Certificate of Need Application

Heartland Regional Medical Center
Project 6200 HS

Submitted to the Missouri Health Facilities Review Committee
April 30, 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 Regional Medical Center Project No: 6200 HS

Project Description: Add MRI for Mosaic Medical Office Building

Done	Page	N/A	Description
			Divider I. Application Summary:
✓	3		1. Applicant Identification and Certification (Form MO 580-1861)
✓	4		2. Representative Registration (From MO 580-1869)
✓	5-6		3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.
			Divider II. Proposal Description:
✓	8, 14-50		1. Provide a complete detailed project description and include equipment bid quotes.
✓	8		2. Provide a timeline of events for the project, from CON issuance through project completion.
✓	9-10		3. Provide a legible city or county map showing the exact location of the project.
✓	10		4. Define the community to be served and provide the geographic service area for the equipment.
✓	11-12		5. Provide other statistics to document the size and validity of any user-defined geographic service area.
✓	12		6. Identify specific community problems or unmet needs the proposal would address.
✓	12		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, 51		9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
✓	52-53		10. Provide copies of any petitions, letters of support or opposition received.
✓	51		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.
✓	54-60		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:
✓	62		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:
✓	64, 65-106		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.
✓	107		2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
✓	64		3. Document how patient charges are derived.
✓	64		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

Exhibit 1.1

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	6200 HS
Project Address *(Street/City/State/Zip Code)*	**County**
101 Mosaic Court, 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**
TClaycomb		4/28/2025

MO 580-1861 (03/13)

Certificate of Need Program

REPRESENTATIVE REGISTRATION

Exhibit 1.2

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

Project Name	Number
Heartland Regional Medical Center	6200 HS

(Please type or print legibly.)

Name of Representative	Title
Tony Claycomb	

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
Ty Claycomb	4/4/25

MO 580-1869 (11/01)

Certificate of Need Program

PROPOSED PROJECT BUDGET

Exhibit 1.3

Description	Dollars
COSTS:*	*(Fill in every line, even if the amount is "$0".)*
1. New Construction Costs ***	$310,000
2. Renovation Costs ***	$0
3. Subtotal Construction Costs (#1 plus #2)	$310,000
4. Architectural/Engineering Fees	$0
5. Other Equipment (not in construction contract)	$0
6. Major Medical Equipment	$1,297,894
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	$1,297,894
12. Total Project Development Costs (#3 plus #11)	$1,607,894 **
FINANCING:	
13. Unrestricted Funds	$1,607,894
14. Bonds	$0
15. Loans	$0
16. Other Methods (specify)	$0
17. Total Project Financing (sum of #13 through #16)	$1,607,894 **
18. New Construction Total Square Footage	1,450
19. New Construction Costs Per Square Foot *****	$214
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.*

Exhibit 1.3

Project Name: Heartland Regional Medical Center **Project Number:** 6200 HS
MRI for Mosaic Medical Office Building
Date: 4/10/2025

MOSAIC
ST. JOSEPH | MARYVILLE | ALBANY

CON Purposes Only

Item	Scope of Work	Total
Construction Cost	Electrical, mechanical, concrete, cabling, structural supports	$ 164,200
Lead Shielding	Estimated cost for lead shielding components and doors	$ 145,800
	Subtotal Construction Costs	**$ 310,000**
Major Medical Equipment	Siemens Magnetom Altea System – (Quote Nr CPQ-1357516 Rev. 0)	$ 1,297,894
	Total Project Costs	**$ 1,607,894**

DIVIDER II.

Proposal Description

Divider II. Proposal Description

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

   Heartland Regional Medical Center (HRMC) seeks approval to acquire a Siemens Magnetom Altea MRI scanner for the new Mosaic Medical Office Building (MOB). This new scanner will replace the current MRI at the Outpatient Imaging (OPI) clinic that was CON approved on Project # 5552 HS, which will be decommissioned. The new scanner's design aims to reduce patient anxiety and claustrophobia while enabling HRMC to perform specialized exams in neurology, prostate, breast, cardiac, and vascular areas, thereby improving care, image quality, and patient outcomes.

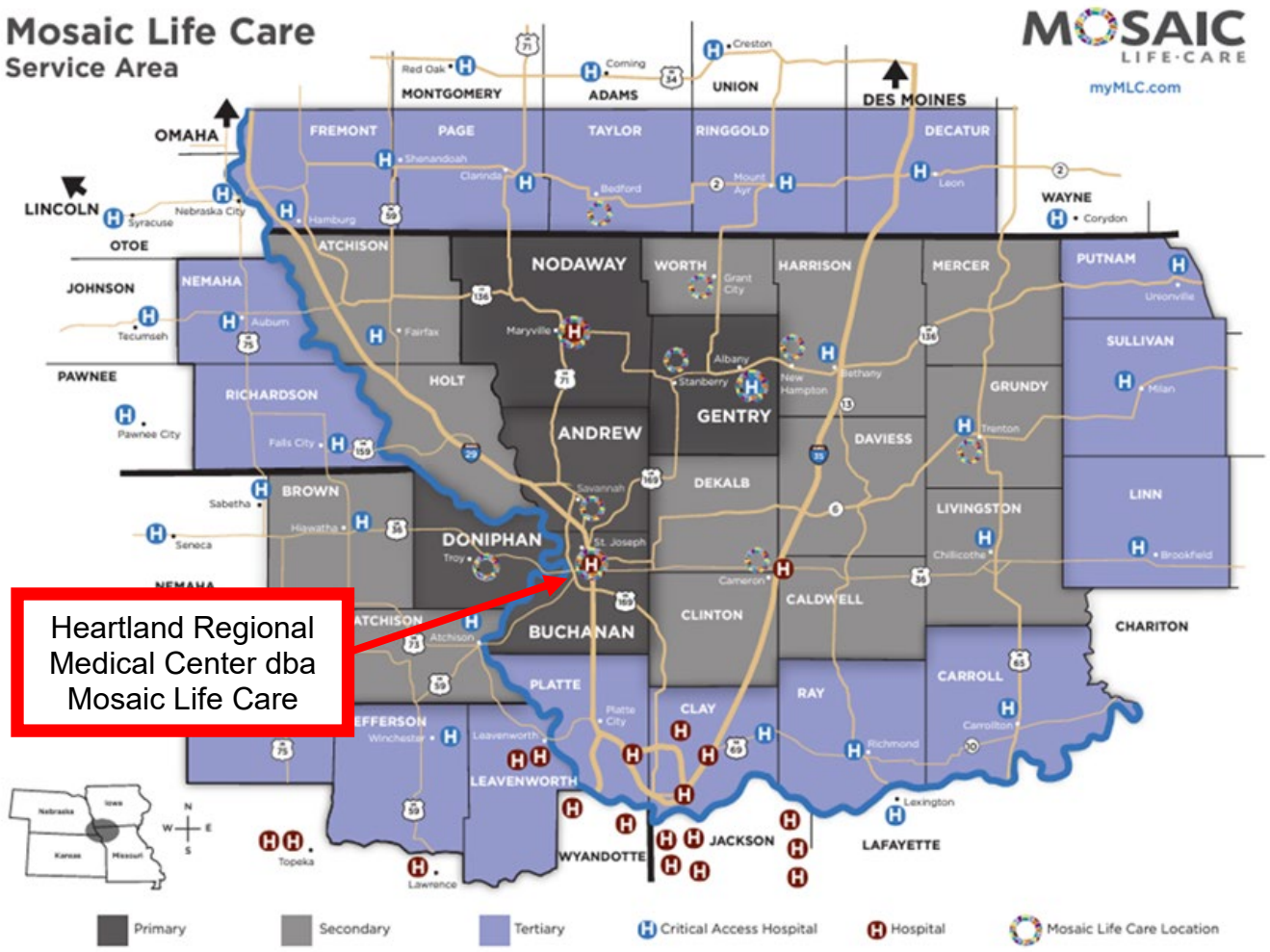
   See Exhibit 2.1.

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

CON Decision	-	July 2025
Design	-	August 2025
Order MRI Equipment	-	August 2025
Construction Begins	-	September 2025
Construction Completed	-	March 2026
Installation of MRI Equipment	-	March 2026
MRI Equipment Operational	-	April 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.


Mosaic Life Care
Service Area
MOSAIC
LIFE-CARE
myMLC.com
Heartland Regional Medical Center dba Mosaic Life Care
OMAHA
LINCOLN
MONTGOMERY
ADAMS
UNION
DES MOINES
FREMONT
PAGE
TAYLOR
RINGGOLD
DECATUR
WAYNE
OTOE
ATCHISON
NODAWAY
WORTH
HARRISON
MERCER
PUTNAM
JOHNSON
NEMAHA
SULLIVAN
PAWNEE
RICHARDSON
HOLT
ANDREW
GENTRY
GRUNDY
DAVIESS
DEKALB
LINN
BROWN
DONIPHAN
LIVINGSTON
CLINTON
CALDWELL
CHARITON
BUCHANAN
CARROLL
PLATTE
CLAY
RAY
LEAVENWORTH
WYANDOTTE
JACKSON
LAFAYETTE
Primary
Secondary
Tertiary
Critical Access Hospital
Hospital
Mosaic Life Care Location

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.

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 the community, we would like to take the opportunity to centralize our imaging services. By combining the two outpatient imaging locations which will allow more outpatient procedures to be performed outside of the hospital department, improving patient satisfaction by not being in the mix of the inpatient and ER areas of the hospital. Patient's time is valuable, and this will allow patient's scheduled exams to not be bumped due to inpatient and emergent priorities. This will allow staffing flexibility and improved workflow efficiencies.

- Improved patient satisfaction
- Improved scan times
- State-of-the-art technology for the patients and communities we serve

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:	First Three Full Years of Operation:
Year 1 – 2,862	Year 1 – 2,862
Year 2 – 2,747	Year 2 – 3,005
Year 3 – 2,732	Year 3 – 3,155

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

   The Outpatient Imaging MRI was previously approved on Project #5552 HS. The MRI in this location will be decommissioned and replaced with a new scanner at the new MOB location. The utilization will remain consistent with prior years; however, the new MRI scanner will bring the opportunity for future growth with its diverse applications.

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.**

    Refer to 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.

Customer Number: 0000006733 Date: 03/27/2025

MOSAIC LIFE CARE AT ST JOSEPH
5325 FARAON ST
SAINT JOSEPH, MO 64506

Siemens Medical Solutions USA, Inc. is pleased to submit the following quotation for the products and services described herein at the stated prices and terms, subject to your acceptance of the terms and conditions on the face and back hereof, and on any attachment hereto.

Table of Contents **Page**

Contract Total: $ 1,297,894
(total does not include any Optional or Alternate components which may be selected)

Proposal valid until 06/30/2025

Estimated Delivery Date:

Estimated delivery date is subject to change based upon factory lead times, acceptance date of this quote, customer site readiness, and other factors. A Siemens representative will contact you regarding the final delivery date.

Notwithstanding anything else in this Agreement, or in any applicable group purchasing agreement terms, if Purchaser does not accept delivery within twenty-four (24) months of the date this quotation is executed, then Seller may, at its option, adjust the prices in the quotation by written notice. In such event, Purchaser will then have the option to cancel the order without payment of a cancellation charge provided Purchaser notifies Seller within ten (10) days of the date of Seller's notice of the price adjustment.

This proposal includes the trade-in of equipment referenced in Trade Sheet Project #2025-0531.

This is a CONFIDENTIAL, one-time multi-modality offer which may not be shared with any third parties, buying evaluation groups or anyone not directly employed by customer. This offer is only valid if firm, non-contingent orders for quote #s CPQ-1291638, CPQ-1375356, CPQ-1341559, CPQ-1357516 and CPQ-1387242 are placed with Siemens by 06/30/2025. This date supersedes any other validity date indicated in the proposal.

This offer is only valid if firm, non-contingent orders for system Quote# CPQ-1357516 and education Quote# CPQ-1387242 are simultaneously placed with Siemens.

This offer is only valid if a firm, non-contingent order is placed with Siemens and a signed POS contract must accompany the equipment order.

This order is contingent upon CON approval from the State of Missouri. If CON approval is not granted, customer may cancel this order without penalty. Upon receipt of CON approval from the State, please notify Siemens in writing so that equipment delivery can be scheduled.

This quote is based upon standard delivery terms and conditions (e.g., standard work hours, first floor delivery, etc.), basic rigging, mechanical installation and calibration. Siemens Medical Solutions USA, Inc., Project Management shall perform a site-specific assessment to ascertain any variations that are out of scope and not covered by the standard terms (examples such as, but not limited to: larger crane, nonstandard work hours, removal of existing equipment, etc.). Any noted variations identified by Siemens Project Management shall remain the responsibility of the customer and will be subject to additional fees.

Accepted and Agreed to by:

Siemens Medical Solutions USA Inc.		**MOSAIC LIFE CARE AT ST JOSEPH**	
By (sign):	_____	By (sign):	_____
Name:	Megan Caldwell	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

By signing below, signor certifies that no modifications or additions have been made to the Quotation. Any such modifications or additions will be void.

By (Sign): _____

Quote Nr:	**CPQ-1357516 Rev. 0**
Terms of Payment:	**00% Down, 80% Delivery, 20% Installation** **Free On Board: Destination**
Purchasing Agreement:	VIZIENT SUPPLY LLC VIZIENT SUPPLY LLC terms and conditions apply to Quote Nr CPQ-1357516 Customer certifies, and Siemens relies upon such certification, that : (a) VIZIENT MRI XR0885 is the sole GPO for the purchases described in this Quotation, and (b) the person signing this Quotation is fully authorized under the Customer's policies to choose and indicate for Customer such appropriate GPO.

MAGNETOM Altea - System

All items listed below are included for this system:

Qty	Part No.	Item Description
1	14461700	**MAGNETOM Altea - System** MAGNETOM Altea is the new 1.5T Open Bore system that gives you full confidence to deliver the productivity, reproducibility, and patient satisfaction that you demand in MRI. Powered by our premium MR technology, MAGNETOM Altea combines our unique BioMatrix technology with the new syngo MR XA software platform and our exclusive Turbo Suite to fundamentally transform care delivery for the better. System Design - Short and open appearance (157 cm total system length cover-to-cover and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia - Whole-body superconductive Zero Helium Boil-Off 1.5T magnet - Weight-optimized magnet technology based on high performance 3T and 7T magnet design - Actively Shielded water-cooled Siemens gradient system for maximum performance Tim 4G (Total imaging matrix in the 4th generation) for excellent image quality and speed with Siemens unique DirectRX technology enabling all digital-in/digital-out design and Dual-Density Signal Transfer Technology Push-button exams with GO technologies Select&GO DotGO/ myExam Companion

Qty	Part No.	Item Description
		Recon&GO MR View&GO Tim Application Suite allowing excellent head-to-toe imaging for - Neuro - Angio - Cardiac - Body - Onco - Breast - Ortho - Pediatric - Scientific Further included - High performance host computer and measurement and reconstruction system - Patient communication including headphones - syngo MR software including - Turbo Suite Essential - 1D/2D PACE - BLADE - Phoenix - Inline Diffusion - MDDW (Multiple Direction Diffusion Weighting) - CISS - DESS - TGSE - Offline Composing
1	14460161	**MR General Engine #Vi** syngo.MR General Engine extends Numaris/X by adding dedicated workflows and tools for routine and advanced reading of MR examinations. A generic MR Basic workflow is provided, as well as specific MR Neurology, MR Prostate Reading, MR Breast Reading, and MR Cardio-Vascular workflows.
1	14475308	**myExam Brain Assist** myExam Brain Assist provides guided and flexible workflows. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the brain workflow, and to personalize to the individual patient's condition and clinical need. myExam Brain Assist is customizable to the site-specific standards of care.
1	14475309	**myExam Spine Assist**

Qty	Part No.	Item Description
		myExam Spine Assist provides guided and flexible workflows for cervical, thoracic and lumbar spine. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the spine workflow, and to personalize to the individual patient's condition and clinical need. myExam Spine Assist is customizable to the site-specific standards of care.
1	14475310	**myExam Large Joint Assist** myExam Large Joint Assist provides guided and flexible workflows for knee, hip and shoulder. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the scan workflow, and to personalize to the individual patient's condition and clinical need. myExam Large Joint Assist is customizable to the site-specific standards of care.
1	14482834	**myExam Brain Autopilot** myExam Brain Autopilot enables less experienced staff to scan brain MRI at high quality with just a few simple clicks. By using automation and AI, it takes away burdensome routine tasks for all technologists. Predefined automated protocols allow users to scan with no manual adjustments. A new and intuitive user interface simplifies scanning so that exams can be performed, or strategies can be changed easily. This new approach to operate MRI helps any user to generate consistent, comprehensive results. myExam Brain Autopilot is customizable to the site-specific standards of care.
1	14482835	**myExam Knee Autopilot** myExam Knee Autopilot enables less experienced staff to scan knee MRI at high quality with just a few simple clicks. By using automation and AI, it takes away burdensome routine tasks for all technologists. Predefined automated protocols allow users to scan with no manual adjustments. A new and intuitive user interface simplifies scanning so that exams can be performed, or strategies can be easily changed. This new approach to operate MRI helps any user to generate consistent, comprehensive results. myExam Knee Autopilot is customizable to the site-specific standards of care.
1	14483029	**myExam Implant Suite** myExam Implant Suite supports in examinations of patients with a wide range of active or passive MR Conditional implants. Limits for B1+ rms or SAR (Head and whole body) as specified by the implant manufacturer may be set by the operator and will not be exceeded during the exam.

Qty	Part No.	Item Description
1	14441748	**Quiet Suite #T+D** Quiet Suite enables complete, quiet examinations for neurology and orthopedics with at least 70% reduction in sound pressure levels.
1	14460162	**Tim Whole Body Suite #Vi** Tim Whole Body Suite puts it all together. This suite enables table movement for imaging of up to 205 cm (6' 9") FoV without compromise. In combination with Tim's newly designed ultra-high density array higher spatial and temporal resolution can be achieved along with unmatched flexibility of any coverage up to Whole Body. For faster exams and greater diagnostic confidence.
1	14460227	**Tim Planning Suite #Vi** With the Tim Planning Suite, multiple regions in the entire body can be examined in a minimum of time through measurement planning on a single FoV of any desired size.
1	14456329	**syngo TimCT FastView #Vi** TimCT FastView is the "one go" localizer for the whole body or large body regions such as the whole spine or the whole abdomen. It acquires the complete extended Field of View in one volume with isotropic resolution. Transverse, coronal and sagittal reformats of the volume are calculated Inline and displayed for planning subsequent exams. - Inline reconstruction of the localizer images during the scan. - Localizing images in three planes over the maximum Field of View available for subsequent planning in all orientations. - TimCT FastView runs without laser light positioning to further streamline the workflow for several indications.
1	14460160	**Advanced Diffusion #Vi** QuietX DWI and RESOLVE together make up the Advanced Diffusion package. QuietX DWI enables quieter diffusion-weighted imaging of the brain with up to 70% reduction in sound pressure relative to conventional diffusion-weighted imaging. RESOLVE (Readout Segmentation Of Long Variable Echo-trains) is a multi-shot, readout segmented EPI sequence for high-resolution, low-distortion diffusion-weighted imaging (DWI). This technique is largely insensitive to susceptibility effects, providing anatomically accurate diffusion imaging for the brain, spine, breast and prostate. In combination with syngo.MR Tractography, RESOLVE enables excellent white-matter tract imaging even in regions of high susceptibility, such as the spine.
1	14456327	**WARP & Advanced WARP #Vi** WARP and Advanced WARP (SEMAC) integrates different techniques tailored to reduce susceptibility artifacts caused by orthopedic MR-conditional metal implants.

Qty	Part No.	Item Description
1	14456323	**Inline Composing syngo #Se** Automatic anatomical or angiographic composing of multiple adjacent coronal or sagittal images for presentation and further evaluation. Composed images can be automatically loaded into Graphical Slice Positioning for scan planning purposes.
1	14482913	**syngo Expert-i XA60/XA61** This software application enables remote access to the system (connected via local area network) for planning and processing.
1	14461701	**Tim [180x32] XJ-Gradient #AI** Tim [180x32] XJ-gradients performance level Tim 4G's RF system and innovative coil architecture enables high resolution imaging and increased throughput. The system provides a maximum number of 180 channels (coil elements) that can be connected simultaneously. Flexible parallel imaging is achieved by the standard 32 independent RF channels that can be used simultaneously in one single scan and in one single FOV, each generating an independent partial image. XJ - gradients Max. amplitude: 57 mT/m (Actual 33 mT/m for every gradient axis) Max. slew rate: 216 T/m/s (Actual 125 T/m/s for every gradient axis) Min. rise time from 0 to 57 mT/m: 264 µs Note: max. amplitude and max. slew rate achieved through vector addition of all three gradient axes simultaneously, actual maximum amplitude of 33 mT/m and actual maximum slew rate of 125 T/m/s are achievable simultaneously along each axis. The XJ gradients are designed for high performance and linearity to support clinical whole body imaging at 1.5T. The force compensated gradient system minimizes vibration levels and acoustic noise. High-performance measurement and reconstruction system.
1	14468980	**Coil Package Tim [180x32] #1.5T** This package includes (if not exchanged with different variants via respective quote items): - Head/Neck 16 DirectConnect - BioMatrix Spine 24 - BioMatrix Body 12 - Flex Large 4 - Flex Small 4 - Flex Coil Interface
1	14468946	**BioMatrix Technology #AI,Lu** The new and unique BioMatrix technology addresses different aspects of patient bio-variability.
1	14461718	**BioMatrix Respiratory Sensors#AI,Lu**

Qty	Part No.	Item Description
		Respiratory sensors are integrated in the BioMatrix Spine coil and measure the patient's respiratory signal in head-first and feet-first position. The sensor loops measure the change in impedance resulting from the shift of the tissue and organs during the inhaled and exhaled phase of the patient's respiration as soon as the patient is lying on the table. The BioMatrix Respiratory Sensors can be used to trigger MR sequences based on the respiratory cycles of the patient without the need and workflow impediments of a respiratory belt.
1	14470793	**BioMatrix Coil Shim #AI,Lu** BioMatrix CoilShim helps to reduce patient induced strongly localized B0 inhomogeneities by dedicated local shim channels.
1	14470794	**BioMatrix SliceAdjust #BM** BioMatrix SliceAdjust helps to avoid station boundaries and apparent broken spine artifacts as well as to preserve the SNR for whole-body diffusion.
1	14461703	**BioMatrix Dockable Table #AI** The BioMatrix Dockable Table is designed for maximum patient comfort and smooth patient preparation. The BioMatrix Dockable Table can support up to 250 kg (550 lbs) without restricting the vertical or horizontal movement.
1	14470796	**BioMatrix Select & GO #AI,Lu** Select&GO The Select&GO interface enables fast and easy single-touch patient positioning. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time. The ergonomically designed Select&GO touch panel is integrated into the front cover on the left-hand side of the patient tunnel for controlling table movement, guidance for patient setup and comfort features. The Select&GO panel is well illuminated for easy visual recognition. The BioMatrix Select&GO interface enables fast and easy single-touch patient positioning. The interface is integrated left-hand side of the patient into the front covers. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time.
1	14461705	**2nd Select&GO #AI** The 2nd Select&GO interface enables fast and easy single-touch patient positioning from both sides of the patient table. The interfaces are integrated left and right into the front covers. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time.
1	14461706	**Pure White Design #AI**

Qty	Part No.	Item Description
		MAGNETOM Altea is available in a light and appealing design which perfectly integrate into different environments. The Pure White Design comprises a brilliant white front design ring with integrated unique Select&GO panels. The table cover is presented also in the same color and material selection.
1	14456270	**PC Keyboard US English #Vi** Standard PC keyboard with 105 keys.
1	14456238	**Peripheral Pulse Unit #Vi** Peripheral Pulse Unit for Pulse Triggering
1	14482959	**SW syngo MR XA61A** syngo MR XA61A is the new software platform, bringing the latest features and functionality for daily clinical excellence. syngo MR XA61A guides and enables the user throughout the entire workflow: from patient registration; patient set up with guided workflows on the Select&GO; protocol management and selection; image acquisition and viewing; data handling; and post processing and reporting. This software together with the hardware enables diagnostic excellence for your daily clinical needs. The syngo MR XA61A platform offers myExam Companion which introduces a new MRI operation philosophy by providing built-in expertise and automation for users and clinical questions. myExam Companion provides different workflow modes for tailored assistance: myExam Autopilot, myExam Assist and myExam Cockpit. No matter the user or patient, myExam Companion helps generate consistent, comprehensive results.
1	14461619	**Turbo Suite Essential #BM** Turbo Suite Essential comprises established acceleration techniques to maximize productivity for all contrasts, orientations and all routine imaging applications from head-to-toe.
1	14402527	**SWI #Tim** Susceptibility Weighted Imaging is a high-resolution 3D imaging technique for the brain with ultra-high sensitivity for microscopic magnetic field inhomogeneities caused by deoxygenated blood, products of blood decomposition and microscopic iron deposits. Among other things, the method allows for the highly sensitive proof of cerebral hemorrhages and the high-resolution display of venous cerebral blood vessels.
1	14475314	**myExam Abdomen Assist** myExam Abdomen Assist provides guided and flexible workflows for abdomen exams. Optimized scan strategies are provided and can be selected based on the patient's condition, which allow for reproducible, high image quality, time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the workflow, and to personalize to the individual patient's condition and clinical need.

Qty	Part No.	Item Description
		myExam Abdomen Assist provides: - Personalized Exam Strategies - Guidance - Automatic sequence scaling - Auto Navigator - Auto-FoV - Timeline setup for dynamic imaging and monitoring - Automatic Voice Commands - Auto Bolus Detection - Inline radial MIPs calculation for MRCP - Inline Subtraction - Inline Registration myExam Abdomen Assist is customizable to the site-specific standards of care.
1	14441761	**LiverLab #T+D** LiverLab is a system guided workflow to examine the hepatic fat and iron status, as part of the Abdomen Dot Engine.
1	14409198	**Native syngo #Tim** Integrated software package with sequences and protocols for non-contrast-enhanced 3D MRA with high spatial resolution. syngo NATIVE particularly enables imaging of abdominal and peripheral vessels and is an alternative to MR angiography techniques with contrast medium, especially for patients with severe renal insufficiency.
1	08464740	**Flow Quantification #Tim** Special sequences for quantitative assessment of flow i
1	14469205	**Breast Biopsy #BM** The Breast Biopsy Software is a professional solution for a fast and accurate MR biopsy workflow.
1	14461568	**BioMatrix Body 12 long #So** The Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility: - 12 channels - Dual Density Signal Transfer - Ultra light-weight - SlideConnect Technology - Exchangeable cable design (165 cm / 90 cm cable length optionally available) The 12-channel coil with its 12 integrated pre-amplifiers ensures excellent signal-to-noise ratio and extensive coverage in all directions. The single SlideConnect plug allows for fast and easy patient preparation, aided by the light-weight design to ensure highest patient comfort. The coil’s extended cable allows for more flexibility in connector

Qty	Part No.	Item Description
		selection which is especially helpful if multiple flexible coils need to be combined and challenging imaging set-ups need to be supported like in therapy imaging (e.g. for combined head-neck exams). The light-weight coil ensures highest patient comfort. The BioMatrix Body 12 long coil features: - 12-element design with 12 integrated preamplifiers (3 clusters of 4 elements each) - Operates in an integrated fashion with the BioMatrix Spine 24 - Can be combined with further BioMatrix Body 12 coils for larger coverage - Can be positioned in different orientations (0°, 90°, 180°, 270°) for patient specific adaptations - No coil tuning - iPAT compatible in all directions The highly flexible design enables a wide variety of applications including: - Thorax (incl. heart) - Abdomen - Pelvis - Hip
1	14416961	**Hand/Wrist 16 #Ae** The new Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. Hand/Wrist 16 for examinations of the left or right hand and wrist region consists of a base plate and an iPAT compatible 16-channel coil and allows high-resolution imaging of the wrist and the hand within one examination. Hand/Wrist 16 will be connected via a SlideConnect plug for fast and easy patient preparation.
1	14416962	**Foot/Ankle 16 #Ae** The new Tim 4G coil technology with Dual Density Signal Transfer and DirectConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. Foot/Ankle 16 for examinations of the left or right foot and ankle region consists of a base plate and an iPAT compatible 16-channel coil and allows high-resolution imaging of the foot and ankle within one examination. Foot/Ankle 16 is a cable-less coil and will be connected via DirectConnect for fast and easy patient preparation.
1	14461556	**Peripheral Angio 16 #So** The Peripheral Angio 16 features: - 16-element design with 16 integrated preamplifiers - Operates in an integrated fashion with the Body 6/ BioMatrix Body 12 and Spine 24/ Spine 32

Qty	Part No.	Item Description
		- Both legs are independently covered with coil elements, maximizing the coil filling factor and the signal-to-noise ratio - No coil tuning - iPAT-compatible - Includes special non-ferromagnetic coil cart for safe, user-friendly storage Applications: - High-resolution angiography of both legs incl. pelvis with highest signal-to-noise ratio - Visualization of the iliac arteries and aorta Can be combined with: - Spine 24/ Spine 32 - Body 6/ BioMatrix Body12 - All flexible coils (e.g. Flex Small 4, Flex Large 4).
2	14416972	**Tim Coil Interface 1.5T** Coil adapter plug for up to 8 receive and 1 transmit channels. This adapter will be required if the following Tim coils will be used on a compatible 1.5T MAGNETOM system with Tim 4G technology.
1	14426332	**Tx/Rx CP Head Coil #Ae** Circularly polarized no-tune transmit/receive coil with an open patient-friendly design. The integrated transmit mode allows volume selective excitation. Integrated, extremely low-noise pre-amplifiers permit very high signal-to-noise ratio. Furthermore, the coil is outfit with SlideConnect Technology, allowing for easier patient preparation and less table time for the patient.
1	14468947	**Head/Neck 16-> BM Head/Neck 20#1.5T** This option swaps the standard Head/Neck 16 for a BioMatrix Head/Neck 20 tiltable with CoilShim. The BioMatrix Head/Neck 20 tiltable with CoilShim combines the known benefits of Tim 4G coil technology with those of the new Siemens unique BioMatrix technology, resulting in unmatched image quality, high patient comfort and easy handling. Integrated BioMatrix Tuners: The integrated CoilShim elements minimize patient induced local anatomy-specific B0 field inhomogeneity, thus ensuring excellent image quality. The unique DirectConnect technology allows users to connect the 20 coil elements of the BioMatrix Head/Neck 20 without cables. The possibility to tilt the coil in 3 different positions together with the patient friendly open design allows for maximum patient comfort. The BioMatrix Head/Neck 20 features: - 20-element design with 20 integrated preamplifiers two rings of 8 elements each and one ring with 4 elements in the neck region - First cable-less tiltable head coil with DirectConnect technology

Qty	Part No.	Item Description
		- Integrated BioMatrix Tuners: CoilShim technology offering integrated shim elements - Combined head/neck coil for an optimized workflow of the head/neck region - Upper coil part removable - Lower coil part usable without upper part - Smoothly integrated into the patient table with BioMatrix Spine 24 - Open patient-friendly design - Cushioned head stabilizers (removable) - No coil tuning - iPAT-compatible in all directions - Dual-Density Signal Transfer enables ultrahigh density coil designs by integrating key RF components into the local coil - Detachable look-out mirror Applications: - Head examination - Neck examination - MR Head Angiography - MR Neck Angiography - Combined head / neck examination - TMJ (temporo mandibular joints)
1	14469229	**Flex -> UltraFlex Upgrade #1.5T** This option exchanges the Flex Small & Large 4 coils incl. the Flex Coil Interface from the standard coil configuration for the superior UltraFlex Small & Large 18. These are two lightweight, iPAT compatible, 18-element no-tune receive coils made of highly flexible and soft material. UltraFlex Large 18 Ideal for examinations of larger extremities (e.g. medium to large shoulder, hip, knee, ankle and hand) and for abdominal examinations. Dedicated positioning aids for larger extremities are delivered with the coil. UltraFlex Small 18 Ideal for examinations of smaller extremities (e.g. small to medium shoulder, smaller ankle, elbow and hand) and for abdominal examinations. Dedicated positioning aids for smaller extremities are delivered with the coil.
1	14456282	**Positioning Aids Shoulder&Ankle #Vi** This package contains additional positioning aids that can be used for the UltraFlex Large 18 and UltraFlex Small 18.
1	14456241	**Separator 60kW/75kW #Vi** The SEP (Separation cabinet) has to be used if a central hospital chilled water supply is available or if a chiller of any brand/type is already available. The SEP is the interface between the on-site water chiller (of any

Qty	Part No.	Item Description
		brand or type) or the interface to the central hospital cooling water supply. For the above-mentioned cases the SEP is mandatory! In these cases, the primary water specifications must fulfill the requirements: XJ: 45kW; water temperature: 6 - 14°C XQ: 60kW; water temperature: 6 - 14°C XT: 75kW; water temperature: 6 - 12°C For all gradient systems: Flow: 100+-10l/min; pH value 6-8; max working pressure 6 bar. Dimensions: 1950mm x 650mm x 650mm (height x width x depth) Weight: approx. 350kg
1	14460249	**UPS system #Vi** UPS system Liebert GXT5 3000IRT2UXLE for MAGNETOM NumX systems for safeguarding computers. Including Power Cable of 9 m for connecting the UPS. Power output: 3.0 kVA / 3 kW Bridge time: 3 min full load / 12 min half load Input voltage: 230 VAC
1	14456316	**UPS Battery module (Libert GXT4 BATT)** UPS battery module Liebert GXT5 72VBATTE for MAGNETOM Aera, Skyra, Prisma, ESSENZA, Amira, Spectra, C! for safeguarding computers. Extension for: Liebert GXT5 3000IRT2UXLE (14456315) Battery type: Closed, maintenance-free Extension of the bridge time to: 21 minutes full load / 48 min half load with one module Dimensions (H x D x W): Battery module: 430 x 540 x 85 mm Weight: approx. 30 kg
1	14456228	**System Start Timer #Vi** Timer clock that can be installed together with the MAGNETOM MR system to start the system automatically at user-definable times, eliminating waiting times during system boot up.
1	14482972	**Deep Resolve Pro Package (ELEVATE)** The Deep Resolve Pro Package combines the three applications Deep Resolve Gain, Deep Resolve Sharp and Deep Resolve Boost which use intelligent reconstruction algorithms and Deep Learning networks to reconstruct accelerated images with higher signal to noise ratio and better image sharpness.
1	14483015	**High-End Computing (ELEVATE)** This upgrade brings a high-end image reconstruction computer to the Tim configuration for highly intensive computational calculations.

Qty	Part No.	Item Description
1	14475422	**ZOOMit Pro (ELEVATE)** ZOOMit PRO provides EPI diffusion imaging of small, "zoomed" areas of interest while avoiding signal from surrounding tissue and minimizing artifacts from metal implants. Protocols for neuro and prostate imaging are provided.
1	14461543	**Tx/Rx Knee 18 (ELEVATE)** New 18-channel transmit/receive coil optimized for knee imaging. The spacious design with a flared opening towards the thigh allows scanning even of large and swollen knees with exceptional image quality and signal to noise ratio. Main features : - 18-element design (3x6 coil elements) with 18 integrated preamplifiers - iPAT-compatible - SlideConnect Technology
1	14460192	**Shoulder Shape 16 (ELEVATE)** The Shoulder Shape 16 combines the known benefits of Tim 4G coil technology with new highly flexible materials, resulting in unmatched image quality, high patient comfort and easy handling. The Shoulder Shape 16 for examinations of the left or right shoulder consists of an iPAT-compatible 16-channel shoulder coil in a flexible shoulder cup that can be shaped around small and large shoulders. An L-shaped cushion for easy positioning of the patient is included. The 16-element coil with 16 integrated pre-amplifiers ensures maximum signal-to-noise ratio. Shoulder Shape 16 will be connected via a SlideConnect plug for fast and easy coil set-up and patient preparation.
1	14436665	**2/10/16ch Sentinelle BreastCoil #Ae** The 2/10/16-channel Sentinelle Breast Coil can be used as a breast imaging coil, a bilateral biopsy coil, as well as a unilateral biopsy coil providing large biopsy access This coil consists of a positioning frame with exchangeable coils with different numbers of channels as described in detail in the E text. The preamplifiers are integrated into the coil. The coil is iPAT-compatible.
1	14475455	**myExam Cardiac Assist USA** Cardiac examinations used to be the most complex exams in MR. Now myExam Cardiac Assist supports the user in many ways. Using anatomical landmarks, standard views of the heart, such as dedicated long axis and short-axis views, are easily generated and can easily be reproduced using different scanning techniques. Scan parameters are adjusted to the patient’s heart rate and automatic voice commands are given. All of this takes most of the complexity out of a cardiac exam and supports customized workflows that are easy to repeat. Every time.

Qty	Part No.	Item Description
1	14468984	**Advanced Cardiac incl. PSIR #Al,Lu 1** This package contains special sequences and protocols for advanced cardiac imaging including 3D and 4D BEAT functionalities. It supports advanced techniques for ventricular function imaging, dynamic imaging, tissue characterization, coronary imaging, and more.
1	14470965	**High bandwidth inversion recovery** High bandwidth inversion recovery for reduction of susceptibility-induced artifacts.
1	14441747	**MyoMaps #T+D** This package contains special sequences and protocols for inline T1,T2 and T2* calculation at the heart. The generation of T1 and T2 parametric maps is enhanced by the use of motion correction. T1,T2 and T2* parametric maps could be used to support assessment of cardiovascular disease.
1	14460183	**syngo.MR Cardio Engine #1** The syngo.MR Cardio Engine bundles the following features for Cardiac evaluation: - syngo.MR Cardiac 4D Ventricular Function - syngo.MR Cardiac Flow
1	14407259	**MR Workplace Table, height adjust.** The table is suitable for the syngo Acquisition Workplace and the syngo MR Workplace based on syngo hardware. This 110V version has motorized table height adjustment.
1	14407261	**MR Workplace Container, 50cm** 50 cm wide extra case for the syngo host computer with sliding front door to allow change of storage media (CD/DVD/USB).
1	MR_STD_RIG_INST	**MR Standard Rigging and Installation** MR Standard Rigging and Installation This quotation includes standard rigging and installation of your new MAGNETOM system Standard rigging into a room on ground floor level of the building during standard working hours (Mon. – Fri./ 8 a.m. to 5 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents Any rigging requiring a crane over 80 tons and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other “out of scope” charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.
1	MR_BTL_INSTALL	**MR Standard Rigging & Install**
1	MR_PREINST_DOCK	**T+D Preinstall kit for dockable table**

Qty	Part No.	Item Description
1	MR_CRYO	**Standard Cryogens**
1	MR_PM	**MR Project Management** A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemen's equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.
1	HASKRISFG23041	**Haskris OPC24 Chiller- 63kW** The Haskris outdoor, air-cooled, water/glycol chiller has been specially designed for medical applications to provide stable, fully dedicated cooling to a single MR system. The Haskris chiller must be used in combination with a Siemens SEP cabinet. The Haskris chiller is suitable for use in all siting conditions: normal, coastal, low-ambient, and/or OSHPD-compliant locations. Specifications Cooling Capacity: 63kW Fluid Supply Temp: 43°F (6°C) to 59°F (15°C) Pump Capacity: 32 GPM (120 LPM) Condenser: Air-cooled (heat dissipated into ambient air) Outdoor ambient air temperature: -40°F (-40°C) to 122°F (50°C) Electrical: 460V-3Ø-60Hz Dimensions: 77"W x 40"D x 74"H (196cm x 102cm x 188cm) Siemens' Pricing Also Includes: Delivery Chiller Start-Up (Post Installation) 1x Preventative Maintenance Service Visit Remote Monitoring Panel with 1-Year Cellular Connectivity and Cloud Service Installation: Customer is responsible for the rigging and installation of the chiller. Customer is responsible for providing a 35% solution of propylene glycol with water; 25 gal (95 L) for the chiller plus 1 gal (3.8 L) per 10 ft (3m) external pipe run assuming 1 ½" pipe diameter. Warranty: 12 months from date of Start-Up
1	HASKRIS_STARTUP	**Haskris Chiller Start-Up**

Qty	Part No.	Item Description
		Chiller start-up by Haskris vendor after installation of chiller and completion of paperwork.
1	MR_GOBRAIN	**GOBrain** GOBrain delivers reliable quality at exceptional speed. It enables clinically validated, push-button brain exams, with multiple orientations and all relevant contrasts. This fast exam is more tolerable for patients, and helps reduce motion-related artifacts and the need for rescans and sedation. As a result, GOBrain potentially doubles throughput and reduces costs per scan. Supported by our Tim 4G technology and DotGO, it delivers consistently high quality and maximizes the productivity of your MRI scanner - while improving patient care.
1	MRIMAB_100	**MRI Armboard w/ Pad**
1	ML11685	**MR Wall sign -English** Highly durable 1mm PVC wall signs with high-tack, double-back tape. Sticks to most any surface. English. 12" x 18".
1	MRISMNS0001	**MRI Patient Audio System** The MRI Patient Audio System is to be installed in the technologist room and is connected to the Siemens intercom system. The package provides the following benefits: • Create custom, commercial-free radio stations based on artist, song or genre preferences • Avoid any AM/FM tuning issues that may occur in RF-shielded rooms • Compatible with all popular audio apps Includes all cables and adapters; Bose Companion 2 technologist speakers; 3.5 mm to RCA cable; and customized iPAD Mini with all original accessories and iPad stand. The MR Stereo can play internet radio (depending on quality of and access to Wi-Fi signals) and device (iPAD) stored audio content. Optimal performance requires access to Wi-Fi signal for Internet radio through the facility’s wireless network. The audio system is not MR safe and is only intended for use outside the MRI suite. Installation is not included unless purchased with the Siemens system. Includes 1-year limited liability warranty on all system components through MRI Med.
1	MR14460428	**ACR Phantom Holder (USA)** An MR compatible cradle device used to consistently and precisely position the American College of Radiology (ACR) MRI

Qty	Part No.	Item Description
		Accreditation phantom, for use with Siemens MAGNETOM standard Head Coil during test measurements for ACR system accreditation or QA testing
1	MR_GOKNEE3D	**GOKnee3D** GOKnee3D is a 10-minute, push-button examination for diagnostic imaging of the knee developed and clinically validated by the US board certified MSK radiologists at John Hopkins University Hospital. GOKnee3D exam consists of AutoAlign localizer in the knee, PD weighted contrast and T2 weighted contrast with fat suppression. The AutoAlign technology provides a push-button functionality and ensures consistency in imaging. The 3D protocols are high resolution and isotropic, enabled by SPACE sequence with CAIPIRINHA techniqueExamination time for 3T system is 10 minutes, for a 1.5T system is up to 11 minutes. All given examination times are examination only, adjustments have been excluded. When using GOKnee3D one of two software and coil combinations is required. Measurements made with GOKnee3D using the 15 channel knee coil require software version syngo MR E11C AP04 or higher. Measurements made with GOKnee3D using the 18 channel knee coil require software version syngo MR Numaris VA11A or higher.
1	EZ9701P	**EmpowerMR Injector System**
1	MR_TRADE_IN_ALLOW	**Trade-in of a MAGNETOM Aera, project #2025-0531, deinstall/expires 12/31/2025, per BL Elevate Condition Based Buyback ($197,900)**
1	MR_ADDL_RIGGING	**Additional Rigging MR $7,450**
1	HASKRISCWS30	**Haskris Water Switchover Panel** Haskris manual City Water Switchover Panel City Water switchover panel, to be connected to both the chiller and a city water fluid source. Allows for manual switch over, via ball valves, to alternate water source for continued MRI support in the event of power loss, or during chiller maintenance or repair. Prevents helium quenching/boil-off. Requires operator to turn valves to change to city water and back to chiller operation. Specifications Flow Rating: 30 GPM Operation: Manual Switchover Dimensions: 24” (W) x 12” (D) x 32” (H) Customer is responsible for rigging and installation. 1-year warranty from date of Start-Up by Haskris

Qty	Part No.	Item Description
1	MR_PR_TXRX_HEAD	**TX/RX Head Coil Promo Offset**
1	MR_GREEN_PKG	**MR Green Package** MRI Green Package Enhances environmental sustainability of equipment by reducing emissions. Eco Power Mode reduces power consumption by up to 12% with Eco Power Mode alone. Eco Gradient Mode reduces scope 2 emissions by up to 7%. System Start-Up Timer reduces scope 2 emissions in non-productive times. Zero Helium Boil-Off technology - No helium refill for a lifetime and up to 37 % reduction in helium inventory compared to the previous scanner generation. Environmental Product Declaration provides environmental relevant information of product and packaging material, operating, cleaning and disposal data as well as life cycle impact information. Results were achieved by Siemens Healthineers using both standard and optional features. There can be no ‘typical’ hospital setting (case mix, system type, etc.) and so results by users may vary with no guarantee that the same results can be achieved.
1	MR_PR_ELEVATE_2	**MR Elevate Program**
1	HASKRISBACNET	**Haskris BACnet capability via RS-485**
1	MR_DEINSTALL_EQ	**Deinstallation of Equipment - MR $24,900**

System Total **$ 1,297,894**

FINANCING: The equipment listed above may be financed through Siemens Financial Services, Inc. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

PAYMENT OPTIONS: In order to lower the costs of financial processing for all parties, Siemens encourages the use of electronic funds transfer via the Automated Clearing House (ACH) system. Siemens also accepts certain other forms of payment, but credit card or other surcharge or processing fees may apply. For further information, please contact your local Sales Representative.

ACCESSORIES: Don't forget to ask us about our line of OEM imaging accessories to complete your purchase. All accessories can be purchased or financed as part of this order. To purchase accessories directly or to receive our accessories catalog, please call us directly at 1-888-222-9944 or contact your local Sales Representative.

COMPLIANCE: Compliance with legal and internal regulations is an integral part of all business processes at Siemens. Possible infringements can be reported to our communication channel “Let Us Know”.

Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. GENERAL

1.1 Contract Terms and Acceptance. These terms and conditions ("Agreement") constitute an integral part of any contract between Seller and Purchaser identified on the first page hereof and shall govern the sale of the products identified in such quotation ("Products"). Purchaser acknowledges that this is a commercial and not a consumer transaction. Purchaser shall be deemed to have assented to, and to have waived any objection to, this Agreement upon the earliest to occur of any of the following: Purchaser's completion or execution of this Agreement; Purchaser's acceptance of all or any part of the Products; Purchaser's issuance of a purchase order for any Products identified on Seller's quotation or proposal; or delivery of the Products to the common carrier for shipment pursuant hereto.

1.2 Refurbished/Used Products. For Products identified on this Agreement as used or refurbished Products, these Products have been previously owned and used. When delivered to Purchaser, such Products will perform in accordance with the manufacturer's specifications. Since pre-owned Products may be offered simultaneously to several customers, the availability of such Products to Purchaser cannot be guaranteed. If the Products are no longer available, Seller will use its best efforts to identify other suitable products in its inventory. If substitute products are not acceptable to Purchaser, then Seller will cancel the order and refund to Purchaser any deposits previously paid. The warranty period for any used or refurbished Products will be separately stated on the quotation.

1.3 Third Party Products. If this Agreement includes the sale of third party products not manufactured by Seller, then Purchaser agrees and acknowledges that (a) Purchaser has made the selection of these products on its own, (b) the products are being acquired by Seller solely at the request of and for the benefit and convenience of Purchaser, (c) no representation, warranty or guarantee has been made by Seller with respect to the products, (d) the obligation of Purchaser to pay Seller for the products is absolute and unconditional, (e) use of the products may be subject to Purchaser's agreement to comply with any software licensing terms imposed by the manufacturer; and (f) unless otherwise indicated by Seller in writing, Seller is not responsible for any required installation, validation, product recall, warranty service, maintenance, complaint handling, or any other applicable FDA regulatory requirements, and the Purchaser will look solely to the manufacturer regarding these services and will assert no claim against Seller with respect to these products.

2. PRICES

2.1 Quotations. Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller and amounts payable by Purchaser are in U.S. dollars, and include Seller's standard packaging. The prices quoted to Purchaser assume that the Purchaser is located in, and will use the Products in, the U.S. If not, such quotation will be void. Unless otherwise stated, the quotation shall only be valid for forty-five (45) days from the date of the quotation. Payment shall be made via check or ACH/Wire; any use of alternative payment method must be approved in advance by Seller and may include any applicable services charges.

2.2 Delay in Acceptance of Delivery. Should the agreed delivery date be postponed by Purchaser, Seller shall have the right to deliver the Products to storage at Purchaser's risk and expense, and payments due upon delivery shall become due upon such delivery to storage.

3. TAXES

3.1 Any sales, use or manufacturer's tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any excise tax, license or similar fee (excluding the Medical Device Excise Tax as set forth in Section 4191 of the Internal Revenue Code of 1986, as amended) required under this transaction, shall be in addition to the quoted prices and shall be paid by Purchaser. Notwithstanding the foregoing, Seller agrees to honor any valid tax exemption certificate provided by Purchaser.

4. TERMS OF PAYMENT; DEFAULT

4.1 Payments; Due Date. Payment shall be made in accordance with the 'Terms of Payment' reflected in the quotation detailed above based upon Purchaser's group purchasing organization ("GPO") affiliation as of the date of the quotation. In the event no terms of payment are detailed in the quotation above, then Purchaser shall pay Seller as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price is due upon delivery of each Product, and the final 10% of the purchase price is due upon completion of installation or when the Products are available for first patient use, whichever occurs first. Unless otherwise agreed, all payments other

than the initial deposit are due net thirty (30) days from the date of invoice. Seller shall have no obligation to complete installation until the payment due upon delivery is received. Partial shipments shall be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.

4.2 Late Payment. A service charge of 1½% per month, not to exceed the maximum rate allowed by law, shall be made on any portion of Purchaser's outstanding balance which is not paid when due. Payment of such service charge shall not excuse or cure Purchaser's breach or default for late payment.

4.3 Payment of Lesser Amount. If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment shall not constitute or be construed other than as on account of the earliest amount due Seller. No endorsement or statement on any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

4.4 Where Payment Due Upon Installation or Completion. Should any terms of payment provide for either full or partial payment upon completion of installation or thereafter, and completion of installation is delayed for any reason for which Seller is not responsible beyond the installation date set forth in the Notice to Manufacture Letter issued by Seller (or as otherwise agreed by both parties in writing), as applicable, then the balance of payments shall be due on the day following such scheduled installation date.

4.5 Default; Termination. Each of the following shall constitute an event of default under this Agreement: (i) a failure by Purchaser to make any payment when due; (ii) a failure by Purchaser to perform any other obligation under this Agreement within thirty (30) days of receipt of written notice from Seller; or (iii) the commencement of any insolvency, bankruptcy or similar proceedings by or against Purchaser.

Upon the occurrence of any event of default, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon shall become immediately due and payable; (b) Seller may suspend the performance of any of Seller's obligations hereunder, including, but not limited to, obligations relating to delivery, installation and warranty services; (c) Purchaser shall put Seller in possession of the Products upon demand; (d) Seller may sell or otherwise dispose of all or any part of the Products and apply the proceeds thereof against any indebtedness or obligation of Purchaser under this Agreement; and/or (e) if this Agreement or any indebtedness or obligation of Purchaser under this Agreement is referred to an attorney for collection or realization, Purchaser shall pay to Seller all costs of collection and realization (including, without limitation, a reasonable sum for attorneys' fees); and Purchaser shall pay any deficiency remaining after collection of or realization by Seller on the Products. In addition, Seller may terminate this Agreement upon written notice to Purchaser in the event that Purchaser is not approved for credit or upon the occurrence of any material adverse change in the financial condition or business operations of Purchaser.

4.6 Financing. Notwithstanding any arrangement that Purchaser may make for the financing of the purchase price of the Products, the parties agree that any such financing arrangement shall have no effect on the Purchaser's payment obligations under this Agreement, including but not limited to Sections 4.1 and 4.2 above.

5. EXPORT TERMS

5.1 Purchaser shall comply with all applicable sanctions, embargoes, and (re-)export control laws and regulations and, in any event with those of the United States of America and any locally applicable jurisdiction (collectively "Export Regulations").

5.2 Upon request by Seller, Purchaser shall promptly provide Seller with all information pertaining to the particular end customer, the particular destination and the particular intended use of the Products and Services provided herein. Purchaser will notify Seller prior to Purchaser disclosing any information to Seller that is defense related or requires controlled or special data handling pursuant to applicable government regulations and will use the disclosure tools and methods specified by Seller.

5.3 Purchaser will indemnify and hold harmless Seller, its affiliates, subcontractors, and their representatives against any claims, damages, fines and costs (including attorney's fees and expenses) relating in any way to Purchaser's noncompliance with this Section 5, including Purchaser's and its third party business partners' violation or alleged violation of any Export Regulations, and Purchaser will compensate Seller for all losses and expenses resulting thereof.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date. Delivery and installation dates will be established by mutual agreement of the parties as set forth in the Notice to Manufacture Letter issued by the Seller, as applicable or as otherwise agreed by the parties in writing. Seller shall make reasonable efforts to meet such delivery date(s).

6.2 Risk of Loss; Title Transfer. Unless otherwise agreed to in writing, the following shall apply:

(a) For Products that do not require installation by Seller, and for options and add-on products purchased subsequent to delivery and installation of Products purchased under this Agreement, delivery shall be complete upon transfer of possession to common carrier, F.O.B. Shipping Point, whereupon title to and all risk of loss, damage to or destruction of the Products shall pass to Purchaser.

(b) For Products that require installation by Seller, delivery shall be complete upon delivery of the Products to Purchaser's designated site, F.O.B. Destination; whereupon title to and all risk of loss, damage to or destruction of such Products shall pass to Purchaser upon completion of delivery.

(c) All freight charges and other transportation, packing and insurance costs, license fees, custom duties and other similar charges shall be the sole responsibility of Purchaser unless included in the purchase price of the Products or shown as included in the quotation or otherwise agreed to in writing by Seller. In the event of any loss or damage to any of the Products during shipment, Seller and Purchaser shall cooperate in making any insurance claim.

7. SECURITY INTEREST/FILING

7.1 Purchaser grants to Seller a security interest in the Products until payment in full by Purchaser. Purchaser shall sign any financing statements or other documents necessary to perfect Seller's security interests in the Products. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

8.1 Orders accepted by Seller are not subject to change except upon Seller's written agreement.

8.2 Orders accepted by Seller are non-cancellable by Purchaser except upon Seller's written consent and payment by Purchaser of a cancellation charge equal to 10% of the price of the affected Products, plus any shipping, insurance, inspection and refurbishment charges; the cost of providing any training, education, site evaluation or other services completed by Seller; and any return, cancellation or restocking fees with respect to any Third Party Products ordered by Seller on behalf of Purchaser. Seller may retain any payments received from Purchaser up to the amount of the cancellation charge. In no event can an order be cancelled by Purchaser or Products be returned to Seller after shipment.

8.3 Seller reserves the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

9. FORCE MAJEURE

9.1 Seller shall not be liable for any loss or damage for delay in delivery, inability to install or any other failure to perform due to causes beyond its reasonable control including, but not limited to, acts of God or the public, war, civil commotion, blockades, embargoes, calamities, floods, fires, earthquakes, explosions, storms, epidemics, pandemics, strikes, lockouts, labor disputes, or unavailability of labor, raw materials, power or supplies. Should such a delay occur, Seller may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without liability other than to return any unearned deposit or prepayment.

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder shall be free from defects in material or workmanship under normal use and service for the warranty period. The final assembled Products shall be new although they may include certain used, reworked or refurbished parts and components (e.g., circuit boards) that comply with performance and reliability specifications and controls. Seller's obligation under this warranty is limited, at Seller's option, to the repair or replacement of the Product or any part thereof. Unless otherwise set forth in the Product Warranty attached hereto and incorporated herein by reference ("Product Warranty"), the warranty period shall commence upon the earlier of the date that the Products have been deemed installed in accordance with Section 12 hereof (which date shall be confirmed in writing by Seller) or first patient use, and shall continue for twelve (12) consecutive months. Seller makes no warranty for any Products made by persons other than Seller or its affiliates, and Purchaser's sole warranty therefor, if any, is the original manufacturer's warranty, which Seller agrees to pass on to Purchaser, as applicable. The warranty provided by Seller under this Section 10 extends only to the original Purchaser, unless the Purchaser obtains the Seller's prior written consent with respect to any sale or other transfer of the Products during the term of the warranty.

10.2 No warranty extended by Seller shall apply to any Products which have been damaged by fire, accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's

instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied parts, equipment or software without Seller's prior written approval; which failed due to causes from within non-Seller supplied equipment, parts or software including, but not limited to, problems with the Purchaser's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Seller. In addition, there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks. Seller may effectuate any repairs at Purchaser's facility, and Purchaser shall furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty. Purchaser shall, upon Seller's request, return the non-complying Product or part to Seller with all transportation charges prepaid, but shall not return any Product or part to Seller without Seller's prior written authorization. Purchaser shall pay Seller its normal charges for service and parts for any inspection, repair or replacement that falls outside of Seller's warranty. Seller's warranty does not apply to consumable materials, disposables, supplies, accessories and collateral equipment, except as specifically stated in writing or as otherwise set forth in the Product Warranty.

10.3 This warranty is made on condition that immediate written notice of any noncompliance be given to Seller and Seller's inspection reveals that Purchaser's claim is covered under the terms of the warranty (i.e., that the noncompliance is due to traceable defects in original materials and/or workmanship).

10.4 Purchaser shall provide Seller with both on-site and remote access to the Products. The remote access shall be provided through the Seller's Smart Remote Services software in accordance with the Smart Remote Services Schedule attached hereto and incorporated herein.

10.5 Warranty service will be provided without charge during Seller's regular working hours (8:30-5:00), Monday through Friday, except Seller's recognized holidays, unless otherwise agreed to in writing by both parties. If Purchaser requires that service be performed outside these hours, such service can be made available at an additional charge, at Seller's then current rates. The obligations of Seller described in this Section are Seller's only obligations and Purchaser's sole and exclusive remedy for a breach of product warranty.

10.6 SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN AND IN THE PRODUCT WARRANTY. SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY MADE WITH RESPECT TO THE PRODUCTS, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

10.7 In the event of any inconsistencies between the terms of this Section 10 and the terms of the Product Warranty, the terms of the Product Warranty shall prevail.

11. LIMITATION OF LIABILITY

11.1 In no event shall Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products. The foregoing limitation of liability shall not apply to claims for bodily injury or damages to real property or tangible personal property to the extent arising from Seller's negligence or a product defect.

11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS; COST OF SUBSTITUTE PRODUCTS OR SERVICES; LOSS OF STORED, TRANSMITTED OR RECORDED DATA; OR FOR ANY INDIRECT, INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION - ADDITIONAL CHARGES

12.1 General. Unless otherwise expressly stipulated in writing, the Products shall be installed by and at the expense of Seller except that Seller shall not provide rigging or site preparation services unless otherwise agreed to in writing by Seller for an additional charge. Seller will not install accessory items such as cabinets, illuminators, darkroom equipment or processors for X-Ray and CT equipment, unless otherwise agreed to in writing by Seller.

12.2 Installation by Seller. If Seller specifies it will install the Products, the following applies: subject to fulfillment of the obligations set forth in Section 12.3 below, Seller shall install the Products and connect them to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation and connection can be performed within the Continental United States or Puerto Rico and during normal business hours. Any overtime charges or other special expenses required to install the Products shall be additional charges to the prices shown.

12.3 Purchaser's Obligations. Purchaser shall, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials shall be completed and available at the time of delivery of the Products so that Seller may commence with installation and final calibration without delay. Additionally, Purchaser shall provide free access to the installation site and, if necessary, safe and secure space for storage of Products and equipment prior to installation by Seller. Purchaser shall be responsible, at its sole cost and expense, for obtaining all permits, licenses and approvals required by any federal, state or local authorities in connection with the installation and operation of the Products, including but not limited to any certificate of need and zoning variances. Purchaser shall provide a suitable environment for the Products and shall ensure that its premises are free of hazardous conditions and any concealed or dangerous conditions and that all site requirements are met at time of delivery. Seller shall delay installation of the Products until Purchaser has completed the removal of any hazardous materials and has taken any other precautions and completed any other pre-installation work required by applicable regulations and/or Seller specifications; and Purchaser shall reimburse Seller for any increased costs and expenses incurred by Seller that are the result of or are caused by such delay. In the event that Purchaser requests delivery prior to the completion of its site readiness obligations, Purchaser assumes all risk of damage or loss to the Products associated with such early delivery and shall reimburse Seller for any increased costs and expenses incurred by Seller that are the result of or are caused by any such early delivery. In the event the delivery of the Products is delayed without prior written approval by Seller by more than forty-five (45) calendar days from the scheduled delivery date in accordance with Section 6.1 herein due to Purchaser's failure to complete all requisite pre-installation work or Purchaser's refusal to accept delivery, then the Products shall be deemed installed on the scheduled delivery date for the purposes of Section 10.1 herein.

In the event that Seller is requested to supervise the installation of the Products, it remains the Purchaser's responsibility to comply with local regulations. Seller is not an architect and all drawings furnished by Seller are not construction drawings. If local labor conditions, including a requirement to use union labor, require the use of non-Seller employees to participate in the installation of the Product or otherwise causes delays or any additional expenses, then any such additional costs shall be at Purchaser's expense.

12.4 Regulatory Reporting. In the event that any regulatory activity is performed by anyone other than Seller's authorized personnel, then Purchaser shall be responsible for fulfilling any and all reporting requirements.

12.5 Completion of Installation. Installation shall be complete upon the conclusion of final calibration and checkout under Seller's standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery shall constitute completion of installation.

13. PATENT, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS

13.1 Infringement by Seller. Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any U.S. patent or copyright. If Purchaser receives a claim that any such Products, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Purchaser shall notify Seller immediately in writing. Provided that Purchaser gives Seller information, assistance and exclusive authority to evaluate, defend and settle such claims, Seller shall at its own expense and option: indemnify and defend Purchaser against such claims; settle such claims; procure for Purchaser the right to use the Products; or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser shall return the Products to Seller and Seller shall refund to Purchaser the purchase price paid by Purchaser less reasonable depreciation for Purchaser's use of the Products. The foregoing states Seller's entire obligation and liability, and Purchaser's sole remedy, for claims of infringement.

13.2 Infringement by Purchaser. If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by Purchaser, or if Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided

or approved by Seller, then the indemnity obligation of Seller under Section 13.1 shall be null and void.

14. DESIGNS AND TRADE SECRETS; LICENSE; CONFIDENTIALITY

14.1 Any drawings, data, designs, software programs or other technical information supplied by Seller to Purchaser in connection with the sale of the Products shall remain Seller's property and shall at all times be held in confidence by Purchaser.

14.2 For all Products which utilize software for their operation, such "Applications Software" shall be licensed to Purchaser under the terms of Seller's Software License Schedule attached hereto (if applicable).

14.3 Seller and Purchaser shall maintain the confidentiality of any information provided or disclosed to the other party relating to the business, customers and/or patients of the disclosing party, as well as this Agreement and its terms (including the pricing and other financial terms under which the Purchaser will be purchasing the Products). Each party shall use reasonable care to protect the confidentiality of the information disclosed, but no less than the degree of care it would use to protect its own confidential information, and shall only disclose the other party's confidential information to its employees and agents having a need to know this information. The obligations of confidentiality set forth herein shall not apply to any information in the public domain at the time of disclosure or that is required to be disclosed by court order or by law.

15. ASSIGNMENT

15.1 Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other, which shall not be unreasonably withheld. Any attempt to do so shall be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company, and may delegate to authorized subcontractors or service suppliers any work to be performed under this Agreement so long as Seller remains liable for the performance of its obligations under this Agreement. This Agreement shall inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

16. COSTS AND FEES

16.1 In the event that any dispute or difference is brought arising from or relating to this Agreement or the breach, termination or validity thereof, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees incurred, together with such other expenses, costs and disbursements as may be allowed by law.

17. MODIFICATION

17.1 This Agreement may not be changed, modified or amended except in writing signed by duly authorized representatives of the parties.

18. GOVERNING LAW; WAIVER OF JURY TRIAL

18.1 This Agreement shall be governed by the laws of the state where the Product(s) will be installed, without regard to that state's choice of law principles.

18.2 EACH OF THE PARTIES EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE UNDER THIS AGREEMENT.

19. COST REPORTING

19.1 Purchaser agrees that it must fully and accurately report prices paid under this Agreement, net of all discounts, as required by applicable law and contract, including without limitation 42 CFR §1001.952(h), in all applicable Medicare, Medicaid and state agency cost reports. Purchaser shall retain a copy of this Agreement and all other communications regarding this Agreement, together with the invoices for purchase and permit agents of the U.S. Department of Health and Human Services or any state agency access to such records upon request.

20. INTEGRATION

20.1 These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire, complete and exclusive statement of agreement with respect to the subject matter hereof, and supersede any and all prior agreements, understandings and communications between the parties with respect to the Products. Purchaser's additional or different terms and conditions stated in a purchase order, bid documents or any other document issued by Purchaser are specifically rejected and shall not apply to the transactions contemplated under this Agreement. In the event Purchaser's GPO affiliation is identified in the 'Purchasing Agreement' section of the quotation, then the terms of such GPO agreement to which Purchaser is a participating member shall apply as identified, provided that in the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any applicable GPO agreement to which Purchaser is a participating member, the terms and conditions of this Agreement shall control.

21. SEVERABILITY; HEADINGS

21.1 No provision of this Agreement which may be deemed unenforceable will in any way invalidate any other

portion or provision of this Agreement. Section headings are for convenience only and have no substantive effect.

22. WAIVER

22.1 No failure and no delay in exercising, on the part of any party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

23. NOTICES

23.1 Any notice or other communication under this Agreement shall be deemed properly given if in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof.

24. RIGHTS CUMULATIVE

24.1 The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in any way limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

25. END USER CERTIFICATION

25.1 Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease-back financing arrangements that have been approved by Seller).

26. ACCESS TO BOOKS AND RECORDS

26.1 To the extent required by Section 1861(v)(1)(I) of the Social Security Act and the regulations promulgated thereunder, until the expiration of four (4) years after the furnishing of any Product or service pursuant to this Agreement, Seller shall make available, upon written request by the Secretary of Health and Human Services (the "Secretary"), or upon request by the Comptroller General (the "Comptroller"), or any of their duly authorized representatives, copies of this Agreement and any books, documents, records or other data of Seller that are necessary to certify the nature and extent of any costs incurred by Purchaser for such Products and services. If Seller carries out any of its duties under this Agreement through a subcontract with a related organization involving a value or cost of ten thousand dollars ($10,000) or more over a twelve (12) month period, Seller will cause such subcontract to contain a clause to the effect that, until the expiration of four (4) years after the furnishing of any Product or service pursuant to said contract, the related organization will make available upon the written request of the Secretary or the Comptroller, or any of their duly authorized representatives, copies of records of said related organization that are necessary to certify the nature and extent of cost incurred by Purchaser for such Product or service.

Smart Remote Services Schedule
To the Terms and Conditions of Sale

Seller and Purchaser agree that the provision of service and support for the Products shall be provided in accordance with this Smart Remote Services ("SRS") Schedule. All capitalized terms not defined herein shall have the meanings given to them in the Agreement detailed above.

a. System Monitoring. Seller provides services for remote monitoring of certain Products used by Purchaser (hereafter, "Applicable Equipment"). In connection with such services, Seller uses SRS, a persistent online connection between Seller or its affiliates and the Applicable Equipment to monitor the performance of Applicable Equipment and deliver updates and patches to permit Seller monitoring of the performance of the Applicable Equipment anonymously ("SRS Connection"). SRS is installed on the analyzer computer or server, and works within a domain environment, workgroup, or on a standalone system. In the event that Purchaser fails to provide or maintain the SRS Connection for the Applicable Equipment, then Seller shall have the option to terminate the provision of warranty service and support under the Agreement and any applicable Supplements or Schedules thereto. In addition, any Uptime Performance Guarantee or Availability Commitment of the Applicable Equipment (if applicable) shall be void if the SRS Connection is not provided and available 24 hours per day, 7 days a week. For the purposes of this Schedule, 'Security Concept' means Seller IT security concept, which can be found under the following link or which Seller will send to Purchaser upon request:

https://www.siemens-healthineers.com/services/customer-services/connect-platforms-and-smart-enablers/smart-remote-services

'Technical Data' means information available through the SRS Connection and may include: (i) application logfiles, errors occurred, device properties, quality control (technical status information); (ii) configuration, software versions, patches, licenses, network settings, device service history (asset and configuration data); (iii) sequences of performance of various tasks, used applications/licenses and interactions with the application (utilization data); (iv) any reagents and consumables loaded onto the Applicable

Equipment; (v) any other data explicitly agreed; and in each case not related to an identified or identifiable natural person. 'Smart Technical Data' means correlated Technical Data derived from the Applicable Equipment to support prediction of the Applicable Equipment service requirements. Cyberthreat" means any circumstance or event with the potential to adversely impact the Products via unauthorized or unlawful access, damage and/or destruction, disclosure of information, modification, corruption or alteration of information, and/or denial of service rendering the Products unavailable or inoperable. "EoS" means End of Support, the date Seller notifies Purchaser that the service parts and any other services for the Products will no longer be available. "Insignificant" means a categorization of a Vulnerability the exploitation of which, taking into account the individual Products attributes and/or the respective operating environment, is not reasonably expected and/or would not result in a foreseeable impairment of the Products' secure operation or provide access to personal information. "IT Security" means safeguarding the uninterrupted operation of the Products against interference caused by exploited Vulnerabilities, as well as the availability, confidentiality and integrity of data and information created, stored, and/or transmitted by the Products. "Patch(es)" means a Products and/or operating system (OS) update that addresses security vulnerabilities within the Products. "Vulnerability" means a weakness in the Products that could be exploited by a Cyberthreat and are assigned a significance level in accordance with FDA Post-Market Guidance for Cybersecurity of Medical Devices.

Seller and its affiliates are authorized to access, maintain, repair, calibrate, update or patch the Applicable Equipment that is the object of the SRS Connection or provide remote training in every case through the SRS Connection and use any Technical Data collected via the SRS Connection for the aforementioned purposes. If the Applicable Equipment hereunder is covered by a warranty period or extended service plan, then Seller, its affiliates and other companies engaged by Seller are also authorized to carry out through the SRS Connection additional system monitoring services supported by the covered Applicable Equipment.

b. Access to Data and Use of Data. Purchaser hereby irrevocably permits Seller and its affiliates to use for their own business, product surveillance, research or development purposes (e.g. determine trends of usage products and services, improvement of products, services and software), for facilitating and advising on continued and sustained use of products and services, substantiation of aggregated product and services marketing claims and for benchmarking purposes, without restrictions in terms of time, transferability, replication, location or content: (i) Technical Data that is collected via the SRS Connection; and (ii) Smart Technical Data that is collected via the SRS Connection from the Applicable Equipment.

c. Purchaser Obligations for SRS Connection. (i) Purchaser shall permit the SRS Connection to be established by connecting the Applicable Equipment either directly or through a gateway or networked computer at Purchaser's own expense to a secured telecommunications link via a broadband connection and Purchaser shall bear the cost of any technical requirements for any such connection that is not a part of the Applicable Equipment (e.g. establishing a broadband connection); (ii) Purchaser shall support Seller in protecting against Cyberthreats by implementing and continuously maintaining a holistic, state-of-the-art security concept protecting Purchaser's IT infrastructure; (iii) Purchaser shall not connect any Applicable Equipment to the SRS Connection that does not comply with state-of-the-art security policies or is otherwise approved by Seller; (iv) Purchaser shall not use the SRS Connection in a way that impairs or disrupts the integrity of the SRS Connection or Seller's IT infrastructure; and (v) Purchaser shall not transmit any data containing viruses, Trojan horses or other programs that may damage or impair the SRS Connection or Seller's IT infrastructure.

d. Purchaser's Cybersecurity Obligations. In order to protect the Products against Cyberthreats, Purchaser shall implement and continuously maintain a holistic, state-of-the-art security program for its IT infrastructure, including regular network scanning, provided however, that:

(i) network scanning or penetration testing shall not be performed during clinical use of the Products and should optionally be scheduled, with Seller assistance, during downtime;

(ii) the system configuration and/or IT Security controls of the Products as stated in the MDS2 and/or Security Whitepaper provided or made available by Seller at, or prior to, the time of purchase must not be modified;

(iii) if during the deployment of the Products, Vulnerabilities are identified by Purchaser, Purchaser shall align with Seller regarding the severity of the Vulnerabilities taking into account the individual Products attributes and intended operating environment and shall not refuse acceptance of the Products, if the Vulnerability is classified as 'low' by Seller using the Common Vulnerability Scoring System ("CVSS"); and

(iv) Seller's initial response to Purchaser's inquiry on a Vulnerability will be within fifteen (15) days. Seller will evaluate all Vulnerabilities using CVSS and FDA's

definition of “controlled” and “uncontrolled” Vulnerabilities and will make such evaluations available to Purchaser. Seller will periodically release Patches depending on the age of the device and the Products version. If Seller determines the Vulnerability to be critical and uncontrolled, Seller will communicate this determination to Purchaser within thirty (30) days and utilize commercially reasonable efforts to have a mitigation (workaround, patch, etc.) available within sixty (60) days of Seller’s determination of an uncontrolled Vulnerability. Unless otherwise specified, no patches may be loaded by Purchaser onto the Products. In the event of a Vulnerability that is reasonably determined by Purchaser to constitute an emergency (meaning that the Products must be taken out of clinical use until the Vulnerability is remedied) needing an expedited response, Seller will collaborate with Purchaser to jointly determine the most prudent action necessary in light of the circumstances.

(v) Purchaser is responsible for preventing unauthorized access to the Products licensed to Purchaser, including but not limited to changing passwords and other protective settings from their default values to individual ones. The Products shall only be connected to an enterprise network or the internet if and to the extent such a connection is authorized by Seller in the instructions for use and only when appropriate security measures (e.g., firewalls, network Purchaser authentication and/or network segmentation) are in place.

(vi) USB-storage media and other removable storage devices shall only be connected to the Products if and to the extent such connection is authorized by Seller in the instructions for use and only when the risk of a malware infection of the Products is minimized through malware scanners or other appropriate means.

(vii) The Product(s) undergoes regular development to further improve its IT Security. Seller strongly recommends that Products updates be applied as soon as they are available and that the latest Products versions are used by Purchaser. The latter might include the purchase of upgrades of hardware and additional Products by Purchaser; provided however, updates to remedy uncontrolled Vulnerabilities and/or clinical performance based on the Products Specification will be provided without additional charge. Use of Products versions that are no longer supported, and failure to apply the latest updates/upgrades may increase Purchaser’s exposure to Cyberthreats.

(viii) Purchaser shall notify Seller without delay in case of suspected or actual Cyberthreats or Vulnerabilities of the Products. Disclosure by Purchaser of such information to third parties during the immediately following sixty (60) day period requires prior written consent by Seller.

(ix) In the event that Purchaser resells an item of Applicable Equipment, it shall inform Seller in writing of the name and address of the new owner and shall impose upon that new owner a corresponding obligation in case of further resale. Purchaser is not granted any right to sell or assign its right to use the Applicable Equipment without first obtaining Seller’s express written consent.

(x) If Seller provides a Patch via SRS or for download, Purchaser shall promptly install the Patch in accordance with the respective installation instructions given by Seller.

e. Seller Cybersecurity Obligations. In order to protect the Products against Cyberthreats, Seller shall implement and continuously maintain a holistic, state-of-the-art security program for its IT infrastructure, including regular network scanning. In the event that Seller becomes aware of a Vulnerability that Seller does not classify as Insignificant, it shall make available Patches until EoS, until the termination of this Agreement, or up to ten (10) years following the Products delivery, whichever occurs first, provided that Purchaser’s Products version is the most recent or at least the penultimate version at the given time, except in the case of third-party Products where the respective Products provider does not have a Patch available, Seller will use commercially reasonable efforts to make a mitigation available for the Vulnerability within 120 days following Seller becoming aware of such Vulnerability. In the case of third-party Products, Seller will make the Patch available to Purchaser without undue delay after such Patches are made available by Seller’s licensors and Seller performs the required testing and validating on the Products. Depending on the severity of the Vulnerability as determined by Seller (after consultation with Purchaser), Seller may elect to provide the Patch at the time and as part of upcoming routine updates. If the Applicable Equipment is connected to SRS and Purchaser enables remote distribution of the Patch via SRS, or if Patches are made available for download, the Patches shall be free of charge. However, if the Patch needs to be installed on site by Seller, Seller may charge Purchaser for the expenses (time and material) resulting from the installation. For the sake of clarity; (i) safety, uncontrolled Vulnerability and clinical performance Updates are mandatory and will be provided without additional charge to Purchaser regardless of contract status, and will be implemented by Seller regardless of who may otherwise be servicing the Products; and (ii) all other Updates are non-mandatory (“Refinement Updates”) and are not performed unless requested by Purchaser and may be chargeable (e.g., travel, labor, and sometimes charges for parts) depending on Update.

NOTWITHSTANDING THE FOREGOING, SELLER ASSUMES NO LIABILITY WHATSOEVER FOR DAMAGE TO THE EXTENT SUCH DAMAGE IS CAUSED BY THE FOLLOWING:

(i) Purchaser's intrusive IT Security testing;
(ii) unauthorized modification of the system configuration or IT Security controls of the Products;
(iii) the installation of Patches which are not authorized by Seller;
(iv) Purchaser delaying the self-installation of Patches made available by Seller via SRS or for download;
(v) Hacker attacks, cyberthreats or related preventative measures; or
(vi) Failure to perform and maintain adequate backups of Purchaser's data.

f. SRS Limited Warranty. Unless explicitly otherwise regulated the SRS Connection is provided "as is" and Seller does not provide Purchaser with any warranty or guarantee regarding the availability, performance, or quality of the SRS Connection. Seller will not provide an SRS Connection if: (i) the provision is prevented by any impediments arising out of national or international foreign trade or custom requirements or any embargoes or other sanctions; or (ii) there is a defect, malfunction, or other problem with the telecommunications network; or (iii) there is a defect, malfunction, insufficient configuration, or other problem with Purchaser`s infrastructure.

g. Update of Terms and Security Concept. Seller shall set up the technical and organizational process for the SRS Connection and IT infrastructure used by Seller for the establishment of the SRS Connection according to the Security Concept. Seller shall be entitled to modify and/or update the terms of this Schedule for the SRS Connection and/or the Security Concept to reflect technical progress, changes in law and the further development of its offerings. Such modifications and/or updates shall not jeopardize the quality and execution of the SRS Connection. Seller shall inform Purchaser of changes by giving Purchaser at least thirty (30) days prior written notice. Seller will provide Purchaser with access to the updated terms and conditions.

h. Certification of SRS. Seller's service organization shall maintain a certified information security management system for the purposes of the SRS Connection. In this regard, Seller shall be subject to regular external audits by independent third parties. The scope and details of the certification are determined in the current Security Concept.

i. SRS Connection Termination. Seller shall be entitled to suspend the SRS Connection with immediate effect if Purchaser is in breach of the terms contained herein or if Seller, acting reasonably, is of the opinion that the SRS Connection to one or more of Purchaser's Applicable Equipment contains a risk for the security and performance of the IT infrastructure used by Seller.

j. SRS Intellectual Property. Seller (and its licensors, where applicable) will retain all intellectual property rights relating to the Products, including improvements thereto, including any improvements derived from Technical Data or Smart Technical Data, as well as any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by Purchaser which are hereby assigned to Seller.

Software License Schedule
to the Siemens Medical Solutions USA, Inc General Terms and Conditions

1. DEFINITIONS: The following definitions apply to this Schedule:

"**Agreement**" shall mean the attached (i) Quotation for Products and/or Services including the Terms and Conditions of Sale and applicable schedules; and/or (ii) Software License Agreement describing the software licensed herein and the specific system for which the license is issued.
"**Licensor**" shall mean Siemens Medical Solutions USA, Inc.
"**Licensee**" shall mean the end-user to whom Licensor provides Software or Documentation for its internal use under the Agreement.
"**Software**" shall mean the software described in the attached Agreement, including the following as contained therein: (i) software programs consisting of a series of statements or instructions to be used directly or indirectly in a programmable controller or computer to bring about a certain result and (ii) databases consisting of systemized collections of data to be used or referenced directly or indirectly by a programmed controller or computer. Notwithstanding the foregoing, "Software" does not include "firmware" as such term is conventionally understood. Diagnostic/Maintenance Software also is not included within the scope of the Software licensed under this Schedule, and is available only as a special option under a separate Diagnostic Materials License Agreement and may be subject to a separate licensing fee.
"**Documentation**" shall mean the documents and other supporting materials which are intended to support the use of an associated product, including (but not limited to) instructions, descriptions, flow charts, logic diagrams and listings of the Software, in text or graphic form, on machine readable or printed media.
"**Designated Unit**" shall mean a single control unit or computer identified on the first page of the Agreement, on which Software licensed hereunder may be used by Licensee.
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Revised 03/15/05

TRADE-IN EQUIPMENT REQUIREMENTS

THE FOLLOWING APPLIES ONLY TO THE EXTENT THAT THE QUOTATION INCLUDES AN EQUIPMENT TRADE IN OR IF A TRADE-IN IS LATER ADDED TO THS QUOTATION VIA A CHANGE ORDER. THESE REQUIREMENTS ARE IN ADDITION TO ANY OTHER REFERENCED TERMS AND CONDITIONS OF THE QUOTATION AND SHALL REMAIN IN EFFECT REGARDLESS OF ANY CONTRARY LANGUAGE IN THE QUOTATION.

This Quotation includes the trade-in equipment described herein and referenced by either the Project Number identified in the Quotation hereof (non-Ultrasound) or the Trade In Part Number (Ultrasound) as further described in the associated Trade Sheet which is incorporated herein by reference. Purchaser certifies that the description of the trade-in equipment as set forth on the Trade Sheet is a true and accurate representation of the equipment, and that the equipment is in good working condition unless otherwise noted on the Trade Sheet.

The trade-in equipment must be made available for removal no later than turnover of the new equipment. Purchaser must vacate the room of all items not listed on the Trade Sheet, or otherwise clearly identify all items listed on the Trade Sheet, prior to the start of the de-installation. If this is not done, Seller will have no liability for items which are subsequently removed or scrapped. If the de-installation or return of the trade-in equipment is delayed by Purchaser for reasons other than a force majeure event, or if upon inspection by Seller it is determined that the equipment does not meet the manufacturer's operating specifications, or if any items listed as included on the Trade Sheet are not made available at the time of de-installation, then trade-in value will be re-evaluated and any loss in value or additional costs incurred by Seller shall be deducted from the established trade-in value and the pricing set forth on this Quotation will be adjusted by change order. In the event that access to the non-ultrasound trade-in equipment is denied past 14 days from turnover, or access to ultrasound trade-in equipment is denied past 30 days from turnover, then Purchaser shall pay to Seller a rental fee in the amount 3.5% of the total trade-in value plus any additional value provided by an Elevate/Promotional program included in this quotation (no less than $1000) for each month, or part thereof, that access is denied. In addition, if the purchase and installation of the new equipment covered by this Quotation is not completed, then Seller shall invoice Purchaser for all costs and expenses incurred by Seller in connection with the de-installation and removal of the trade-n equipment, including but not limited to labor, materials, rigging out, and transportation, which costs shall be paid by Purchaser within thirty (30) days of the invoice date.

Purchaser further acknowledges and agrees that (i) the trade-in equipment will be free and clear of all liens and encumbrances including, but not limited to, unpaid leases and loans, and that upon request, it will execute a bill of sale or other documents reasonably satisfactory to Seller to transfer title and ownership of the equipment to Seller, (ii) it is Purchaser's sole responsibility to delete all protected health information and any other confidential information from the equipment prior to de-installation, without damaging or cannibalizing the equipment or otherwise affecting the operation of the equipment in accordance with its specifications, (iii) any radioactive sources and other hazardous materials are removed from the equipment (iv) equipment has been wiped down and decontaminated of any blood or other potentially infectious materials (v) the equipment, including all updates, upgrades, modifications, enhancements, revisions, software, S/W disks and manuals, shall be returned to Seller in good operating condition, reasonable wear and tear excepted, and (vi) to the extent not prohibited by applicable law, Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, damages, liability, costs and expenses (including reasonable attorney's fees) resulting or arising from Purchaser's failure to comply with item (i) above.

FOR MR SYSTEMS: Cryogen levels must be least 65% upon time of de-installation.
FOR MOBILE SYSTEMS: System must be road worthy, and a state issued title transferring ownership to Seller (or Designee) must be received prior to the removal of the mobile system.
FOR MODALITY TRADE SYSTEMS (non-ultrasound): The trade-in equipment must be available for inspection within two weeks of the scheduled de-installation date. In addition, Purchaser must provide a clear path for the removal of the trade-in equipment and on the date of de-installation after final inspection and test by the Seller (or Designee) has occurred, the Purchaser must supply licensed tradespeople to disconnect the power and plumbing (including draining and removing and disposing of any hazardous materials including, but not limited to glycol from the chiller and oil from the transformer and radioactive sources, as examples.) Any additional costs due to the need to use a larger rig (other than a standard 80 ton rig), as well as any construction activities, street closings, permits, etc., required to de-install/remove the equipment are out-of-scope costs and will be the responsibility of Purchaser. FOR MI SYSTEMS: It is the Purchaser's sole responsibility to (i) ensure that all radioactive sources and identifying labels are removed from the trade in equipment prior to de-installation; and (ii) for arranging and covering any associated costs and scheduling of service companies required to complete such work.
FOR ULTRASOUND SYSTEMS – Purchaser may provide transducers with the ultrasound unit being traded in, but will not receive additional credit for such transducers.

MR Warranty Information

Product (New Systems and "ECO" Refurbished Systems Only)	**Period of Warranty[1]**	**Coverage[2, 4]**	**Special Conditions**
MR Systems	12 months	Full Warranty (wear/failure) parts and labor, including key components (not including consumables) PCP: 8:30 am to 5:00 pm. Typical response time: next day	MAGNETOM Sempra, Free.MAX, and Free.STAR require Smart Remote Services (SRS) Connection prior to system installation.
FIT Upgrades: MAGNETOM Avanto/Skyra Fit, BioMatrix, MAGNETOM_Sola/Vida_Fit	12 months	Full Warranty (wear/failure) parts and labor, including key components (not including consumables) PCP: 8:30 am to 5:00 pm. Typical response time: next day	Fit Upgrade warranty excludes Magnet, Magnet Refrigeration System (CryoCare), Liquid Helium Refills and Gradient Coil (if the Gradient Coil is not replaced with the Fit upgrade).

Post System Warranty for T&M Spare Parts[3]			
Spare Parts (excluding key components)	**Period of Warranty**	**Coverage[4]**	**Special Conditions**
Consumables	Not covered		
Spare parts	6 months	Full credit (100%) wear/failure parts only.	
Key Components	**Period of Warranty**	**Coverage[4]**	**Special Conditions**
Magnet	12 months	Parts only	

1. Period of Warranty commences from the date of first use or completion of installation, whichever occurs first. In the event the completion of installation is delayed for reasons beyond Siemens' control, the stated warranty period shall commence 60 days after delivery of equipment.
2. If a part is replaced during the 12-month system warranty, that part will be covered. However, the replaced part will not carry a separate warranty.
3. Replacement spare parts warranty commences from the date of Siemens' invoice.
4. If the cause of failure on a returned part is determined to be from damage or negligence, the warranty is voided.

Note for Federal Government Customers Only: No warranty extended by Contractor shall apply to any products which have been damaged by fire, accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence or by the Customer's failure to operate the products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the products by the Customer or any third party or due to the attachment and/or use of non-Contractor supplied parts, equipment or software without Contractor's prior written approval; which failed due to causes from within non-Contractor supplied equipment, parts or software including, but not limited to, problems with the Customer's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Contractor. In addition,

there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks.

Exhibit 2.9

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(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 MRI**
Ad ID: **6760150**
Ad Taker: **PAULAS**
Start Date: **04/18/25**
Stop Date: **04/18/25**
Class: **Bid/Proposal Notices-172**
Words: **73**
Lines: **20**
Agate Lines: *33*
Depth: *2.347*

Cost: **$158.50**

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 Magnetic Resonance Imaging (MRI) scanner. 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

Exhibit 2.10

Mosaic Life Care at St. Joseph
Radiology

5325 Faraon St.
St. Joseph, MO 64506
816.271.6460 p
myMosaicLifeCare.org

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Heartland Regional Medical Center-DBA Mosaic Life Care
Radiology Department
5325 Faraon St
St Joseph, MO 64506

April 4, 2025

To Who It May Concern:

I am writing this correspondence as a supportive letter directed at the certificate of need (CON) filed by Heartland Regional Medical Center-DBA Mosaic Life Care.
The CON is regarding the MRI location change and merge of the two outpatient facilities.

The location transfer will be beneficial to our radiologist staff, caregivers, referring providers and outpatients. The combination of services will provide increased proficiency opportunities and coordinated care.
In addition to this objective, it will also allow improved patient scan turnaround times and mandated MRI zoning for increased patient safety.

I appreciate your time and effort to review and consider this CON for Mosaic operations and the community we serve.

Thank you for your time and consideration.

Benjamin Saverino, MD
Radiology department

Mosaic Life Care at St. Joseph
Radiology

5325 Faraon St.
St. Joseph, MO 64506
816.271.6460 p
myMosaicLifeCare.org

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Mosaic Life Care at St Joseph
Physical Medicine and Rehabilitation clinic
5301 Faraon St
Plaza 3 St 200
St Joseph, MO 64506
816.271.7673
myMosaicLifeCare.org

April 4, 2025

To Whom it May concern

Please accept this letter in support of the certificate of need (CON) regarding imaging equipment location change for Magnetic Resonance Imaging (MRI).

The consolidation of services with another Mosaic imaging facility will allow us to combine resources, staffing and improved patient flow. This will also allow appropriate MRI zone plans/layout and restricted access in accordance with Joint Commission standards.

This consolidation of services assists with outpatient procedure populations that are currently scheduled in our hospital setting, which in turn will create a faster throughput for our patients and results for our providers.

We would appreciate your consideration of this request; this will allow our patients an improved experience and our organization with a strategic operating plan.

Sincerely,

Jon Gerken, MD

Mosaic Life Care

Physical Medicine and Rehabilitation

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

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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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 Adam Bolda, Vice President of Clinical Operations at adam.bolda@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

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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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
Medical Center

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St. Joseph, MO 64506
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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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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
Medical Center

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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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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

Exhibit 2.12

Mosaic Life Care at St. Joseph
Medical Center

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816.271.6000 p
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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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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
Medical Center

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St. Joseph, MO 64506
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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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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

Exhibit 2.12

Mosaic Life Care at St. Joseph
Medical Center

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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 a Magnetic Resonance Imaging (MRI) scanner to be placed in a new Medical Office Building (MOB). The new MRI scanner will enhance imaging services at Mosaic Life Care's Outpatient Imaging by offering a much wider spectrum of exams. This includes Breast, Prostate, Cardiac, Hemochromatosis, and Arthrography imaging. Users will benefit greatly from the new software and features that enhance workflow by allowing schedule flexibility, quality patient care, increased patient safety, and other diverse innovations. 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 Adam Bolda, Vice President of Clinical Operations at adam.bolda@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 2,000 MRI procedures per year will be met with our current volumes plus additional availability due to unblocked time.

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.

A copy of the most recent Mosaic Health System and Related Organizations audited financial statement is displayed in 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.

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	Fair Value Measurements Using: 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

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 #:** 6200 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:*	2,862	3,005	3,155
Revenue:			
Average Charge**	$1,931	$2,008	$2,089
Gross Revenue	$5,526,522	$6,034,040	$6,590,795
Revenue Deductions	3,693,927	4,033,769	4,404,875
Operating Revenue	1,832,595	2,000,271	2,185,920
Other Revenue	0	0	0
TOTAL REVENUE	**$1,832,595**	**$2,000,271**	**$2,185,920**
Expenses:			
Direct Expenses			
Salaries	542,483	592,392	646,992
Fees	0	0	0
Supplies	89,100	97,298	106,249
Other	190,703	208,248	227,407
TOTAL DIRECT	$822,286	$897,938	$980,648
Indirect Expenses			
Depreciation	259,579	259,579	259,579
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	0	0	0
TOTAL INDIRECT	$259,579	$259,579	$259,579
TOTAL EXPENSES	**$1,081,865**	**$1,157,517**	**$1,240,227**
NET INCOME (LOSS):	**$750,730**	**$842,754**	**$945,693**

*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.