



Certificate of Need Application

Heartland Regional Medical Center
Project 6245 HS

Submitted to the Missouri Health Facilities Review Committee
October 23, 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: 6245 HS

Project Description: Acquire Second PET/CT Scanner

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, 14-27 | 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. |
| ✓ 8-10 | 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. |
| ✓ 10-11 | 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. |
| ✓ 12 | 8. Provide the methods and assumptions used to project utilization. |
| ✓ 12, 26 | 9. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input. |
| ✓ 12, 29-31 | 10. Provide copies of any petitions, letters of support or opposition received. |
| ✓ 13, 26 | 11. Document that providers of similar health services in the proposed service area have been notified of the application by a public notice in the local newspaper. |
| ✓ 13, 32-34 | 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:

- | | |
|------|--|
| ✓ 36 | 1. For new units, address the minimum annual utilization standard for the proposed geographic service area. |
| 36 ✓ | 2. For any new unit where specific utilization standards are not listed, provide documentation to justify the new unit. |
| 36 ✓ | 3. For additional units, document compliance with the optimal utilization standard, and if not achieved, provide documentation to justify the additional unit. |
| 36 ✓ | 4. For evolving technology address the following: |
| 36 ✓ | - Medical effects as described and documented in published scientific literature; |
| 36 ✓ | - The degree to which the objectives of the technology have been met in practice; |
| 36 ✓ | - Any side effects, contraindications or environmental exposures; |
| 36 ✓ | - The relationships, if any, to existing preventive, diagnostic, therapeutic or management technologies and the effects on the existing technologies; |
| 36 ✓ | - Food and Drug Administration approval; |
| 36 ✓ | - The need methodology used by this proposal in order to assess efficacy and cost impact of the proposal; |
| 36 ✓ | - The degree of partnership, if any, with other institutions for joint use and financing. |

Divider IV. Financial Feasibility Review Criteria and Standards:

- | | |
|-------------|---|
| ✓ 38-80 | 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. |
| ✓ 38, 81-82 | 2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) FULL years beyond project completion. |
| ✓ 38 | 3. Document how patient charges are derived. |
| ✓ 38 | 4. Document responsiveness to the needs of the medically indigent. |

DIVIDER I.

Application Summary

Divider I. Application Summary

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

See Exhibit 1.1

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

See Exhibit 1.2

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

See Exhibit 1.3



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

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

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

Title of Proposed Project Heartland Regional Medical Center	Project Number 6245 HS
Project Address (Street/City/State/Zip Code) 5325 Faraon Street St. Joseph, MO 64506	County 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 Tony Claycomb	Title President, Mosaic Life Care Medical Center St. Joseph
Telephone Number 816-271-1312	Fax Number 816-271-7125
Signature of Contact Person 	E-mail Address tony.claycomb@mymhc.com
	Date of Signature 10/22/25



Certificate of Need Program

Exhibit 1.2

REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)	
Project Name Heartland Regional Medical Center	Number 6245 HS
(Please type or print legibly.)	
Name of Representative Tony Claycomb	Title President, Mosaic Life Care Medical Center
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) Heartland Regional Medical Center	Telephone Number 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 Heartland Regional Medical Center	Telephone Number 816-271-6000
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 10/22/25

MO 580-1869 (11/07)

**PROPOSED PROJECT BUDGET****Description****Dollars****COSTS:****(Fill in every line, even if the amount is "\$0".)*

1. New Construction Costs ***	
2. Renovation Costs ***	\$225,000
3. Subtotal Construction Costs (#1 plus #2)	\$225,000
4. Architectural/Engineering Fees	
5. Other Equipment (not in construction contract)	\$2,161,500
6. Major Medical Equipment	
7. Land Acquisition Costs ***	
8. Consultants' Fees/Legal Fees ***	
9. Interest During Construction (net of interest earned) ***	
10. Other Costs ***	
11. Subtotal Non-Construction Costs (sum of #4 through #10)	\$2,161,500
12. Total Project Development Costs (#3 plus #11)	\$2,386,500 **

FINANCING:

13. Unrestricted Funds	\$2,386,500
14. Bonds	
15. Loans	
16. Other Methods (specify)	
17. Total Project Financing (sum of #13 through #16)	\$2,386,500 **

18. New Construction Total Square Footage	
19. New Construction Costs Per Square Foot *****	
20. Renovated Space Total Square Footage	720
21. Renovated Space Costs Per Square Foot *****	\$312

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

** These amounts should be the same.

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

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

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

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

Project Name: Heartland Regional Medical Center

Project Number: 6245 HS

Date: 10/21/2025



CON Purposes Only

Item	Scope of Work	Total
Construction	Concrete Slab, Shielding, Drywall Modification, and Ceiling Modifications	\$ 110,000
Eletrical	Conduit and Wiring For PET CT	\$ 55,000
Mechanical/Plumbing	HVAC Modifications and Chilled Water Piping	\$ 60,000
	Total Construction	\$ 225,000
Major Medical Equipment	GE Omni Legend PET CT	\$ 2,161,500
	Total Project Cost	\$ 2,386,500

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) requests approval to acquire a second PET/CT scanner for the Radiology Department. The second PET/CT scanner is requested to meet the growing demands for PET/CT imaging for our oncology, neurology, and cardiology patients. The project aligns with HRMC's vision to be the first choice and trusted partner in health for our community.

The existing PET/CT scanner operates near full capacity, often resulting in scheduling delays and limiting availability for our urgent patient exams. The second PET/CT scanner will enhance access, improve turnaround times, and reduce patient travel times if the patient needs to go to another facility. The PET/CT scanner will support HRMC's expanding clinical programs, including cancer care, neurodegenerative disease assessment, and advanced cardiac imaging.

See Exhibit 2.1.

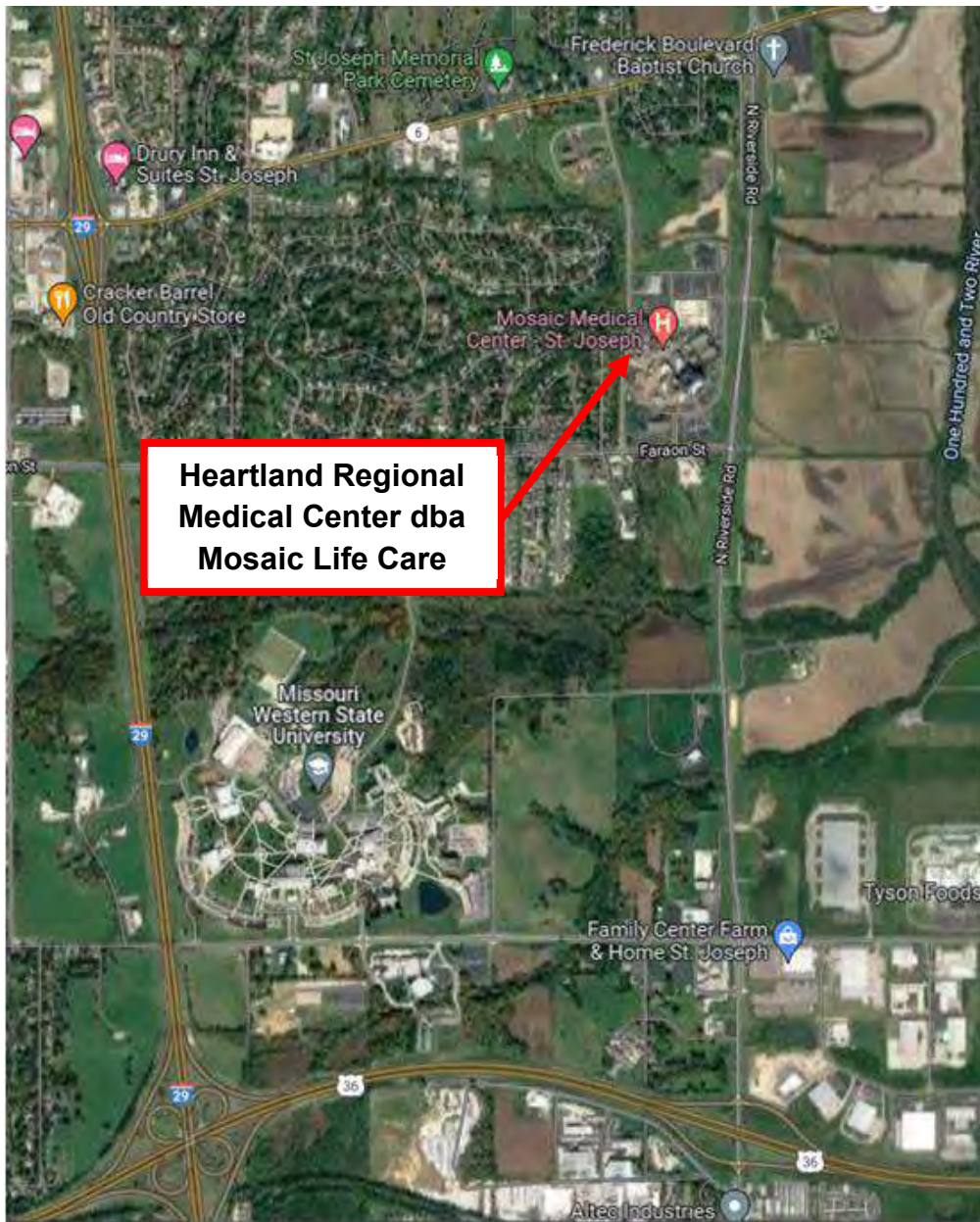
2. Provide a timeline of events for the project, from CON issuance through project completion.

Missouri CON Decision	-	January 2026
Design	-	March 2026
Order Equipment	-	March 2026
Construction Begins	-	May 2026
Construction Completed	-	October 2026
PET CT Installation of Equipment	-	October 2026
PET Equipment Operational	-	November 2026

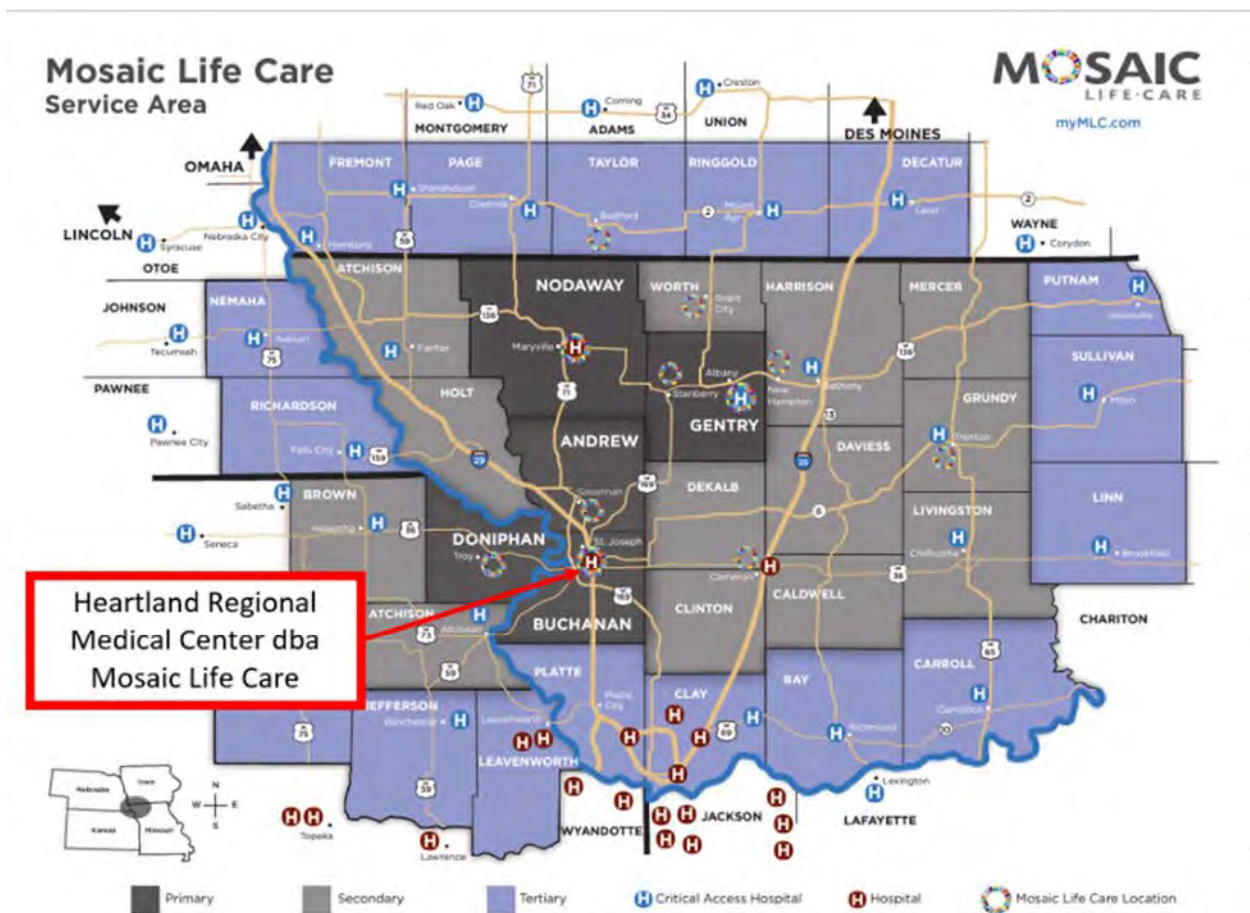
3. Provide a legible city or county map showing the exact location of the project.

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

City of St. Joseph Aerial Map



Mosaic Life Care Service Area Map



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

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

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

Refer to tables on the following page from the following data sources:

- Missouri population data from MO Dept of Health and Senior Services Section of Epidemiology and Vital Statistics.
- Out of State population data from Hospital Industry Data Institute.

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
<i>Doniphan</i>	<i>KS</i>	<i>7,569</i>	<i>1,677</i>
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
<i>Atchison</i>	<i>KS</i>	<i>15,810</i>	<i>3,102</i>
<i>Brown</i>	<i>KS</i>	<i>9,428</i>	<i>2,149</i>
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
<i>Decatur</i>	<i>IA</i>	<i>7,625</i>	<i>1,674</i>
<i>Fremont</i>	<i>IA</i>	<i>6,946</i>	<i>1,784</i>
<i>Page</i>	<i>IA</i>	<i>15,037</i>	<i>3,740</i>
<i>Ringgold</i>	<i>IA</i>	<i>4,932</i>	<i>1,319</i>
<i>Taylor</i>	<i>IA</i>	<i>6,202</i>	<i>1,549</i>
<i>Nemaha</i>	<i>NE</i>	<i>6,892</i>	<i>1,603</i>
<i>Richardson</i>	<i>NE</i>	<i>7,795</i>	<i>2,153</i>
Tertiary Service Area		77,369	18,840

6. **Identify specific community problems or unmet needs the proposal would address.**
- Increased sensitivity and specificity for diagnosis of coronary artery disease and microvascular coronary artery disease.
 - Expand diagnostic brain studies for early differentiation of neurodegenerative conditions.
 - Allows for earlier detection of smaller lesions, better delineation of tumor margins, and more accurate quantification of metabolic activity, which are critical in oncology for determining treatment response and disease progression.
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 – 1,444	Year 1 Projection – 3,683
Year 2 – 1,991	Year 2 Projection – 3,867
Year 3 – 2,683	Year 3 Projection – 4,060

Year 1 projection is based off current volumes plus additional services being offered. The other years are calculated with a 5% growth factor.

8. **Provide the methods and assumptions used to project utilization.**
- Projections are based on current utilization volumes, adjusted to include anticipated growth from the addition of a new service line, cardiac imaging. Subsequent years reflect a projected annual growth rate of 5%, which accounts for continued expansion in service demand and patient volume trends with new radioisotopes coming to the market.
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 10/10/25. No consumer input was received after publication.

See Exhibit 2.9.

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

See Exhibit 2.10.

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

See Exhibit 2.9.

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

See Exhibit 2.12.

**ENSURE REQUISITION/PURCHASE ORDER IS ISSUED TO:
GE PRECISION HEALTHCARE
TAX ID (83-0849145)**

Mosaic Life Care Medical Center at St Joseph
5325 Faraon St
Saint Joseph, MO 64506-3488

This Agreement (as defined below) is by and between the Customer and the GE HealthCare business (“GE HealthCare”), each as identified below for the sale and purchase of the Products and/or Services identified in this Quotation, together with any applicable schedules referred to herein (“Quotation”). “Agreement” is this Quotation (including line/catalog details included herein) and either: (i) the Governing Agreement identified below; or (ii) if no Governing Agreement is identified, the GE HealthCare Terms and Conditions and Warranties that apply to the Products and/or Services identified in this Quotation.

GE HealthCare can withdraw this Quotation at any time before Customer: (i) signs and returns this Quotation or (ii) provides evidence of Quotation acceptance satisfactory to GE HealthCare (“Quotation Acceptance”). On Quotation Acceptance, this Agreement is the complete and final agreement of the parties relating to the Products and/or Services identified in this Quotation. There is no reliance on any terms other than those expressly stated or incorporated by reference in this Agreement and, except as permitted in this Agreement, no attempt to modify will be binding unless agreed to in writing by the parties. Modifications may result in additional fees and cannot be made without GE HealthCare’s prior written consent.

Handwritten or electronic modifications on this Agreement (except an indication of the form of payment, Customer purchase order number and signatures on the signature blocks below) are void.

Governing Agreement:	Vizient Supply LLC
Terms of Delivery	FOB Destination
Billing Terms	80% on Delivery / 20% on Acceptance
Payment Terms	45 Net
Sales and Use Tax Exemption	Certificate on File
Total Quote Net Selling Price	\$2,161,499.74

IMPORTANT CUSTOMER ACTIONS:

Please select your planned source of funds. Source of funds is assumed to be cash unless you choose another option. Once equipment has been shipped, source of funds changes cannot be allowed.

☐ Cash
☐ GE HFS Loan ☐ GE HFS Lease
☐ Other Financing Loan ☐ Other Financing Lease Provide Finance Company Name _____

The parties have caused this Agreement to be executed by their authorized representative as of the last signature date below.

Mosaic Life Care Medical Center at St Joseph

Signature: _____

Print Name: _____

Title: _____

Date: _____

Purchase Order Number, if applicable

GE Precision HealthCare LLC

Signature: Denise Chapman

Title: Imaging Account Manager

Date: August 19, 2025

Document Instructions

Please sign and return this quotation together with any Purchase Order(s) to:

Name: Cody George
Email: cody.george2@gehealthcare.com
Phone: 816-401-2610
Fax:

Payment Instructions

Please **remit** payment for invoices associated with this quotation to:

GE Precision Healthcare LLC
P.O. Box 96483
Chicago, IL 60693

FEIN: 83-0849145

Mosaic Life Care Medical Center at St Joseph

Bill To: MOSAIC LIFE CARE MEDICAL CENTER
AT ST JOSEPH

Ship To: MOSAIC LIFE CARE MEDICAL CENTER
AT ST JOSEPH

Addresses:

MOSAIC LIFE CARE MEDICAL CENTER AT ST JOSEPH, ACCOUNTS
PAYABLE 5325 FARAON ST SAINT JOSEPH MO, 64506-3488

MOSAIC LIFE CARE MEDICAL CENTER AT ST JOSEPH 5325 FARAON
ST SAINT JOSEPH
MO, 64506-3488

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- Source of Funds (choice of Cash/Third Party Loan or GE HFS Lease Loan or Third Party Lease through _____), must be indicated, which may be done on the Quote Signature Page (for signed quotes), or the Purchase Order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE HealthCare).
- If your purchasing process requires a purchase order, please make sure it includes:
 - The correct Quote number and Version number above
 - The correct Remit To information as indicated in **"Payment Instructions"** above
 - Your correct SHIP TO and BILL TO site name and address
 - The correct Total Price as indicated above

Evidence of the agreement to contract terms. Either: (a) the quotation signature filled out with signature and P.O. number; or (b) Verbiage on the purchase order stating one of the following:

- (i) "Per the terms of Quotation # _____";
- (ii) "Per the terms of GPO # _____";
- (iii) "Per the terms of MPA# _____"; or
- (iv) "Per the terms of SAA # _____".

Catalog Item Details

Line	Qty.	Catalog	
1	1.00	Y0000LC	Pricing Non-Disclosure Language

This CONFIDENTIAL offer may not be shared with any third parties, buying evaluation groups or anyone not directly employed by customer. This offer is being extended in relation to a national show-site agreement, research partnership, or other non-standard transaction. If required for publishing, GE will happily provide a list price quote.

Line	Qty.	Catalog	
2	1.00	S9130WB	Omni Legend 32cm PET AFOV

Omni Legend is built on a new scalable digital BGO detection technology, combining GE HealthCare's generation 3 of digital detection, state of the art silicon photomultipliers and electronics with the outstanding stopping power of BGO. All this enables tremendous gains in sensitivity, spatial resolution, and energy resolution. Omni Legend has 30 mm-thick crystals cut to 4.1x4.1 mm and ultra-high NEMA sensitivity of 46 cps/kBq over a 32cm axial FOV.

Omni Legend also delivers vast improvements to the entire PET/CT scanning process providing a more comfortable user and patient experience including fast AI enabled workflows and a bore designed to alleviate patient stress and anxiety.

Omni legend includes diagnostic CT innovations from our Revolution Maxima CT.

The Omni Legend 32 cm consists of an integrated gantry containing:

- Revolution Maxima CT 64 channel, 64 slice, 72KW CT with overlapped reconstruction - enables 128 slices per rotation
- dBGO detector composed of 32cm PET Field of View (6 rings)

CT Key Features: The Omni Legend platform can be operated as a standalone CT scanner (without gantry tilt). GE's Revolution Maxima is a new standard computed tomography, powered by artificial intelligence technology that delivers a streamed line workflow for better ease of use and operational efficiency.

40 mm coverage Clarity Detector

0.4 sec rotation speed

0.28 mm maximum spatial resolution

Performix 40 Plus X-ray tube with a liquid bearing tube enables up to 0.35 sec gantry rotation speed for routine use and with high helical pitch (1.531) enables a 1000 mm scan to be in 6 seconds.

PET/CT technology enablers include:

VUE Point HD utilizes a fully 3D iterative reconstruction technique with all corrections within the loop, enhanced resolution with detector geometry modeling, model-based 3D scatter correction inside and scatter estimation outside the field of view, exclusive randoms corrections based on singles and dead-time correction with pile-up estimates providing high image quality and patient throughput.

SharpIR, Point Spread Function reconstruction, enhances visual contrast and resolution in both whole-body and brain PET images. SharpIR provides uniform High-Definition resolution over a 70 cm PET FOV.

WideView - PET reconstructed transaxial Field of View coverage of 70cm diameter with CT based PET attenuation correction and CT wide-FOV Display.

RAD Rx allows your own PET/CT protocol from any CT protocol. Automated CTAC creation from CT acquisitions, including contrast enhanced, perfusion and gated CTs (when equipped with the required CT options). Integrated Average Cine CT protocol for improved attenuation correction.

Motion Match - Corrects the artifacts generated by the physiological activity of the moving organs, such as the heartbeat and respiratory movement, and improve the match ratio of PET and CT as well as the accuracy of PET SUV measurements.

Xstream Tablet - Front and Rear Gantry Controls: a multi-purpose user interface with the following features:

- Wide monitor: 12.1 inch

- Touch screen operation
- Patient protocol display and selection
- Patient information display
- AI Patient Positioning and landmarking
- Collision indication

PET/CT Service Features:

Each system is supported by GE's InSite™ remote diagnostics, iLinq™, and TiP Virtual Assist.

InSite broadband – all hardware and software required to remotely connect this PET/CT system to GE's InSite On-Line Center via secure VPN high-speed Internet connections. Enables access to services designed to reduce downtime, improve quality, enhance performance, increase productivity, and expand imaging capabilities.

Line	Qty.	Catalog	
3	1.00	P3010US	Omni Select Package

The Omni Select Package includes:

Q.Clear - Full convergence iterative reconstruction technology for accurate PET quantitation and high image quality, to help with fast and efficient reading and confident diagnosis. Q.Clear controls the amount of noise allowing full convergence of reconstruction without compromising signal and giving great image quality.

SmartMAR - helps reduce photon starvation artifacts, such as beam hardening and streak artifacts, caused by metal in the body, such as hip implants.

PET Enhanced AC - Enhanced AC is a software option, intended to correct for cases of PET to CT misregistration caused by respiratory motion. In this method Enhanced AC generates a corrected and registered attenuation map, which is subsequently applied on PET reconstructed data.

Line	Qty.	Catalog	
4	1.00	P3010UP	Omni Plus Package

The Omni Plus Package includes:

Precision DL - an advanced image generation algorithm enhanced by deep learning-based technology. More than a new reconstruction technique, Precision DL is a sophisticated deep neural network trained on hundreds of images created with a variety of different reconstruction techniques, including LBS ToF, PSF and BSREM. Precision DL plus ultra-high sensitivity provides the benefits most associated with hardware-based Time-of-Flight with better SNR and contrast recovery.

Auto Positioning - AI based automatic patient positioning is an innovative, next generation technology. It is powered by the Xstream camera enabling automatic landmarking, patient orientation detection and auto patient centering. This GE unique technology streamlines patient throughput, optimizes CT radiation dose, provides consistent image quality, standardization, and reduces errors.

ASiR-V - Combines the speed of ASiR while leveraging design elements found in Veo, GE's full model-based iterative reconstruction technology. By applying more advanced modeling and optimization technologies in projection- and image-space as part of the iterative reconstruction process, ASiR-V provides dose reduction capabilities beyond that of ASiR.

Prospective Exam Split - allows multi-anatomical exams to be read in separate anatomic sections, provides users with the capability to specify how to split the exam into separate billing groups for each scan.

Q.AC - Our Q.AC algorithm helps to ensure that the attenuation coefficients used in image reconstruction are accurate in ultra-low-dose, non-diagnostic CT protocols.

Q.Prepare - Designed for Quantitative PET imaging. Q.Prepare enables the system operator to pre-enter study information, easily recall parameters of prior exams and compare to current exams.

Line	Qty.	Catalog	
5	1.00	P3030MC	Omni Legend Long Cable Collector
Long Cables collector for Omni Legend PET/CT scanner			

Line	Qty.	Catalog	
6	1.00	B76132DA	Long Cable Collector
System long cable set			

Line	Qty.	Catalog	
7	1.00	P3000AZ	Long length Chiller Cooling Hose Line
100ft Long Length Chiller cooling hose line. Recommended for chiller in equipment room siting layouts.			

Line	Qty.	Catalog	
8	1.00	P3200EL	PET Cardiac Omni Package

The PET Cardiac Package enables the user to acquire cardiac PET exams.
 This package contains the following items necessary for PET cardiac studies:

- PET Cardiac Gating capability (P5051LH)
- Cardiac PET ACQC (P5051LE)
- Cardiac VUE (P5051LV)
- Automatic, multi-directional ACQC PET/CT Correction (P5051AR)

ECG monitor is not provided with this package.

Attenuation Correction Quality Control ensures proper cardiac registration in PET and CT, particularly useful for Cardiac stress PET/CT exams. Mis-registered PET and CT attenuation correction data due to motion may automatically be corrected using flexible geometrical transforms. Automatic ACQC is fully integrated in the patient scan workflow, saving technologist time, enabling reproducibility, reduces manual errors, and inter and intra user variability. Automatic ACQC reduces overall procedure time and improves IQ.

Line	Qty.	Catalog	
9	1.00	P3000BH	Dynamic VUE Software Option

Dynamic VUE. Quantitative review of dynamic PET datasets with time activity curves.

PET's ability to noninvasively measure the metabolic activity of cells in the human body provides valuable information of the biochemical and biological activity of a living subject. Using this diagnostic tool, clinicians are able to obtain early information on the state of cardiac disease, neurological disorders, and cancer. A program that lets you view a graphic representation of this molecular activity over time would give you key information about the early onset and progression of various disease states.

Overview:

Dynamic VUE lets you make optimum use of the information PET and PET/CT scanners provide from dynamic PET scans. With it, you have to ability to quantitatively review Dynamic PET datasets and generate time activity cures and summing images over time.

Features:

- Exclude frames with motion artifacts and sum selected frames to review a single high-count images series.
- Application of ROIs for cardiac perfusion analysis.
- Ability to chart time activity curves between ROIs in each brain hemisphere for comparison.

- Sum an entire series over time or one location with a single click.
- Reframe a dynamic series to create a new series by summing different time frames.
- Draw a freehand ROI on an image and edit its properties.
- Create location activity curves for multiple ROIs.
- Export curve statistics to a portable format.
- Cine images can be displayed at 40 fps.

Line	Qty.	Catalog	
10	1.00	P3000NN	Q.Core Power Plus option (4 GPUs kit)
4 GPUs upgrade kit for PARC 4.2			

Line	Qty.	Catalog	
11	1.00	B7880AS	Calcium Scoring Package
The Calcium scoring package provides the acquisition software, as well as the on-console analysis software required for both prospective and retrospective gating for coronary artery calcium scoring.			

Xtream 12" Gantry and Operator Console ECG Trace: The ECG trace provided by the Ivy monitor will be displayed on the CT gantry and operator console with this option. Allowing the user to display the live trace of the patient's heart rate and display the actual location of the window of time when the image is being acquired. It will provide easy access to patient cardiac output status and assist in providing visual feedback for optimum acquisition start.

The Ivy Cardiac Monitor Kit is not included in this package but is required. It will be used to monitor patient cardiac output and synchronize acquisition with that output.

Line	Qty.	Catalog	
12	1.00	P3000ME	Omni Rear Gantry Lasers
Rear Laser Landmark for Omni PET/CT scanner			

Line	Qty.	Catalog	
13	1.00	B7900LC	Low Dose CT Lung Screening Option with Indication For Use

This option provides lung screening reference protocols that are tailored to the CT system, patient size (small, average large), and the most current recommendations from a wide range of professional medical and governmental organizations. Now, qualified GE Healthcare CT scanners with this option are formally indicated for, and can be confidently used by physicians for low dose CT lung cancer screening of identified high-risk patient populations. These protocols deliver low dose, short scan times, and clear and sharp images for the detection of small lung nodules. Early detection from an annual lung screening with low dose CT in high-risk individuals can prevent a substantial number of lung cancer-related deaths.

All new GE 64-slice and greater CT scanners, and virtually all of the 16-slice CT scanners that GE Healthcare sells are qualified for this screening option. This solution is also available to thousands of qualified GE CT scanners currently in use, increasing access to the quality scanners that satisfy both patient and physician needs. The new protocols, do include the choice for the user to be able to utilize GE Healthcare's industry-leading technologies such as ASiRTM, ASiR-VM and VeoTM that are designed to reduce image noise, which is undesirable for physicians looking for small nodules.

This option contains two documents. Lung Cancer Screening Option Reference Protocol Guide, and the Lung Cancer Screening Option User Manual / Technical Reference Manual

i) The following GE Healthcare CT scanners are qualified to receive the new low dose CT Lung Cancer Screening Option: LightSpeed 16, BrightSpeed Elite, LightSpeed Pro16, Optima CT540, Discovery CT590 RT, Optima CT580, Optima CT580 W, Optima CT590 RT, LightSpeed Xtra, LightSpeed RT16, LightSpeed VCT, LightSpeed VCT XT, LightSpeed VCT XTe, LightSpeed VCT Select, Optima CT660, Revolution EVO, Discovery CT750 HD, Revolution HD, Revolution CT, Revolution Frontier.

ii) Moyer V. Screening for Lung Cancer: U.S. Preventive Services Task Force Recommendation Statement. Ann Intern Med. 2014;160:330-338.

<http://www.uspreventiveservicestaskforce.org/Page/Document/RecommendationStatementFinal/lung-cancer-screening>

Line	Qty.	Catalog	
14	1.00	E8007RT	Ivy 7800 Cardiac Monitoring Kit

The Model 7800 is Ivy Biomedical's fifth generation of cardiac trigger monitors intended primarily for use on patients in applications requiring precision R-wave synchronization. Incorporating a simple, easy-to-use touchscreen interface, the 7800 displays two simultaneous ECG vectors along with the patient's heart rate. The Trigger ECG vector (top waveform) can be selected from Leads I, II, III, or Auto Lead Select. The Second ECG vector (bottom waveform) can be selected from Leads I, II, III. If required, High and Low heart rate alarm limits can be adjusted to bracket the patient's heart rate so that a violation of these limits produces an audible and visual indication of the alarm.

- Impedance Measurement: Measures Impedance between the patient's skin and each individual ECG electrode
- Automatic operation: After patient cables are connected and the monitor is receiving an ECG signal, the monitor finds the peak of the R-wave and generates synchronization pulses
- Bright TFT active matrix 8.4 in. color touch screen LCD with a wide viewing angle and large heart rate characters enhance visibility of patient data
- Polarity lock helps reduce the number of false triggers when tall T waves or deep S waves occur
- Color trigger mark indicates timing of each trigger pulse with respect to the ECG
- System interlock function indicates proper connection with the imaging device
- Integrated USB Drive - allows user to store and retrieve ECG events for retrospective analysis
- Auto-notch selects the correct ECG notch filter. This reduces interference on the ECG signal

The Kit includes:

Cardiac Trigger Monitor; set of 4 RT lead wires - 30 in, low noise patient cable - lead, Ethernet Internet cables, ECG adult electrode (box of 40), cord-set hospital grade (12ft), NuPrep Gel, USB Memory Stick, Recorder Paper, Roll Stand for 7000 series and IPC cable.

Line	Qty.	Catalog	
15	1.00	E8500NB	Patient Arm Support System for Nuclear, PET/CT, MRI

Padded Arm Rest combines total arm support and passive restraint, increasing patient comfort during extended procedures. Designed to accommodate virtually all patients. Compatible with most Nuclear Imaging systems and can also be used in MRI, CT and PET applications. Constructed with a comfortable, full support polyfoam with a seamless coated finish. Warranty Code: H

Line	Qty.	Catalog	
16	1.00	E8500NC	Patient Leg Rest for Nuclear, PET/CT, MRI

Contoured Leg Rest prevents low back stress and pain that occurs during supine imaging and treatment, measures 7 in. H x 17 in. D x 13 in. W. Designed to accommodate virtually all patients. Compatible with most Nuclear Imaging systems and can also be used in MRI, CT and PET applications. Constructed with a comfortable, full support polyfoam with a seamless coated finish. Warranty Code: H

Line	Qty.	Catalog	
17	1.00	E8016BL	Slicker Cushion for PET GT Table

Slicker for PET Discovery VCT, Discovery PET/CT 610, 690, and 710

Slicker Cushion Table Systems are comprised of cushion pads permanently encapsulated in clear, micro matte vinyl protective cover system and various accessories. Each Slicker cushion in a lined foam cushion that is permanently welded inside the clear

Slicker cover. The cover minimizes contamination of the cushion and the underlying table by preventing penetration by any fluid or other contaminant.

FEATURES/BENEFITS

- Built using heavy, clear, micro matte vinyl, polyurethane foam, and top grade hook and loop tape to exactly fit the specified table. Expected life is between 1 to 2 years depending on usage.
- Designed for easy cleanup and disinfection using standard bleach solutions.

SPECIFICATIONS

- Dimensions: 110.5" L x 18" W x 1" Thick (with 6" flap on each side)

Line	Qty.	Catalog	
18	1.00	E8008P	VQC Phantom for Volumetric Registration

Note the following condition:

- Cost to the customer is the return freight
- Return kit has an RA# that is good for 6 months, before expiration.
- Returns after 6 months subject to additional charges. Item is non-returnable and non-refundable. Copy of site license must be provided before order can be filled.

PET/CT VQC Volumetric Quality Control Phantom for Discovery, IQ 3-ring (15 cm), IQ 4-ring (20 cm) , IQ 5-ring (25 cm), Discovery 710, 610, 690, 600, Optima 560

When a new phantom or pin source is purchased, the e-cat will include a Used Source Return Kit, intended for the immediate return of the depleted source(s) replaced. Note the following condition:

Line	Qty.	Catalog	
19	1.00	E8008PV	Daily Quality Assurance Phantom for Discovery MI system Gen2 6-ring (30 cm)

* Length: 37 cm, Outer Diameter: 13.7 cm

* Nominal Activity- 55.0 MBq +/- 10%

* Nominal Active Volume- 1580 ml

* Uniformity- ?10% non-uniformity when comparing 5mm cubic voxels, 3% non-uniformity

when comparing 5mm axial slices

* Radionuclide- Germanium-68

* Half-life-270.8 days

* External Contamination- Designed to consistently pass leak testing below regulatory requirement of ISO 9978:2020(<185 Bq wiped over the entire surface of the source)

* ISO/ANSI Classification- ISO2919 Class/ISO/12/C22314

* When a new phantom or pin source is purchased, the e-cat will include a Used Source Return Kit, intended for the immediate return of the depleted source(s) replaced. Note the following conditions:

- Cost to the customer is the return freight
- Return kit has an RA# that is good for 6 months, before expiration.
- Returns after 6 months subject to additional charges

Line	Qty.	Catalog	
20	1.00	E8008PW	Annulus Phantom Shield Container - non-mobile use only (use with E8008PV)

System Compatibility- Discovery MI system Gen2 6-ring (30 cm)

* Wheels feature swivel castors for easy mobility and wheel locks for added stability

* Lid features a handle for easier opening

• Spring loaded covered hinge assists when lifting the lid

• Container latch seals the phantom inside to ensure radiation gaps are eliminated

• Latch includes option to use a padlock to secure the phantom in the container

- The container's interior walls feature a soft plastic for easier with a chain or cable
- * Gusset holes allow the facility to secure the shield to the site with a chain or cable
- * Weight – approximately 300 lb/136 kg
- * WARNING: The PET Annulus Phantom Shield should not be taken into an MRI environment
- * Lead shielding thickness to maintain and not exceed 2.0 mRem/hr. radiation dose on any external surface using maximum source activity of 66 MBq.

Line	Qty.	Catalog	
21	1.00	E4502F	Eaton 14.4 KVA 3-Phase Partial System UPS, including GEH INTERFACE KIT 5269476, for GE CT and PET/CT Scanners

- Customer is responsible for directing shipper to point of installation or transporting the UPS from the back dock to the point of installation.
- Customer is responsible for providing an electrician for installation of control cable to the system main disconnect panel.
- Installation service are not included in this quote.
- Contact your local GE Healthcare Director of Service for information on installation services to integrate the UPS with the imaging system.
- Item is non-returnable and non-refundable.

Eaton's 14.4 KVA 3-Phase partial system UPS (Uninterruptible Power Supply) has been specifically configured to coordinate with compatible GE CT and PET/CT scanners.

The partial system UPS provides clean, reliable, constant voltage power to the scanner electronics. It helps protect the system's sensitive electronic components from damaging power anomalies such as high frequency noise transients and over voltage and under voltage conditions.

Utilizing the Partial system UPS can help maintain user productivity and improve system reliability. It can also help to reduce service costs and prevent system downtime.

Specifications:

Rating: 14.4 KVA

Input voltage range: three phases; 102-132V/phase

Input frequency range: 45-65 Hertz

Input power factor: >95% typical

Output frequency: 50 or 60 Hertz, autosensing

Output regulation: <3% steady state for all conditions of line and load

Voltage distortion: <5% threshold

Overload capacity: 110% for 10 minutes; 125% for 1 minute; 149% for 5 seconds.

Efficiency: >90% typical

Battery backup time: >10 minutes typical

Battery recharge time: < 3 hours to 80% capacity typical

Operating temperature: 50°F - 104°F (10°C - 40°C)

Floor heat dissipation: 5122 BTU/hour typical @11.5 KVA

Humidity: 20-80% relative humidity, non-condensing

Audible noise (norm mode): <60 dBA @1 meter

Dimensions (H x W x D): 49 inches x 12 inches x 32 inches (1245 mm x 305 mm x 813 mm)

Weight: 620 lbs (277 kg)

Line	Qty.	Catalog	
22	1.00	E4502BB	CT MDP UL CE 90A 380-480V 50/60Hz 3 phases No RCD

NOTES:

- Customer is responsible for arranging for installation with a qualified party
 - ITEM IS NON-RETURNABLE AND NON-REFUNDABLE
- Main Disconnect Panel (MDP) UL 90A 400/480V 50/60Hz 3 phases for CT, PET and PETCT

The (Main Disconnect and UPS Control Panel serves as the main facility power disconnect source installed ahead of the CT system PDU. On systems where the optional partial system UPS is included in the system, the panel provides NEC mandated UPS emergency power-off control function via a UPS control cable included with the UPS. The optimized design PDB saves time, installation labor, and valuable mounting space by consolidating the main circuit breaker, control power source and required warning lights into a compact factory manufactured panel. The panel provides short circuit protection, overload protection and National Electrical Code and Canadian Electrical Code required emergency shutdown for the system. The 24-volt low voltage controls all power, using either the panel cover mounted EMERGENCY OFF push button or the remote EMERGENCY OFF push button included with each system. The PDB is painted to match the imaging system for a total coordinated system appearance. Available in a combination surface\semi-flush mounted enclosure. The system provides stock availability of otherwise special-order devices, saving time and installation costs.

Benefits

- The System Main Disconnect saves time, installation labor, and valuable mounting space by consolidating the main circuit breaker, the feeder overcurrent devices, magnetic contactors and UPS emergency power-off into one compact panel
- The system provides stock availability of otherwise special-order devices, saving time and installation costs
- Reduces installation time and cost by eliminating delays in obtaining individually enclosed components and by eliminating on site assembly
- UPS emergency power-off functions are included for future, partial system UPS addition.
- Disconnects system power on first loss of incoming power, preventing damage to system components
- Provides a standardized platform for UPS or other future GE engineered modifications or upgrades
- Main power disconnect operating handle can be padlocked in the OFF position for servicing safety and OSHA lock out/tag out
- The door has provisions for padlocking
- Enclosure door is interlocked with ON / OFF disconnect handle to prevent unauthorized access if disconnect is in the ON position

Features

- Optional partial system UPS provides clean uninterrupted power to the system computer, maintaining system integrity during power loss while also providing a solution to power quality problems
- UL, cUL listed, and CE labeled
- Supplied with low voltage, cover mounted Push to Stop, Twist to Restore pushbutton and long-life LED pilot lights
- Provides overcurrent and short circuit protection with GE GuardEON solid-state circuit breakers
- Suitable for use on systems with 25,000A of short circuit current. It is the installer's responsibility to verify that the available short circuit current is 25,000A or less for compliance to all electrical codes
- Emergency-off disconnects power to both the PDU and optional partial system UPS output, per National Electric Code
- Factory wired and tested
- All devices are selected for high reliability and long life
- Panel disconnect provides OSHA lockout / tag out provisions

Remote EPO

- This MDP comes with two normally closed contact blocks attached to the back of the emergency off push button.

Seismic Specifications

- This Panel has been certified by an independent California structural engineer in conformance with the shake testing requirements of ICC-AC 156. The California OSHPD number is OSP-0457-10.
- The seismic performance characteristics are as follows: $SDS(g) \leq 2.56$; $z/h \leq 1.0$; $I_p \leq 1.5$

Physical Characteristics

- Dimensions: Height x Width x Depth: 24 x 16 x 7 inches (610 x 407 x 178 mm)
- Handle depth: 2.75 inches (70 mm)
- Weight: 46 pounds (21 kg)

Components supplied with each panel

- The Main Disconnect and UPS Control Panel
- An Installation, Operations & Service Manual
- (2) sets of Emergency Power Off pushbuttons with 2NC on each EPO
- Drawings and Electrical Schematics

Line	Qty.	Catalog	
23	1.00	R11963AC	Omni Svc Pack A3 Warranty

The Standard License provides access to service tools used to perform basic level service on the Equipment and is included at no charge for the warranty period.

Total Quote Subtotal: \$2,161,499.74

Total Quote Net Selling Price: \$2,161,499.74

**ENSURE REQUISITION/PURCHASE ORDER IS ISSUED TO:
GE PRECISION HEALTHCARE
TAX ID (83-0849145)**

If applicable, for more information on this devices' operating system, please visit GE HealthCare's product security portal at:
<https://securityupdate.gehealthcare.com/en/products>

Optional Items

Please initial the Catalogs you wish to purchase

Catalog Number	Qty.	Description	Net Price	Initial
W2407PT	1.00	PET/CT System Launch Classic Upgrade Training Program	\$21,131.00	_____

This training program is designed for customers purchasing a GE HealthCare PET/CT system upgrade.

GE HealthCare will work with the designated Customer contact to agree upon a reasonable training schedule for a pre-defined group of core technologists that will leverage blended content delivery and may include a combination of onsite days and virtual offerings . The training will include Virtual Tools and remote connectivity. This blended curriculum with multiple delivery platforms promotes learner retention and allows for an efficient and effective skill development.

This program contains 64 Credits. A customized training program blending onsite and virtual training will be developed in partnership with your Applications Specialist.

- Onsite training – each onsite day of training utilizes 8 credits per instructor (8-hour day)
- Virtual training – each hour of virtual training utilizes 1 credit per instructor
- Virtual instructor-led training: Instructor leads a virtual training session one-on-one or in a group, typically in 2-4 hour scheduled blocks
- Answerline Support-Access to GE HealthCare experts for clinical, non-emergency applications assistance via phone or by using the iLinq button on the imaging console
- In addition to the credits available with this offering, the customer has access to the complimentary, no-cost online educational content available for all customers, both CE and non-CE.

Classroom-Based training (if applicable) – each seat in a classroom-based training (in person or virtual) utilizes 16 credits per student (ala carte offerings are available).

Training will be delivered at a mutually agreed upon time between the customer and GE Healthcare (excluding GE Healthcare holidays and weekends) and is subject to availability during normal business hours (8am-5pm). This training program has a term of twelve (12) months commencing on Acceptance, where all training (onsite and/or virtual) must be scheduled and completed within twelve (12) months of Acceptance. Additional credits may be available for purchase separately.

All GE HealthCare “Training” terms and conditions apply. Given the unique

August 19, 2025

Quote Number: **2011254303.11**

Customer ID: **1-23KZJH**

Quotation Expiration Date: **11/16/2025**

nature of this program, if this program is purchased as part of a purchase under a Governing Agreement, including any Master Purchase Agreement, Group Purchasing Organization Agreement, or Strategic Alliance Agreement, this program shall take precedence over any conflicting training deliverables set forth therein.

Governing Agreement Reference Information

Customer:	Mosaic Life Care Medical Center at St Joseph
Contract Number:	Vizient Supply LLC
Billing Terms:	80% on Delivery / 20% on Acceptance
Payment Terms:	45 Net
Shipping Terms	FOB DESTINATION

Offer subject to the Terms and Conditions of the applicable Governing Agreement currently in effect between GE HealthCare and Vizient Supply LLC

If applicable, for more information on this devices' operating system, please visit GE HealthCare's product security portal at:

<https://securityupdate.gehealthcare.com/en/products>

This product offering is made per the terms and conditions of Vizient /GE Healthcare GPO Agreements as follows:

Imaging:

XR0882-MR, XR0702-Card./Vasc., XR0673-CT, XR0342-Mammo, XR0895 PET-CT & Nuc Med, XR0715-R&F/RAD & XR0592-ICAR-EP/HEMO, XR0692-BMD

Ultrasound:

XR0918-Ultrasound

LCS:

CE7152 (Anesthesia), CE7633 (Monitoring), CE3333 (Infant Care), CE7621 (DCAR) and CE7293 (Ventilators).

To access the Vizient Terms & Conditions: Please login to the Vizient Catalog website: <https://www.vizientinc.com/member-login>

If you require assistance or are experiencing issues, please contact Vizient for support:

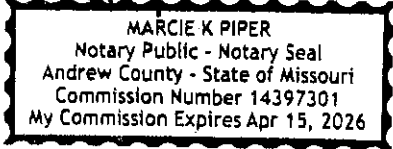
- Email: VizientSupport@Vizientinc.com
- For Vizient customers, please contact Phone (800) 842-5146
- For Provista Customers, please contact 888-538-4662.

AFFIDAVIT OF PUBLICATION**NPG Newspapers, Inc., P.O. Box 29, St. Joseph, MO 64502**Reference: 340340
Ad ID: 6762679P.O. :
DESC. :PET/CT scanner**JOEY AUSTIN**
MOSAIC LIFE CARE
5325 FARAON STREET
ST. JOSEPH, MO 64506County of Buchanan
State of Missouri(Published in the St. Joseph
News-Press Fri. 10/10/25)**PUBLIC NOTICE**Mosaic Life Care invites public comment regarding a proposal to purchase a new **PET/CT 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

I, PAULA SHELTON, being duly sworn according to law, state that I am the Legal Advertising Coordinator of the ST. JOSEPH NEWS-PRESS, a weekly newspaper of general circulation in the County of Buchanan County, State of Missouri, where located; which newspaper has been admitted to the Post Office as periodical class matter in the City of St. Joseph, Missouri, the city publication; which newspaper had been published regularly and consecutively for a period of four years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agree to pay a stated price for a subscription for a definite period of time. Affiant further declares that said newspaper is qualified under and has complied with provision of Section 493.050 to 493.090, Missouri Revised Statutes 1949, as amended. The affixed notice appeared in said newspaper on the following consecutive week(s):

Run Dates: 10/10/25 to 10/10/25
Appearances: 1
AD SPACE: 31
TOTAL COST: \$149.50

(Signed)

Subscribed and sworn before me this
17th day of October 20 25
Marcie K PIPER Notary Public

MARCIE K PIPER
Notary Public - Notary Seal
Andrew County - State of Missouri
Commission Number 14397301
My Commission Expires Apr 15, 2026

Cardiology

5325 Faraon St., St. Joseph, MO 64506

816.271.6000 p

Exhibit 2.10

October 2, 2025

Dr. Sajjad Ahmad, MD

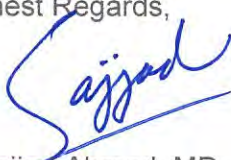
902 N Riverside Rd Ste 100

St. Joseph, MO 64507

To Whom It May Concern,

It is my pleasure to write this letter of support from Mosaic Life Care PET/CT's Certificate of Need (CON) application. With the growing prevalence of cardiovascular disease locally and worldwide, there is a need for accurate tests for evaluation of coronary artery disease. This PET/CT scanner at Mosaic Life Care will help fill that need. Mosaic Life Care is currently using SPECT for evaluation of ischemia. The addition of a second PET/CT scanner to our institution for cardiovascular imaging will add increased sensitivity and specificity for diagnosis of coronary artery disease as well as microvascular coronary artery disease. It will help us serve our population in Northwest Missouri even better by providing state-of-the-art imaging locally without the need to travel to tertiary care or university hospitals. In this regard I strongly support Mosaic Life Care's application for acquisition of a second PET/CT scanner for cardiac, neurological, and oncologic imaging.

Warmest Regards,



Dr. Sajjad Ahmad, MD

Cardiologist

October 14, 2025

To Whom It May Concern,

I am writing to express my full support for Mosaic Life Care's Certificate of Need (CON) application to acquire an additional PET/CT scanner. The increasing burden of cardiovascular disease in our region underscores the urgent need for advanced, high-resolution imaging technologies to guide accurate diagnosis and management.

Positron Emission Tomography (PET) has become an indispensable tool in the modern evaluation of cardiac disease. It allows for precise assessment of myocardial perfusion, quantification of blood flow, evaluation of myocardial viability, and detection of inflammatory or infiltrative cardiac conditions such as sarcoidosis and amyloidosis. These capabilities far exceed those of traditional SPECT imaging, particularly in patients with complex or multivessel coronary disease.

Mosaic Life Care currently relies primarily on SPECT imaging for ischemia evaluation. The addition of a second PET/CT system would greatly enhance the institution's ability to provide timely and comprehensive cardiovascular diagnostics. This expansion would also improve patient access in Northwest Missouri, allowing individuals to receive advanced imaging close to home rather than traveling to tertiary centers.

The introduction of another PET/CT scanner at Mosaic Life Care represents not only a technological upgrade but a significant step toward more personalized and efficient patient care. I strongly support this initiative and believe it will have a meaningful impact on the health of our community.

Sincerely,



Mahaletwork Nina Assefa, DO
Cardiologist

October 1, 2025

Exhibit 2.10

Dear Certificate of Need Program Committee,

I am writing to express my strong support for Mosaic Life Care's request to acquire a second PET/CT scanner. The demand for advanced PET/CT imaging within our health system continues to grow at a rapid pace, driven by the evolving needs of oncology, neurology, and cardiology services within northwestern Missouri and the surrounding region.

Our current PET/CT scanner is operating at maximum capacity, creating scheduling delays that can directly affect timely diagnosis, treatment planning, and patient outcomes. With the increasing incidence of cancer and expanded utilization of PET/CT imaging in neurological and cardiac care, Mosaic must ensure we have the resources to provide accessible, efficient, and high-quality diagnostic services.

I respectfully urge the committee to approve Mosaic Life Care's request for a second PET/CT scanner. Thank you for your thoughtful consideration and for your ongoing commitment to advancing healthcare access and quality in Missouri.

Respectfully,

A handwritten signature in black ink, appearing to read 'Dr. Jose Alvarez', with a stylized flourish at the end.

Dr. Jose Alvarez, MD
Radiology Chairman

October 13, 2025

Exhibit 2.12

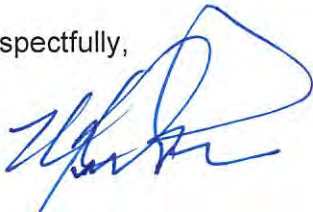
Jared Abel, CEO
Amberwell Atchison
800 Ravenhill Drive
Atchison, KS 66002

Dear Jared,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional second PET/CT scanner. The addition of this advanced imaging technology is a strategic response to increasing demand across oncology, neurology, and cardiology service lines. It is expected to significantly enhance diagnostic capacity, reduce patient wait times, and improve overall access to timely care. 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@mymhc.com.

Respectfully,

A handwritten signature in blue ink, appearing to read "Mike Roore".

Mike Roore,
Chief Executive Officer

October 13, 2025

Exhibit 2.12

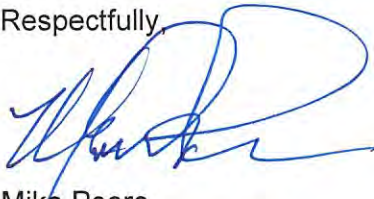
Jared Abel, CEO
Amberwell Hiawatha
300 Utah Street
Hiawatha, KS 66434

Dear Jared,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional second PET/CT scanner. The addition of this advanced imaging technology is a strategic response to increasing demand across oncology, neurology, and cardiology service lines. It is expected to significantly enhance diagnostic capacity, reduce patient wait times, and improve overall access to timely care. 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@mymlc.com.

Respectfully,

A handwritten signature in blue ink, appearing to read "Mike Poore". The signature is stylized with large, flowing loops.

Mike Poore,
Chief Executive Officer

Exhibit 2.12

October 13, 2025

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

Dear Joe,

Mosaic Life Care at St. Joseph is actively pursuing the ability to secure and install an additional second PET/CT scanner. The addition of this advanced imaging technology is a strategic response to increasing demand across oncology, neurology, and cardiology service lines. It is expected to significantly enhance diagnostic capacity, reduce patient wait times, and improve overall access to timely care. 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@mymhc.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 1,000 Positron emission tomography/computed tomography procedures per year for the first scanner and 1,000 procedures for each additional scanner has been met with existing volumes.

- 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:**

- 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.

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, 2025

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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, 2025 and 2024, 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, 2025 and 2024, 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 2, 2025

Mosaic Health System and Related Organizations

Consolidated Balance Sheets

June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 178,064	\$ 96,208
Investments	863,014	748,933
Patient accounts receivable	114,958	119,614
Inventories	16,294	14,483
Prepaid expenses and other	33,279	25,007
Assets limited as to use—current portion	3,780	3,760
Total current assets	1,209,389	1,008,005
Assets limited as to use, net of current portion:		
Board-designated—self insurance trust, endowments and other	44,526	51,909
Other assets limited as to use - donor restricted	24,321	29,894
Total assets limited as to use, net of current portion	68,847	81,803
Investments in joint ventures, net	23,729	24,138
Property and equipment, net	357,067	323,102
Other assets, net	55,279	59,861
Total assets	\$ 1,714,311	\$ 1,496,909

See notes to consolidated financial statements.

	2025	2024
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 5,430	\$ 4,743
Accounts payable	37,922	28,680
Accrued self-insured costs	4,300	4,290
Accrued expenses	79,196	68,301
Estimated settlements due to third-party payors	45,524	17,172
Total current liabilities	172,372	123,186
Long-term debt, net of current portion	261,425	267,025
Accrued self-insured costs, net of current portion	26,191	25,837
Other noncurrent liabilities	44,257	27,376
Total liabilities	504,245	443,424
Commitments and contingencies		
Net assets:		
Without donor restrictions	1,185,745	1,023,591
With donor restrictions	24,321	29,894
Total net assets	1,210,066	1,053,485
Total liabilities and net assets	\$ 1,714,311	\$ 1,496,909

Mosaic Health System and Related Organizations

Consolidated Statements of Operations Years Ended June 30, 2025 and 2024 (Dollars in Thousands)

	2025	2024
Unrestricted revenues, gains and other support:		
Patient service revenue	\$ 935,609	\$ 852,136
Net assets released from restrictions used for operations	1,024	1,169
340b program revenue and other	83,458	51,072
Total unrestricted revenues, gains and other support	1,020,091	904,377
Operating expenses:		
Salaries and wages	455,268	432,302
Employee benefits	98,043	86,061
Professional fees	16,785	14,753
Supplies	207,869	174,459
General, administrative and other	104,920	99,643
Insurance	10,583	11,331
Depreciation and amortization	37,256	38,145
Interest	9,464	9,670
Federal reimbursement allowance	26,007	29,020
Total operating expenses	966,195	895,384
Operating income before other operating income	53,896	8,993
Net assets released from restrictions used for construction	14,293	-
Other operating income	(698)	1,179
Operating income	67,491	10,172
Other income (expense):		
Interest and dividend income, net	34,753	28,540
Net realized gains on sale of investments and assets limited as to use	21,187	14,474
Change in net unrealized gains on trading securities	37,112	31,690
Other	1,629	(843)
Total other income	94,681	73,861
Excess of revenue over expenses	\$ 162,172	\$ 84,033

See notes to consolidated financial statements.

Mosaic Health System and Related Organizations

Consolidated Statements of Changes in Net Assets Years Ended June 30, 2025 and 2024 (Dollars in Thousands)

	2025	2024
Net assets without donor restrictions:		
Excess of revenue over expenses	\$ 162,172	\$ 84,033
Other changes in net assets without restrictions	(18)	(63)
Increase in net assets without donor restrictions	162,154	83,970
Net assets with donor restrictions:		
Contributions and investment income	8,285	4,480
Net change in unrealized gains and losses on investments	1,113	1,820
Net assets released from restrictions used for operations	(1,024)	(1,169)
Net assets released from restrictions used for construction	(14,293)	-
Other changes in net assets with donor restrictions	346	1,616
(Decrease) increase in net assets with donor restrictions	(5,573)	6,747
Change in net assets	156,581	90,717
Net assets:		
Beginning	1,053,485	962,768
Ending	\$ 1,210,066	\$ 1,053,485

See notes to consolidated financial statements.

Mosaic Health System and Related Organizations

Consolidated Statements of Cash Flows **Years Ended June 30, 2025 and 2024** **(Dollars in Thousands)**

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 156,581	\$ 90,717
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	37,256	38,145
Contributions received restricted for construction	(4,865)	(2,451)
Loss (gain) on sale of property and equipment	1,206	(68)
Amortization of bond premium and issuance costs, net	(1,189)	(1,285)
Net realized gains on sale of investments and assets limited as to use	(21,187)	(14,474)
Change in net unrealized gains and losses on investments and assets limited as to use	(38,225)	(33,510)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Patient accounts receivable	4,656	7,777
Inventories	(1,811)	(1,039)
Prepaid expenses and other	(8,272)	2,443
Increase (decrease) in liabilities:		
Accounts payable	6,306	(9,936)
Accrued expenses and other	27,776	12,109
Estimated settlements due to third-party payors	28,352	4,644
Accrued self-insured costs	364	2,409
Net cash provided by operating activities	186,948	95,481
Cash flows from investing activities:		
Purchases of property and equipment, net	(67,763)	(28,534)
Purchases of investments and assets limited as to use	(197,113)	(169,260)
Proceeds from the sales and maturities of investments and assets limited as to use	130,897	187,268
Proceeds (purchases) of other assets	27,885	(31,297)
Payments received on notes receivable	235	52
Net cash used in investing activities	(105,859)	(41,771)
Cash flows from financing activities:		
Principal payments under debt agreements	(4,966)	(5,382)
Proceeds from construction restricted for construction	4,865	2,451
Net cash used in financing activities	(101)	(2,931)
Increase in cash and cash equivalents	80,988	50,779
Cash and cash equivalents:		
Beginning, including assets limited as to use 2024 \$2,715; 2023 \$1,356	98,923	48,144
Ending, including assets limited as to use 2025 \$1,847; 2024 \$2,715	\$ 179,911	\$ 98,923

(Continued)

Mosaic Health System and Related Organizations

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2025 and 2024

(Dollars in Thousands)

	2025	2024
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 10,119</u>	<u>\$ 10,070</u>
Supplemental schedule of noncash investing and financing activities:		
Change in property and equipment purchases included in accounts payable	<u>\$ 2,936</u>	<u>\$ 2,937</u>
Additions to operating leases	<u>\$ 2,261</u>	<u>\$ 175</u>
Additions to finance leases	<u>\$ 687</u>	<u>\$ 315</u>

See notes to consolidated financial statements.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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 348 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 provides inpatient, outpatient and emergency care services as a critical access hospital with 35 licensed beds and employs both primary and specialty physicians. Mosaic-Maryville licenses decreased from 81 to 35 beds as a result of converting to a critical access hospital during fiscal year 2025. 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 interest 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 21 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 30 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 that operates 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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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.

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 consolidated 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 not yet adopted: There are no accounting standards currently pending adoption which Mosaic believes will have a material impact on its consolidated 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, 2025, Mosaic's cash accounts exceeded federally insured limits by approximately \$182,600. 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.

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, 2025 or 2024. Implicit price concessions are based on management's estimate of the collectability of identified receivables, as well as aging of patient accounts. Explicit price concessions are based on contracts, analysis of historical trends and other factors.

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. The patient accounts receivable balance as of July 1, 2023 was \$127,391.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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.

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, 2025 and 2024, Mosaic had other receivables recorded, net of allowances, related to the Program of approximately \$9,400 and \$4,400, respectively.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

Mosaic generated approximately \$67,700 and \$34,500 of revenues from the Program in 2025 and 2024, 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 are carried at fair value in the consolidated balance sheets except for other investments which are valued at the lower of cost (or fair value at the time of donation, if acquired by a contribution) or fair value. 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.

Alternative investments: Mosaic's alternative investments are measured at net asset value utilizing the practical expedient based on valuations provided by the fund managers. The net asset value of Mosaic's alternative investments are not readily determinable and may include short sales on securities and trading in future contracts, options, foreign currency contracts, other derivative instruments and private equity investments. The recorded value is based on historical cost, appraisals or other valuation estimates that require varying degrees of judgment. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Mosaic's risk is limited to its carrying value.

Investments in joint ventures: 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 13).

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.

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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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. No asset impairment was recognized during the years ended June 30, 2025 and 2024.

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. There was no interest capitalized during the years ended June 30, 2025 and 2024.

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.

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 consolidated 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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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, 2025 and 2024, Mosaic Life Care Foundation was awarded \$95 and \$220, respectively, of American Rescue Plan Act (ARPA) grants through funding agreements with the City of St. Joseph, Buchanan County, and the Department of Economic Development. The Foundation was awarded \$500 in 2025 by the State of Missouri through a budget appropriation. These grants partially funded the construction of the Children's Discovery Center (InspireU).

The Mosaic Life Care Foundation recognizes pledges receivable and contribution revenue with donor restrictions as qualifying costs, for the construction and development of the InspireU project, are incurred and, if applicable, all performance barriers are met. During the year ended June 30, 2025, the Foundation received \$4,865 and recognized \$4,754 of the City, County, and Department ARPA grants and the State as contribution revenue with donor restrictions. During the year ended June 30, 2024, the Foundation received \$2,451 and recognized \$2,061 of the City and County ARPA grants as contribution revenue with donor restrictions.

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.

At June 30, 2025, 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 \$6,300 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 \$1,900 and are carried forward indefinitely. Separate return limitation restrictions apply to a portion of these net operating loss carryforwards.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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, 2025 and 2024, 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.

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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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.

Other 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.

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-Maryville¹ 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.

Mosaic-St. Joseph and Mosaic-Maryville¹ 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 and Mosaic-Maryville¹ have received Critical Access Hospital designation. Under the Critical Access Hospital methodology, they are 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 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.

¹ Effective August 13, 2024, Mosaic-Maryville received Critical Access Hospital designation.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 2. Patient Service Revenue (Continued)

Mosaic participates in the Medicaid Federal Reimbursement Allowance Program (FRA). Under the FRA, Mosaic received reimbursement of approximately \$51,500 and \$50,700, which is reflected as a component of patient service revenue and paid taxes of approximately \$26,000 and \$29,000 in 2025 and 2024, 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, 2025, and 2024, Mosaic has recorded a total liability of approximately \$32,100 and \$17,200, respectively, for the estimated portion of funding received in excess of costs. As of June 30, 2025 and 2024, estimated long-term liabilities of approximately \$31,900 and \$16,500, respectively, for program years 2022 through 2025, are recorded as other noncurrent liabilities.

During 2025, Mosaic increased the estimated Medicare and FRA program liability related to prior program years by approximately \$16,900 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, 2025.

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.

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.

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 2025 or 2024.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 2. Patient Service Revenue (Continued)

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, 2025 and 2024, adjustments related to manage care 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.

Patient service revenue recognized in the years ended June 30, 2025 and 2024, was approximately:

	2025	2024
Medicare and managed Medicare	\$ 398,810	\$ 351,482
Medicaid and managed Medicaid	116,036	124,272
Managed care/commercial	411,918	364,862
Patients, self pay	8,845	11,520
	<u>\$ 935,609</u>	<u>\$ 852,136</u>

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

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 2. Patient Service Revenue (Continued)

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 \$16,500 and \$20,700 for 2025 and 2024, 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, 2025 and 2024, was as follows:

	2025	2024
Medicare and managed Medicare	31%	38%
Medicaid and managed Medicaid	9	11
Managed care/commercial	54	49
Patients, self pay	6	2
	<u>100%</u>	<u>100%</u>

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 5. Long-Term Debt

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

	2025	2024
Long-term debt:		
Obligated Group:		
Series 2019A Fixed Rate Revenue Bonds	\$ 203,915	\$ 208,105
Series 2023A Fixed Rate Revenue Bonds	49,545	49,635
Finance leases (Note 11)	1,657	1,101
	<u>255,117</u>	<u>258,841</u>
Plus unamortized premium	13,576	14,883
Less unamortized debt issuance costs	(1,838)	(1,956)
Total long-term debt	<u>266,855</u>	<u>271,768</u>
Less current maturities, debt	(4,495)	(4,280)
Less current maturities, finance leases	(935)	(463)
Total long-term debt, net	<u>\$ 261,425</u>	<u>\$ 267,025</u>

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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (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, 2025, 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:

Years ending June 30:	
2026	\$ 5,430
2027	5,140
2028	5,145
2029	5,242
2030	5,484
Thereafter	228,676
	<u>\$ 255,117</u>

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 14, 2026. As of June 30, 2025 and 2024 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 operations. 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, 2025 and 2024, are as follows:

	Patient Care	Management and General	Fundraising	Other Activity	Grand Total
	2025				
Salaries and wages	\$ 414,401	\$ 37,923	\$ 365	\$ 2,579	\$ 455,268
Employee benefits	87,473	9,787	64	719	98,043
Professional fees	9,580	6,398	1	806	16,785
Supplies	207,354	100	10	405	207,869
General, administrative and other	89,784	9,016	115	6,005	104,920
Insurance	8,724	1,759	-	100	10,583
Depreciation and amortization	32,656	2,409	6	2,185	37,256
Interest	145	9,293	-	26	9,464
Federal reimbursement allowance	26,007	-	-	-	26,007
Total expenses	<u>\$ 876,124</u>	<u>\$ 76,685</u>	<u>\$ 561</u>	<u>\$ 12,825</u>	<u>\$ 966,195</u>

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 6. Functional Expense Classification (Continued)

	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

Functional expenses may differ from tax functional expense reporting.

Note 7. Property and Equipment

Property and equipment at June 30, consist of the following:

	2025	2024
Land and land improvements	\$ 29,088	\$ 28,961
Buildings and fixed equipment	551,345	529,977
Moveable equipment	270,053	261,274
Leasehold improvements	1,102	1,102
Construction in progress	26,340	12,031
	877,928	833,345
Less accumulated depreciation	520,861	510,243
Property and equipment, net	\$ 357,067	\$ 323,102

As of June 30, 2025, Mosaic has entered into construction commitments of \$38,300, which will be funded primarily with cash from operations and proceeds from sale of investments.

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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 8. Fair Value of Financial Instruments (Continued)

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, 2025 and 2024:

	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)
		2025		
Assets limited as to use and investments:				
Money market funds	\$ 927	\$ 927	\$ -	\$ -
Mutual funds:				
Equity	354,313	354,313	-	-
Other fixed income	290,777	290,777	-	-
U.S. treasury securities	29,100	-	29,100	-
U.S. government and agency securities	68,555	-	68,555	-
Municipal securities	19,459	-	19,459	-
Corporate notes	72,623	-	72,623	-
Foreign issues	3,896	-	3,896	-
Common and preferred stock	286	286	-	-
Beneficial interest in trust	4,868	-	-	4,868
Other	384	-	384	-
	845,188	\$ 646,303	\$ 194,017	\$ 4,868
Private investment funds (A)	85,624			
Cash included in assets limited as to use	1,847			
Pledge receivable in assets limited as to use	450			
Accrued income	2,532			
Total assets limited as to use and investments	\$ 935,641			

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (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)
		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			

(A) Certain investments that are measured 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, 2025.

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 mutual funds, common and preferred stock, money market mutual funds and other. 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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 8. Fair Value of Financial Instruments (Continued)

Level 2 securities include U.S. government agency obligations, corporate notes, foreign issues, municipal securities and other. 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. 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 Mosaic's proportionate interest in the 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	\$ 4,868	Present value of future distributions expected to be received over term of agreement

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 8. Fair Value of Financial Instruments (Continued)

Alternative investments: 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:

	2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	\$ 27,000	\$ -	Limited to month-end redemption	7 Days
Domestic equity fund	58,624	1,480	Limited to month-end redemption	7 Days
	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	\$ 23,249	\$ -	Limited to month-end redemption	7 Days
Domestic equity fund	25,645	-	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:

	2025	2024
Board-designated:		
Self-insured claims	\$ 27,505	\$ 27,380
Foundation operations	20,801	28,289
Restricted by time or purpose	21,497	27,087
Restricted in perpetuity	2,824	2,807
Total assets limited as to use	72,627	85,563
Less current portion required for current liabilities	3,780	3,760
Noncurrent assets limited as to use	<u>\$ 68,847</u>	<u>\$ 81,803</u>

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

	2025	2024
Cash and cash equivalents	\$ 1,847	\$ 2,715
Investments	67,000	79,088
Total noncurrent assets limited as to use	<u>\$ 68,847</u>	<u>\$ 81,803</u>

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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

A summary of investment return for 2025 and 2024, is comprised of the following:

	2025	2024
Interest and dividend income	\$ 37,758	\$ 31,601
Net realized gains on sale of investments	21,187	14,474
Change in net unrealized gains and losses	38,225	33,510
Total investment return	<u>\$ 97,170</u>	<u>\$ 79,585</u>

Reconciliation of total investment return reporting:

Investment income reported as:

Unrestricted:

Other operating revenue, net

\$ 2,483 \$ 2,548

Other nonoperating income:

Interest and dividend income from investments

34,753 28,540

Net realized gains on sale of investments

21,187 14,474

Change in net unrealized gains and losses

37,112 31,690

Restricted by time or purpose

Interest and dividend income from investments

522 513

Change in net unrealized gains and losses

1,113 1,820

Total investment return

\$ 97,170 \$ 79,585

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

	2025	2024
Children's special health needs	\$ 2,201	\$ 1,992
Specific programs	11,787	18,466
Various	10,333	9,436
	<u>\$ 24,321</u>	<u>\$ 29,894</u>

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, 2025 and 2024, 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 \$9,700 and \$9,500 during the years ended June 30, 2025 and 2024, 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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (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 2025 and 2024 was \$900 and \$800, respectively. A liability related to the plans and agreements was recorded in the amounts of approximately \$600 and \$500 as of June 30, 2025 and 2024, respectively.

Note 11. Leases

At June 30, 2025 and 2024, 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, 2025 and 2024, consisted of the following:

	2025	2024
Operating lease expense, general, administrative and other	\$ 1,890	\$ 1,314
Finance lease expense:		
Amortization of ROU assets, depreciation and amortization	\$ 781	\$ 828
Interest on lease liabilities, interest	69	24
	<u>\$ 850</u>	<u>\$ 852</u>

Supplemental cash flow information related to leases for the years ended June 30, 2025 and 2024, consisted of the following:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 2,072	\$ 1,050
Operating cash flows from finance leases	61	25
Financing cash flows from finance leases	785	819
ROU assets obtained in exchange for lease obligations:		
Operating leases	2,261	175
Finance leases	687	315

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 11. Leases (Continued)

Supplemental consolidated balance sheets information related to leases as of June 30, 2025 and 2024, consisted of the following:

	2025	2024
Operating leases:		
Operating lease ROU assets, net, other assets	\$ 6,294	\$ 5,718
Accrued expenses	\$ 2,108	\$ 1,574
Other noncurrent liabilities	4,547	4,539
Total operating lease liabilities	\$ 6,655	\$ 6,113
Finance leases:		
Property and equipment, gross	\$ 3,510	\$ 3,459
Accumulated depreciation	1,881	2,398
Property and equipment, net	\$ 1,629	\$ 1,061
Current maturities of long-term debt	\$ 935	\$ 463
Long-term debt, net of current portion	722	638
Total finance lease liabilities	\$ 1,657	\$ 1,101
Weighted average remaining lease term:		
Operating leases	10 years	11 years
Finance leases	2 years	3 years
Weighted average discount rate:		
Operating leases	2.88%	2.55%
Finance leases	3.63%	2.19%

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

	Operating	Finance
Years ending June 30:		
2026	\$ 2,268	\$ 980
2027	1,771	439
2028	910	210
2029	513	55
2030	176	50
Thereafter	2,029	-
Minimum lease payments	7,667	1,734
Less amount representing interest	1,012	77
Net minimum lease payments	\$ 6,655	\$ 1,657

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (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 provided by operations for the years ended June 30, 2025 and 2024.

Financial assets available for general expenditure within one year of the consolidated balance sheet date, comprise the following at June 30, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 178,064	\$ 96,208
Investments	863,014	748,933
Receivables:		
Patient	114,958	119,614
Other	13,118	6,882
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	48,306	55,669
Funds held by bond trustees, under bond indenture	-	-
Other assets limited as to use	-	-
Donor restricted net assets:		
Restricted by time or purpose	21,497	27,087
Restricted in perpetuity	2,824	2,807
Investments in joint ventures	23,729	24,138
Total financial assets	1,265,510	1,081,338
Less amounts not available to meet cash needs for general expenditures within one year:		
Investments in joint ventures	23,729	24,138
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	48,306	55,669
Donor restricted net assets:		
Restricted by time or purpose	21,497	27,087
Donor restricted endowment	2,824	2,807
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,169,154	\$ 971,637

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

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. Investments in Unconsolidated Joint Ventures

At June 30, 2025 and 2024, investments in unconsolidated joint ventures amounted to \$23,729 and \$24,138, 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 collective financial position of the unconsolidated joint ventures as of and for the years ended June 30, 2025 and 2024, were:

	2025	2024
Total assets	\$ 15,096	\$ 13,818
Net income	6,878	5,710

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, 2025 and 2024, as follows:

	2025	2024
Gain on investment in unconsolidated joint ventures	\$ 2,675	\$ 2,356
Distributions received from unconsolidated joint ventures	(2,892)	(2,087)

Note 14. 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.

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, 2025 and 2024. 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 of 3.75% for the years ended June 30, 2025 and 2024. 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 Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 14. Self-Insurance (Continued)

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, 2025 and 2024. Mosaic has accrued for the uninsured portion of the actuarially estimated losses based upon pending and historical claims experience.

At June 30, 2025 and 2024, 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 2025 and 2024, is summarized as follows:

	2025	2024
Balance, beginning	\$ 30,127	\$ 27,718
Current year claims incurred and changes in estimates for claims incurred in prior years	7,251	6,664
Claims and expenses paid	(6,887)	(4,255)
Balance, ending	<u>\$ 30,491</u>	<u>\$ 30,127</u>

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, 2023, and \$1,000 per occurrence for the period of January 1, 2024 through December 31, 2025. During the years ended June 30, 2025 and 2024, employee health insurance expense related to all plans totaled approximately \$57,800 and \$48,100, respectively, which is reflected in employee benefit expenses on the consolidated statements of operations. Mosaic has recorded approximately \$5,800 and \$4,000 as of June 30, 2025 and 2024, respectively, for open claims and claims incurred but not yet reported, which is included in accrued expenses.

Note 15. 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.

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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 15. Commitments and Contingencies (Continued)

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.

Medical office building: Mosaic received approval from the Board of Directors to contribute up to \$69,000 for the construction of a new medical office building. As of June 30, 2025, Mosaic has contributed \$2,000 towards the project.

Note 16. Health Care Industry

Healthcare reform: The healthcare industry is subject to changing political and regulatory influences that may affect Mosaic's business. In recent years, the U.S. Congress has introduced and passed many proposals and legislation affecting the healthcare system, including laws intended to impact access to health insurance and reduce healthcare costs and government spending. The most prominent of these efforts, the Affordable Care Act (ACA), affects how healthcare services are covered, delivered and reimbursed, and expanded health insurance coverage through a combination of public program expansion and private sector health insurance reforms. The ACA has been, and continues to be, subject to legislative and regulatory changes and court challenges. Additional 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.

Continuing executive actions, legislative and regulatory efforts and judicial interpretations could reduce or otherwise adversely affect the amount of payments Mosaic receives from Medicare and Medicaid and other payors, including through hold on or cancellations of congressionally authorized spending.

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, which may result from changes to trade policy and new or increased tariffs. 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.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements (Dollars in Thousands)

Note 16. Health Care Industry (Continued)

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.

In February 2024, Change Healthcare, a large claims process and intermediary for health care providers across the industry, became aware of a cybersecurity incident causing a disruption across the health care industry. Mosaic interacts with Change Healthcare for any providers that use Change Healthcare as a claims intermediary. As a result of the cybersecurity incident, Mosaic does not know what, if any, company data, including personally identifiable information (PII) and/or protected health information (PHI), has been compromised as a result of the cybersecurity incident. At this time, Mosaic is not aware of any legal claims asserted against the company and is not able to predict if the cybersecurity incident will have a material adverse effect on Mosaic's financial condition or results of operations.

In April 2025, Mosaic was notified that a third-party vendor, Oracle, experienced a cybersecurity incident that resulted in unauthorized access to certain Mosaic patient information. Upon learning of the cybersecurity incident, Mosaic promptly initiated an internal investigation, coordinated with Oracle, and engaged cybersecurity experts to assess the scope and impact of the cybersecurity incident. In accordance with applicable laws and regulations, Mosaic notified all affected patients and regulatory authorities. As a precautionary measure, Mosaic is offering a credit monitoring service and a call center phone number if any additional information is needed. At this time, Mosaic is not able to predict if the cybersecurity incident will have a material adverse effect on Mosaic's financial condition or results of operations.

Note 17. Oracle

Mosaic entered into a five-year agreement with Oracle to host Oracle Cloud Human Capital Management (HCM), Oracle Cloud Enterprise Resource Planning (ERP), and Oracle Cloud Supply Chain Management (SCM) systems.

Mosaic is treating the hosting agreement as service contract and will be expensing hosting costs as incurred. Mosaic is following the guidance at ASC 350-40-30-5 entitled, Implementation Costs of a Hosting Arrangement That Is a Service Contract.

Note 18. 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 consolidated financial statements. Mosaic does not recognize subsequent events that provided evidence about conditions that did not exist at the consolidated balance sheets date but arose after, but before the consolidated financial statements are available to be issued. In some cases, subsequent events are not recognized but are disclosed to keep the consolidated financial statements from being misleading.

Mosaic Health System and Related Organizations

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 18. Subsequent Events (Continued)

Mosaic has evaluated subsequent events through October 2, 2025 and determined no additional disclosures are required other than those disclosed above. These consolidated financial statements were issued on that date.



RSM US LLP

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, 2025 and 2024, 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 consolidated 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 2, 2025

Mosaic Health System and Related Organizations

**Consolidating Balance Sheet
June 30, 2025
(Dollars in Thousands)**

	Obligated Group				Mosaic Health		Total		Other Related Organizations and Eliminations	Consolidated
	Mosaic St. Joseph	Mosaic Maryville			System and Eliminations	Obligated Group				
Assets										
Current assets:										
Cash and cash equivalents	\$ 34	\$ 50	\$		175,889	\$		2,175	\$	178,064
Investments	-	-			862,847			167		863,014
Patient accounts receivable	96,753	12,999			109,752			5,206		114,958
Inventories	14,082	1,852			15,934			360		16,294
Prepaid expenses and other	15,916	1,275			32,558			721		33,279
Assets limited as to use—current portion	-	-			3,780			-		3,780
Total current assets	126,785	16,176			1,057,799	1,200,760		8,629		1,209,389
Assets limited as to use, net of current portion:										
Board-designated—self insurance trust, endowments and other	-	-			23,732			20,794		44,526
Other assets limited as to use – donor restricted	10	9,159			-	9,169		15,152		24,321
Total assets limited as to use, net of current portion	10	9,159			23,732	32,901		35,946		68,847
Due from (to) affiliates	171,750	8,702			(175,600)	4,852		(4,852)		-
Investments in joint ventures, net	23,729	-			-	23,729		-		23,729
Property and equipment, net	247,209	22,403			36,829	306,441		50,626		357,067
Other assets, net	6,274	3,590			41,292	51,156		4,123		55,279
Total assets	\$ 575,757	\$ 60,030	\$	\$	984,052	\$ 1,619,839	\$	94,472	\$	1,714,311

Mosaic Health System and Related Organizations

Consolidating Balance Sheet

June 30, 2025

(Dollars in Thousands)

	Obligated Group			Total		Other Related Organizations and Eliminations	Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	Obligated Group			
Liabilities and Net Assets							
Current liabilities:							
Current maturities of long-term debt	\$ 901	\$ 34	\$ 4,495	\$ 5,430	\$ -	\$ -	\$ 5,430
Accounts payable	17,962	1,283	17,712	36,957	965	965	37,922
Accrued self-insured costs	-	-	4,300	4,300	-	-	4,300
Accrued expenses	20,198	2,192	55,632	78,022	1,174	1,174	79,196
Estimated settlements due to third-party payors	15,353	27,727	-	43,080	2,444	2,444	45,524
Total current liabilities	54,414	31,236	82,139	167,789	4,583	4,583	172,372
Long-term debt, net of current portion	717	5	260,703	261,425	-	-	261,425
Accrued self-insured costs, net of current portion	-	-	26,192	26,192	(1)	(1)	26,191
Other noncurrent liabilities	33,170	4,733	2,307	40,210	4,047	4,047	44,257
Total liabilities	88,301	35,974	371,341	495,616	8,629	8,629	504,245
Net assets:							
Without donor restrictions	487,446	14,897	612,711	1,115,054	70,691	70,691	1,185,745
With donor restrictions	10	9,159	-	9,169	15,152	15,152	24,321
Total net assets	487,456	24,056	612,711	1,124,223	85,843	85,843	1,210,066
Total liabilities and net assets	\$ 575,757	\$ 60,030	\$ 984,052	\$ 1,619,839	\$ 94,472	\$ 94,472	\$ 1,714,311

Mosaic Health System and Related Organizations

Consolidating Statement of Operations Year Ended June 30, 2025 (Dollars in Thousands)

	Obligated Group				Other Related Organizations and Eliminations		Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	Total Obligated Group			
Unrestricted revenues, gains and other support:							
Patient service revenue	\$ 804,903	\$ 94,609	\$ 54	\$ 899,566	\$ 36,043	\$	935,609
Net assets released from restrictions used for operations	-	269	-	269	755		1,024
340b program revenue and other	76,992	6,995	1,661	85,648	(2,190)		83,458
Total unrestricted revenues, gains and other support	881,895	101,873	1,715	985,483	34,608		1,020,091
Operating expenses:							
Salaries and wages	335,739	42,663	58,957	437,359	17,909		455,268
Employee benefits	59,521	8,897	25,305	93,723	4,320		98,043
Professional fees	5,642	344	10,280	16,266	519		16,785
Supplies	186,164	19,841	(2,965)	203,040	4,829		207,869
General, administrative and other	44,130	7,250	49,684	101,064	3,856		104,920
Corporate allocations	136,079	15,101	(155,404)	(4,224)	4,224		-
Insurance	7,972	1,167	1,035	10,174	409		10,583
Depreciation and amortization	27,574	2,301	4,420	34,295	2,961		37,256
Interest	67	745	9,395	10,207	(743)		9,464
Federal reimbursement allowance	22,698	2,159	-	24,857	1,150		26,007
Total operating expenses	825,586	100,468	707	926,761	39,434		966,195
Operating income (loss) before other operating revenue and expenses	56,309	1,405	1,008	58,722	(4,826)		53,896
Net assets released from restrictions used for construction	-	-	-	-	14,293		14,293
Other operating income	-	-	(90)	(90)	(608)		(698)
Operating income (loss)	56,309	1,405	918	58,632	8,859		67,491
Other income (expense):							
Interest and dividend income, net	306	49	33,371	33,726	1,027		34,753
Net realized gains on sale of investments and assets limited as to use	-	-	21,187	21,187	-		21,187
Change in net unrealized gains on trading securities	-	-	37,083	37,083	29		37,112
Other	1,197	5	-	1,202	427		1,629
Total other income	1,503	54	91,641	93,198	1,483		94,681
Excess of revenue over expenses	\$ 57,812	\$ 1,459	\$ 92,559	\$ 151,830	\$ 10,342	\$	162,172

Mosaic Health System and Related Organizations

**Consolidating Statement of Changes in Net Assets
Year Ended June 30, 2025
(Dollars in Thousands)**

	Obligated Group			Other Related Organizations and Eliminations		Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations	Total Obligated Group		
Net assets without restrictions:						
Excess of revenue over expenses	\$ 57,812	\$ 1,459	\$ 92,559	\$ 151,830	\$ 10,342	\$ 162,172
Other changes in net assets without restrictions	1	-	(8,000)	(7,999)	7,981	(18)
Increase in net assets without restrictions	57,813	1,459	84,559	143,831	18,323	162,154
Net assets with donor restrictions:						
Contributions and investment income	10	655	-	665	7,620	8,285
Net change in unrealized gains on investments	-	381	-	381	732	1,113
Net assets released from restrictions used for operations	-	(269)	-	(269)	(755)	(1,024)
Net assets released from restrictions used for construction	-	-	-	-	(14,293)	(14,293)
Other changes in net assets with donor restrictions	-	(1)	-	(1)	347	346
Increase (decrease) in net assets with donor restrictions	10	766	-	776	(6,349)	(5,573)
Change in net assets	57,823	2,225	84,559	144,607	11,974	156,581
Net assets:						
Beginning	429,633	21,831	528,152	979,616	73,869	1,053,485
Ending	\$ 487,456	\$ 24,056	\$ 612,711	\$ 1,124,223	\$ 85,843	\$ 1,210,066

**SERVICE-SPECIFIC REVENUES AND EXPENSES****Project Title:** Heartland Regional Medical Center **Project #:** 6245 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		
	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Amount of Utilization:*	<u>1,444</u>	<u>1,991</u>	<u>2,683</u>
Revenue:			
Average Charge**	<u>\$7,455</u>	<u>\$10,230</u>	<u>\$11,000</u>
Gross Revenue	<u>\$10,765,020</u>	<u>\$20,367,930</u>	<u>\$29,513,000</u>
Revenue Deductions	<u>7,226,597</u>	<u>13,409,244</u>	<u>19,132,675</u>
Operating Revenue	<u>3,538,423</u>	<u>6,958,686</u>	<u>10,380,325</u>
Other Revenue	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$3,538,423</u>	<u>\$6,958,686</u>	<u>\$10,380,325</u>
Expenses:			
Direct Expenses			
Salaries	<u>464,692</u>	<u>468,478</u>	<u>452,714</u>
Fees	<u>643,241</u>	<u>1,150,579</u>	<u>1,847,384</u>
Supplies	<u>429,560</u>	<u>1,003,680</u>	<u>1,049,504</u>
Other	<u>\$1,537,493</u>	<u>\$2,622,737</u>	<u>\$3,349,602</u>
TOTAL DIRECT	<u>\$1,537,493</u>	<u>\$2,622,737</u>	<u>\$3,349,602</u>
Indirect Expenses			
Depreciation	<u>0</u>	<u>633,078</u>	<u>633,078</u>
Interest***	<u>0</u>	<u>0</u>	<u>0</u>
Rent/Lease	<u>0</u>	<u>0</u>	<u>0</u>
Overhead****	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL INDIRECT	<u>\$0</u>	<u>\$633,078</u>	<u>\$633,078</u>
TOTAL EXPENSES	<u>\$1,537,493</u>	<u>\$3,255,815</u>	<u>\$3,982,680</u>
NET INCOME (LOSS):	<u>\$2,000,930</u>	<u>\$3,702,871</u>	<u>\$6,397,645</u>

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

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

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

****Indicate how overhead was calculated.

**SERVICE-SPECIFIC REVENUES AND EXPENSES****Project Title:** Heartland Regional Medical Center **Project #:** 6245 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		
	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Amount of Utilization:*	3,683	3,867	4,060
Revenue:			
Average Charge**	\$11,300	\$11,865	\$12,458
Gross Revenue	\$41,617,900	\$45,881,955	\$50,579,480
Revenue Deductions	30,381,067	33,493,827	36,923,020
Operating Revenue	11,236,833	12,388,128	13,656,460
Other Revenue	0	0	0
TOTAL REVENUE	\$11,236,833	\$12,388,128	\$13,656,460
Expenses:			
Direct Expenses			
Salaries	721,517	795,441	876,881
Fees			
Supplies	2,944,280	3,245,943	3,578,272
Other	1,672,653	1,844,029	2,032,826
TOTAL DIRECT	\$5,338,450	\$5,885,413	\$6,487,979
Indirect Expenses			
Depreciation	1,110,378	1,110,378	477,300
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	0	0	0
TOTAL INDIRECT	\$1,110,378	\$1,110,378	\$477,300
TOTAL EXPENSES	\$6,448,828	\$6,995,791	\$6,965,279
NET INCOME (LOSS):	\$4,788,005	\$5,392,337	\$6,691,181

*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.