grundy	MO	9,441	2,195
Harrison	MO	8,035	1,928
Holt	MO	4,182	1,202
Livingston	MO	15,380	3,247
Mercer	MO	3,567	895
Worth	MO	2,015	529
Atchison	*KS*	*15,810*	*3,102*
Brown	*KS*	*9,428*	*2,149*
Secondary Service Area		**123,880**	**26,935**
Total Service Area		**263,878**	**53,340**

The following table provides population estimated for the Missouri counties in Mosaic Life Care's tertiary service areas.

County	State	Total Population	65+ Population
Linn	MO	11,556	2,676
Putnam	MO	4,606	1,180
Sullivan	MO	5,778	1,162
Decatur	*IA*	*7,625*	*1,674*
Fremont	*IA*	*6,946*	*1,784*
Page	*IA*	*15,037*	*3,740*
Ringgold	*IA*	*4,932*	*1,319*
Taylor	*IA*	*6,202*	*1,549*
Nemaha	*NE*	*6,892*	*1,603*
Richardson	*NE*	*7,795*	*2,153*
Tertiary Service Area		**77,369**	**18,840**

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

   As a trusted partner in our community, we would like the ability to utilize an additional procedural lab, so our patients receive quicker diagnosis and treatment of heart conditions, potentially saving lives and improving patient outcomes through minimally invasive procedures and access to specialized expertise within our service area. This would allow our patients to stay local to have their procedures and avoid traveling elsewhere for their care.

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

Past Three Years: Total Cath Lab Procedures (# of Cath Lab rooms)	**First Three Full Years of Operation:**
Year 1 – 2,410 (3)	Year 1 Projection – 3,048
Year 2 – 2,348 (3)	Year 2 Projection – 3,200
Year 3 – 2,432 (3)	Year 3 Projection – 3,360

   Year 1 projection is based off current volumes plus expected staffing. The other years are calculated with a 5% growth factor.

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

   Existing physician utilization applied to recent/future staff additions factoring in physician growth with 3-year ramp-up.

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

   A public notice was published in the St. Joseph News-Press on 04/18/25. No consumer input was received after publication.

   See Exhibit 2.9.

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

    See Exhibit 2.10.

11. **Document that providers of similar health services in the proposed service area have been notified of the application by a public notice in the local**

newspaper.

See Exhibit 2.9.

12. Document that providers of all affected facilities in the proposed service area were addressed letters regarding the application.

See Exhibit 2.12.

PHILIPS

Exhibit 2.1

Sold to:
Mosaic Life Care/Heartland Health
5325 Faraon St
Saint Joseph, MO 64506-3488

Presented By
open Anthony Adair
Philips Healthcare a division of Philips North America LLC
414 Union Street
Nashville, Tennessee 37219
Email: territory_management@philips.com

Quote #: Q-00495233
Customer #: 94038489
Quote Date: 04/28/25
Valid Until: 07/28/25

Mosaic New EP Lab

Thank you for investing your trust in Philips; we know that there were many options out there for you to choose from. As the industry leader in Healthcare, we also pride ourselves on providing great Customer Service.
I am pleased to submit the attached proposal for your consideration.
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.
To ensure a smooth purchasing experience here are a few helpful tips to keep in mind when submitting your purchase order.

- Please specify any specific delivery date requirements or shipping/delivery needs
- Ensure your purchase order references the Philips quote number
- Purchase orders must be signed digitally or physically
  or
- Complete the information on the quote Signature Page

Thank you again for considering Philips.

Regards,

Angela Kuehn

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).

PHILIPS

Table of Content

PHILIPS

1. Quote Summary

Line	Article No.	Description	Qty	Net Price
1	**722233**	**Azurion 7 M12**		
1.1	NNAT321	Azurion 7 C12	1	$ 669,425.40
1.2	NNAE709	Low Load Fluoro (LLF) UPS - 5	1	$ 0.00
1.3	989806130836	480V - IGT Compact Low Load Fluoro - Modulys 75KVA	1	$ 44,100.00
1.4	NNAE732	No, not ordering IntraSight 7	1	$ 0.00
1.5	NNAT255	No, existing customer	1	$ 0.00
1.6	989801256034	iXR Full Travel Pkg OffSite	2	$ 4,716.00
1.7	NNAE675	Azurion Clinical Education Pkg	1	$ 0.00
1.8	NCVD067	ClarityIQ	1	$ 116,550.19
1.9	NCVD031	FlexVision XL + 2 LCD's	1	$ 111,835.98
1.10	FCV0974	3rd party video cloning (2 output)	1	$ 9,499.12
1.11	NCVD061	optional ref monoplane	1	$ 5,308.33
1.12	NCVD063	Switchable Monitors	1	$ 35,761.40
1.13	NCVD064	Extension to FlexVision Pro	1	$ 40,231.58
1.14	FCV0914	X-ray Live/Ref video cloning	1	$ 6,146.49
1.15	FCV0981	Video input WCB on 1st MCS	2	$ 12,219.22
1.16	FCV0985	Video input WCB outside the MCS	8	$ 20,732.72
1.17	NCVD078	FD Dual Fluoro monoplane	1	$ 19,561.49
1.18	NCVA082	Intercom	1	$ 2,128.92
1.19	NCVA197	pedestal	1	$ 10,032.18
1.20	NCVC199	Wireless footswitch: mono-plane version	1	$ 7,822.80
1.21	NCVD079	2nd touch screen module	1	$ 9,932.73
1.22	NCVD606	Premium Table (Pivot, APC, Volcano)	1	$ 33,481.62
1.23	**722240**	**Remote Service IGT**		
1.24	459801079651	Cabinet Rear Cover	1	$ 506.24
1.25	459801613311	Cabinet Rear Cover Deep	2	$ 3,978.44
1.26	989600205302	FLOORPLATE AD5/AD7(NONSWIVEL)	1	$ 932.03
1.27	459800938361	Clip rails for Monitor Ceiling Carriage (390cm, 153.5")	1	$ 1,669.61
1.28	459800706722	MONITOR CEILING CARRIAGE	1	$ 7,264.04
Promotion Discount:				$ -15,000.00
• IGTS EXTRA VALUE PROMO				**$ 1,158,836.53**

PHILIPS

2	**100133**	**CV Third Party Products**		
2.1	989806100590	Port2 Lamp Yled 70K-lux focus&arm	1	$ 6,374.57
2.2	989806100465	Port2 Track250cm&Trolley column 57cm	1	$ 5,788.57
2.3	989804306796	Port2 cable spooler 250CM	1	$ 993.19
2.4	989804306745	MD/Portegra2 LeadShield OT50001	1	$ 5,210.81
2.5	989801220375	Black Anti-fatigue Floor Mat w/logo.	1	$ 383.52
				$ 18,750.66
3	**989806100589**	**Lower Body Protection UT70-10NSWS**	1	$ 3,441.95

	Total Net Price
Promotion Discount	$ -15,000.00
Total Net Price	**$ 1,181,029.14**

(Optional Items)

Line	Article No.	Description	Qty	Net Price
1	**722233**	**Azurion 7 M12**		
	722351	**(Opt) EchoNavigator**		
	NCVD551	(Opt) EchoNav R4 license	*1*	*$ 171,223.69*
2	**100133**	**CV Third Party Products**		
	NNAT150	(Opt) Equipment Rack - Round	*1*	*$ 44,056.86*

PHILIPS

2. Quote Details

Line	Description	Qty
1	**Azurion 7 M12** **Article No. 722233**	

Promotion Name	**Promotion description**
IGTS EXTRA VALUE PROMO	For a limited time, customers purchasing new or remanufactured Azurion or Allura systems may receive a special $15,000 discount. To be eligible for this offer, system purchased must meet minimum configuration criteria and orders must be received by 12/31/25.

1.1	**Azurion 7 C12** **Article No. NNAT321**	1

Azurion 7 C12

The Philips Azurion 7 M12 Monoplane Ceiling Mounted Image Guided Therapy system is designed to enhance treatment and provide high-quality image guidance for a wide range of routine and complex cardiovascular interventions. The intuitive Azurion user interface and its seamless integration of data and compatible applications help you optimize lab performance and provide superior care.

Key benefits :

- Powerful imaging chain with a high resolution 30 cm detector (12”) and high-power MRC 200+ x-ray tube with grid-switch functionality
- Excellent patient access with unique G-shaped stand, which is designed to reach patient’s groin with system positioned at head-end
- Centralized controls with Azurion Touch Screen Module (TSM) at table side, reducing clutter and avoiding sterility breaks
- Azurion ProcedureCards allow creation of customizable system presets to drive for procedure efficiency and standardization of care
- New video infrastructure allows to display, access, and control up to 20 multimodality video sources across the lab

Details :

With Azurion’s industry-leading Image Guided Therapy platform, we reinforce our commitment to you and your patients. Our goal is to help you effectively meet today’s challenges so that you are ready for the future. As the interventional space evolves, we continuously enhance our Azurion platform capabilities based on our close collaboration with clinical users all over the world to strive for a better user experience. The latest release of our Philips Azurion platform offers a redesigned network video infrastructure streamlining integration and distribution of video signals across your interventional lab. The key concept of seamless integration has been further enhanced by integrating compatible applications on the Azurion Touch Screen module such as IVUS imaging and physiologic iFR measurements with Philips IntraSight or hemodynamic measurements with the Philips Interventional Hemodynamic system. New remote secure network capabilities improve our capability to discover system issues before they become apparent to you so that you can achieve the high lab uptime, that lets you treat more patients.

At Philips, we feel a responsibility towards society and the environment. The latest Azurion 7 M12 Monoplane Ceiling Mounted system perfectly exemplifies our EcoVision program. We drastically reduced the product's environmental impact by examining every aspect of the Azurion 7 M12 design and development with a green eye.

System Geometry

Ceiling-mounted stand

The unique G-shaped stand is designed to allow positioning the patients groin area in the image beam, even if the C-arm is positioned at head-end. The fully motorized system geometry with high-end motor drives enables fast system positioning and excellent repositioning accuracy. The gantry rotation features three auto-stop positions (doctor-side, head-end, nurse-side) to simplify system positioning for 3D acquisitions and overlays. C-arc movements (rotation and angulation), as well as gantry rotations, can also be executed manually for better patient access in case of a power outage situation. Collision prevention technology (BodyGuard) is in place to protect the patient by slowing down system movement speeds when an object is detected within a certain safety distance. The incorporated 30 cm detector (12) provides a significantly bigger field of view and higher resolution, compared to previous 25cm (10) technology, while its compact design still allows for steep projections.

Workflow and dose management

ProcedureCards

The Azurion ProcedureCards for system setup can be customized based on user, procedure, or department workflow preferences. Further, it is possible to upload hospital checklists and/or protocols into the ProcedureCards to help safeguard the consistency of interventional procedures and help minimize preparation errors. The ProcedureCards can be coupled to hospital RIS codes to automatically select the right system settings once the procedure is started.

Parallel Working

The Azurion Parallel Working concept allows the review of acquired images from current or previous exams in the control room simultaneously with an ongoing live intervention. This allows the physician in the exam room to carry with the intervention, while the supporting staff can run image processing, vessel analysis, or flag images for PACS export. The concept provides a flexible workflow, leading to higher throughput and faster exam turnover without compromising on the quality of care.

Dose management and awareness

DoseWise comprises a set of technologies to actively manage dose. The X-ray tube copper filtration will permanently remain in the X-ray beam for a chosen X-ray protocol, independent of projection angle or patient thickness. Grid-switch controlled fluoroscopy and collimation on the last-image-hold help to avoid unnecessary radiation. The high-resolution flat detector features high X-ray-to-signal conversion rates to support brilliant image quality. Advanced image processing further enhances high image quality through automatic noise reduction and edge enhancement algorithms. After the procedure is finished, a DICOM radiation dose structured report provides an overview of all dose-relevant parameters, which can be automatically exported with the patient images to a DICOM database (e.g. PACS).

Zero Dose Positioning

Zero Dose Positioning function lets you move the stand, pan the table, and change table height or field-of-view on your Last Image Hold (LIH) image. This means you can already see the effect of changing the gantry position or field-of-view format on your region of interest to prepare for your next acquisition without using additional fluoroscopy.

Monitor solutions

Monitor concept (control room)

The default control room configuration consists of two 24 color monitors (acquisition and review) for patient administration and X-ray image display/review. The acquisition monitor features a status bar, which replicates the same system information shown in the exam room (incl. dose values, system positioning, and system messages). The review monitor can be used to review any acquired images with Parallel Working, perform measurements, and access general system settings e.g. for the creation and adjustment of Procedure Cards or to open the electronic Instruction for Use (IFU).

Monitor concept (exam room)

Unless otherwise stated, the default monitor solution in the exam room is a ceiling-suspended rail system, which holds a monitor carriage for 2 widescreen monitors (2F MCS) and is delivered with one 27 monitor. The rail system enables both longitudinal and transversal movements so that the monitors can be flexibly positioned on both table sides and from foot-end to head-end. This ensures access to relevant information during the procedure, independently of the user position. The 27 monitor is used to display the Live/Reference images. The Live image view contains a status bar, which displays all relevant system values such as geometry positioning, select X-ray settings, current dose values, and general system messages.

System controls & user interface

Touch screen module (exam room)

The Azurion touch screen module (TSM) is positioned at the table side in the exam room and is the backbone of the system. The unique aspect of the Azurion TSM is its multi-modality readiness, which means that it allows access and control of other compatible applications. The TSM can be clamped to any of the OR rails, which are located on three sides of the patient table. It comes with a protective frame which is designed to reduce collisions with other equipment in the room.

Azurion control modules (exam room)

One system control module and a viewpad are delivered as standard. The control module provides the controls required to adjust the position of the table and stand, and to perform imaging functions during the acquisition. It has a protection bar that prevents unintended system activation. The orientation of the Azurion control module can be adjusted so that system control remains intuitive and any system movements remain predictable independent of which table rail the control module is clamped to. The viewpad is a handheld remote control that is usually stored in a respective holder next to the TSM. It can be used to control the viewing of acquired images or to allocate acquired images to the reference windows from anywhere in the examination room.

Azurion review module (control room)

The review module is used to switch the Azurion system on or off and offers further buttons to control the basic review functions for the control room acquisition monitor.

Footswitch (exam room)

The function allows the user to perform exposure, fluoroscopy, single-shot exposure, and switch the room light on and off (if connected to the electronic infrastructure of the room light).

Connectivity and security

DICOM compatibility

The Azurion system includes a DICOM image interface, which enables the transfer of DICOM data/clinical images from and to a DICOM destination such as RIS/CIS, PACS or Medical DVD station. The export formats are based on DICOM 3.0 protocols with a fast Ethernet link to make images available within seconds. The DICOM archiving process can be configured in the system settings: images can either be sent automatically or manually upon completion of the examination. The export format is configurable in 512x512 or 1024x1024 matrix in 8- or 10-bit depth. Examination data can be sent to multiple destinations for archiving and reviewing purposes. The DICOM image interface provides DICOM Storage and DICOM Storage Commitment Services. With DICOM Query/Retrieve historic DICOM XA MF and DICOM SC studies can be uploaded to the system.

Security

The Philips Azurion system is based on an embedded Windows 10 Operating system, which offers features such as OS Hardening, AppLocker, and BitLocker functionality. The Azurion is further protected by a firewall, which primary function is to avoid unsolicited and unnecessary traffic from the interventional lab toward the Hospital Network such as multicast (mDNS, SSDP), internal proprietary Azurion broadcast (IST, CWIS), and internal proprietary Azurion traffic for IANA ephemeral ports (TCP/UDP 49152-65535).

Proactive remote services

The Philips 24/7 remote support keeps your lab up and running smoothly and helps you treat more patients. Our remote services make use of proactive model-based analytics to identify issues and enable our service team to have them resolved before you are even aware that there has been an issue. Having your Azurion system connected to our secure VPN based remote network not only enables us to implement operating system security patches timely but also increases our first-time-right fix rate due to continuous system log filing. Philips is committed to ensuring the safety and security of patients, operators, and customers and operates with an ISO/IEC 27001 certified security infrastructure and under its binding corporate rules to ensure that data privacy is always addressed.

Technology Maximizer Essential

Technology Maximizer Essential program keeps your technology up to date to maximize its operational performance

This program is included in your Azurion release 3 system purchase, for 5 years from the system installation date, Philips will provide the following if and when available during the coverage term:

- Core system software release upgrade
- Operating system (OS) update
- Safety and security updates as approved and communicated by Philips for the system and as part of the core system software release
- Clinical/technical training is not included unless operational workflows are modified due to a core release upgrade
- A computer hardware upgrade is provided to support a core system software upgrade
- Does not include upgrades to clinical applications

Specifications

X-ray generator
Minimum switching time
1 ms

Ceiling-mounted stand
C-arm Z rotation
-90° to +90°
C-arm Z rotation speed
12°/sec
C-arm rotation in head-end position
120° LAO, 120° RAO
C-arm rotation in side position
45° LAO, 45° RAO
C-arm angulation head-end position
45° cranial, 45° caudal
C-arm angulation in side position
120° cranial, 120° caudal
C-arm rotation/angulation speed
up to 25°/sec
Longitudinal movement
260 cm (102.4")
C-arm depth
105 cm (41.3“)

Fluoroscopy modes
Fluoroscopy storage
enabled with FluoroStore button on control module
Fluoroscopy storage capacity
up to 2000 images
Grid-switched pulsed fluoroscopy
Yes

Ceiling-mounted stand
Focal spot to isocenter
76.5 cm (30.1“)
Isocenter-to-floor distance

106.5 cm (41.9“)
Source-to-image distance
89 - 123.5 cm (35 - 48.6")
Installation height
290 cm or 270 cm (114.2" or 106.3") false ceiling height

Monitor concept (exam room)
Longitudinal movement of monitor rail
max. 330 cm (129.9“)
Transversal movement of monitor rail
max. 293 cm (115.4“)
Height movement of monitor frame
32 cm (12.6“) or 52 cm (20.5“), depending on ceiling height
Rotation range of monitor frame
360°
Amount of monitors delivered
1 x 27”color monitor
Resolution of monitors
1,920 x 1,080 Full HD

Monitor concept (control room)
Amount of monitors delivered
2 x 24”color monitors

Flat detector
Maximum field of view
30 cm (12“) diagonal
X-ray sensitive area
1,344 x 1,344 pixels

X-ray tube (MRC 200+ GS 0508)
Focal spot size
0.5/0.8 nominal focal spot values
Loadability
max. 45 kW resp. 85 kW on small resp. large focal spot
Fluoro power for 10 min
4,500 W
Fluoro power for 20 min
4,000 W
Anode heat dissipation
21,000 W
Max. assembly continuous heat dissipation
4,000 W

X-ray generator
Voltage range
40 - 125 kV
Maximum current
1000 mA at 100 kV

X-ray tube (MRC 200+ GS 0508)
Anode target angle
9°
Extra pre-filtration
0.1, 0.4, 0.9 mm Cu and 1 mm Al backing

Flat detector
Detector zoom fields
30, 27, 22, 19, 15 cm (12, 10.6, 8.7, 7.5, 5.9“)
Pixel pitch
154 micrometer x 154 micrometer
DQE (0)
77% at 0 lp/mm
MTF at 1 lp/mm
59% (typical)
Detector bit depth
16 bits

Digital acquisition X-ray protocols
Image storage
100,000 images (based on 1,024 matrix)
Cardio and cine mode
3.75 - 30 images/sec

X-ray generator
Nominal power
100 kW
Maximum continuous power
2.5 kW for 15 minutes, 1.5 kW for 8 hours

Monitor concept (control room)
Resolution of monitors
1,920 x 1,080 Full HD

Fluoroscopy modes
Pulse rates
0.5 - 30 images / second

Quantitative Coronary Analysis

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.

Specification

- 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.

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)

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

Black Anti-fatigue Floor Mat w/logo.
36"x60"

Advanced Room Solutions Plus

Details

Advanced Room Solutions Plus facilitates an interactive 3D lab visualization of 2D site plans allowing for a more intuitive understanding of the entire solution before it is installed. It enables an interactive lab design that allows viewing of standard room templates, interaction with systems and models, and creation of 3D customized room layouts and site plans, and configuration of multiple rooms.

Includes
The Azurion is delivered with the following patient table accessories: lower body protection UT70-10WS, pan handle, set of elbow supports and arm support board.

Disclaimers

The Philips Azurion 7 M12 is a Medical Device as defined in Regulation (EU) 2017/745 (EU-MDR). The Philips Azurion 7 C12 is a commercial package and represents a base configuration of the Azurion 7 M12 medical product.

The content and specifications of the base configuration can be altered by adding additional options to the system configuration. Typical examples are the amount and characteristics of viewing monitors in the exam and control room, enabled X-ray protocols, or table specifications. If altered specifications apply, this will be listed in the respective option article.

The Azurion system delivered can deviate from the product image shown depending on options selected as part of the overall configuration.

The compatible applications Philips SmartCT, Philips IntraSight and Philips Hemo System are independent medical products, which have to be purchased separately. Their commercial availability depends on local clearance. Please reach out to your local sales representative for further information.
Azurion 7 C12

1.2	**Low Load Fluoro (LLF) UPS - 5** **Article No. NNAE709**	1
1.3	**480V - IGT Compact Low Load Fluoro - Modulys 75KVA** **Article No. 989806130836**	1

Details

Low Load Fluoro (LLF) UPS - 5
75kva Socomec Low Load Fluoro (LLF) UPS - 5:
Enough battery to perform fluoro for five minutes (assumes batteries are in good condition) (1 cabinet plus remote display panel).
Tested and approved 3-phase double conversion Low Load UPS enables the system to be used normally with low load fluoro and the exception of the exposure functionality.
Run time 5 mins (typical 8 min)
UPS has a compatibility statement with Philips Imaging Systems.

PHILIPS

1.4	**No, not ordering IntraSight 7** **Article No. NNAE732**	1
1.5	**No, existing customer** **Article No. NNAT255**	1
1.6	**iXR Full Travel Pkg OffSite** **Article No. 989801256034**	2

Details

Includes one (1) participant's modest 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.

Philips Clinical Services cancellation policies strictly enforced; policy provided during scheduling process.

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

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

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).

1.8 **ClarityIQ** 1
Article No. NCVD067

Introduction

Low 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

Details

Azurion 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 Azurion. 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

Includes

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 Azurion.

1.9 **FlexVision XL + 2 LCD's** 1
Article No. NCVD031

FlexVision XL is an integrated viewing solution designed to give you full control over your viewing environment.
This FlexVision XL 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 display multiple, up to 8, video inputs (including third party systems) to inform decision making during procedures
• Create custom display templates to support diverse procedures
• The screen layout of the FlexVision XL 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. You can display multiple images in a variety of custom layouts on a large 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
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 XL as a photo image to the current acquisition patient study.

1.10 **3rd party video cloning (2 output)** 1
Article No. FCV0974

Introduction

A video cloning license to a 3rd party system.

Details

Replicate up to two full HD video signals to a 3rd party system.

Includes

The Live/Ref license is part of this video option.

1.11 **optional ref monoplane** 1
Article No. NCVD061

Additional Ref2 and Ref3 viewport

Key benefits
• Easily display any data or clinical information needed to work efficiently

Simplify workflow with flexible viewing control
Having patient data and clinical information easily available on screen can enhance decision making and efficiency during interventions. Optional ref monoplane offers an additional video output of the X-ray system offering an additional Ref2 and Ref3 viewport on one LCD monitor.
Combined with the Dual Fluoro license this enables users to zoom live images during acquisition, while having the Dual Fluoro image visible on the Ref3 viewport.

1.12 **Switchable Monitors** 1
Article No. NCVD063

Introduction

The switchable monitor option allows you to manage up to 16 displays across the 27"monitors in the examination room. You can display video and applications from the Azurion system and auxiliary systems.

Key Benefits

- Display any data or clinical information based on your current needs
- Smoothly switch screen layouts
- Drag and drop icon to switch inputs

Includes

- Up to 16 monitor displays are supported such as Live image, Reference image, frontal and lateral projections, and auxiliary systems
- Users can assign a video source to a monitor through the video switching user interface on the touch screen monitor
- The same video source can be displayed simultaneously on different monitors
- No 27"monitor is provided with this option

1.13 **Extension to FlexVision Pro** 1
Article No. NCVD064

Introduction

With FlexVision Pro license the user can control the monitor and video sources on displayed on the FlexVision through a wireless mouse as well as virtual keyboard and touchpad on the touch screen module (TSM) in the Examination Room. An operator can resize images and adjust the screen layout during the procedure without going into configuration.

Key Benefits

- Define and manage the layout of the preset and alter the displayed content
- Display a downscaled version of the FlexVision content in a new monitor
- Captured screenshots with a single click
- 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

Includes

- Mouse and keyboard function on the touch screen module to control external sources
- Includes the license to downscale FlexVision to a 3rd party full HD monitor

1.14 **X-ray Live/Ref video cloning** 1
Article No. FCV0914

Details

Replicate one video signal from the Azurion system to a monitor installed in the monitor ceiling suspension in the exam room with Full HD as the output display.

1.15 **Video input WCB on 1st MCS** 2
Article No. FCV0981

Introduction

A wall connection box attached to the mounting ceiling suspension platform, providing one connection point, DVI or Display Port, to the Azurion system.

Details

The wall connection box attached to the mounting ceiling suspension platform (MCS) provides one connection point, DVI or Display Port, to the Azurion system for Ethernet, video, and USB (Universal Serial Bus). The system powers it and can be installed in the examination room. Once the connection is established it is possible to display a video source (up to FHD resolution) on a monitor and control the connected system.

Includes

1. One cable 3 m DVI-I to DVI-I (3m) and one cable DisplayPort to DisplayPort (3m)

2. A wall connection box, supporting resolutions up to 1920 x 1200 x 60 Hz (WUXGA)

1.16 **Video input WCB outside the MCS** 8
Article No. FCV0985

Key Benefits

- Cable length: 3 m DVI-I to DVI-I cable and 3 m DP to DP cable
- Supported resolutions: up to 1920 x 1200 x 60 Hz (WUXGA)
- Supported features: EDID (Extended Display Identification Data) / DDC2, Hot Plug Detect optionally
- If required, an HDMI-DVI cable can be ordered separately

Details

The wall connection box provides one connection point, DVI or Display Port, to the Azurion system for Ethernet, video, and USB (User Service Bus). It can be installed in the control room, the examination room, and the technical room and is powered by the hospital mains. Once the connection is established it's possible to display a video source on a monitor and control the connected system.

1.17 **FD Dual Fluoro monoplane** 1
Article No. NCVD078

An additional fluoro channel in parallel to the standard fluoro channel

Key benefits
• View the subtracted fluoroscopy next to the default non subtracted fluoroscopy
• View a digitally zoomed fluoroscopy image next to the default fluoroscopy image

Second fluoro image to support complex interventions
For complex interventions, it can be useful to view the subtracted fluoroscopy image next to the normal fluoroscopy image. The Dual Fluoro option provides an additional fluoro channel in parallel to the default fluoro channel. The dual fluoro option allows to view live digitally zoomed fluoroscopy next to non-zoomed fluoroscopy.

Specifications
The Dual fluoroscopy mode is selected via the touch screen module.
The trace subtracted fluoro image will be displayed on the live viewport, the non-subtracted fluoro image is displayed on the reference 3 viewport.
In Dual Fluoro mode, the live fluoroscopy image can be zoomed digitally, providing a larger view of the region of interest for complex interventions. The zoomed live fluoroscopy image will be shown on the live viewport, while the entire non zoomed image will be shown on the reference 3 viewport.
The fluoro zoom function is controlled via the touch screen module.

1.18 **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.

1.19 **pedestal** 1
Article No. NCVA197

The pedestal creates an additional work spot to operate the system in the examination room.

Key Benefits
• Easy system control from different locations

Full control where you need it
To help your interventional suite work as efficiently as possible, no matter what layout or case mix it has, you can add this additional work spot to easily control the system from various locations in the Examination Room.

Specifications
The pedestal is provided with additional geometry and imaging modules. It offers the possibility to hold the X-ray footswitch. Optionally an additional touch screen module can be mounted on the pedestal, creating a work spot with full system control. The pedestal is connected to the system by means of a wall connection box. A cable length of 8 meter allows the user to position the pedestal freely around the patient table. The pedestal has been designed with stability and ease of use in mind and can be moved towards the wall connection box when not in use.

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 **2nd touch screen module** 1
Article No. NCVD079

Key Benefits
• Control system operations with a second touch screen module

Tablet-like touch screen control
During an intervention flexible control of applications and system operations can support fast decisions and communication with team members. The touch screen module provides fast, tablet-like touch response to control system operations. Up to three touch screen modules can be connected to the X-ray system: on the table, on the pedestal and in the control room.

Specifications
The second touch screen module is similar to the standard touch screen module and provides touch screen control of displayed functionality. The following functions can be made available providing the relevant commercial options have been selected:
- Acquisition settings
- Image processing controls
- Channel selection for MultiVision
- Automatic position control (optional)
- Quantitative Analysis controls (optional)
- Xcelera and IntelliSpace Portal viewing (optional)
- Interventional tool controls (optional)
- 3D-RA, Dynamic 3D Roadmap (optional)
- StentBoost, 3D-CA (optional)
- XperCT, XperGuide (optional)
- XIM physio monitoring controls (optional)

Connectivity:
A maximum of 3 touch screen modules can be connected to the X-ray system:
- one touch screen module on the table
- one touch screen module in the Control Room
- one touch screen module on the pedestal

1.22 **Premium Table (Pivot, APC, Volcano)** 1
Article No. NCVD606

PHILIPS

Introduction

The Azurion premium patient table is designed to support a full range of interventional procedures. It enables automated positioning, clinical flexibility and is ready to support IVUS and physiology imaging at table side.

Key Benefits

- Remarkably high patient load ability, while enabling effortless table panning
- Allows for emergency CPR in any table position
- Excellent patient positioning with remarkable flexibility and easy patient transfer
- Save time and manage X-ray dose with automatic positioning
- Prepared for IVUS and physiology integration at table side with a Philips IntraSight system

Details

The Azurion premium patient table supports a wide range of routine and complex interventional procedures. The table is equipped with a feather-light free floating table top for remarkably high patient load ability, whilst enabling effortless table panning. It is also designed to allow for emergency cardiopulmonary resuscitation (CPR) in any table position.

The table is equipped with our pivot feature simplifying transradial access, upper extremity angiography and patient transfer. One finger push-to-pivot allows effortless patient positioning. The table moves with minimal friction, making it even easier to move larger patients. A secure mechanism locks the tabletop in place to prevent it from moving.

The included full system Automatic Position Control (APC) functionality is designed to save time and manage X-ray dose. Reproducing precise coordinates (height, longitudinal and lateral positions) is critical for obtaining accurate visualizations. Therefore, the table features an easy way to recall and store stand and table positions, to help manage x-ray dose and improve efficiency. The integrated tabletop brake kit also prevents the tabletop from floating when power goes off.

The table comes with the required cabling pre-installed to connect a Philips IntraSight system that allows for easy control of your IVUS and physiology imaging at table side. The cabling is neatly routed through the table base, reducing clutter and supporting a clean work environment.

Specifications

Patient table

Table height (min./max.)	74 -104 cm (29.1 inch - 40.9 inch)	**Tabletop length (incl. OR rail)**	319 cm (125.6 inch)
Tabletop width	50 cm (19.7 inch)	**Max. table load**	275 kg (606 lbs) + 500 N additional force max. tabletop extension in case of CPR
Max. patient weight	250 kg (551 lbs)	**Table up/down the speed**	30 mm/s (1.2 inch/s)
Pivot range	-90°/+180° or -180°/+90°	**Detent positions for pivot movement**	0°, 13°, 90° and 180° or -180° (+/- 0.5°)

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Includes

The Azurion premium patient table includes: Pivot, Full-system auto-position control (APC), Prep table for IntraSight.

The patient table is delivered with the following accessories: a patient mattress, patient straps, drip stand, OP rail accessory clamps and cable holders (15 pieces). It also includes an additional OR rail at the Azurion table base to mount the Bedside Utility Box (BUB) of Philips IntraSight or Philips Core.

Additional Information

The Azurion premium patient table can be extended with the prepared for table mount injection option and subtracted bolus chase option.

The table height range can change due to other options. If altered specifications apply, this will be listed in the respective option article.

1.23 **Remote Service IGT**
Article No. 722240

Details

Configured offering

1.24 **Cabinet Rear Cover** 1
Article No. 459801079651

Cabinet Rear Cover

1.25 **Cabinet Rear Cover Deep** 2
Article No. 459801613311

Introduction

The Cabinet Rear Cover Deep is part of the Azurion technical cabinets and, depending on country of delivery, can be delivered before the actual system delivery to support a more efficient installation process.

1.26 **FLOORPLATE AD5/AD7(NONSWIVEL)** 1
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

PHILIPS

1.27 **Clip rails for Monitor Ceiling Carriage (390cm, 153.5")** 1
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.

1.28 **MONITOR CEILING CARRIAGE** 1
Article No. 459800706722

Monitor ceiling carriage

(Opt) **EchoNavigator**
Article No. 722351

Details

Configured offering

(Opt) **EchoNav R4 license** 1
Article No. NCVD551

EchoNav R4 license
EchoNavigator R4 with Dynamic Heart Models fuses in real-time 3D TEE Echo images (from a X8-2t probe) with X-ray images.
Key benefits

- Assists heart teams with intuitive live fusion of X-ray and ultrasound imaging
- Simultaneously visualize devices and soft tissue using 3D imaging
- Navigate device in challenging cases with automated anatomical insights
- Improve communication and facilitate efficient interaction throughout the heart team
- Perform interventional procedures with confidence and clarity, giving quick understanding of Echo anatomy

Advanced fusion that advances with you
Structural heart procedures often rely on X-ray imaging to visualize the devices, while also using TEE echo imaging to visualize soft tissue and anatomical structures. These images, however, are represented differently, so valuable time and effort was often channeled into mentally aligning them. But not any more…
EchoNavigator is a real time imaging product that supports the procedure by combining both X-ray and 3D TEE echo in an interactive, intuitive, and procedurally relevant way. The SmartFusion facilitates/provides an easy understanding of 3D anatomical heart structures and how they relate to the X-ray image. It is designed to help you intuitively guide your device in the 3D space more quickly.
Specifications

EchoNavigator includes the Integrated workspot that can display and operate from the EPIQ CVxi console. It allows for multiple views of Live 3D TEE, segmented heart structures, X-ray, EchoNavigator fusion, and localization of the echo target on X-ray.
EchoNavigator R4 requires a EPIQ CVxi 9.0 or higher release.
Features EchoNavigator:

- EchoNavigator allows for multiple user-defined live views of Echo data, showing relevant anatomical structures from different angles simultaneously in real time.
- The EchoNavigator user interface is integrated in intuitive touchscreen on the EPIQ CVxi system and optimized for use from the table side and from EPIQ touch screen
- Multiple annotations can be placed on soft tissue anatomical structures in the Echo image and these markers automatically appear in the X-ray image to provide context and help guidance.
- EchoNavigator allows to segment heart structures on the fly, based on the 3D Echo data. It projects this anatomical model into the X-ray view.
- Create 3D segmentation models of the heart, including the optimal transseptal area and enhanced mitral valve anatomical modeling with mitral valve leaflets
- Follow easy step-by-step guidance to create annotations of the optimal transseptal area, based on the distance of the transseptal area to the mitral valve
- The Echo viewpoint is adjusted as the gantry is repositioned (follow C-arc).
- SmartFusion projects the ultrasound field of view into the X-ray view.
- Auto MPR's automatically set the MPR planes based on 3D heart models. You can select the clinical view from the MPR preset gallery, including presets for e.g. the aortic, LAA ormitral valve or
- MultiVue integration allows for 3D echo cropping and catheter alignmentduring image fusion
- DICOM export of fused X-ray and Echo images via the EPIQ archiving functionality
- EchoNavigator projects the ultrasound field of view (Ultrasound cone) as an outline into the X-ray view.
- An elliptical shape, in addition to single point markers, can be selected as annotation to mark anatomical regions of interest.
- A movie of the main display area can be recorded to capture interesting events and sequences during the intervention.
- Prospective (whole case) recordings are supported.

Line	Description	Qty
2	**CV Third Party Products** **Article No. 100133** **Details** Configured offering	
2.1	**Port2 Lamp Yled 70K-lux focus&arm** **Article No. 989806100590**	1

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Details

Yled Lamp, 70.000 Lux focusable LED examination Lamp, incl sterilizable handle, power supply unit build in,
incl. an electrical portegra2 extension spring arm 75/91cm

2.2 **Port2 Track250cm&Trolley column 57cm** 1
Article No. 989806100465

Details

Portegra2 360 System, ceiling track 250cm with 360 degrees trolley with column 57cm long with brake handle extension

2.3 **Port2 cable spooler 250CM** 1
Article No. 989804306796

Details

Cable spooler fitting kit for track length = 2500 mm

2.4 **MD/Portegra2 LeadShield OT50001** 1
Article No. 989804306745

Details

Model OT50001 (Patient right side), Dimensions: 61 x 76 cm, Pb 0.5 mm, lead acrylic shield with a patient-contour cut out for positioning over the patient guided by a removable handle,
incl a Portegra2 Extension Spring arm 75/91cm

2.5 **Black Anti-fatigue Floor Mat w/logo.** 1
Article No. 989801220375

Details

"Black Anti-fatigue Floor Mat with Philips Logo

36"" x 60""""

(Opt) **Equipment Rack - Round** 1
Article No. NNAT150

Equipment Rack w/Round Interface Plate

Equipment Rack

The Equipment Rack allows users of the Philips Allura and Azurion imaging systems to organize all the equipment used in an EP Lab on one movable rack and removes cable clutter through a cable conduit. This provides a much “cleaner” organized look for the busy EP Lab.

The ceiling-mounted Equipment Rack, located in the Exam Room, can support 3rd party equipment. Cabling for this equipment is guided up through the ceiling mounted suspension. It can be moved by swiveling the ceiling mounted boom. The Equipment Rack can be positioned within a circular range of 1.6 meters.

The Equipment Rack consists of:

• 5 shelves and 1 drawer with flexible mounting position and can support 176lbs per shelf with a max total of 485lbs for the entire equipment rack
• An infusion extension rod
• An extension arm with a standard VESA mounting plate, on which different types of equipment can be mounted
• 8 country-specific power connectors (4 red emergency and 4 white standard power duplex outlets are standard)
• 2 Ethernet network connectors
• Ergonomically operating handles with electric brakes
• Standard gas outlets for O2, NO2, Vacuum and WAGD

Notes:

• Life-supporting equipment cannot be connected to the Equipment Rack.
• Medical equipment with dedicated keyboards or displays should not be connected without consent of the manufacturer. Please contact your 3rd party equipment vendor for information and clearance.
• Please contact 3rd party equipment vendor for information and clearance in case of cable routing through equipment rack.
• The Wall Connection Box can be used to connect 3rd party equipment that complies with the following requirements:
• Qualified medical electrical equipment [IEC 60601-1].
• Connected to the same earth as the Philips Protective Conductor Bar (PPCB).
• Can be operated with a standard AT 101-key US English keyboard connected through a USB connection.
• Provide video-output that matches the display range of the Color monitor that is used for display. Standard VESA video formats up to 1920x1200 are supported

Pre-install kit:

Includes required electrical accessory kit, gas riser mounting kit and gas risers (if applicable). Provided by Philips, installed by contractor.

Round interface plate:

Interface plate to mount equipment rack to the ceiling. Provided by Philips, installed by contractor.

X-Ray Wall box:

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13 gauge steel Wall Connection Box

Line	Description	Qty
3	**Lower Body Protection UT70-10NSWS** **Article No. 989806100589** **Details** MAVIG Gmbh - UT70-10NSWS	1

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3. Local Sales Terms and Conditions

Line	Product Code	Contract Name	Contract No.	Invoice Schedule
1	722233 Azurion 7 M12	Vizient Supply LLC XR0703	XR0703	0/80/20
2	100133 CV Third Party Products	Vizient Supply LLC XR0703	XR0703	0/80/20
3	989806100589 Lower Body Protection UT70-10NSWS	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 Invoice Schedule 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

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4. Signature Page

Invoice to:
Mosaic Life Care/Heartland Health
5325 Faraon St
Saint Joseph, MO 64506-3488

	Total Net Price
Total Net Price	$ 1,181,029.14

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. Philips Standard Terms and Conditions for Value Added Services (VAS) and Connected Care Warranty is located at https://www.usa.philips.com/healthcare/support/terms-and-conditions. 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. **Issuance by customer of a non-contingent signed purchase order(s) referencing the quote and master agreement (as applicable) expressly represents customer's acceptance of the quotation and the associated terms in lieu of the customer signature on this quotation**. 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 _____
   If Exempt, please indicate the Exemption Certification Number: _____, and attach a copy of the certificate.
2. Requested equipment delivery date _____
3. If you do not issue formal purchase orders indicate by initialing here: _____
4. For Recurring Maintenance Service & Support Agreements with New Equipment Purchases: Our facility does issue formal purchase orders; however, due to our business/system limitation, we cannot issue a formal purchase order for the service agreement until 90 days prior to standard warranty expiration. Our facility agrees to submit the service agreement purchase order at such time. Initialed: _____

CUSTOMER SIGNATURE
by its authorized representative

Signature: _____

Print Name: _____

Title: _____

Date: _____

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5. Philips Standard Terms and Conditions

GENERAL TERMS AND CONDITIONS OF SALE AND SOFTWARE LICENSE ("Conditions of Sale") (Rev 25)

1. **Initial Provisions**.

1.1 The Products (equipment, service, and software) offered on the quotation ("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 Customer unless Customer provides a tax exemption certification reasonably in advance of the date the Order is invoiced; otherwise, Philips will invoice Customer for those taxes and Customer shall pay those taxes in accordance with the terms of the invoice.

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 Customer's purchase order or otherwise issued by 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.

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 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 Customer by mandatory law.

2.4.1 If Customer cancels the order prior to the order being sent to the factory for manufacturing, then Customer shall pay fifteen percent (15%) of the net selling price of the Product(s).

2.4.2 If Customer cancels the order after the order is sent to the factory for manufacturing, then Customer shall pay the full net selling price of the Product(s).

2.4.3 If Customer has not taken delivery for each Product contained in Quotation and Customer's purchase order (or in-lieu of purchase order) within twenty-four (24) months from Philips' receipt of Customer's purchase order (or in-lieu of purchase order) then the Product shall be deemed cancelled. In such event, if the order is deemed cancelled prior to being sent to the factory for manufacturing, then the requirements under Section 2.4.1 apply; if the order is deemed cancelled after being sent to the factory for manufacturing, then the requirements under Section 2.4.2 apply.

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 two percent (2%), which is not greater than its 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 Products until Philips receives full payment.

4. **Technical changes**.

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 Customer desires to convert the purchase of any Products to a lease, Customer shall, within ninety (90) days prior to the delivery of the Products, provide all relevant rental documents for review and approval by Philips. 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 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:

5.1.1 Customer guarantees the payment of all monies due or that may become due under these Conditions of Sale;

5.1.2 Philips may convert the lease back to a purchase and invoice Customer; accordingly, and

5.1.3 Customer will pay all such invoiced amounts per the invoice terms. In the event that there are multiple Products on one Quotation, 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"), 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 the 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. However, in all cases and notwithstanding the foregoing, Customer shall bear the costs of any reduction in trade-in value arising due to a delay by Customer in connection with equipment delivery, installation, and go-live dates 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 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 In the event the condition of the trade-in is not in good working order or physically damaged, Customer's trade-in credit may be reduced, in whole or in part by Philips, at Philips' discretion.

5.3.5 Customer undertakes to

5.3.5.1 clean and sanitize all components that may be infected and all biological fluids from the Trade-In;

5.3.5.2 drain any applicable chiller lines and cap any associated plumbing and

5.3.5.3 delete all personal data in the Trade-In. Customer agrees to reimburse Philips for 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 Customer agree to any other terms of delivery, additional costs shall be for the account of Customer. Title (subject to Section 3 entitled Philips Security Interest) to any Product (excluding software), and risk of loss shall pass to 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 for insurance covering such risks at destination.

6.2 Philips will make reasonable efforts to meet delivery dates quoted or acknowledged. If 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 eighty percent (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 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, 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, Customer shall consider the manufacturing labeling requirements for environmental and storage conditions. 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. Customer shall ensure 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 Customer's premises to the installation site. 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, 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, and 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 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:
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 Customer shall return the Products. Each returned Product shall be packed in its original packaging.

9. Product Warranty.

9.1 The Product warranties for Philips products sold hereunder are set forth on https://www.usa.philips.com/healthcare/about/terms-conditions. The terms set forth on such webpage are incorporated herein. Customer's signature of the Quotation or issuance of purchase order in connection with the Quotation will be deemed agreement that such terms apply to Customer's purchase.

9.2 In the event a Product warranty is not listed on the webpage referenced above under Section 9.1 for a Product set forth on the Quotation, Sections 9.3-9.10 of these terms and conditions shall apply to the Product.

9.3 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 (1) 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 Customer will be of good quality until the expiration date applicable to such Product.

9.4 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 Customer. "Stand-alone Licensed Software" means Licensed Software sold without a contemporaneous purchase of a server for the Licensed Software.

9.5 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.

9.6 Customer shall only be entitled to make a Product warranty claim if Philips receives written notice of the defect during the warranty period within a reasonable period after Customer discovering such 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.

9.7 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 Customer solely after a reasonable cure period is given to Philips.

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

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

9.8.2 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.

9.8.3 abuse, negligence, accident, or damages (including damage in transit) caused by Customer.

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

9.8.5 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.

9.9 Philips is not responsible for the warranty for the third-party product provided by Philips to 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 Customer the third-party warranty and service solutions for such Products.

9.10 During the term of the warranty and any customer service arrangement, 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:

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

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

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

9.10.4 maintaining the established connection throughout the applicable period.

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

9.10.6 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.

9.10.7 THE WARRANTIES SET FORTH IN THESE 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, INDEMNITY, 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 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 that 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:

11.3.1 procure for Customer the right to continue using the Product;

11.3.2 replace it with an equivalent non-infringing Product;

11.3.3 modify the Product so it becomes non-infringing; or

11.3.4 refund to 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 Section 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); or

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:

13.1.1 exported or re-exported directly or indirectly in violation of Export Laws; or

13.1.2 used for any purposes prohibited by the Export Laws, including military end-use, human rights abuses, nuclear, or chemical or biological weapons proliferation.

13.2 Customer represents that:

13.2.1 Customer is not located in a country that is subject to a UN, US, or EU embargo and trade restriction; and

13.2.2 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. Licensed 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 software (as specified on the Quotation, whether embedded or stand-alone) ("Licensed Software") in Products and the permitted use (as referenced in the instructions for use/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 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, 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 Customer and make reasonable effort to procure a solution.

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 HIPAA on behalf and by instruction of 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 Customer or otherwise performing any obligation arising out of the sale, Philips shall not be liable to 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 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, 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 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. Customer shall not, without the prior written consent of Philips, transfer or assign any of its rights or obligations.

18.7 Customer's obligations do not depend on any other obligations it may have under any other agreement or arrangement with Philips. 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 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 in Customer's country or state, Philips and Customer shall comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its 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, and 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 prior to a date of exclusion.

18.12 To the extent applicable in Customer's 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 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**.

19.1 The 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 expressly set forth in these Conditions of Sale, the terms expressly set forth in the Product-specific schedule shall govern in such instance.

PHILIPS

Schedule 1
Imaging Systems Portfolio (IS) (Rev 25)

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.

1.1.3 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 is provided at no additional cost.

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

2.3 For Catalyst systems, warranty is included and starts when installation is completed, and system is accepted by Customer.

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 the proposed 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 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 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 dust from 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 Licensed Software 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. Customer agrees that Philips may use and disclose Mandatory Data for Philips' own business purposes (including, but not limited to, for data analytics activities to determine trends of usage of Philips' or its affiliates' devices and services, 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.

PHILIPS

Schedule 1-B
Additional Terms and Conditions for Azurion Release 3 – Technology Maximizer Essential Program
(Rev 25)

1. Services.

1.1 Philips Technology Maximizer Essential program for Azurion Release 3 ("Technology Maximizer") is included in your Azurion Release 3 system purchase for five (5) years from system installation date. Philips will provide Technology Maximizer for a specific piece of equipment identified by its serial number on the Quotation ("Equipment"), and during the term of the Agreement, Philips will make available upgrade(s) for the Equipment as outlined below and according to the Quotation:

1.1.1 Technology Maximizer Essential service to maintain Equipment at latest configuration as follows:

1.1.1.1 Major release upgrades to the core system Licensed Software, which is designed to run the system's hardware and essential application programs ("Core System Software");

1.1.1.2 Third-party operating system (OS) updates;

1.1.1.3 Any available safety and security updates, which are included in a major release;

1.1.1.4 If operational workflows are modified in the latest upgrade, Philips will provide clinical training for new or enhanced functionality of that upgrade;

1.1.1.5 Computer hardware replacement necessary to support software upgrade, only as/if needed.

2. Terms and Condition of Technology Maximizer.

2.1 Technology Maximizer does not include basic Equipment preventive maintenance, which is purchased separately.

2.2 Licensing. All Philips Licensed Software upgrades are subject to the Licensed Software terms and conditions agreed to at purchase of the Equipment or Licensed Software sale (as applicable), including but not limited to usage and license limitations.

2.3 Software Warranty. All Philips Licensed Software upgrades issued under this Agreement are subject to the warranty terms and conditions agreed to at purchase of the Equipment or Licensed Software sale (as applicable) for a warranty period of ninety (90) days.

2.4 Upgrade preconditions. All upgrades and new software features and/or applications may be delivered, if and when:

2.4.1 made commercially available by Philips after the Start Date and before the End Date specified in the Quotation;

2.4.2 supported by the Equipment hardware and configuration;

2.4.3 intended for use in the "clinical domain" identified in the Quotation or otherwise as explicitly specified in the Quotation.

2.5 Term of Technology Maximizer. Technology Maximizer service coverage starts on installation date.

2.6 Upgrade Delivery Process. Philips will notify Customer of an upgrade that is included in Customer's Technology Maximizer entitlement. Customer must provide written notice (email acceptance is sufficient) of intent to receive the upgrade within the term of the Technology Maximizer Agreement. If Customer does not provide written notice of intent to receive the upgrade within term of the Technology Maximizer Agreement, then Philips is under no obligation to provide such upgrade. If the Technology Maximizer Agreement term expires after Customer has provided written notice to receive the upgrade, but before it is delivered, then Customer is entitled to receive it within one (1) year following such expiration and must schedule the installation within this one (1)-year period.

2.7 Upgrade Limitations. The upgrades provided under Technology Maximizer:

2.7.1 are available only for the designated Equipment specified on the Quotation;

2.7.2 may not be sold, transferred, or assigned to any third party;

2.7.3 are subject to the terms and conditions of the Agreement and any licensing terms and conditions included in the purchase of the Equipment from Philips.

2.7.4 Parts removed for the purpose of an upgrade become the property of Philips on an exchange basis as defined in the Agreement.

2.8 Availability limitation. In case Customer refuses the installation of an upgrade, or in case no upgrade is provided by Philips (for any reason, e.g., not made available commercially) during the Term of the Technology Maximizer entitlement, no credit or refund is provided. Philips makes no representations in number of Core System Software, OS, ancillary or other Licensed Software upgrades or enhancements that shall be made available to Customer during the term of this Agreement. The release of all third-party software publishers' upgrades are at the sole discretion of the software publisher and only to the extent made available to Philips. All such third-party software is subject to prior validation by Philips for use with the Equipment. Philips validation of third-party software includes without limitation screening for safety issues, processing delays, or image distortion. Any upgrades/updates or enhancements to the Philips application software is subject to regulatory clearance and commercial availability, solely at Philips' discretion.

PHILIPS

Schedule 1-C
Philips OneSpace Insights (Rev 25)

Product Category	Products
OneSpace Insights	The Level 0 Basic/ Premium and Level 1 Premium Enterprise Optimization Services

1. **License Service Performance and Inventory Dashboard and Reporting (Level 0)**
   - **1.1** Philips aims to provide Customer with service performance and Product operation and inventory data for Products covered hereunder ("Service Performance and Inventory Dashboard and Reporting"). The Service Performance and Inventory Dashboard and Reporting show the overall performance information for Covered Product. "Covered Product" is defined as Products with a warranty cover or service contract where data (e.g., logfiles) is generated and can be sent to other sources (e.g., ServiceMax) through Philips Remote Services (PRS).
   - **1.2** The Service Performance and Inventory Dashboards and Reporting are made available to Customer via an access license for the Term, as defined in the Quotation. Customer receives five (5) user licenses per site for accessing the Dashboard as part of the standard Dashboard access subscription. Additional user licenses beyond the initial five (5) user per site may be separately acquired by Customer from Philips, at the then-prevailing rates and under the provisions specified by Philips. Philips may immediately, without notice being required, suspend additional users from accessing the Dashboard, in case Customer fails to timely pay for the additional user licenses within the agreed time frames. Philips may, in its sole discretion, make changes or cancel any access to the Dashboard or features associated with it based on the terms and conditions of the Agreement. In order to be eligible to use OneSpace Insights, Customer must have post-warranty maintenance and support coverage or in-warranty service coverage for the devices with which they are being used.
2. **License Philips OneSpace Insights (Level 1/ Premium)**
   - **2.1** To the extent opted for in the Quotation, Philips provides Customer with Philips OneSpace Insights, in addition to the Service Performance and Inventory Dashboard and Reporting. The Philips OneSpace Insights license, as specified herein, is licensed on a per-Site basis and contains operation (being utilization, cybersecurity status, dose management and assessment) data for equipment. For the purpose of this Exhibit, "Site" means each physical location of Customer where equipment is located. In order to be eligible to use OneSpace Insights, Customer must have post-warranty maintenance and support coverage or in-warranty service coverage for the devices with which they are being used.
3. **Acceptance**
   - **3.1** For Dashboard - Customer receives an e-mail notification from Philips that the Dashboards have been enabled to the specific users. Receipt of such e-mail will deem the Dashboard to have been accepted.

PHILIPS

Schedule 14
Additional Terms and Conditions for Technology Maximizer (Rev 25)

1. Services.

If Philips Technology Maximizer ("Technology Maximizer") is purchased under this Agreement for a specific piece of Equipment identified by its serial number, and the requirements of the Agreement are satisfied, then Philips will make available upgrade(s) during term of agreement for the Equipment as outlined below and according to the Technology Maximizer version listed on the Quotation. Technology Maximizer is available in the following versions, subject to modality and market variations:

1.1 Technology Maximizer Essential

1.1.1 Maintain Equipment at latest configuration as follows:

1.1.1.1 Major release upgrades to the core system Licensed Software which is designed to run the system's hardware and essential application programs ("Core System Software");

1.1.1.2 Third party operating system (OS) updates;

1.1.1.3 Any available safety and security updates which are included in a major release;

1.1.1.4 If operational workflows are modified in the latest upgrade, Philips will provide clinical training for new or enhanced functionality of that upgrade; and

1.1.1.5 Hardware replacement to support software upgrades is not included unless specifically included in the Quotation.

1.2 Technology Maximizer Plus

1.2.1 Maintain Equipment at latest configuration as follows:

1.2.1.1 All Technology Maximizer Essential deliverables listed above;

1.2.1.2 Software upgrades to previously purchased Philips Licensed Software on the Equipment other than the Core System Software such as ancillary applications which accomplish specialized clinical functions on the Equipment;

1.2.1.3 Application training for new or enhanced functionality included in upgrades to Licensed Software noted in 1.2.1.2; and

1.2.1.4 Computer hardware replacement necessary to support software upgrade, as/if needed. This entitlement is limited to one replacement unless specifically included otherwise in the Quotation.

1.3 Technology Maximizer Pro

1.3.1 Selected access to future clinical innovation released during term of agreement as follows:

1.3.1.1 All Technology Maximizer Plus deliverables listed above; and

1.3.1.2 New features and/or applications within selected clinical area, as specified in the Quotation determined by Philips as eligible in the Technology Maximizer Pro program.

1.3.1.3 Advanced training for new features and/or applications provided under 1.3.1.2.

1.4 Technology Maximizer Premium

1.4.1 Full access to future clinical innovation across selected clinical domains released during term of agreement as follows:

1.4.1.1 All Technology Maximizer Pro deliverables listed above; and

1.4.1.2 New future clinical features and/or applications across selected Philips clinical domain on the Equipment as specified in Quotation determined by Philips as eligible in the Technology Maximizer Premium program.

2. Terms and Conditions of Technology Maximizer.

2.1 Technology Maximizer does not include basic Equipment preventive maintenance which is purchased separately.

2.2 Licensing. All Philips Licensed Software upgrades are subject to the Licensed Software terms and conditions agreed to at purchase of the Equipment or Licensed Software sale (as applicable), including but not limited to usage and license limitations.

2.3 Software Warranty. All Philips Licensed Software upgrades issued under this Agreement are subject to the warranty terms and conditions agreed to at purchase of the Equipment or Licensed Software sale (as applicable) for a warranty period of 90 days.

2.4 Upgrade preconditions. All upgrades and new software features and/or applications may be delivered, if and when:

2.4.1 made commercially available by Philips after the Start Date and before the End Date specified in the Quotation;

2.4.2 supported by the Equipment hardware and configuration; and

2.4.3 intended for use in the "clinical domain" identified in the Quotation or otherwise as explicitly specified in the Quotation.

2.5 Term of Technology Maximizer. If purchased with the sale of Equipment Technology Maximizer service coverage begins one day following the first year of the warranty period or as specified on Quotation. Technology Maximizer purchased after sale of Equipment shall begin on the Start Date listed on the Quotation.

2.6 Upgrade Delivery Process. Philips will notify Customer of an upgrade that is included in Customer's Technology Maximizer entitlement. Customer must provide written notice (email acceptance is sufficient) of intent to receive the upgrade within the term of the Technology Maximizer Agreement. If Customer does not provide written notice of intent to receive the upgrade within term of the Technology Maximizer Agreement, then Philips is under no obligation to provide such upgrade. If the Technology Maximizer Agreement term expires after Customer has provided written notice to receive the upgrade, but before it is delivered, then Customer is entitled to receive it within year following such expiration and must schedule the installation within this one-year period.

2.7 Upgrade Limitations. The upgrades provided under Technology Maximizer:

2.7.1 are available only for the designated Equipment specified on the Quotation;

2.7.2 unless explicitly described otherwise in the Quotation and except in case of Technology Maximizer Pro and Premium, do not include new applications, options or the like that were not purchased with the Equipment, or purchased separately from Philips for the Equipment;

2.7.3 may not be sold, transferred, or assigned to any third party; and

2.7.4 are subject to the terms and conditions of the Agreement and any licensing terms and conditions included in the purchase of the Equipment from Philips.

2.7.5 Parts removed for the purpose of an upgrade become the property of Philips on an exchange basis as defined in the Agreement.

2.8 Availability limitation. In case Customer refuses the installation of an upgrade, or in case no upgrade is provided by Philips (for any reason, e.g., not made available commercially) during the Term of the Technology Maximizer entitlement, no credit for any already paid amounts is carried forward or eligible for refund. Philips makes no representations in number of Core System Software, OS, ancillary or other Licensed Software upgrades or enhancements that shall be made available to Customer during the term of this Agreement. The release of all third-party software publishers' upgrades is at the sole discretion of the software publisher and only to the extent made available to Philips. All such third-party software is subject to prior validation by Philips for use with the Equipment. Philips validation of third-party software includes without limitation screening for safety issues, processing delays, or image distortion.

Any upgrades/updates or enhancements to the Philips application software is subject to regulatory clearance and commercial availability, solely at Philips' discretion.

2.9 Termination**.** If the Agreement is terminated due to the fault of Customer or Customer defaults under the Agreement after any upgrades under this Technology Maximizer have been provided by Philips, then Customer shall pay Philips the list price of the so provided upgrades within thirty (30) days of such termination or default. No paid amount is eligible for refund.

Exhibit 2.9

NPG Newspapers Inc.
A subsidiary of the News-Press & Gazette Company

MISSOURI St. Joseph News-Press • Smithville Herald • Kearney Courier • Liberty Tribune • Gladstone Dispatch • Green Acres Publication • Daily Star-Journal • Read It Free - NWMO KANSAS Atchison Globe Hiawatha World • Miami County Republic • Osawatomie Graphic • Louisburg Herald • Read It Free - Miami County

NPG Newspapers, Inc.
P.O. Box 29, St. Joseph, MO 64502

(816) 271-8666

Account:	**340340**
Name:	*JOEY AUSTIN*
Company:	*MOSAIC LIFE CARE*
Address:	*5325 FARAON STREET*
	ST. JOSEPH, MO 64506
Telephone:	*(816) 390-6593*

Description:	**Mosaic Cath Lab 5**
Ad ID:	**6760155**
Ad Taker:	**PAULAS**
Start Date:	**04/18/25**
Stop Date:	**04/18/25**
Class:	**Legal Notices-170**
Words:	**70**
Lines:	**19**
Agate Lines:	***31***
Depth:	***2.222***

Cost:	**$149.50**

Start Date	Stop Date	Inserts
04/18/25	04/18/25	1

(Published in the St. Joseph News-Press Fri. 04/18/25)

PUBLIC NOTICE

Mosaic Life Care invites public comment regarding a proposal to purchase one new Monoplane Device A Certificate of Need Application, seeking approval of this project, is being submitted to the Missouri Health Facilities Review Committee. Comments should be addressed to:
Mr. Tony Claycomb
President, Mosaic Life Care
at St. Joseph – Medical Center
5325 Faraon Street
St. Joseph, MO 64506-3398

Proof

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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To Whom It May Concern,

Please accept this letter in support of the Certificate of Need (CON) for Heartland Regional Medical Center-DBA Mosaic Life Care for an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities.

With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. It will provide increased access to EP services that are currently waiting for months to obtain. The EP/ Cardiac Monoplane will allow for all types of cardiac procedures as well as, an emphasis on atrial fibrillation, supraventricular tachycardia, and other abnormal cardiac arrhythmias.

Thank you for considering this request, as our community will greatly benefit from this addition and experience optimal outcomes and overall better health.

Sincerely,

Robert Grant, DO FACC

Cardiology Services Dyad

816-262-9478

April 3, 2024

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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Thank you for considering this request, as our community will greatly benefit from this addition and experience optimal outcomes and overall better health.

Sincerely,

Ricardo Ramos, MD, FACC

Electrophysiology Medical Director

April 7, 2024

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Julie Jones, CEO
Community Hospital Fairfax
23136 US Hwy 59
Fairfax, MO 64446

Dear Julie,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Tina Gillespie, CEO
Harrison County Community Hospital
2600 Miller Street
Bethany, MO 64424

Dear Tina,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

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Respectfully,

Mike Poore,
Chief Executive Officer

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Joe Abrutz, CEO
Cameron Regional Medical Center
1600 East Evergreen
Cameron, MO 64429

Dear Joe,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
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April 21, 2025

Darren Bass, CEO
Wright Memorial Hospital
191 Iowa Blvd
Trenton, MO 64683

Dear Darren,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

Mosaic Life Care at St. Joseph

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Darren Bass, CEO
Hedrick Medical Center
2799 N Washington Street
Chillicothe, MO 64601

Dear Darren,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

Exhibit 2.12

Mosaic Life Care at St. Joseph
Medical Center

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Jared Abel, CEO
Amberwell Atchison
800 Ravenhill Drive
Atchison, KS 66002

Dear Jared,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

Mosaic Life Care at St. Joseph
Medical Center

5325 Faraon St.
St. Joseph, MO 64506
816.271.6000 p
myMosaicLifeCare.org

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April 21, 2025

Jared Abel, CEO
Amberwell Hiawatha
300 Utah Street
Hiawatha, KS 66434

Dear Jared,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional Monoplane with Electrophysiology (EP) and other cardiac procedure capabilities. With the new advanced technology and increasing need for our aging population, the addition of this equipment will have a positive impact on our community. A new regulation as part of the CON application process specifies, we must directly notify hospitals within our service area of this project.

If you have any questions or concerns about the implementation of this project, please contact Stacie.Johnson@mymlc.com.

Respectfully,

Mike Poore,
Chief Executive Officer

DIVIDER III.

Service Specific Criteria and Standards

Divider III. Service Specific Criteria and Standards

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

   The annual utilization standard of 500 cardiac catheterization procedures per year for the first lab and 750 procedures for each additional lab will be met with the estimated 3,048 procedures/year in the future. The estimates are based off volumes from our current utilization of three labs and future staffing.

2. **For any new unit where specific utilization standards are not listed, provide documentation to justify the new unit.**

   Not Applicable.

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

   Not Applicable.

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

   Not Applicable, not an evolving technology.

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.**

   See Exhibit 4.1.

2. **Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) FULL years beyond project completion.**

   See Exhibit 4.2.

3. **Document how patient charges are derived.**

   Patient charges are derived based on Medicare Reimbursement Principles as well as the applicant's actual cost to provide care and understanding of the market.

4. **Document responsiveness to the needs of the medically indigent.**

   Heartland Regional Medical Center has mechanisms in place to accommodate the medical indigent through Missouri Medicaid, as well as providing other uncompensated care. All patients are accepted, regardless of ability to pay.

Mosaic Health System and Related Organizations

Consolidated Financial Report
June 30, 2024

Contents

RSM US LLP

Independent Auditor's Report

Board of Trustees
Mosaic Health System

Opinion

We have audited the consolidated financial statements of Mosaic Health System and its Related Organizations (Mosaic), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mosaic as of June 30, 2024 and 2023, and the 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mosaic and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

In performing an audit in accordance with GAAS, we:

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

RSM US LLP

Minneapolis, Minnesota
October 3, 2024

Mosaic Health System and Related Organizations

Consolidated Balance Sheets
June 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	**$ 96,208**	$ 46,788
Investments	**748,933**	698,323
Patient accounts receivable	**119,614**	127,391
Inventories	**14,483**	13,444
Prepaid expenses and other	**25,007**	27,450
Assets limited as to use—current portion	**3,760**	4,557
Total current assets	**1,008,005**	917,953
Assets limited as to use, net of current portion:		
Board-designated—self insurance trust, endowments and other	**51,909**	39,562
Other assets limited as to use	**29,894**	23,147
Total assets limited as to use, net of current portion	**81,803**	62,709
Investments in joint ventures, net	**24,138**	23,678
Property and equipment, net	**323,102**	326,851
Other assets, net	**59,861**	69,215
Total assets	**$ 1,496,909**	$ 1,400,406

See notes to consolidated financial statements.

	2024	2023
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	**$ 4,743**	$ 5,145
Accounts payable	**28,680**	35,679
Accrued self-insured costs	**4,290**	4,280
Accrued expenses	**68,301**	60,530
Estimated settlements due to third-party payors	**17,172**	12,528
Total current liabilities	**123,186**	118,162
Long-term debt, net of current portion	**267,025**	273,000
Accrued self-insured costs, net of current portion	**25,837**	23,438
Other noncurrent liabilities	**27,376**	23,038
Total liabilities	**443,424**	437,638
Commitments and contingencies (Notes 7, 11, 15, 16, 17 and 18)		
Net assets:		
Without donor restrictions	**1,023,591**	939,621
With donor restrictions	**29,894**	23,147
Total net assets	**1,053,485**	962,768
Total liabilities and net assets	**$ 1,496,909**	$ 1,400,406

Mosaic Health System and Related Organizations

Consolidated Statements of Operations
Years Ended June 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Unrestricted revenues, gains and other support:		
Patient service revenue	**$ 852,136**	$ 786,432
Net assets released from restrictions used for operations	**1,169**	1,281
340b program revenue and other	**51,072**	53,216
Total unrestricted revenues, gains and other support	**904,377**	840,929
Operating expenses:		
Salaries and wages	**432,302**	411,291
Employee benefits	**86,061**	74,923
Professional fees	**14,753**	13,182
Supplies	**174,459**	168,370
General, administrative and other	**99,643**	103,913
Insurance	**11,331**	6,537
Depreciation and amortization	**38,145**	36,141
Interest	**9,670**	9,155
Federal reimbursement allowance	**29,020**	32,377
Total operating expenses	**895,384**	855,889
Operating income (loss) before other operating revenue and expenses	**8,993**	(14,960)
Other operating income	**1,179**	1,889
Operating income (loss)	**10,172**	(13,071)
Other income (expense):		
Interest and dividend income	**28,540**	25,270
Net realized gains on sale of investments and assets limited as to use	**14,474**	4,890
Change in net unrealized gains on trading securities	**31,690**	33,492
Other	**(843)**	812
Total other income	**73,861**	64,464
Excess of revenue over expenses	**$ 84,033**	$ 51,393

See notes to consolidated financial statements.

Mosaic Health System and Related Organizations

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Net assets without donor restrictions:		
Excess of revenue over expenses	**$ 84,033**	$ 51,393
Other changes in net assets without restrictions	**(63)**	3,466
Increase in net assets without donor restrictions	**83,970**	54,859
Net assets with donor restrictions:		
Contributions and investment income	**4,480**	2,472
Net change in unrealized gains and losses on investments	**1,820**	620
Net assets released from restrictions used for operations	**(1,169)**	(1,281)
Other changes in net assets with donor restrictions	**1,616**	(723)
Increase in net assets with donor restrictions	**6,747**	1,088
Change in net assets	**90,717**	55,947
Net assets:		
Beginning	**962,768**	906,821
Ending	**$ 1,053,485**	$ 962,768

See notes to consolidated financial statements.

Mosaic Health System and Related Organizations

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Cash flows from operating activities:		
Change in net assets	**$ 90,717**	$ 55,947
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	**38,145**	36,141
Contributions received restricted for construction	**(2,451)**	-
(Gain) loss on sale of property and equipment	**(68)**	213
Amortization of bond premium and issuance costs, net	**(1,285)**	(1,856)
Net realized gains on sale of investments	**(14,474)**	(4,890)
Change in net unrealized gains and losses on investments and assets limited as to use	**(33,510)**	(34,112)
Contributions and investment income donor restricted in perpetuity	**-**	(13)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Patient accounts receivable	**7,777**	(33,456)
Inventories	**(1,039)**	744
Prepaid expenses and other	**2,443**	(7,930)
Increase (decrease) in liabilities:		
Accounts payable	**(9,936)**	7,711
Accrued expenses and other	**12,109**	(12,969)
Estimated settlements due to third-party payors	**4,644**	(6,342)
Accrued self-insured costs	**2,409**	(368)
Net cash provided by (used in) operating activities	**95,481**	(1,180)
Cash flows from investing activities:		
Purchases of property and equipment, net	**(28,534)**	(40,460)
Purchases of investments and assets limited as to use	**(169,260)**	(109,040)
Proceeds from the sales of investments and assets limited as to use	**187,268**	164,469
Purchase of software included in other assets	**(31,297)**	(24,730)
Payments received on notes receivable	**52**	7,012
Net cash used in investing activities	**(41,771)**	(2,749)
Cash flows from financing activities:		
Principal payments under debt agreements	**(5,382)**	(64,486)
Proceeds from issuance of long-term debt	**-**	49,688
Proceeds from construction restricted for construction	**2,451**	-
Contributions and investment income donor restricted in perpetuity	**-**	13
Net cash used in financing activities	**(2,931)**	(14,785)

(Continued)

Mosaic Health System and Related Organizations

Consolidated Statements of Cash Flows (Continued)
Years Ended June 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Increase (decrease) in cash and cash equivalents	**$ 50,779**	$ (18,714)
Cash and cash equivalents:		
Beginning, including assets limited as to use 2023 $1,356; 2022 $2,449;	**48,144**	66,858
Ending, including assets limited as to use 2024 $1,744; 2023 $1,356;	**$ 98,923**	$ 48,144
Supplemental disclosure of cash flow information, cash paid for interest	**$ 10,070**	$ 10,960
Supplemental schedule of noncash investing and financing activities:		
Change in property and equipment purchases included in accounts payable	**$ 2,937**	$ (1,262)
Additions to operating leases	**$ 175**	$ 1,124
Additions to finance leases	**$ 315**	$ 135

See notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Mosaic Health System (Parent) is a Missouri nonprofit corporation located in St. Joseph, Missouri, that provides, through its various subsidiaries and affiliates, an integrated health care delivery system, including inpatient and outpatient care and physician services to residents of Northwest Missouri and adjacent areas in Iowa, Kansas and Nebraska.

As the system manager, the Parent's mission is to manage the exempt public charities in its health care system as a "supporting organization" within the meaning of Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code (IRC).

The Parent has ownership interest in the following related organizations:

Heartland Regional Medical Center dba Mosaic Life Care (Mosaic-St. Joseph) is a Missouri nonprofit corporation located in St. Joseph, Missouri, that operates a general medical and surgical hospital with 352 licensed beds and employs both primary and specialty physicians. The Parent is the sole corporate member of Mosaic-St. Joseph.

Mosaic Medical Center-Maryville (Mosaic-Maryville) is a Missouri nonprofit corporation located in Maryville, Missouri, that operates a general medical and surgical hospital with 81 licensed beds and employs both primary and specialty physicians. The Parent is the sole corporate member of Mosaic-Maryville.

Obligated Group: The Parent, Mosaic-St. Joseph and Mosaic-Maryville are members of the Obligated Group, which is liable for certain long-term debt outstanding under a Master Trust Indenture (see Note 5).

The Parent also has ownership interests in the following related organizations:

Northwest Medical Center Association, Inc. dba Mosaic Medical Center-Albany (Mosaic-Albany) is a Missouri nonprofit corporation located in Albany, Missouri, that provides inpatient, outpatient and emergency care services as a critical access hospital with 25 licensed beds. The Parent is the sole corporate member of Mosaic-Albany.

Heartland Long-Term Acute Care Hospital (LTACH) is a Missouri nonprofit corporation that operates a long-term acute care hospital with 41 licensed beds in space leased from Mosaic-St. Joseph. The Parent is the sole corporate member of LTACH.

Heartland Foundation dba Mosaic Life Care Foundation is a Missouri nonprofit corporation whose mission and principal activities are to empower children and adults to build healthier, more livable communities, primarily in northwest Missouri and neighboring counties in Iowa, Kansas and Nebraska. The Parent is the sole corporate member of Mosaic Life Care Foundation.

Northwest Medical Center Foundation (Albany Foundation) is a Missouri nonprofit corporation operated to perform the functions of, and/or to carry out the purposes of Mosaic-Albany and other charitable health care organizations located in Mosaic-Albany's service area. Albany Foundation's purposes shall include, but not be limited to, owning property, fundraising and making grants from its funds for the benefit of the Mosaic-Albany and the other organizations it supports. Mosaic-Albany is the sole corporate member of Albany Foundation.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Midwestern Health Management, Inc. (Midwestern), a Missouri corporation, is wholly owned by the Parent and provides credit and collection services and property management services. Midwestern wholly owns Ascend Development, LLC (Ascend). In December 2023, Midwestern divested its Northwest Financial Services collection agency business unit. Midwestern had a 90.5% interest in Saint Joseph Downtown Development, LLC (SJDD). Midwestern also owned 1% of German American MT, LLC (GAMT) and German American MT, LLC owned 9.5% of SJDD. In December 2022, upon completion of the seven-year New Market Tax Credit compliance period, US Bank executed its put option. Midwestern then acquired 100% ownership of SJDD and GAMT, transferred assets to the Parent, and dissolved both SJDD and GAMT (see Note 13).

HHS Properties, Inc., a Missouri corporation, is wholly owned by the Parent and owns land adjacent to or near Mosaic-St. Joseph's hospital facility. HHS Properties, Inc. is the sole member of Aspire Development, LLC.

Basis of presentation: The consolidated financial statements include the accounts of the Parent and the related organizations listed above (collectively referred to herein as Mosaic). Significant intercompany accounts and transactions have been eliminated in consolidation. In addition, these statements follow generally accepted accounting principles applicable to the not-for-profit industry as described in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly subject to significant changes in the near term and which require significant judgments by management include, net accounts receivable, patient service revenues, estimated settlements due to third-party payors, fair value of investments and self-insured costs.

Accounting standard updates adopted in the current year: Effective July 1, 2023, Mosaic adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments (ASU 2016-13)* using the modified retrospective transition approach as of the period of adoption. The amendments in this ASU required a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The adoption of ASU 2016-13 did not have a material impact on Mosaic's consolidated financial statements.

Accounting standard updates not yet adopted: There are no accounting standards currently pending adoption which Mosaic believes will have a material impact on its financial statements.

Cash and cash equivalents: Cash and cash equivalents consisted primarily of cash on hand, bank deposits, money market accounts and other short-term interest-bearing accounts with maturities at the date of purchase of three months or less.

At June 30, 2024, Mosaic's cash accounts exceeded federally insured limits by approximately $100,000. Mosaic has not experienced any losses in these accounts, and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Patient service revenue and accounts receivable: Patient service revenue and patient accounts receivable are reported at the amounts that reflect the consideration to which Mosaic 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 include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Mosaic considers historical experience, current conditions, risk characteristics and future conditions in evaluating patient accounts receivables for current expected credit losses. Mosaic determined that there was no material current expected credit losses as of June 30, 2024 or 2023. Generally, Mosaic bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by Mosaic. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. Mosaic 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 Mosaic's hospitals receiving inpatient acute care services or patients receiving services in Mosaic's outpatient centers. Mosaic measures the performance obligation from admission into the hospital, 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 Mosaic's patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and Mosaic does not believe it is required to provide additional goods or services related to that sale.

Because its performance obligations relate to contracts with a duration of less than one year, Mosaic has elected to apply the optional exemption provided in 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.

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

Mosaic 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 Mosaic's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, Mosaic 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.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

340b Drug Pricing Program: Mosaic participates in the 340b Drug Pricing Program (the Program). Pharmaceutical manufacturers, which participate in Medicaid, provide reduced prices for covered outpatient drugs to entities that qualify for the Program. The Program enables covered entities to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Due to the nature and complexities of the 340b program and the recent opposition by certain pharmaceutical companies, there is potential for an adverse effect to Mosaic's revenues and cash flows received from participation in the 340b program, which cannot be predicted or estimated at this time. The elimination of this Program or withdrawal of participating pharmaceutical manufacturers would have a significant impact on Mosaic's ability to continue to meet the needs of its most vulnerable patients. At June 30, 2024 and 2023, Mosaic had other receivables recorded, net of allowances, related to the Program of approximately $4,400 and $6,400, respectively.

Mosaic generated approximately $34,500 and $36,100 of revenues from the Program in 2024 and 2023, respectively, which is recorded in 340b program revenue and other. The receivables are included as a component of prepaid expenses and other in the accompanying consolidated balance sheets. The costs incurred in connection with the Program are included within operating expense in the accompanying consolidated statements of operations.

Inventories: Inventories consist of supplies and are valued at the lower of cost (first-in, first-out) or net realizable value.

Investments and investment return: Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value in the consolidated balance sheets. Donated investments are reported at fair value at the date of receipt, which is then treated as cost. Investment income or loss (including realized gains and losses on investments, interest and dividends, and the change in unrealized gains and losses on trading securities) is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law. Investment income or loss is reported as other operating income for operating cash, assets that are designated for self-insured claims and debt service funds. All other investment income or loss is reported as other income (expense). Investment income on investment of funds with donor restrictions is added to the respective restricted net assets to the extent restricted by donor.

Unrealized gains and losses on investments are allocated to net assets with and without donor restrictions based on the relative weight of the net assets prior to such allocation and donor intentions. Unrealized losses on investments are not allocated to restrict net assets with donor restrictions if such allocation would reduce the restricted net assets below the value established at the time of the contribution unless donor restrictions stipulate otherwise.

Investments in unconsolidated companies: Mosaic-St. Joseph has a 15% interest in Mercury Surgery Center, LLC; a 45% interest in St. Joseph Center for Outpatient Surgery, LLC; and a 30% interest in Village at Burlington Creek, LLC. All three entities are Missouri limited liability companies (see Note 14).

Investments in unconsolidated companies, which are more than 15% and not more than 50% owned and that are not otherwise deemed to be a controlled organization or trading investment, are accounted for under the equity method. The investments in unconsolidated companies are included as a component of other assets in the accompanying consolidated balance sheets.

(Dollars in Thousands)

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Assets limited as to use: Assets limited as to use are comprised of assets designated by the Board of Trustees over which the Board of Trustees retains control and may at its discretion subsequently use for various purposes. Assets limited as to use also includes trustee-held funds and donor-restricted assets for a specific purpose or time. Amounts required to meet current liabilities of Mosaic are included in current assets.

Costs of borrowing: Debt issuance costs are amortized over the period the related debt is outstanding using the interest method. The amortization of these costs is included as a component of interest expense in the accompanying consolidated statements of operations. The unamortized portion of these costs is included as a reduction of long-term debt on the accompanying consolidated balance sheets.

Long-lived asset impairment: Mosaic 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 estimated 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.

Property and equipment: Property and equipment is recorded at cost if purchased or at fair value on the date received through acquisition or donation, less accumulated depreciation. Property and equipment is depreciated using the straight-line method over the estimated useful life of each asset. Assets under finance lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

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

	Years
Land improvements	5-25
Buildings and fixed equipment	5-40
Moveable equipment	3-20

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Total interest capitalized during the years ended June 30, 2024 and 2023 was approximately $0 and $1,040, respectively.

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

Guarantees: On December 6, 2022 Mosaic-St. Joseph's unconditional continuing guarantee for up to $9,800 on loans held by SJDD was terminated when the loans were paid-off and cancelled in accordance with terms of a put option exercised in December 2022, and the entities involved with the guarantee were dissolved (see Note 13).

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Contributions: Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as with donor restrictions revenue and net assets. 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 statements of operations and changes in net assets as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as other changes in net assets and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional contributions receivable are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

A portion of revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are considered conditional grants and contributions because these agreements contain a right of return of the grantors' funding if certain measurable performance barriers are not met. Mosaic recognizes conditional grants and contributions as contribution revenue when all performance barriers have been met.

During the years ended June 30, 2024 and 2023, Mosaic Life Care Foundation was awarded $220 and $6,500, respectively, of American Rescue Plan Act (ARPA) grants through funding agreements with the City of St. Joseph and Buchanan County. These grants are intended to fund the construction of the Children's Discovery Center (InspireU).

The Mosaic Life Care Foundation recognizes accounts receivable and contribution revenue with donor restrictions as qualifying costs for the construction of the InspireU are incurred and, if applicable, all performance barriers have been met. During the year ended June 30, 2024, the Foundation received $2,451 and recognized $2,061 as qualifying construction costs. As of June 30, 2023, the Foundation had not yet received any of the $6,500 that has been awarded but had recognized approximately $390 in contributions receivable related to these agreements with the remaining portion to be recognized as qualifying construction costs are incurred.

Income taxes: The Parent, Mosaic-St. Joseph, Mosaic-Maryville, Mosaic-Albany, LTACH, Mosaic Life Care Foundation and Mosaic-Albany Foundation are nonprofit corporations described in Section 501(c)(3) of the IRC and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. However, they are subject to federal income tax on any unrelated business taxable income. Midwestern and HHS Properties, Inc. are subject to income taxation. With a few exceptions, Mosaic's tax returns are generally subject to U.S. federal examinations by tax authorities for a period up to three years from the extended due date of return.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

At June 30, 2024, net operating loss carryforwards generated in fiscal years ended June 30, 2018 and prior are available to offset future taxable income for these entities, aggregated approximately $7,200 and expire through 2038. For net operating loss carryforwards generated in fiscal years ended June 30, 2019 and forward, net operating losses will be available to offset future taxable income for these entities in the amount of $1,800 and are carried forward indefinitely. Separate return limitation restrictions apply to a portion of these net operating loss carryforwards.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the more likely than not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of June 30, 2024 and 2023, there were no uncertain tax positions identified and recorded as a liability.

Excess of revenues over expenses: The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenues over expenses is consistent with industry practice.

Charity care: Mosaic provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Mosaic does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Estimated accrued self-insured costs: The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported based on an evaluation of pending claims and actual claims experience.

Claims liabilities are recorded at the gross amount, without consideration of insurance recoveries. Expected recoveries are presented separately as prepaid expenses and other in the consolidated balance sheets.

Leases: Mosaic determines whether an arrangement is a lease at inception of the contract. Operating lease right of use (ROU) assets are included in other assets, and corresponding liabilities split between accrued expenses and other noncurrent liabilities on the consolidated balance sheets. Finance lease assets are included in property and equipment and corresponding liabilities will be classified as debt on the consolidated balance sheets.

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. Operating lease ROU assets and liabilities are based on the present value of lease payments over the lease term. Mosaic uses an incremental borrowing rate based on the information available in determining the present value of the lease payments. The operating ROU assets also include any lease payments made and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Mosaic will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Mosaic defines a short-term lease as any lease arrangement with a lease term of 12 months or less that does not include an option to purchase the underlying asset. Short-term lease payments are recognized as expenses on a straight-line basis over the lease term and variable lease payments are recognized in the period in which the obligation is incurred.

Mosaic has lease arrangements with lease and nonlease components, which are generally accounted for separately; however, Mosaic has elected the practical expedient to not separate nonlease components for real estate and equipment leases. Additionally, Mosaic applies a portfolio approach to account for certain ROU assets and liabilities.

Net assets: Mosaic is required to report information regarding its financial position and operations in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The two classes are based on the presence or absence of donor-imposed restrictions. Net assets with donor restrictions include net assets restricted by donors to a specific time period or purpose and net assets restricted by donors to be maintained in perpetuity. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

Operating income: The consolidated statements of operations and changes in net assets include operating income. Changes in net assets without donor restrictions, which are excluded from operating income, may include interest and dividend income and realized gains on sales of investments, change in fair value of derivative instruments and change in unrealized gains and losses on trading securities, which management views as outside of core operating activity.

Reclassifications: Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation, with no impact on the net assets or change in net assets.

Note 2. Patient Service Revenue

Mosaic derives patient revenue primarily from patients covered under the Medicare and Medicaid programs, agreements with commercial insurers and managed care organizations, as well as from private pay patients. The basis for payment under agreements with commercial insurers and managed care organizations includes prospectively determined rates, discounts from established charges and allowable costs.

A summary of the payment arrangements with major third-party payors follows:

Medicare: Inpatient acute care services and substantially all outpatient services rendered to Mosaic-St. Joseph and Mosaic-Maryville Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Mosaic-St. Joseph and Mosaic-Maryville are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of the annual cost report and audit by the Medicare Administrative Contractor. Classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. Medicare cost reports for prior periods are audited by the Medicare fiscal intermediaries.

Note 2. Patient Service Revenue (Continued)

Mosaic-St. Joseph and Mosaic-Maryville have received Sole Community Hospital designation. Under the Sole Community Hospital methodology, they are entitled to certain additional payments. Mosaic-St. Joseph and Mosaic-Maryville are subject to final settlement for these payments after submission of annual cost reports and audits by third-party Medicare Administrative Contractor (MAC).

Mosaic-Albany has received Critical Access Hospital designation. Under the Critical Access Hospital methodology, Mosaic-Albany is reimbursed for inpatient, outpatient and swing-bed services based upon a reasonable cost methodology at a tentative rate with final settlement determined after submission of annual cost reports by Mosaic-Albany and audits by third-party MAC.

Medicaid: Outpatient hospital services are reimbursed on a percentage of charges, except for certain services that are reimbursed according to a fee schedule. Inpatient services are reimbursed on a per diem basis.

Mosaic participates in the Medicaid Federal Reimbursement Allowance Program (FRA). Under the FRA, Mosaic received reimbursement of approximately $50,700 and $31,600, which is reflected as a component of patient service revenue and paid taxes of approximately $29,000 and $32,400 in 2024 and 2023, respectively. FRA taxes paid are recorded as federal reimbursement allowance on the consolidated statements of operations.

Mosaic 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 may be refunded to the state. As of June 30, 2024, and 2023, Mosaic has recorded a total liability of approximately $17,200 and $8,400, respectively, for the estimated portion of funding received in excess of costs. As of June 30, 2024 and 2023, estimated long-term liabilities of approximately $16,500 and $8,400, respectively, for program years 2023, 2022, 2021, 2020 and 2019 are recorded as other noncurrent liabilities.

During 2024, Mosaic increased the estimated Medicare and FRA program liability related to prior program years by approximately $8,300 thereby decreasing patient service revenue by the same amount. This change in estimate was the result of the state of Missouri providing Mosaic final settlement notifications during the year ended June 30, 2024.

During 2023, Mosaic reduced the estimated Medicare and FRA program liability related to prior program years by approximately $10,400 thereby increasing patient service revenue by the same amount. This change in estimate was the result of the state of Missouri providing Mosaic final settlement notifications during the year ended June 30, 2023.

Due to the subjectivity involved in making these estimates due to the lack of historical precedence with respect to how the state administers the program, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Managed care: Mosaic has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to Mosaic under these agreements includes prospectively determined rates per day and discounts from established charges.

Note 2. Patient Service Revenue (Continued)

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, has 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 Mosaic'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 Mosaic. In addition, the contracts Mosaic has with commercial payors also provide for retroactive audit and review of claims. However, no material adjustments were made related to such claims or penalties in 2024 or 2023.

Settlements with third-party payors for retroactive adjustments due to 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 Mosaic'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 (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews or investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. Mosaic also provides services to uninsured and under-insured patients, and offers those patients a discount, either by policy or law, from standard charges. Mosaic estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured and under-insured 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. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended June 30, 2024 and 2023, adjustments arising from changes in estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years were not significant. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

Mosaic has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors: payors, method of reimbursement and timing of when revenue is recognized. These factors, as well as those outlined in Note 1, have been taken into consideration in the table presented below.

(Dollars in Thousands)

Note 2. Patient Service Revenue (Continued)

Patient service revenue recognized in the years ended June 30, 2024, and 2023, was approximately:

	2024	2023
Medicare and managed Medicare	$ 351,482	$ 355,150
Medicaid and managed Medicaid	124,272	102,793
Managed care/commercial	364,862	320,944
Patients, self pay	11,520	7,545
	$ 852,136	$ 786,432

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

Contract costs: Mosaic has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that Mosaic otherwise would have recognized is one year or less in duration.

Note 3. Charity Care

Mosaic's charity care policy is to provide health care services, at free or reduced rates, to patients whose income level is at or below 300% of the poverty guidelines used by the Department of Health and Human Services. Mosaic provides presumptive charity eligibility by using a third-party software, which screens patients and approves them based on a pre-defined proprietary program. Mosaic maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services furnished under its charity care policy and the estimated cost of those services. Cost of charity care is calculated by applying patient care specific cost-to-charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by dividing total patient care expenses by total gross charges. The cost of providing these services under Mosaic's charity care policy was approximately $20,700 and $21,100 for 2024 and 2023, respectively.

Note 4. Concentration of Credit Risk

Mosaic grants credit without collateral or other security to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2024 and 2023, was as follows:

	2024	2023
Medicare and managed Medicare	38%	39%
Medicaid and managed Medicaid	11	17
Managed care/commercial	49	43
Patients, self pay	2	1
	100%	100%

(Dollars in Thousands)

Note 5. Long-Term Debt

Long-term debt consists of the following at June 30:

	2024	2023
Long-term debt:		
Obligated Group:		
Series 2019A Fixed Rate Revenue Bonds	$ 208,105	$ 212,095
Series 2023A Fixed Rate Revenue Bonds	49,635	50,000
Finance leases (Note 11)	1,101	1,838
	258,841	263,933
Plus unamortized premium	14,883	16,292
Less unamortized debt issuance costs	(1,956)	(2,080)
Total long-term debt	271,768	278,145
Less current maturities, debt	(4,280)	(4,355)
Less current maturities, finance leases	(463)	(790)
Total long-term debt, net	$ 267,025	$ 273,000

Master Trust Indenture: The 2023A and 2019A bonds are the only outstanding notes under the Master Trust Indenture which are the joint and several obligations of the Obligated Group and each of the members. The Obligated Group is subject to various covenants under the Master Trust Indenture containing restrictions and limitations with respect to the creation of encumbrances on its property, incurrence of indebtedness, completion of consolidation and mergers, the transfer of assets, the addition and withdrawal of its members and debt service coverage ratio.

Series 2019A Bonds: Pursuant to the Amended and Restated Master Trust Indenture and other related agreements dated May 1, 2019, the Obligated Group borrowed the principal amount of $228,975 through issuance of Health Facilities Revenue Bonds, Series 2019A by the Health and Educational Facilities Authority of the State of Missouri, with an effective issuance date of May 30, 2019.

The proceeds were used to fund various capital projects of Mosaic and its affiliates, to refund certain bonds previously issued for the benefit of Mosaic-St. Joseph, finance related swap termination payments and to pay certain costs incurred in connection with the issuance of the Series 2019A Bonds.

The Series 2019A Bonds are secured under the Master Trust Indenture and bear interest at rates varying from 3% to 5%. The Series 2019A Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts ranging from $2,585 to $14,620 at final maturity on February 15, 2054 with an optional call date on February 15, 2029.

Series 2023A Bonds: Pursuant to the Amended and Restated Master Trust Indenture dated May 1, 2019, as supplemented and amended, including Supplemental Master Trust Indenture No. 4, dated as of April 1, 2023, the Obligated Group borrowed the principal amount of $50,000 through the issuance of Health Facilities Revenue Bonds, Series 2023A by the Health and Educational Facilities Authority of the State of Missouri, with an effective issuance date of April 14, 2023.

The proceeds were used to refund the Series 2012 Bonds previously issued for the benefit of Mosaic-St. Joseph and to pay certain costs incurred in connection with the issuance of the Series 2023A Bonds.

(Dollars in Thousands)

Note 5. Long-Term Debt (Continued)

The Series 2023A Bonds are secured under the Master Trust Indenture and bear interest at a fixed rate of 3.46%. The fixed interest rate is subject to change based on the credit rating of the Parent. The Series 2023A Bonds are subject to scheduled mandatory redemption prior to final maturity in annual principal amounts ranging from $90 to $4,715 at final maturity on February 15, 2043, with a mandatory tender date of February 15, 2033.

Debt maturities: At June 30, 2024, the aggregate annual maturities of long-term debt and finance leases for each of the five subsequent years and thereafter, which expire on various dates through February 2054, are:

2025	$ 4,743
2026	4,924
2027	4,916
2028	4,958
2029	5,190
Thereafter	234,110
	$ 258,841

Line of credit: Mosaic has an outstanding line of credit with maximum borrowings of $50,000 (line of credit), with a termination date of April 15, 2025. As of June 30, 2023 and 2024, respectively, and throughout the fiscal year, Mosaic had no borrowings outstanding on the line of credit.

Note 6. Functional Expense Classification

Mosaic's main purpose is to provide general health care services to residents of its primary and secondary service areas. The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The other activity classification includes various for-profit entities and all program expenses related to the two foundations. Expenses related to providing these services for the years ended June 30, 2024 and 2023 are as follows:

	Patient Care	Management and General	Fundraising	Other Activity	Grand Total
	2024				
Salaries and wages	$ 396,919	$ 32,535	$ 301	$ 2,547	$ 432,302
Employee benefits	76,591	8,691	62	717	86,061
Professional fees	4,973	8,615	9	1,156	14,753
Supplies	173,949	78	50	382	174,459
General, administrative and other	74,123	20,953	8	4,559	99,643
Insurance	9,617	1,627	-	87	11,331
Depreciation and amortization	31,443	5,005	-	1,697	38,145
Interest	265	9,405	-	-	9,670
Federal reimbursement allowance	29,020	-	-	-	29,020
Total expenses	$ 796,900	$ 86,909	$ 430	$ 11,145	$ 895,384

(Dollars in Thousands)

Note 6. Functional Expense Classification (Continued)

	Patient Care	Management and General	Fundraising	Other Activity	Grand Total
	2023				
Salaries and wages	$ 378,337	$ 28,834	$ 318	$ 3,802	$ 411,291
Employee benefits	63,197	10,522	78	1,126	74,923
Professional fees	2,667	8,903	8	1,604	13,182
Supplies	167,736	82	46	506	168,370
General, administrative and other	70,889	26,647	18	6,359	103,913
Insurance	5,066	1,393	-	78	6,537
Depreciation and amortization	29,204	5,029	-	1,908	36,141
Interest	664	8,096	-	395	9,155
Federal reimbursement allowance	32,377	-	-	-	32,377
Total expenses	$ 750,137	$ 89,506	$ 468	$ 15,778	$ 855,889

Functional expenses may differ from tax functional expense reporting.

Note 7. Property and Equipment

Property and equipment at June 30 consist of the following:

	2024	2023
Land and land improvements	$ 28,961	$ 28,718
Buildings and fixed equipment	529,977	516,544
Moveable equipment	261,274	252,363
Leasehold improvements	1,102	1,102
Construction in progress	12,031	12,648
	833,345	811,375
Less accumulated depreciation	510,243	484,524
Property and equipment, net	$ 323,102	$ 326,851

As of June 30, 2024, Mosaic has entered into construction commitments of $6,600, which will be funded primarily with cash from operations and proceeds from investments.

(Dollars in Thousands)

Note 8. Fair Value of Financial Instruments

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 or liabilities.

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 or liabilities.

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

Recurring measurements: The following tables present 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 June 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)
	2024			
Assets limited as to use and investments:				
Money market funds	$ 1,743	$ 1,743	$ -	$ -
Mutual funds:				
Equity	289,510	289,510	-	-
Other fixed income	270,184	270,184	-	-
U.S. treasury securities	24,658	-	24,658	-
U.S. government and agency securities	64,186	-	64,186	-
Municipal securities	19,489	-	19,489	-
Corporate notes	66,843	-	66,843	-
Foreign issues	5,523	-	5,523	-
Common and preferred stock	18,833	18,833	-	-
Beneficial interest in trust	4,551	-	-	4,551
Other	13,790	435	13,355	-
	779,310	$ 580,705	$ 194,054	$ 4,551
Private investment funds (A)	48,894			
Cash included in assets limited as to use	2,715			
Pledge receivable in assets limited as to use	774			
Accrued income	2,803			
Total assets limited as to use and investments	$ 834,496			

(Dollars in Thousands)

Note 8. Fair Value of Financial Instruments (Continued)

		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)
	2023			
Assets limited as to use and investments:				
Money market funds	$ 13,898	$ 13,898	$ -	$ -
Mutual funds:				
Equity	312,649	312,649	-	-
Other fixed income	214,136	214,136	-	-
U.S. treasury securities	23,326	-	23,326	-
U.S. government and agency securities	15,208	-	15,208	-
Municipal securities	22,014	-	22,014	-
Corporate notes	62,306	-	62,306	-
Foreign issues	6,186	-	6,186	-
Common and preferred stock	27,086	27,086	-	-
Beneficial interest in trust	4,225	-	-	4,225
Other	1,153	-	1,153	-
	702,187	$ 567,769	$ 130,193	$ 4,225
Private investment funds (A)	59,370			
Cash included in assets limited as to use	1,356			
Pledge receivable in assets limited as to use	842			
Accrued income	1,834			
Total assets limited as to use and investments	$ 765,589			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

Following is a description of the valuation methodologies and inputs used for assets and liabilities 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 and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2024.

Investments and financial instruments: Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equity securities and money market mutual funds. 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.

Note 8. Fair Value of Financial Instruments (Continued)

Level 2 securities include U.S. government agency obligations, corporate notes and municipal securities. For investments, other than the private investment funds, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications. For the private investment funds, the net asset value reported by the fund was used to determine fair value. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3. The only financial instruments with Level 3 measurements that Mosaic holds is the beneficial interest in trust.

Fair value determinations for Level 3 measurements of securities are the responsibility of management. Management contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States of America.

Beneficial interest in trust: The fair value is estimated based on fair value of the underlying trust assets. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Transfers between fair value hierarchy levels: Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the year ending date.

Unobservable (Level 3) inputs: The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements:

	Fair Value	Valuation Technique
Beneficial interest in trust	$ 4,551	Present value of future distributions expected to be received over term of agreement

Alternative investments: As permitted by ASC Topic 825, Mosaic has elected to measure the private investment funds at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial position of Mosaic. Changes in fair value for these items are reported in change in net unrealized gains and losses on trading securities in the accompanying consolidated statements of operations.

(Dollars in Thousands)

Note 8. Fair Value of Financial Instruments (Continued)

The fair value of alternative investments has been estimated using the net asset value per share of the investments as a practical expedient. Alternative investments held at June 30 consist of the following:

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	$ 25,645	$ -	Limited to month-end redemption	7 Days
Domestic equity fund	23,249	-	Limited to month-end redemption	7 Days

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	$ 30,020	$ -	Limited to month-end redemption	7 Days
Domestic equity fund	29,350	-	Limited to month-end redemption	7 Days

Note 9. Investments and Assets Limited as to Use

A summary of the limitations or restrictions on investments at June 30, is as follows:

	2024	2023
Board-designated:		
Self-insured claims	$ 27,380	$ 24,815
Foundation operations	28,289	19,304
Restricted by time or purpose	27,087	20,245
Restricted in perpetuity	2,807	2,902
Total assets limited as to use	85,563	67,266
Less current portion required for current liabilities	3,760	4,557
Noncurrent assets limited as to use	$ 81,803	$ 62,709

A summary of the composition of noncurrent assets limited as to use at June 30, is as follows:

	2024	2023
Cash and cash equivalents	$ 2,715	$ 1,356
Investments	79,088	61,353
Total noncurrent assets limited as to use	$ 81,803	$ 62,709

(Dollars in Thousands)

Note 9. Investments and Assets Limited as to Use (Continued)

A summary of investment return for 2024 and 2023, is comprised of the following:

	2024	2023
Interest and dividend income	$ 31,601	$ 28,200
Net realized gains on sale of investments	14,474	4,890
Change in net unrealized gains and losses	33,510	34,112
Total investment return	$ 79,585	$ 67,202
Reconciliation of total investment return reporting:		
Investment income reported as:		
Unrestricted:		
Other operating revenue, net	$ 2,548	$ 2,722
Other nonoperating income:		
Interest and dividend income from investments	28,540	25,270
Net realized gains on sale of investments	14,474	4,890
Change in net unrealized gains and losses	31,690	33,492
Restricted by time or purpose		
Interest and dividend income from investments	513	208
Change in net unrealized gains and losses	1,820	620
Total investment return	$ 79,585	$ 67,202

Net assets with donor restrictions are available for the following purposes at June 30:

	2024	2023
Children's special health needs	$ 1,992	$ 1,788
Specific programs	18,466	12,308
Various	9,436	9,051
	$ 29,894	$ 23,147

Note 10. Employee Benefit Plans

Mosaic participates in a defined contribution plan (the DC Plan), which collectively, covers substantially all employees of Mosaic. Under the DC Plan during the years ended June 30, 2024 and 2023, Mosaic matched 50% of employee contributions up to a maximum of 8% of an employees' annual compensation. Mosaic's expense related to the DC Plan was approximately $9,500 and $8,900 during the years ended June 30, 2024 and 2023, respectively, and is reflected as a component of employee benefits in the accompanying consolidated statements of operations.

Health and welfare plan: Mosaic sponsors a health and welfare plan (the Health Care Plan), which provides health and dental coverage to substantially all employees.

(Dollars in Thousands)

Note 10. Employee Benefit Plans (Continued)

Mosaic has supplemental, nonqualified, retirement benefit plans and noncompetition agreements for certain key executives. The total estimated cost for these plans is being charged to operating expense over the expected remaining service period for each individual. The expense charged to operations during 2024 and 2023 was $800 and $400, respectively. A liability related to the plans and agreements was recorded in the amounts of approximately $500 as of June 30, 2024 and 2023, respectively.

Note 11. Leases

At June 30, 2024 and 2023, Mosaic had operating and finance leases for facilities and certain equipment with lease terms ranging from one to 50 years.

Total lease expense for the years ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
Operating lease expense, general, administrative and other	$ 1,314	$ 1,735
Finance lease expense:		
Amortization of ROU assets, depreciation and amortization	$ 828	$ 808
Interest on lease liabilities, interest	24	26
	$ 852	$ 834

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 1,050	$ 1,615
Operating cash flows from finance leases	25	25
Financing cash flows from finance leases	819	820
ROU assets obtained in exchange for lease obligations:		
Operating leases	175	1,124
Finance leases	315	135

(Dollars in Thousands)

Note 11. Leases (Continued)

Supplemental balance sheet information related to leases as of June 30, 2024 and 2023 consisted of the following:

	2024	2023
Operating leases:		
Operating lease ROU assets, net, other assets	$ 9,480	$ 7,203
Accrued expenses	$ 1,574	$ 1,165
Other noncurrent liabilities	4,539	3,789
Total operating lease liabilities	$ 6,113	$ 4,954
Finance leases:		
Property and equipment, gross	$ 3,459	$ 3,812
Accumulated depreciation	2,398	2,019
Property and equipment, net	$ 1,061	$ 1,793
Current maturities of long-term debt	$ 463	$ 790
Long-term debt, net of current portion	638	1,048
Total finance lease liabilities	$ 1,101	$ 1,838
Weighted average remaining lease term:		
Operating leases	11 years	13 years
Finance leases	3 years	3 years
Weighted average discount rate:		
Operating leases	2.55%	2.40%
Finance leases	2.19%	1.34%

Maturities of lease liabilities for the next five years and thereafter consist of the following:

	Operating	Finance
2025	$ 1,707	$ 488
2026	1,584	434
2027	1,192	198
2028	475	13
2029	63	-
Thereafter	2,093	-
Minimum lease payments	7,114	1,133
Less amount representing interest	1,001	32
Net minimum lease payments	$ 6,113	$ 1,101

(Dollars in Thousands)

Note 12. Financial Assets Available and Liquidity

Mosaic regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Mosaic has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt, equity securities and receivables.

The Board of Trustees has designated a portion of its resources for long-term insurance and debt requirements, which are not considered available. Those amounts are designated as board-designated—self-insurance trust, endowments and others in the following table. The Board of Trustees has established guidelines for transactions requiring board approval relating to board-designated funds.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, Mosaic considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Mosaic utilizes a rolling financial forecast as well as long range financial planning tools and expects financial assets to be available to meet general expenditures over the next 12 months. Refer to the consolidated statements of cash flows, which identifies the sources and uses of Mosaic's cash and shows net cash (used in) provided by operations for the years ended June 30, 2024 and 2023.

Financial assets available for general expenditure within one year of the balance sheet date, comprise the following at June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	$ 96,208	$ 46,788
Investments	748,933	698,323
Receivables:		
Patient	119,614	127,391
Other	6,882	9,074
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	55,669	44,119
Donor restricted net assets:		
Restricted by time or purpose	27,087	20,245
Restricted in perpetuity	2,807	2,902
Investments in joint ventures	24,138	23,678
Total financial assets	1,081,338	972,520
Less amounts not available to meet cash needs for general expenditures within one year:		
Investments in joint ventures	24,138	23,678
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	55,669	44,119
Donor restricted net assets:		
Restricted by time or purpose	27,087	20,245
Restricted in perpetuity	2,807	2,902
Financial assets available to meet cash needs for general expenditures within one year	$ 971,637	$ 881,576

Note 12. Financial Assets Available and Liquidity (Continued)

Mosaic's endowment funds consist of donor-restricted and board-designated endowments. Income from endowments is restricted for specific purposes. As part of a liquidity management plan, Mosaic has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Excess cash is invested.

Note 13. New Market Tax Credit Program and German American Building

In December 2015, the Parent, Mosaic-St. Joseph, Midwestern, SJDD, Aspire Development, LLC and German American MT, LLC, entered into multiple agreements to facilitate the rehabilitation and restoration of the 41,400 square foot German American Building located in downtown St. Joseph, Missouri. Aspire is the developer for the German American Building rehabilitation project. The New Market Tax Credit (NMTC) program provided for in the Community Renewal Tax Relief Act of 2000, along with federal and state historic tax credits, were being used to assist with financing the rehabilitation project.

The NMTC program is designed to stimulate investment and economic growth in low-income communities by offering taxpayers a 39% tax credit against federal income taxes over a seven-year period in exchange for Qualified Equity Investment (QEI) in designated Community Development Entities (CDEs). CDEs receive NMTC allocations pursuant to Section 45D of the IRC. These designated CDEs must use substantially all of the proceeds to make Qualified Low Income Community Investments (QLICIs). To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period (Compliance Period). Also, the entity receiving the loans must be treated as a Qualified Active Low Income Community Business (QALICB) for the duration of the Compliance Period. The QALICB requirements are outlined in Treasury Regulation Section 1.45D 1(d)(4)(i).

The tax credits associated with the transaction were contingent on SJDD and affiliates maintaining compliance with applicable portions of Section 42 of the IRC. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest. On December 6, 2022, the seven-year Compliance Period expired, and no such events have occurred.

In December 2015, the NMTC Investor, US Bank Community Development Corporation (USBCDC), made a capital contribution to an Investment Fund that it created for the German American Building project. At the same time, Mosaic-St. Joseph made a $7,029 leveraged loan to the same Investment Fund. In turn, the Investment Fund made a $10,000 Qualified Equity Investment in a Sub-Community CDE (Sub-CDE), recognized as a qualified community development entity. The Sub-CDE then made two QLICI loans to SJDD for a combined amount of $9,800.

On December 6, 2022, USBCDC exercised its put option and entered into a Membership Interest Purchase Agreement with Midwestern for the purchase of USBCDC's Member interest in GAMT in the amount of $219. At the same time, the notes were allonged to USBCDC, the $7,029 note was paid in full, and the $2,771 note was considered cancelled and recognized as other income within the consolidated statement of operations. As of June 30, 2024 and 2023, the combined balances of the long-term debt, net and the current portion included in current maturities of long-term debt was $0.

(Dollars in Thousands)

Note 13. New Market Tax Credit Program and German American Building (Continued)

The $7,029 leveraged loan made by Mosaic-St. Joseph to Investment Fund accrued interest at 1.0% per annum with quarterly interest-only payments due for the first seven years through December 6, 2022. As part of the unwind of the New Market Tax Credit structure and USBCDC exit in December 2022, Mosaic-St Joseph's leveraged loan receivable was paid in full. The long-term portion of the leveraged loans is included in notes receivable, net and the current portion is included in the prepaid expenses and other. As of June 30, 2024 and 2023, the combined balances of the notes receivable, net and current portion included in prepaid expenses and other was $0.

Note 14. Investments in Unconsolidated Joint Ventures

At June 30, 2024 and 2023, investments in unconsolidated joint ventures amounted to $24,138 and $23,678, respectively. Investments in the unconsolidated joint ventures are included in other assets in the consolidated balance sheets.

The unconsolidated joint ventures consist of three health care entities in which Mosaic's ownership interest ranges from 15% to 45%. The unaudited collective financial position of the unconsolidated joint ventures as of and for the years ended June 30, 2024 and 2023 were:

	2024	2023
Total assets	$ 13,818	$ 14,890
Net income	5,710	6,364

Mosaic's share of earnings on the investment in joint ventures is included in other revenue in the consolidated statements of operations. Mosaic recorded activity related to the unaudited joint ventures for the years ended June 30, 2024 and 2023 as follows:

	2024	2023
Gain on investment in unconsolidated joint ventures	$ 2,356	$ 2,721
Distributions received from unconsolidated joint ventures	(2,087)	(2,704)

Note 15. Self-Insurance

Mosaic's professional and general liability insurance coverage is provided from a commercial carrier under a claims-made policy. Under such policy, claims made and reported to the insurance carrier are covered during the policy term when the incident is reported. Accruals for uninsured losses and the corresponding charge to operations, if any, are based upon management's estimate of losses related to both asserted and unasserted claims considering the nature of specific claims, incidents and past history. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured. It is management's intent to renew the claims-made policy annually.

(Dollars in Thousands)

Note 15. Self-Insurance (Continued)

Mosaic's professional and general liability insurance coverage includes self-insured retention for up to $1,000 per claim for fiscal years ended June 30, 2024 and 2023. Mosaic has accrued for the uninsured portion of the actuarially estimated losses based on pending claims, historical claims experience and industry data. Accrued losses have been discounted at a rate 3.75% for June 30, 2024 and 2023, respectively. Management believes that the accrued liability for uninsured losses is adequate to cover losses incurred to date, but the accrual is necessarily based on estimates and, therefore, the ultimate liability may be less or more than anticipated.

Mosaic's workers' compensation insurance coverage is also self-insured with per occurrence retention limits of up to $500 for fiscal years ended June 30, 2024 and 2023. Mosaic has accrued for the uninsured portion of the actuarially estimated losses based upon pending and historical claims experience.

At June 30, 2024 and 2023, current accrued expenses include approximately $4,300, for professional and general liability and workers' compensation claims estimated to be paid within one year.

Activity in Mosaic's accrued professional and general liability and workers' compensation claims liability during 2024 and 2023, is summarized as follows:

	2024	2023
Balance, beginning	$ 27,718	$ 28,015
Current year claims incurred and changes in estimates for claims incurred in prior years	6,664	2,337
Claims and expenses paid	(4,255)	(2,634)
Balance, ending	$ 30,127	$ 27,718

Mosaic offers its employees a PPO group health plan with multiple options. Mosaic is self-insured for all options. The self-insured claims are processed through a national network. In addition, Mosaic has purchased stop-loss insurance coverage for claims in excess of $750 per occurrence through December 31, 2024, and $1,000 per occurrence for the period of January 1, 2024 through December 31, 2024. During the years ended June 30, 2024 and 2023, employee health insurance expense related to all plans totaled approximately $48,100 and $40,200, respectively. Mosaic has recorded approximately $4,000 and $4,100 as of June 30, 2024 and 2023, respectively, for open claims and claims incurred but not yet reported, which is included in accrued expenses.

Note 16. Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services. Mosaic has a corporate compliance plan that monitors and performs risk assessments to ensure its obligation to meet federal guidelines. As a part of this plan, Mosaic performs periodic internal reviews of its compliance with laws and regulations. As part of Mosaic's compliance efforts, Mosaic investigates and attempts to resolve and remedy all reported or suspected incidents of material noncompliance with applicable laws, regulations or policies on a timely basis. Mosaic believes that these compliance programs and procedures are effective and lead to substantial compliance with current laws and regulations.

Note 16. Commitments and Contingencies (Continued)

Mosaic is in various stages of responding to inquiries and performs investigations to determine whether any governmental or regulatory body inquiries have any compliance violation substantiation. These various inquiries and investigations could result in fines and/or financial penalties if substantiated, which could be material. At this time, Mosaic is unable to determine any possible liability that may be incurred as a result of any inquiries, but Mosaic does not believe it would materially affect the financial position of Mosaic.

Health care reform: As a result of enacted federal health care reform legislation, substantial changes are anticipated in the United States health care system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over approximately the next decade.

Litigation and claims: There are several court actions filed against Mosaic by former patients and others seeking compensatory damages. Certain of these actions include claims for punitive damages that are not covered by insurance. In the opinion of management, losses, if any, that may be incurred upon the ultimate resolution of these claims would not have a material effect on Mosaic's financial position.

Note 17. Health Care Industry

Healthcare reform: Recent reform initiatives and proposals at the federal and state level include those focused on price transparency and out-of-network charges, which may impact prices, our competitive position, and the relationships between hospitals, insurers, patients and ancillary providers.

Economic issues: The healthcare industry has to adapt to various economic issues. Wages and other expenses increase during periods of inflation and when labor shortages occur in the marketplace. In addition, suppliers pass along rising costs in the form of higher prices. Mosaic has experienced higher prices in connection with supply chain, capital and other expenditures in the current inflationary environment and have also experienced higher labor costs in connection with the current competitive labor market. While Mosaic has implemented cost containment and other measures to try to counteract these increases, Mosaic may be unable to fully offset these increases in costs.

Additionally, the healthcare industry is facing unprecedented workforce challenges, and this has become a significant operating issue for healthcare providers. An area that has been particularly challenging for Mosaic is registered nurse recruitment and retention. Mosaic has implemented several initiatives to improve retention, recruiting, compensation programs and productivity among registered nurses and all caregivers. Mosaic will continue to incur certain contract, overtime and other premium rate labor costs to support staff and patients.

Cybersecurity: Due to the information technology systems used by Mosaic and/or our third-party vendors, the Organization may often be the target of cyber-attacks and other security threats which could cause significant disruption in Mosaic's business. Programs are in place which are intended to detect, contain, and respond to data security incidents and provide employee awareness training regarding phishing, malware and other cyber risks to protect against cyber risks and security breaches. However, because the techniques used to obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently and are increasing in sophistication, Mosaic may be unable to anticipate these techniques, detect breaches or implement adequate preventive measures and may be subject to breaches of our information technology systems or business interruption.

Note 18. Electronic Health Records System

Mosaic entered into an agreement with Epic Systems to replace its current electronic health record (EHR) system. The implementation of the Epic EHR System represents one of Mosaic's most capital-intensive projects reaching throughout the organization and one that epitomizes Mosaic's mission and objectives. The Epic EHR implementation has completed and the Epic EHR went live as of May 1, 2023.

As of June 30, 2023, approximately $54,300 of cost has been capitalized as other assets, net on Mosaic's consolidated balance sheet. Approximately $5,500 and $1,000 of accumulated amortization and depreciation has been expensed as of June 30, 2024 and 2023, respectively. Mosaic estimates annual amortization and depreciation expense to be approximately $5,500 for fiscal years 2025 through 2029.

Mosaic also has a hosting services agreement with Epic Systems. Mosaic followed the guidance at FASB ASC 350-40-30-5 entitled, Implementation Costs of a Hosting Arrangement That Is a Service Contract and is treating the license agreement as a service contract. Mosaic capitalized nonproduction hosting services and expenses production hosting services as incurred.

Note 19. Subsequent Events

All of the effects of subsequent events that provide additional evidence about conditions that existed at the consolidated balance sheet date, including the estimates inherent in the process of preparing the financial statements, are recognized in the financial statements. Mosaic does not recognize subsequent events that provided evidence about conditions that did not exist at the consolidated balance sheet date but arose after, but before the financial statements are available to be issued. In some cases, subsequent events are not recognized but are disclosed to keep the financial statements from being misleading.

Mosaic has evaluated subsequent events through October 3, 2024, and determined no additional disclosures are required other than those disclosed above. These financial statements were issued on that date.

Independent Auditor's Report on the Supplementary Information

Board of Trustees
Mosaic Health System

We have audited the consolidated financial statements of Mosaic Health System and its Related Organizations (Mosaic) as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1-2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and changes in net assets of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Minneapolis, Minnesota
October 3, 2024

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Mosaic Health System and Related Organizations

Consolidating Balance Sheet
June 30, 2024
(Dollars in Thousands)

	Obligated Group				Other Related Organizations and Eliminations	
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	**Total Obligated Group**		**Consolidated**
Assets						
Current assets:						
Cash and cash equivalents	$ 24	$ 30	$ 94,332	**$ 94,386**	$ 1,822	**$ 96,208**
Investments	-	-	748,796	**748,796**	137	**748,933**
Patient accounts receivable	101,340	11,967	-	**113,307**	6,307	**119,614**
Inventories	12,260	1,898	-	**14,158**	325	**14,483**
Prepaid expenses and other	9,109	741	14,859	**24,709**	298	**25,007**
Assets limited as to use—current portion	-	-	3,760	**3,760**	-	**3,760**
Total current assets	122,733	14,636	861,747	**999,116**	8,889	**1,008,005**
Assets limited as to use, net of current portion:						
Board-designated—self insurance trust, endowments and other	-	-	23,627	**23,627**	28,282	**51,909**
Other assets limited as to use	-	8,393	-	**8,393**	21,501	**29,894**
Total assets limited as to use, net of current portion	-	8,393	23,627	**32,020**	49,783	**81,803**
Due from (to) affiliates	97,298	(16,208)	(73,046)	**8,044**	(8,044)	**-**
Investments in joint ventures, net	24,138	-	-	**24,138**	-	**24,138**
Property and equipment, net	237,897	22,700	32,204	**292,801**	30,301	**323,102**
Other assets, net	6,979	3,691	44,808	**55,478**	4,383	**59,861**
Total assets	$ 489,045	$ 33,212	$ 889,340	**$ 1,411,597**	$ 85,312	**$ 1,496,909**

Mosaic Health System and Related Organizations

Consolidating Balance Sheet
June 30, 2024
(Dollars in Thousands)

	Obligated Group				Other Related Organizations and Eliminations	
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	**Total Obligated Group**		**Consolidated**
Liabilities and Net Assets						
Current liabilities:						
Current maturities of long-term debt	$ 409	$ 28	$ 4,312	**$ 4,749**	$ (6)	**$ 4,743**
Accounts payable	15,476	578	10,424	**26,478**	2,202	**28,680**
Accrued self-insured costs	-	-	4,290	**4,290**	-	**4,290**
Accrued expenses	18,361	1,901	47,020	**67,282**	1,019	**68,301**
Estimated settlements due to third-party payors	10,668	2,594	-	**13,262**	3,910	**17,172**
Total current liabilities	44,914	5,101	66,046	**116,061**	7,125	**123,186**
Long-term debt, net of current portion	604	29	266,387	**267,020**	5	**267,025**
Accrued self-insured costs, net of current portion	-	-	25,837	**25,837**	-	**25,837**
Other noncurrent liabilities	13,894	6,251	2,918	**23,063**	4,313	**27,376**
Total liabilities	59,412	11,381	361,188	**431,981**	11,443	**443,424**
Net assets:						
Without donor restrictions	429,633	13,438	528,152	**971,223**	52,368	**1,023,591**
With donor restrictions	-	8,393	-	**8,393**	21,501	**29,894**
Total net assets	429,633	21,831	528,152	**979,616**	73,869	**1,053,485**
Total liabilities and net assets	$ 489,045	$ 33,212	$ 889,340	**$ 1,411,597**	$ 85,312	**$ 1,496,909**

Mosaic Health System and Related Organizations

Consolidating Statement of Operations
Year Ended June 30, 2024
(Dollars in Thousands)

	Obligated Group				Other Related Organizations and Eliminations	
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	**Total Obligated Group**		**Consolidated**
Unrestricted revenues, gains and other support:						
Patient service revenue	$ 734,902	$ 80,797	$ -	**$ 815,699**	$ 36,437	**$ 852,136**
Net assets released from restrictions used for operations	312	351	-	**663**	506	**1,169**
340b program revenue and other	46,198	4,463	1,750	**52,411**	(1,339)	**51,072**
Total unrestricted revenues, gains and other support	781,412	85,611	1,750	**868,773**	35,604	**904,377**
Operating expenses:						
Salaries and wages	323,071	39,328	52,470	**414,869**	17,433	**432,302**
Employee benefits	55,475	8,219	18,105	**81,799**	4,262	**86,061**
Professional fees	4,491	441	9,714	**14,646**	107	**14,753**
Supplies	156,243	16,722	(3,135)	**169,830**	4,629	**174,459**
General, administrative and other	40,610	5,747	50,153	**96,510**	3,133	**99,643**
Corporate allocations	121,339	15,086	(141,079)	**(4,654)**	4,654	**-**
Insurance	8,797	1,232	882	**10,911**	420	**11,331**
Depreciation and amortization	27,826	2,771	4,976	**35,573**	2,572	**38,145**
Interest	14	619	9,647	**10,280**	(610)	**9,670**
Federal reimbursement allowance	25,150	2,486	-	**27,636**	1,384	**29,020**
Total operating expenses	763,016	92,651	1,733	**857,400**	37,984	**895,384**
Operating income (loss) before other operating revenue and expenses	18,396	(7,040)	17	**11,373**	(2,380)	**8,993**
Other operating (expense) income	(1)	-	(36)	**(37)**	1,216	**1,179**
Operating income (loss)	18,395	(7,040)	(19)	**11,336**	(1,164)	**10,172**
Other income (expense):						
Interest and dividend income	334	21	26,421	**26,776**	1,764	**28,540**
Net realized gains on sale of investments and assets limited as to use	-	-	14,474	**14,474**	-	**14,474**
Change in net unrealized gains and losses on trading securities	-	-	31,662	**31,662**	28	**31,690**
Other	400	(4)	(1)	**395**	(1,238)	**(843)**
Total other income	734	17	72,556	**73,307**	554	**73,861**
Excess (deficiency) of revenue over expenses	$ 19,129	$ (7,023)	$ 72,537	**$ 84,643**	$ (610)	**$ 84,033**

Mosaic Health System and Related Organizations

Consolidating Statement of Changes in Net Assets
Year Ended June 30, 2024
(Dollars in Thousands)

	Obligated Group				Other Related Organizations and Eliminations	
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	**Total Obligated Group**		**Consolidated**
Net assets without restrictions:						
Excess (deficiency) of revenue over expenses	$ 19,129	$ (7,023)	$ 72,537	**$ 84,643**	$ (610)	**$ 84,033**
Other changes in net assets without restrictions	1	2,314	3,215	**5,530**	(5,593)	**(63)**
Increase in net assets without restrictions	19,130	(4,709)	75,752	**90,173**	(6,203)	**83,970**
Net assets with donor restrictions:						
Contributions and investment income	-	123	-	**123**	4,357	**4,480**
Net change in unrealized gains and losses on investments	-	972	-	**972**	848	**1,820**
Net assets released from restrictions used for operations	(312)	(351)	-	**(663)**	(506)	**(1,169)**
Other changes in net assets with donor restrictions	52	288	-	**340**	1,276	**1,616**
Increase (decrease) in net assets with donor restrictions	(260)	1,032	-	**772**	5,975	**6,747**
Change in net assets	18,870	(3,677)	75,752	**90,945**	(228)	**90,717**
Net assets:						
Beginning	410,763	25,508	452,400	**888,671**	74,097	**962,768**
Ending	$ 429,633	$ 21,831	$ 528,152	**$ 979,616**	$ 73,869	**$ 1,053,485**

SERVICE-SPECIFIC REVENUES AND EXPENSES

Project Title: Heartland Regional Medical Center **Project #:** 6186 HS

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:*	616	756	928
Revenue:			
Average Charge**	$58,259	$60,589	$63,013
Gross Revenue	$35,887,544	$45,805,284	$58,476,064
Revenue Deductions	23,208,475	29,622,453	37,816,431
Operating Revenue	12,679,069	16,182,831	20,659,633
Other Revenue	0	0	0
TOTAL REVENUE	**$12,679,069**	**$16,182,831**	**$20,659,633**
Expenses:			
Direct Expenses			
Salaries	3,248,450	4,146,203	5,293,100
Fees	0	0	0
Supplies	3,751,788	4,788,646	6,113,251
Other	993,505	1,268,074	1,618,841
TOTAL DIRECT	$7,993,743	$10,202,923	$13,025,192
Indirect Expenses			
Depreciation	458,075	458,075	458,075
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	0	0	0
TOTAL INDIRECT	$458,075	$458,075	$458,075
TOTAL EXPENSES	**$8,451,818**	**$10,660,998**	**$13,483,267**
NET INCOME (LOSS):	**$4,227,251**	**$5,521,833**	**$7,176,366**

*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.