



**MOSAIC**

ST. JOSEPH | MARYVILLE | ALBANY

# **Certificate of Need Application Mosaic Medical Center - Albany Project# 6093 HT Replace MRI**

Mosaic Medical Center – Albany  
705 N. College St.  
Albany, MO 64402

Submitted to Missouri Health Facilities Review Committee  
Submission Date: March 8, 2024



Certificate of Need Program  
**EQUIPMENT REPLACEMENT APPLICATION**  
 Applicant's Completeness Checklist and Table of Contents

Project Name: Mosaic Medical Center - Albany

Project No: 6093 HT

Project Description: Replace MRI

Done Page N/A Description

**Divider I. Application Summary:**

- ✓ 3 1. Applicant Identification and Certification (Form MO 580-1861)
- ✓ 4-5 2. Representative Registration (From MO 580-1869)
- ✓ 6-7 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

**Divider II. Proposal Description:**

- ✓ 9-10 1. Provide a complete detailed project description, CON project number of the existing equipment (if prev. CON approved), and include the type/brand of both the existing equipment and the replacement equipment.
- ✓ 11-36 2. Provide a listing with itemized costs of the medical equipment to be acquired and bid quotes.
- ✓ 10 3. Provide a timeline of events for the project, from CON issuance through project completion.

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

- ✓ 38 1. Describe the financial rationale for the proposed replacement equipment.
- ✓ 38 2. Document if the existing equipment has exceeded its useful life.
- ✓ 38 3. Describe the effect the replacement unit would have on quality of care.
- ✓ 40-59 4. Document if the existing equipment is in constant need of repair.
- ✓ 38 5. Document if the lease on the current unit has expired.
- ✓ 38-39 6. Describe the technological advances provided by the new unit.
- ✓ 39 7. Describe how patient satisfaction would be improved.
- ✓ 39 8. Describe how patient outcomes would be improved.
- ✓ 39 9. Describe what impact the new unit would have on utilization.
- ✓ 39 10. Describe any new capabilities that the new unit would provide.
- ✓ 39 11. By what percent will this replacement increase patient charges.

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

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

- ✓ 62-105 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.
- ✓ 106-107 2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three (3) **FULL** years beyond project completion.
- ✓ 61 3. Document how patient charges are derived.
- ✓ 61 4. Document responsiveness to the needs of the medically indigent.

# Divider I.

# Application Summary

## **Divider I. Application Summary**

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

See Exhibit 1.1

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

See Exhibit 1.2.1

See Exhibit 1.2.2

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

See Exhibit 1.3.1



# APPLICANT IDENTIFICATION AND CERTIFICATION

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

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

Title of Proposed Project <b>Mosaic Medical Center - Albany</b>	Project Number <b>6093 HT</b>
Project Address <small>(Street/City/State/Zip Code)</small> <b>705 N. College St., Albany, MO 64402</b>	County <b>Gentry</b>

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

<b>List All Owner(s):</b> <small>(List corporate entity.)</small>	Address <small>(Street/City/State/Zip Code)</small>	Telephone Number
Northwest Medical Center Association, Inc. dba Mosaic Medical Center - Albany	705 N. College St., Albany, MO 64402	660-726-3941
<small>(List entity to be licensed or certified.)</small>		
<b>List All Operator(s):</b> <small>(List entity to be licensed or certified.)</small>	Address <small>(Street/City/State/Zip Code)</small>	Telephone Number
Mosaic Medical Center - Albany	705 N. College St., Albany, MO 64402	660-726-3941

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

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

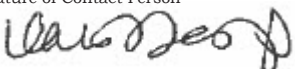
### 4. Certification

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 <b>Dr. Katie Dias</b>	Title <b>President</b>
Telephone Number <b>660-783-2192</b>	Fax Number <b>660-726-3647</b>
Signature of Contact Person 	E-mail Address <b>katie.dias@mymhc.com</b>
	Date of Signature <b>3/5/24</b>



Certificate of Need Program

REPRESENTATIVE REGISTRATION

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

Project Name <b>Mosaic Medical Center - Albany</b>	Number <b>6093 HT</b>
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(Please type or print legibly.)

Name of Representative <b>Katie Dias</b>	Title <b>President Mosaic Medical Center Albany</b>
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Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) <b>Northwest Medical Center Association, Inc. dba Mosaic Medical Center - Albany</b>	Telephone Number <b>660-726-3941</b>
---	---

Address (Street/City/State/Zip Code)  
**705 N. College St., Albany, MO 64402**

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 <b>Mosaic Medical Center - Albany</b>	Telephone Number <b>660-726-3941</b>
---	---

Address (Street/City/State/Zip Code)  
**705 N. College St., Albany, MO 64402**

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 <b>3/5/24</b>
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# REPRESENTATIVE REGISTRATION

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

Project Name <b>Mosaic Medical Center - Albany</b>	Number <b>6093 HT</b>
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(Please type or print legibly.)

Name of Representative <b>Marissa Spillman</b>	Title <b>Associate Director Radiology Mosaic Medical Center Albany</b>
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Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) <b>Northwest Medical Center Association, Inc. dba Mosaic Medical Center - Albany</b>	Telephone Number <b>660-726-3941</b>
---	---

Address (Street/City/State/Zip Code)  
**705 N. College St., Albany, MO 64402**

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 <b>Mosaic Medical Center - Albany</b>	Telephone Number <b>660-726-3941</b>
---	---

Address (Street/City/State/Zip Code)  
**705 N. College St., Albany, MO 64402**

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 <b>3/7/2024</b>
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**PROPOSED PROJECT BUDGET**

**Description**

**Dollars**

**COSTS:\***

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

1. New Construction Costs ***	\$0
2. Renovation Costs ***	\$194,675
<b>3. Subtotal Construction Costs</b> (#1 plus #2)	<b>\$194,675</b>
4. Architectural/Engineering Fees	\$0
5. Other Equipment (not in construction contract)	\$0
6. Major Medical Equipment	\$1,105,639
7. Land Acquisition Costs ***	\$0
8. Consultants' Fees/Legal Fees ***	\$0
9. Interest During Construction (net of interest earned) ***	\$0
10. Other Costs ***	\$0
<b>11. Subtotal Non-Construction Costs</b> (sum of #4 through #10)	<b>\$1,105,639</b>
<b>12. Total Project Development Costs</b> (#3 plus #11)	<b>\$1,300,314 **</b>

**FINANCING:**

13. Unrestricted Funds	\$1,300,314
14. Bonds	\$0
15. Loans	\$0
16. Other Methods (specify)	\$0
<b>17. Total Project Financing</b> (sum of #13 through #16)	<b>\$1,300,314 **</b>

18. New Construction Total Square Footage	0
19. New Construction Costs Per Square Foot *****	\$0
20. Renovated Space Total Square Footage	910
21. Renovated Space Costs Per Square Foot *****	\$214

\* 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:** Albany MRI Replacement

**Date:** 3/4/2024

**Requested By:** Mosaic Medical Center - Albany



Item	Scope of Work	Total
<b>Construction</b>	Slab/Flooring modifications, shielding, ceiling modifications, roofing repairs, and drywall repairs	\$ 84,650
<b>Electrical System</b>	Conduit and wiring for MRI, controls, and lighting rework	\$ 41,975
<b>Mechanical/Plumbing</b>	HVAC modifications and Chiller piping and installation	\$ 68,050
	<b>Total Construction Costs</b>	<b>\$ 194,675</b>
<b>Major Medical Equipment</b>	Siemens MAGNETOM Altea 1.5T	<b>\$ 1,105,639</b>
	<b>Total Project Costs</b>	<b>\$ 1,300,314</b>

# Divider II.

# Proposal Description

## Divider II. Proposal Description

### **1. Provide a complete detailed project description and include the type/brand of the existing equipment and replacement equipment.**

Mosaic Medical Center Albany proposes to purchase a Siemens Magnatom Altea 1.5T MRI scanner at a cost of approximately \$1,300,314.00 to replace the Siemens Essenza 1.5T MRI. The replacement MRI scanner will be housed within the Radiology Department in the existing MRI scan room. The Siemens Magnatom Altea will provide superior image quality and advancements in MRI exams offered at this facility.

The current 1.5T system is not capable of scanning specialty exams such as Breast, Cardiac, Prostate, Runoff, and Rectums. These are exams that are currently scanned daily in the Saint Joseph MRI department on their 3T MRI scanner but cannot be done on the 1.5T. The Siemens Altea 1.5T scanner will allow completely new exams offered at this facility such as: Prostate Patients with certain implantable devices currently needing scans only offered on the 3T cannot have these scans due to the limitations of implants. The new 1.5T scanner increases the availability of these specialized exams to this limited patient population.

Certain exam types also require specialized software and with this scanner replacement we will be able to offer diverse exams not currently offered in this area. The software included is Native (non-contrast studies), High bandwidth inversion recovery, and SWI. Patients currently seeking these treatments are forced to travel to other facilities for care. This will help bring diverse innovations to this area, alleviating the need for our patients to travel for care.

The new Siemens Magnatom Altea 1.5T MRI scanner also will have an integrated dockable table that allows for maximum patient comfort and smooth patient preparation. The current table has the inability to be detached from the scanner and brought outside of the room. Replacing this allows for smoother workflow and maximum patient comfort. Patients who require lifting assistance will not be required to walk or be moved multiple times

across tables to be scanned.

The Siemens Magnetom Altea 1.5T scanner brings the radiology department up to the best practice standards within the industry. These standards focus on quality and safety to help deliver both clinical excellence and operational efficiency. The Siemens Magnetom Altea will help simplify and accelerate the scanning process from set-up, to acquisition, and to post-processing for the clinical staff.

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

Exhibit 2.2 contains Siemens Quote outlining the itemized costs of the medical equipment to be acquired.

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

The proposed timeline of events is as follows:

CON Review and Issuance	April 2024
Purchase Order / Contract Issued	May 2024
Design / Planning	May – July 2024
Bidding / Award	July – August 2024
Construction	October 2024 to January 2025
Equipment Install	February 2025
Applications Install	March 2025

**Siemens Medical Solutions USA, Inc.**  
 40 Liberty Boulevard, Malvern, PA 19355

**SIEMENS REPRESENTATIVE**  
 Koralie Ahlers  
 koralie.ahlers.ext@siemens-healthineers.com

**Exhibit 2.2**

Customer Number: 0000001835

Date: 01/19/2024

**MOSAIC LIFECARE ALBANY**  
 705 N COLLEGE ST  
 ALBANY, MO 64402

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

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MAGNETOM Altea (DE) (Quote Nr. CPQ-241422 Rev. 0) .....	3
General Terms and Conditions .....	14
Software License Schedule .....	21
Trade-In Equipment Requirements .....	24
Warranty Information .....	25

**Contract Total: \$ 1,105,639**  
*(total does not include any Optional or Alternate components which may be selected)*

Proposal valid until 03/29/2024

Estimated Delivery Date: 8/31/2024

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

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

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

This proposal includes the trade-in of equipment referenced in Trade Sheet Project # 2023-1777



Siemens Medical Solutions USA, Inc.  
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE  
Koralie Ahlers  
koralie.ahlers.ext@siemens-healthineers.com

Accepted and Agreed to by:

**Siemens Medical Solutions USA Inc.**

**MOSAIC LIFECARE ALBANY**

By (sign): \_\_\_\_\_

By (sign): \_\_\_\_\_

Name: Koralie Ahlers

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

By (Sign): \_\_\_\_\_

Siemens Medical Solutions USA, Inc.  
40 Liberty Boulevard, Malvern, PA 19355

**SIEMENS REPRESENTATIVE**  
Koralie Ahlers  
koralie.ahlers.ext@siemens-healthineers.com

**Quote Nr:** CPQ-241422 Rev. 0

**Terms of Payment:** 00% Down, 80% Delivery, 20% Installation  
Free On Board: Destination

**Purchasing Agreement:** VIZIENT SUPPLY LLC

VIZIENT SUPPLY LLC terms and conditions apply to Quote Nr CPQ-241422

Customer certifies, and Siemens relies upon such certification, that : (a) VIZIENT MRI XR0885 is the sole GPO for the purchases described in this Quotation, and (b) the person signing this Quotation is fully authorized under the Customer's policies to choose and indicate for Customer such appropriate GPO.

**MAGNETOM Altea (DE)**

All items listed below are included for this system:

Qty	Part No.	Item Description
1	14461700	<p><b>MAGNETOM Altea - System</b></p> <p>MAGNETOM Altea is the new 1.5T Open Bore system that gives you full confidence to deliver the productivity, reproducibility, and patient satisfaction that you demand in MRI. Powered by our premium MR technology, MAGNETOM Altea combines our unique BioMatrix technology with the new syngo MR XA software platform and our exclusive Turbo Suite to fundamentally transform care delivery for the better.</p> <p>System Design</p> <ul style="list-style-type: none"> <li>- Short and open appearance (157 cm total system length cover-to-cover and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia</li> <li>- Whole-body superconductive Zero Helium Boil-Off 1.5T magnet</li> <li>- Weight-optimized magnet technology based on high performance 3T and 7T magnet design</li> <li>- Actively Shielded water-cooled Siemens gradient system for maximum performance</li> </ul> <p>Tim 4G (Total imaging matrix in the 4th generation) for excellent image quality and speed with Siemens unique DirectRX technology enabling all digital-in/digital-out design and Dual-Density Signal Transfer Technology</p> <p>Push-button exams with GO technologies</p> <ul style="list-style-type: none"> <li>Select&amp;GO</li> <li>DotGO/ myExam Companion</li> <li>Recon&amp;GO</li> <li>MR View&amp;GO</li> </ul> <p>Tim Application Suite allowing excellent head-to-toe imaging for</p> <ul style="list-style-type: none"> <li>- Neuro</li> <li>- Angio</li> <li>- Cardiac</li> <li>- Body</li> <li>- Onco</li> <li>- Breast</li> </ul>

Qty	Part No.	Item Description
		<ul style="list-style-type: none"> <li>- Ortho</li> <li>- Pediatric</li> <li>- Scientific</li> </ul> <p>Further included</p> <ul style="list-style-type: none"> <li>- High performance host computer and measurement and reconstruction system</li> <li>- Patient communication including headphones</li> <li>- syngo MR software including</li> <li>- Turbo Suite Essential</li> <li>- 1D/2D PACE</li> <li>- BLADE</li> <li>- Phoenix</li> <li>- Inline Diffusion</li> <li>- MDDW (Multiple Direction Diffusion Weighting)</li> <li>- CISS</li> <li>- DESS</li> <li>- TGSE</li> <li>- Offline Composing</li> </ul>
1	14460161	<p><b>MR General Engine #Vi</b></p> <p>syngo.MR General Engine extends Numaris/X by adding dedicated workflows and tools for routine and advanced reading of MR examinations. A generic MR Basic workflow is provided, as well as specific MR Neurology, MR Prostate Reading, MR Breast Reading, and MR Cardio-Vascular workflows.</p>
1	14475308	<p><b>myExam Brain Assist</b></p> <p>myExam Brain Assist provides guided and flexible workflows. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the brain workflow, and to personalize to the individual patient's condition and clinical need. myExam Brain Assist is customizable to the site-specific standards of care.</p>
1	14475309	<p><b>myExam Spine Assist</b></p> <p>myExam Spine Assist provides guided and flexible workflows for cervical, thoracic and lumbar spine. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the spine workflow, and to personalize to the individual patient's condition and clinical need. myExam Spine Assist is customizable to the site-specific standards of care.</p>
1	14475310	<p><b>myExam Large Joint Assist</b></p> <p>myExam Large Joint Assist provides guided and flexible workflows for knee, hip and shoulder. Optimized scan strategies are provided and can be selected based on the patient's condition, which allows for reproducible, high image quality and time efficient exams. The built-in flexibility allows users to change predefined strategies at any time during the scan workflow, and to personalize to the individual patient's condition and clinical need. myExam Large Joint Assist is customizable to the site-specific standards of care.</p>
1	14482834	<p><b>myExam Brain Autopilot</b></p> <p>myExam Brain Autopilot enables less experienced staff to scan brain MRI at high quality with just a few simple clicks. By using automation and AI, it takes away burdensome routine tasks for all technologists. Predefined automated protocols allow users to scan with no manual adjustments. A new and intuitive user interface simplifies scanning so that exams can be performed, or strategies can be changed easily. This new approach to operate MRI helps any user to generate consistent, comprehensive results. myExam Brain Autopilot is customizable to the site-specific standards of care.</p>
1	14482835	<p><b>myExam Knee Autopilot</b></p> <p>myExam Knee Autopilot enables less experienced staff to scan knee MRI at high</p>



Qty	Part No.	Item Description
		quality with just a few simple clicks. By using automation and AI, it takes away burdensome routine tasks for all technologists. Predefined automated protocols allow users to scan with no manual adjustments.
		A new and intuitive user interface simplifies scanning so that exams can be performed, or strategies can be easily changed. This new approach to operate MRI helps any user to generate consistent, comprehensive results.
		myExam Knee Autopilot is customizable to the site-specific standards of care.
1	14441748	<b>Quiet Suite #T+D</b> Quiet Suite enables complete, quiet examinations for neurology and orthopedics with at least 70% reduction in sound pressure levels.
1	14460162	<b>Tim Whole Body Suite #Vi</b> Tim Whole Body Suite puts it all together. This suite enables table movement for imaging of up to 205 cm (6' 9") FoV without compromise. In combination with Tim's newly designed ultra-high density array higher spatial and temporal resolution can be achieved along with unmatched flexibility of any coverage up to Whole Body. For faster exams and greater diagnostic confidence.
1	14460227	<b>Tim Planning Suite #Vi</b> With the Tim Planning Suite, multiple regions in the entire body can be examined in a minimum of time through measurement planning on a single FoV of any desired size.
1	14456329	<b>syngo TimCT FastView #Vi</b> TimCT FastView is the "one go" localizer for the whole body or large body regions such as the whole spine or the whole abdomen. It acquires the complete extended Field of View in one volume with isotropic resolution. Transverse, coronal and sagittal reformats of the volume are calculated Inline and displayed for planning subsequent exams. - Inline reconstruction of the localizer images during the scan. - Localizing images in three planes over the maximum Field of View available for subsequent planning in all orientations. - TimCT FastView runs without laser light positioning to further streamline the workflow for several indications.
1	14460160	<b>Advanced Diffusion #Vi</b> QuietX DWI and RESOLVE together make up the Advanced Diffusion package.  QuietX DWI enables quieter diffusion-weighted imaging of the brain with up to 70% reduction in sound pressure relative to conventional diffusion-weighted imaging. RESOLVE (Readout Segmentation Of Long Variable Echo-trains) is a multi-shot, readout segmented EPI sequence for high-resolution, low-distortion diffusion-weighted imaging (DWI). This technique is largely insensitive to susceptibility effects, providing anatomically accurate diffusion imaging for the brain, spine, breast and prostate. In combination with syngo.MR Tractography, RESOLVE enables excellent white-matter tract imaging even in regions of high susceptibility, such as the spine.
1	14456327	<b>WARP &amp; Advanced WARP #Vi</b> WARP and Advanced WARP (SEMAC) integrates different techniques tailored to reduce susceptibility artifacts caused by orthopedic MR-conditional metal implants.
1	14456323	<b>Inline Composing syngo #Se</b> Automatic anatomical or angiographic composing of multiple adjacent coronal or sagittal images for presentation and further evaluation. Composed images can be automatically loaded into Graphical Slice Positioning for scan planning purposes.
1	14475447	<b>syngo Expert-i XA50/XA51</b> This software application enables remote access to the system (connected via local area network) for planning and processing.
1	14461701	<b>Tim [180x32] XJ-Gradient #AI</b>

Qty	Part No.	Item Description
		<p>Tim [180x32] XJ-gradients performance level Tim 4G's RF system and innovative coil architecture enables high resolution imaging and increased throughput. The system provides a maximum number of 180 channels (coil elements) that can be connected simultaneously. Flexible parallel imaging is achieved by the standard 32 independent RF channels that can be used simultaneously in one single scan and in one single FOV, each generating an independent partial image.</p> <p>XJ - gradients The XJ 33/125 gradients are designed for high performance and linearity to support clinical whole body imaging at 1.5T. The XJ gradients combine 33 mT/m peak amplitude with a slew rate of 125 T/m/s. The force compensated gradient system minimizes vibration levels and acoustic noise.</p> <p>High-performance measurement and reconstruction system.</p>
1	14468980	<p><b>Coil Package Tim [180x32] #1.5T</b> This package includes (if not exchanged with different variants via respective quote items): - Head/Neck 16 DirectConnect - BioMatrix Spine 24 - BioMatrix Body 12 - Flex Large 4 - Flex Small 4 - Flex Coil Interface</p>
1	14468946	<p><b>BioMatrix Technology #AI,Lu</b> The new and unique BioMatrix technology addresses different aspects of patient bio-variability.</p>
1	14470794	<p><b>BioMatrix SliceAdjust #BM</b> BioMatrix SliceAdjust helps to avoid station boundaries and apparent broken spine artifacts as well as to preserve the SNR for whole-body diffusion.</p>
1	14461703	<p><b>BioMatrix Dockable Table #AI</b> The BioMatrix Dockable Table is designed for maximum patient comfort and smooth patient preparation. The BioMatrix Dockable Table can support up to 250 kg (550 lbs) without restricting the vertical or horizontal movement.</p>
1	14470796	<p><b>BioMatrix Select &amp; GO #AI,Lu</b> Select&amp;GO The Select&amp;GO interface enables fast and easy single-touch patient positioning. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time. The ergonomically designed Select&amp;GO touch panel is integrated into the front cover on the left-hand side of the patient tunnel for controlling table movement, guidance for patient setup and comfort features. The Select&amp;GO panel is well illuminated for easy visual recognition.</p> <p>The BioMatrix Select&amp;GO interface enables fast and easy single-touch patient positioning. The interface is integrated left-hand side of the patient into the front covers. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time.</p>
1	14461705	<p><b>2nd Select&amp;GO #AI</b> The 2nd Select&amp;GO interface enables fast and easy single-touch patient positioning from both sides of the patient table. The interfaces are integrated left and right into the front covers. Correct positioning saves unnecessary wasted time for repositioning and additional adjustments, therefore shortening the total room time.</p>
1	14461706	<p><b>Pure White Design #AI</b> MAGNETOM Altea is available in a light and appealing design which perfectly</p>

Qty	Part No.	Item Description
		integrate into different environments. The Pure White Design comprises a brilliant white front design ring with integrated unique Select&GO panels. The table cover is presented also in the same color and material selection.
1	14456270	<b>PC Keyboard US English #Vi</b> Standard PC keyboard with 105 keys.
1	14456238	<b>Peripheral Pulse Unit #Vi</b> Peripheral Pulse Unit for Pulse Triggering
1	14482823	<b>SW syngo MR XA51A</b> syngo MR XA51A is the new software platform, bringing the latest features and functionality for daily clinical excellence. syngo MR XA51A guides and enables the user throughout the entire workflow: from patient registration; patient set up with guided workflows on the Select&GO; protocol management and selection; image acquisition and viewing; data handling; and post processing and reporting. This software together with the hardware enables diagnostic excellence for your daily clinical needs.  The syngo MR XA51A platform offers myExam Companion which introduces a new MRI operation philosophy by providing built-in expertise and automation for users and clinical questions. myExam Companion provides different workflow modes for tailored assistance: myExam Autopilot, myExam Assist and myExam Cockpit. No matter the user or patient, myExam Companion helps generate consistent, comprehensive results.
1	14461619	<b>Turbo Suite Essential #BM</b> Turbo Suite Essential comprises established acceleration techniques to maximize productivity for all contrasts, orientations and all routine imaging applications from head-to-toe.
1	08464740	<b>Flow Quantification #Tim</b> Special sequences for quantitative assessment of flow i
1	14456241	<b>Separator 60kW/75kW #Vi</b> The SEP (Separation cabinet) has to be used if a central hospital chilled water supply is available or if a chiller of any brand/type is already available. The SEP is the interface between the on-site water chiller (of any brand or type) or the interface to the central hospital cooling water supply. For the above-mentioned cases the SEP is mandatory!  In these cases, the primary water specifications must fulfill the requirements: XJ: 45kW; water temperature: 6 - 14°C XQ: 60kW; water temperature: 6 - 14°C XT: 75kW; water temperature: 6 - 12°C  For all gradient systems: Flow: 100+-10l/min; pH value 6-8; max working pressure 6 bar.  Dimensions: 1950mm x 650mm x 650mm (height x width x depth) Weight: approx. 350kg
1	14470793	<b>BioMatrix Coil Shim #Al,Lu</b> BioMatrix CoilShim helps to reduce patient induced strongly localized B0 inhomogeneities by dedicated local shim channels.
1	14482972	<b>Deep Resolve Pro Package (ELEVATE)</b> The Deep Resolve Pro Package combines the three applications Deep Resolve Gain, Deep Resolve Sharp and Deep Resolve Boost which use intelligent reconstruction algorithms and Deep Learning networks to reconstruct accelerated images with higher signal to noise ratio and better image sharpness.
1	14483015	<b>High-End Computing (ELEVATE)</b> This upgrade brings a high-end image reconstruction computer to the Tim configuration for highly intensive computational calculations.

Qty	Part No.	Item Description
1	14461542	<p><b>UltraFlex Large 18 (ELEVATE)</b> Light-weight, iPAT compatible, 18-element no-tune receive coil made of highly flexible and soft material. It is used for examinations of larger extremities (e.g. medium to large shoulder, hip, knee ankle and hand) and for abdominal examinations. A dedicated positioning aid for larger extremities, like knee is delivered with the coil.</p>
1	14461543	<p><b>Tx/Rx Knee 18 (ELEVATE)</b> New 18-channel transmit/receive coil optimized for knee imaging. The spacious design with a flared opening towards the thigh allows scanning even of large and swollen knees with exceptional image quality and signal to noise ratio. Main features : - 18-element design (3x6 coil elements) with 18 integrated preamplifiers - iPAT-compatible - SlideConnect Technology</p>
1	14460192	<p><b>Shoulder Shape 16 (ELEVATE)</b> The Shoulder Shape 16 combines the known benefits of Tim 4G coil technology with new highly flexible materials, resulting in unmatched image quality, high patient comfort and easy handling. The Shoulder Shape 16 for examinations of the left or right shoulder consists of an iPAT-compatible 16-channel shoulder coil in a flexible shoulder cup that can be shaped around small and large shoulders. An L-shaped cushion for easy positioning of the patient is included. The 16-element coil with 16 integrated pre-amplifiers ensures maximum signal-to-noise ratio. Shoulder Shape 16 will be connected via a SlideConnect plug for fast and easy coil set-up and patient preparation.</p>
1	14468947	<p><b>Head/Neck 16-&gt; BM Head/Neck 20#1.5T</b> This option swaps the standard Head/Neck 16 for a BioMatrix Head/Neck 20 tiltable with CoilShim.</p> <p>The BioMatrix Head/Neck 20 tiltable with CoilShim combines the known benefits of Tim 4G coil technology with those of the new Siemens unique BioMatrix technology, resulting in unmatched image quality, high patient comfort and easy handling. Integrated BioMatrix Tuners: The integrated CoilShim elements minimize patient induced local anatomy-specific B0 field inhomogeneity, thus ensuring excellent image quality. The unique DirectConnect technology allows users to connect the 20 coil elements of the BioMatrix Head/Neck 20 without cables. The possibility to tilt the coil in 3 different positions together with the patient friendly open design allows for maximum patient comfort.</p> <p>The BioMatrix Head/Neck 20 features: - 20-element design with 20 integrated preamplifiers two rings of 8 elements each and one ring with 4 elements in the neck region - First cable-less tiltable head coil with DirectConnect technology - Integrated BioMatrix Tuners: CoilShim technology offering integrated shim elements - Combined head/neck coil for an optimized workflow of the head/neck region - Upper coil part removable - Lower coil part usable without upper part - Smoothly integrated into the patient table with BioMatrix Spine 24 - Open patient-friendly design - Cushioned head stabilizers (removable) - No coil tuning - iPAT-compatible in all directions - Dual-Density Signal Transfer enables ultrahigh density coil designs by integrating key RF components into the local coil - Detachable look-out mirror</p> <p>Applications: - Head examination</p>

Qty	Part No.	Item Description
		<ul style="list-style-type: none"> <li>- Neck examination</li> <li>- MR Head Angiography</li> <li>- MR Neck Angiography</li> <li>- Combined head / neck examination</li> <li>- TMJ (temporo mandibular joints)</li> </ul>
1	14460421	<p><b>UltraFlex Small 18 #So</b> Light-weight, iPAT compatible, 18-element no-tune receive coil made of highly flexible and soft material. It is used for examinations of smaller extremities (e.g. small to medium shoulder, smaller ankle, elbow and hand) and for abdominal examinations. A dedicated positioning aid for smaller extremities, like ankle or elbow is delivered with the coil.</p>
1	14456282	<p><b>Positioning Aids Shoulder&amp;Ankle #Vi</b> This package contains additional positioning aids that can be used for the UltraFlex Large 18 and UltraFlex Small 18.</p>
1	14460311	<p><b>Additional Coil Cable, long #So</b> The additional coil cable (long) has a length of 165 cm and allows to connect the following coils to the system.</p> <ul style="list-style-type: none"> <li>- BioMatrix Body 12 to MAGNETOM Sola and MAGNETOM Altea.</li> <li>- BioMatrix Body 18 to MAGNETOM Sola and MAGNETOM Viato.Mobile.</li> </ul> <p>The cable can be easily attached and detached to the body coil and thus allows full flexibility in the choice of cable length as required by the examination procedure.</p>
1	14407259	<p><b>MR Workplace Table, height adjust.</b> The table is suitable for the syngo Acquisition Workplace and the syngo MR Workplace based on syngo hardware. This 110V version has motorized table height adjustment.</p>
1	14407261	<p><b>MR Workplace Container, 50cm</b> 50 cm wide extra case for the syngo host computer with sliding front door to allow change of storage media (CD/DVD/USB).</p>
1	MR_STD_RIG_I NST	<p><b>MR Standard Rigging and Installation</b> MR Standard Rigging and Installation</p> <p>This quotation includes standard rigging and installation of your new MAGNETOM system</p> <p>Standard rigging into a room on ground floor level of the building during standard working hours (Mon. – Fri./ 8 a.m. to 5 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents Any rigging requiring a crane over 80 tons and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.</p>
1	MR_BTL_INSTA LL	<b>MR Standard Rigging &amp; Install</b>
1	MR_PREINST_ DOCK	<b>T+D Preinstall kit for dockable table</b>
1	MR_CRYO	<b>Standard Cryogens</b>
1	MR_PM	<p><b>MR Project Management</b> A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemens's equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in</p>

Qty	Part No.	Item Description
1	HASKRISFG23041	<p>ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.</p> <p><b>Haskris OPC24 Chiller- 63kW</b> The Haskris outdoor, air-cooled, water/glycol chiller has been specially designed for medical applications to provide stable, fully dedicated cooling to a single MR system.</p> <p>The Haskris chiller must be used in combination with a Siemens SEP cabinet.</p> <p>The Haskris chiller is suitable for use in all siting conditions: normal, coastal, low-ambient, and/or OSHPD-compliant locations.</p> <p>Specifications Cooling Capacity: 63kW Fluid Supply Temp: 43°F (6°C) to 59°F (15°C) Pump Capacity: 32 GPM (120 LPM) Condenser: Air-cooled (heat dissipated into ambient air) Outdoor ambient air temperature: -40°F (-40°C) to 122°F (50°C) Electrical: 460V-3Ø-60Hz Dimensions: 77"W x 40"D x 74"H (196cm x 102cm x 188cm)</p> <p>Siemens' Pricing Also Includes: Delivery Chiller Start-Up (Post Installation) 1x Preventative Maintenance Service Visit Remote Monitoring Panel with 1-Year Cellular Connectivity and Cloud Service</p> <p>Installation: Customer is responsible for the rigging and installation of the chiller. Customer is responsible for providing a 35% solution of propylene glycol with water; 25 gal (95 L) for the chiller plus 1 gal (3.8 L) per 10 ft (3m) external pipe run assuming 1 1/2" pipe diameter.</p> <p>Warranty: 12 months from date of Start-Up</p>
1	HASKRIS_STAR TUP	<p><b>Haskris Chiller Start-Up</b> Chiller start-up by Haskris vendor after installation of chiller and completion of paperwork.</p>
1	MR_GOBRAIN	<p><b>GOBrain</b> GOBrain delivers reliable quality at exceptional speed. It enables clinically validated, push-button brain exams, with multiple orientations and all relevant contrasts. This fast exam is more tolerable for patients, and helps reduce motion-related artifacts and the need for rescans and sedation. As a result, GOBrain potentially doubles throughput and reduces costs per scan. Supported by our Tim 4G technology and DotGO, it delivers consistently high quality and maximizes the productivity of your MRI scanner - while improving patient care.</p>
1	MRIMAB_100	<p><b>MRI Armboard w/ Pad</b></p>
1	MR_ADDL_RIG GING	<p><b>Additional Rigging MR \$7,000</b></p>
1	MR_GOKNEE3 D	<p><b>GOKnee3D</b> GOKnee3D is a 10-minute, push-button examination for diagnostic imaging of the knee developed and clinically validated by the US board certified MSK radiologists at John Hopkins University Hospital. GOKnee3D exam consists of AutoAlign localizer in the knee, PD weighted contrast and T2 weighted contrast with fat suppression. The AutoAlign technology provides a push-button functionality and ensures consistency in imaging. The 3D protocols are high resolution and isotropic,</p>



Qty	Part No.	Item Description
1	MRISMNS0001	<p>enabled by SPACE sequence with CAIPIRINHA technique Examination time for 3T system is 10 minutes, for a 1.5T system is up to 11 minutes. All given examination times are examination only, adjustments have been excluded. When using GOKnee3D one of two software and coil combinations is required. Measurements made with GOKnee3D using the 15 channel knee coil require software version syngo MR E11C AP04 or higher. Measurements made with GOKnee3D using the 18 channel knee coil require software version syngo MR Numaris VA11A or higher.</p> <p><b>MRI Patient Audio System</b></p> <p>The MRI Patient Audio System is to be installed in the technologist room and is connected to the Siemens intercom system. The package provides the following benefits:</p> <ul style="list-style-type: none"> <li>• Create custom, commercial-free radio stations based on artist, song or genre preferences</li> <li>• Avoid any AM/FM tuning issues that may occur in RF-shielded rooms</li> <li>• Compatible with all popular audio apps</li> </ul> <p>Includes all cables and adapters; Bose Companion 2 technologist speakers; 3.5 mm to RCA cable; and customized iPad Mini with all original accessories and iPad stand.</p> <p>The MR Stereo can play internet radio (depending on quality of and access to Wi-Fi signals) and device (iPad) stored audio content. Optimal performance requires access to Wi-Fi signal for Internet radio through the facility's wireless network.</p> <p>The audio system is not MR safe and is only intended for use outside the MRI suite.</p> <p>Installation is not included unless purchased with the Siemens system.</p> <p>Includes 3 year limited liability warranty on all system components through MRI Med.</p>
1	MR_TRADE_IN_ALLOW	<p><b>Trade-in of a Siemens Essenza Dot Upgrade, project 2023-1777, deinstall/expires 8/31/2024, for (\$42,180 )</b></p>
1	MR_GREEN_PKG	<p><b>MR Green Package</b></p> <p>MRI Green Package Enhances environmental sustainability of equipment by reducing emissions.</p> <p>Eco Power Mode reduces power consumption by up to 12% with Eco Power Mode alone.</p> <p>Eco Gradient Mode reduces scope 2 emissions by up to 7%.</p> <p>System Start-Up Timer reduces scope 2 emissions in non-productive times.</p> <p>Zero Helium Boil-Off technology - No helium refill for a lifetime and up to 37 % reduction in helium inventory compared to the previous scanner generation.</p> <p>Environmental Product Declaration provides environmental relevant information of product and packaging material, operating, cleaning and disposal data as well as life cycle impact information.</p> <p>Results were achieved by Siemens Healthineers using both standard and optional features. There can be no 'typical' hospital setting (case mix, system type, etc.) and so results by users may vary with no guarantee that the same results can be achieved.</p>
1	MR_BUND_LV2	<p><b>MR EDU Bundle - New to System or 3T/7T</b></p> <p>This flexible Essential Education Bundle is designed to support you as an existing customer with a Siemens MAGNETOM system in your facility but may be new to</p>

Siemens Medical Solutions USA, Inc.  
40 Liberty Boulevard, Malvern, PA 19355

SIEMENS REPRESENTATIVE  
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Qty	Part No.	Item Description	System Total	\$ 1,105,639
1	MR_PR_ELEVA TE_2	<p>system/software. This bundle of training elements launches with a Customer &amp; Clinical Education Specialist (CES) Consultation. This CES will be your point of contact &amp; act as a Concierge throughout your 1st year of the system's lifecycle to ensure the following:</p> <ul style="list-style-type: none"> <li>•Development of a full training plan for delivery during year 1 of system installation</li> <li>•Ensure all training goals/objectives are met</li> <li>•Full support for all your education needs with regular touchpoints throughout the year</li> <li>•All education sold with your system is delivered using the most appropriate method</li> <li>•Advice on additional education that will be valuable to you beyond year 1</li> </ul> <p>The elements in this bundle are designed to be flexible &amp; provide the right balance/blend of delivery methods to meet the training needs/goals set during the initial consultation. Depending on the goals &amp; experience levels of your staff, education will be delivered using a variety of methods including e-learning, in-person/virtual classroom or workshop, &amp; onsite/live remote training. Bundled items include:</p> <ul style="list-style-type: none"> <li>•Customized Education Planning &amp; Consultation</li> <li>•12-Month e-learning Subscription</li> <li>•Dedicated Protocol Optimization</li> <li>•FlexEd(x2) – Choose 1 from Classroom, Live Remote Support (12-hours), Customized Workshop (4-hours), Innovations for Imaging Education Symposium Ticket, or e-learning</li> <li>•Onsite Initial Training(Up to 28 Hours)</li> <li>•Onsite Follow-up Training(Up to 24 Hours)</li> <li>•Remote System Follow-Up Training(Up to 8 Hours)</li> <li>•Virtual Trainer(x2) – 2-hour didactic training or scanning session</li> <li>•Ongoing Clinical Check-ins by your Clinical Consultation Specialist</li> </ul> <p>This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.</p>	<b>MR Elevate Program</b>	
			<b>System Total</b>	<b>\$ 1,105,639</b>



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

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

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

## Siemens Medical Solutions USA, Inc. General Terms and Conditions

### 1. GENERAL

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

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

**1.3 Third Party Products.** If this Agreement includes the sale of third party products not manufactured by Seller, then Purchaser agrees and acknowledges that (a) Purchaser has made the selection of these products on its own, (b) the products are being acquired by Seller solely at the request of and for the benefit and convenience of Purchaser, (c) no representation, warranty or guarantee has been made by Seller with respect to the products, (d) the obligation of Purchaser to pay Seller for the products is absolute and unconditional, (e) use of the products may be subject to Purchaser's agreement to comply with any software licensing terms imposed by the manufacturer; and (f) unless otherwise indicated by Seller in writing, Seller is

not responsible for any required installation, validation, product recall, warranty service, maintenance, complaint handling, or any other applicable FDA regulatory requirements, and the Purchaser will look solely to the manufacturer regarding these services and will assert no claim against Seller with respect to these products.

### 2. PRICES

**2.1 Quotations.** Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller and amounts payable by Purchaser are in U.S. dollars, and include Seller's standard packaging. The prices quoted to Seller assume that the Seller is located in, and will use the Products in, the U.S. If not, such quotation will be void. Unless otherwise stated, the quotation shall only be valid for forty-five (45) days from the date of the quotation.

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

### 3. TAXES

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

### 4. TERMS OF PAYMENT; DEFAULT

**4.1 Payments; Due Date.** Unless otherwise set forth in the quotation, Purchaser shall pay Seller as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price is due upon delivery of each Product, and the final 10% of the purchase price is due upon completion of installation or when the Products are available for first patient use, whichever occurs first. Unless otherwise agreed, all payments other than the initial deposit are due net thirty

(30) days from the date of invoice. Seller shall have no obligation to complete installation until the payment due upon delivery is received. Partial shipments shall be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.**4.2 Late Payment.** A service charge of 1½% per month, not to exceed the maximum rate allowed by law, shall be made on any portion of Purchaser's outstanding balance which is not paid when due. Payment of such service charge shall not excuse or cure Purchaser's breach or default for late payment.**4.3 Payment of Lesser Amount.** If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment shall not constitute or be construed other than as on account of the earliest amount due Seller. No endorsement or statement on any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction. **4.4 Where Payment Due Upon Installation or Completion.** Should any terms of payment provide for either full or partial payment upon completion of installation or thereafter, and completion of installation is delayed for any reason for which Seller is not responsible beyond the installation date set forth in the Notice to Manufacture Letter issued by Seller, as applicable, then the balance of payments shall be due on the day following such installation date.**4.5 Default; Termination.** Each of the following shall constitute an event of default under this Agreement: (i) a failure by Purchaser to make any payment when due; (ii) a failure by Purchaser to perform any other obligation under this Agreement within thirty (30) days of receipt of written notice from Seller; or (iii) the commencement of any insolvency, bankruptcy or similar proceedings by or against Purchaser. Upon the occurrence of any event of default, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon shall become immediately due and payable; (b) Seller may suspend the performance of any of Seller's obligations hereunder, including, but not limited to, obligations relating to delivery, installation and warranty services; (c) Purchaser shall put Seller in possession of the Products upon demand; (d) Seller may sell or otherwise dispose of all or any part of the Products and apply the proceeds thereof against any indebtedness or obligation of Purchaser under this Agreement; (e) if this Agreement or any indebtedness or obligation of Purchaser under this Agreement is referred to an attorney for collection or realization, Purchaser shall

pay to Seller all costs of collection and realization (including, without limitation, a reasonable sum for attorneys' fees); and Purchaser shall pay any deficiency remaining after collection of or realization by Seller on the Products. In addition, Seller may terminate this Agreement upon written notice to Purchaser in the event that Purchaser is not approved for credit or upon the occurrence of any material adverse change in the financial condition or business operations of Purchaser.**4.6 Financing.** Notwithstanding any arrangement that Purchaser may make for the financing of the purchase price of the Products, the parties agree that any such financing arrangement shall have no effect on the Purchaser's payment obligations under this Agreement, including but not limited to Sections 4.1 and 4.2 above.

#### 5. EXPORT TERMS

**5.1** Unless other arrangements have been made, payment on export orders shall be made by irrevocable confirmed letter of credit, payable in U.S. dollars against Seller's invoice and standard shipping documents. Such letter of credit shall be in an amount equal to the full purchase price of the Products and shall be established in a U.S. bank acceptable to Seller. Purchaser shall have sole responsibility to procure all necessary permits and licenses for shipment and compliance with any governmental regulations concerning control of final destination of Products.**5.2** Purchaser agrees that Products shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with applicable export Control and US Sanction laws and regulations. If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser shall pay to Seller the difference between the domestic price and the international retail price of such Product. Purchaser shall deliver to Seller, upon Seller's request, written assurance regarding compliance with this Section in form and content acceptable to Seller.

#### 6. DELIVERY, RISK OF LOSS

**6.1 Delivery Date.** Delivery and installation dates will be established by mutual agreement of the parties as set forth in the Notice to Manufacture Letter issued by the Seller, as applicable. Seller shall make reasonable efforts to meet such delivery date(s).**6.2 Risk of Loss;**

**Title Transfer.** Unless otherwise agreed to in writing, the following shall apply: (a) For Products that do not require installation by Seller, and for options and add-on products purchased subsequent to delivery and installation of Products purchased under this Agreement, delivery shall be complete upon transfer of possession to common carrier, F.O.B. Shipping Point, whereupon title to and all risk of loss, damage to or destruction of the Products shall pass to Purchaser. (b) For Products that require installation by Seller, delivery shall be complete upon delivery of the Products to Purchaser's designated site, F.O.B. Destination; whereupon title to and all risk of loss, damage to or destruction of such Products shall pass to Purchaser upon completion of delivery. (c) All freight charges and other transportation, packing and insurance costs, license fees, custom duties and other similar charges shall be the sole responsibility of Purchaser unless included in the purchase price or otherwise agreed to in writing by Seller. In the event of any loss or damage to any of the Products during shipment, Seller and Purchaser shall cooperate in making any insurance claim.

**7. SECURITY INTEREST/FILING**

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

**8. CHANGES, CANCELLATION, AND RETURN**

**8.1** Orders accepted by Seller are not subject to change except upon Seller's written agreement. **8.2** Orders accepted by Seller are non-cancellable by Purchaser except upon Seller's written consent and payment by Purchaser of a cancellation charge equal to 10% of the price of the affected Products, plus any shipping, insurance, inspection and refurbishment charges; the cost of providing any training, education, site evaluation or other services completed by Seller; and any return, cancellation or restocking fees with

respect to any Third Party Products ordered by Seller on behalf of Purchaser. Seller may retain any payments received from Purchaser up to the amount of the cancellation charge. In no event can an order be cancelled by Purchaser or Products be returned to Seller after shipment. **8.3** Seller reserves the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

**9. FORCE MAJEURE**

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

**10. WARRANTY**

**10.1** Seller warrants that the Products manufactured by Seller and sold hereunder shall be free from defects in material or workmanship under normal use and service for the warranty period. The final assembled Products shall be new although they may include certain used, reworked or refurbished parts and components (e.g., circuit boards) that comply with performance and reliability specifications and controls. Seller's obligation under this warranty is limited, at Seller's option, to the repair or replacement of the Product or any part thereof. Unless otherwise set forth in the Product Warranty attached hereto and incorporated herein by reference ("Product Warranty"), the warranty period shall commence upon the earlier of the date that the Products have been installed in accordance with Section 12.5 hereof (which date shall be confirmed in writing by Seller) or first patient use, and shall continue for twelve (12) consecutive months. Seller makes no warranty for any Products made by persons other than Seller or its affiliates, and Purchaser's sole warranty therefor, if any, is the original manufacturer's warranty, which Seller agrees to pass on to Purchaser, as applicable. The warranty provided by Seller under this Section 10 extends only to the original Purchaser,



unless the Purchaser obtains the Seller's prior written consent with respect to any sale or other transfer of the Products during the term of the warranty. **10.2** No warranty extended by Seller shall apply to any Products which have been damaged by fire, accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied parts, equipment or software without Seller's prior written approval; which failed due to causes from within non-Seller supplied equipment, parts or software including, but not limited to, problems with the Purchaser's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Seller. In addition, there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks. Seller may effectuate any repairs at Purchaser's facility, and Purchaser shall furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty. Purchaser shall, upon Seller's request, return the non-complying Product or part to Seller with all transportation charges prepaid, but shall not return any Product or part to Seller without Seller's prior written authorization. Purchaser shall pay Seller its normal charges for service and parts for any inspection, repair or replacement that falls outside of Seller's warranty. Seller's warranty does not apply to consumable materials, disposables, supplies, accessories and collateral equipment, except as specifically stated in writing or as otherwise set forth in the Product Warranty. **10.3** This warranty is made on condition that immediate written notice of any noncompliance be given to Seller and Seller's inspection reveals that Purchaser's claim is covered under the terms of the warranty (i.e., that the noncompliance is due to traceable defects in original materials and/or workmanship). **10.4** Purchaser shall provide Seller with

both on-site and remote access to the Products. The remote access shall be provided through the Purchaser's network as is reasonably necessary for Seller to provide warranty services under this Agreement. Remote access will be established through a broadband internet-based connection to either a Purchaser owned or Seller provided secure end-point. The method of connection will be a Peer-to-Peer VPN IPsec tunnel (non-client based) with specific inbound and outbound port requirements. **10.5** Warranty service will be provided without charge during Seller's regular working hours (8:30-5:00), Monday through Friday, except Seller's recognized holidays. If Purchaser requires that service be performed outside these hours, such service can be made available at an additional charge, at Seller's then current rates. The obligations of Seller described in this Section are Seller's only obligations and Purchaser's sole and exclusive remedy for a breach of product warranty. **10.6 SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN AND IN THE PRODUCT WARRANTY. SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY MADE WITH RESPECT TO THE PRODUCTS, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.** **10.7** In the event of any inconsistencies between the terms of this Section 10 and the terms of the Product Warranty, the terms of the Product Warranty shall prevail.

**11. LIMITATION OF LIABILITY**

**11.1** In no event shall Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products. The foregoing limitation of liability shall not apply to claims for bodily injury or damages to real property or tangible personal property to the extent arising from Seller's negligence or a product defect. **11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS; COST OF SUBSTITUTE PRODUCTS OR SERVICES; LOSS OF STORED, TRANSMITTED OR RECORDED DATA; OR FOR ANY INDIRECT, INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY**

**OTHER THEORY OR FORM OF ACTION, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.**

**12. INSTALLATION - ADDITIONAL CHARGES**

**12.1 General.** Unless otherwise expressly stipulated in writing, the Products shall be installed by and at the expense of Seller except that Seller shall not provide rigging or site preparation services unless otherwise agreed to in writing by Seller for an additional charge. Seller will not install accessory items such as cabinets, illuminators, darkroom equipment or processors for X-Ray and CT equipment, unless otherwise agreed to in writing by Seller. **12.2 Installation by Seller.** If Seller specifies it will install the Products, the following applies: subject to fulfillment of the obligations set forth in Section 12.3 below, Seller shall install the Products and connect them to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation and connection can be performed within the Continental United States or Puerto Rico and during normal business hours. Any overtime charges or other special expenses shall be additional charges to the prices shown. **12.3 Purchaser's Obligations.** Purchaser shall, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials shall be completed and available at the time of delivery of the Products by Seller. Additionally, Purchaser shall provide free access to the installation site and, if necessary, safe and secure space for storage of Products and equipment prior to installation by Seller. Purchaser shall be responsible, at its sole cost and expense, for obtaining all permits, licenses and approvals required by any federal, state or local authorities in connection with the installation and operation of the Products, including but not limited to any certificate of need and zoning variances. Purchaser shall provide a suitable environment for the Products

and shall ensure that its premises are free of hazardous conditions and any concealed or dangerous conditions and that all site requirements are met. Seller shall delay its work until Purchaser has completed the removal of any hazardous materials or has taken any other precautions and completed any other work required by applicable regulations. Purchaser shall reimburse Seller for any increased costs and expenses incurred by Seller that are the result of or are caused by any such delay. In the event that Seller is requested to supervise the installation of the Products, it remains the Purchaser's responsibility to comply with local regulations. Seller is not an architect and all drawings furnished by Seller are not construction drawings. If local labor conditions, including a requirement to use union labor, require the use of non-Seller employees to participate in the installation of the Product or otherwise causes delays or any additional expenses, then any such additional costs shall be at Purchaser's expense. **12.4 Regulatory Reporting.** In the event that any regulatory activity is performed by anyone other than Seller's authorized personnel, then Purchaser shall be responsible for fulfilling any and all reporting requirements. **12.5 Completion of Installation.** Installation shall be complete upon the conclusion of final calibration and checkout under Seller's standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery shall constitute completion of installation.

**13. PATENT, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS**

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

Purchaser the purchase price paid by Purchaser less reasonable depreciation for Purchaser's use of the Products. The foregoing states Seller's entire obligation and liability, and Purchaser's sole remedy, for claims of infringement. **13.2 Infringement by Purchaser.** If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by Purchaser, or if Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 shall be null and void.

**14. DESIGNS AND TRADE SECRETS; LICENSE; CONFIDENTIALITY**

**14.1** Any drawings, data, designs, software programs or other technical information supplied by Seller to Purchaser in connection with the sale of the Products shall remain Seller's property and shall at all times be held in confidence by Purchaser. **14.2** For all Products which utilize software for their operation, such "Applications Software" shall be licensed to Purchaser under the terms of Seller's Software License Schedule attached hereto. **14.3** Seller and Purchaser shall maintain the confidentiality of any information provided or disclosed to the other party relating to the business, customers and/or patients of the disclosing party, as well as this Agreement and its terms (including the pricing and other financial terms under which the Purchaser will be purchasing the Products). Each party shall use reasonable care to protect the confidentiality of the information disclosed, but no less than the degree of care it would use to protect its own confidential information, and shall only disclose the other party's confidential information to its employees and agents having a need to know this information. The obligations of confidentiality set forth herein shall not apply to any information in the public domain at the time of disclosure or that is required to be disclosed by court order or by law.

**15. ASSIGNMENT**

**15.1** Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other, which shall not be unreasonably withheld. Any attempt to do so shall be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company, and may delegate to authorized subcontractors or service suppliers any work to be performed under this Agreement so long as

Seller remains liable for the performance of its obligations under this Agreement. This Agreement shall inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

**16. COSTS AND FEES**

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

**17. MODIFICATION**

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

**18. GOVERNING LAW; WAIVER OF JURY TRIAL**

**18.1** This Agreement shall be governed by the laws of the state where the Product(s) will be installed, without regard to that state's choice of law principles. **18.2 EACH OF THE PARTIES EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE UNDER THIS AGREEMENT.**

**19. COST REPORTING**

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

**20. INTEGRATION**

**20.1** These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire, complete and exclusive statement of agreement with respect to the subject matter hereof, and supersede any and all prior agreements, understandings and communications between the parties with respect to the Products. Purchaser's additional or different terms and conditions stated in a purchase order, bid documents or any other

document issued by Purchaser are specifically rejected and shall not apply to the transactions contemplated under this Agreement.

**21. SEVERABILITY; HEADINGS**

**21.1** No provision of this Agreement which may be deemed unenforceable will in any way invalidate any other portion or provision of this Agreement. Section headings are for convenience only and have no substantive effect.

**22. WAIVER**

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

**23. NOTICES**

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

**24. RIGHTS CUMULATIVE**

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

**25. END USER CERTIFICATION**

**25.1** Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease-back financings).

**26. ACCESS TO BOOKS AND RECORDS**

**26.1** To the extent required by Section 1861(v)(1)(I) of the Social Security Act and the regulations promulgated thereunder, until the expiration of four (4) years after the furnishing of any Product or service pursuant to this Agreement, Seller shall make available, upon written request by the Secretary of Health and Human Services (the "Secretary"), or upon request by the Comptroller General (the "Comptroller"), or any of their duly authorized representatives, copies of this Agreement and any books, documents, records or other data of Seller that are necessary to certify the nature and extent of any costs incurred by Purchaser for such Products and services. If Seller carries out any

of its duties under this Agreement through a subcontract with a related organization involving a value or cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period, Seller will cause such subcontract to contain a clause to the effect that, until the expiration of four (4) years after the furnishing of any Product or service pursuant to said contract, the related organization will make available upon the written request of the Secretary or the Comptroller, or any of their duly authorized representatives, copies of records of said related organization that are necessary to certify the nature and extent of cost incurred by Purchaser for such Product or service.

**27. DISPOSITION OF PRODUCTS**

**27.1** Purchaser expressly agrees that should Purchaser sell, transfer or otherwise dispose of the Products, Purchaser shall notify Seller in writing and give Seller the opportunity to purchase such Products. With Purchaser's notice, Purchaser shall provide Seller with a copy of the third party's binding offer to purchase the Products and Seller shall have seven (7) days to notify the Purchaser of an offer to purchase the Products.  
05/15 Rev.



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

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

**“Agreement”** shall mean the attached (i) Quotation for Products and/or Services including the Terms and Conditions of Sale and applicable schedules; and/or (ii) Software License Agreement describing the software licensed herein and the specific system for which the license is issued.

**“Licensor”** shall mean Siemens Medical Solutions USA, Inc.

**“Licensee”** shall mean the end-user to whom Licensor provides Software or Documentation for its internal use under the Agreement.

**“Software”** shall mean the software described in the attached Agreement, including the following as contained therein: (i) software programs consisting of a series of statements or instructions to be used directly or indirectly in a programmable controller or computer to bring about a certain result and (ii) databases consisting of systemized collections of data to be used or referenced directly or indirectly by a programmed controller or computer. Notwithstanding the foregoing, “Software” does not include “firmware” as such term is conventionally understood. Diagnostic/Maintenance Software also is not included within the scope of the Software licensed under this Schedule, and is available only as a special option under a separate Diagnostic Materials License Agreement and may be subject to a separate licensing fee.

**“Documentation”** shall mean the documents and other supporting materials which are intended to support the use of an associated product, including (but not limited to) instructions, descriptions, flow charts, logic diagrams and listings of the Software, in text or graphic form, on machine readable or printed media.

**“Designated Unit”** shall mean a single control unit or computer identified on the first page of the Agreement, on which Software licensed hereunder may be used by Licensee.

**2. SCOPE:** The following terms and conditions shall apply to all Software and Documentation provided by Licensor to Licensee under the Agreement (whether included with other products listed in the Agreement or listed separately in the Agreement), together with any updates or revisions thereto which Licensor may provide to Licensee, and all copies thereof, except any Software and/or Documentation licensed directly by Licensor’s supplier under a separate end-user license agreement accompanying the Software or the Documentation, in which case Licensee agrees to be bound by that license agreement as a condition to using the Software and/or Documentation. Except as expressly provided herein, and provided that in no event shall the warranties or other obligations of Licensor with respect to such Software or Documentation exceed those set forth in this Schedule, this Schedule shall be subject to the liability limitations and exclusions and other terms and conditions set forth in the Agreement. **ANY USE OF THE SOFTWARE, INCLUDING BUT NOT LIMITED TO USE ON THE DESIGNATED UNIT, WILL CONSTITUTE LICENSEE’S AGREEMENT TO THIS SOFTWARE LICENSE SCHEDULE (OR RATIFICATION OF ANY PREVIOUS CONSENT).**

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**5. UPDATES AND REVISIONS:** During the warranty period or under a separate service contract or software update subscription, revised or updated versions of the Software licensed under this Schedule may be made available, at Licensor’s option, to Licensee to use or to test while Licensee continues use of a previous version. Licensee has the right to decide whether to install any such revised or updated versions or to continue use of the previous version after giving due regard to the United States Food and Drug Administration rules and regulations. However, Licensee shall pay Licensor for any services necessitated by any modifications of the Software by Licensee or by Licensee’s failure to utilize the current non-investigational version of the Software provided by Licensor. Software updates that provide new features or capabilities or that require hardware changes will be offered to Licensee at purchase prices established by Licensor. Licensor retains the sole right to determine whether an update represents an enhancement of a previously purchased capability or

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Licensor may terminate the license hereunder and require the immediate discontinuance of all use of the Software and Documentation and all copies thereof in any form, including modified versions and updated works. Within five (5) days after the termination of the license, Licensee shall, at Licensor's option either: (i) return to Licensor the Software and Documentation, and all copies, in any form, including updated versions, along with any computer media provided by Licensor; or (ii) destroy the affected Software and Documentation, and all copies, in any form, including updated versions, and certify such return or destruction in writing to Licensor.

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**11. ADDITIONAL PROVISIONS RELATING TO THIRD-PARTY SOFTWARE:** If the Software includes software licensed by Licensor from third parties, the following additional provisions shall apply:

(a) If Software is provided by Licensor on separate media and labeled "Recovery Media," Licensee may use the Recovery Media solely to restore or reinstall the Software and/or Documentation originally installed on the Designated Unit.

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(c) The Software may contain support for programs written in Java. Java technology is not fault tolerant and is not designed, manufactured, or intended for use or resale as online control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of Java technology could lead directly to death, personal injury, or severe physical or environmental damage. Sun Microsystems, Inc. has contractually obligated Licensor's supplier to make this disclaimer.

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Revised 03/15/05

## TRADE-IN EQUIPMENT REQUIREMENTS

### TRADE-IN EQUIPMENT REQUIREMENTS

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

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

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

Purchaser further acknowledges and agrees that (i) the trade-in equipment will be free and clear of all liens and encumbrances including, but not limited to, unpaid leases and loans, and that upon request, it will execute a bill of sale or other documents reasonably satisfactory to Siemens to transfer title and ownership of the equipment to Seller, (ii) it is Purchaser's sole responsibility to delete

all protected health information and any other confidential information from the equipment prior to de-installation, without damaging or cannibalizing the equipment or otherwise affecting the operation of the equipment in accordance with its specifications, (iii) any radioactive sources and other hazardous materials are removed from the equipment (iv) equipment has been wiped down and decontaminated of any blood or other potentially infectious materials (v) the equipment, including all updates, upgrades, modifications, enhancements, revisions, software, S/W disks and manuals, shall be returned to Siemens in good operating condition, reasonable wear and tear excepted, and (vi) to the extent not prohibited by applicable law, Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, damages, liability, costs and expenses (including reasonable attorney's fees) resulting or arising from Purchaser's failure to comply with item (i) above.

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

### MR Warranty Information

Product	Period of Warranty <sup>1</sup>	Coverage	Note
New Systems and "ECO" Refurbished Systems Only  (Not including consumables)	12 months	Full Warranty (parts & labor) <sup>1</sup>  Principal Coverage Period 8am-5pm Monday through Friday <sup>2</sup>	1. MAGNETOM Semptra/Free.MAX/Free.STAR requires Smart Remote Services (SRS) Connection prior to system installation or requires purchase of "No SRS" option.
FIT Upgrades – MAGNETOM_Avanto/Skyra_Fit_BioMatrix, MAGNETOM_Sola/Vida_Fit  (Not including consumables)			1. Fit Upgrade warranty excludes Magnet, Magnet Refrigeration System (CryoCare), Liquid Helium Refills and Gradient Coil (if the Gradient Coil is not replaced with the Fit upgrade). These coverages can be purchased separately.

Post-Warranty (after expiration of system warranty) – Replacement of parts prorated only. Does not include labor.			
Magnet	12 months	Parts only	
Spare Parts	6 months	Parts only	
Consumables	Refer to warranty of consumable item		

### DNA Warranty Information for On-premise perpetual Applications only

Product	Period of Warranty	Coverage	
syngo plaza, syngo workflow, syngo Dynamics, syngo Carbon	6 months Software	Remote Phone Support, Remote Software Upgrades & Updates, Remote Education	Requires Smart Remote Services (SRS) Connection prior to system installation
Upgrades related to syngo Dynamics, syngo Carbon, Medicalis Workflow Orchestrator, Medicalis Clinical Decision Support, Medicalis Referral Management	No Additional Warranty Included for upgrades	Remote Phone Support, Remote Software Upgrades & Updates, Remote Education	Upgrades via the ESA are a contract component and do not have a separate warranty.



**Siemens Medical Solutions USA, Inc.**  
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**SIEMENS REPRESENTATIVE**  
Koralie Ahlers  
koralie.ahlers.ext@siemens-healthineers.com

Hardware	OEM Warranty for Hardware	Parts & Labor (Not Applicable)	
Spare Parts & Consumables	Not Applicable	Not Applicable	
<b>Post-Warranty (after expiration of system warranty) – Replacement of parts prorated only. Does not include labor.</b>			
Spare Parts & Consumables	Not Applicable	Not Applicable	

**DNA Warranty Information for On-premise term licenses/Subscriptions & Cloud based Applications**

<b>Product</b>	<b>Period of Warranty</b>	<b>Coverage</b>	
syngo Virtual Cockpit, teamplay, AI-Rad Companion	No warranty	Remote Phone Support, Remote Software Upgrades & Updates, Remote Education	
Incremental purchases on Applications, Upgrades related to syngo Virtual Cockpit, teamplay, AI-Rad Companion	No Warranty	Remote Phone Support, Remote Software Upgrades & Updates, Remote Education	Upgrades and incremental purchases on Applications do not have a separate warranty
Hardware	OEM Warranty for Hardware	Parts & Labor (Not Applicable)	
Spare Parts & Consumables	Not Applicable	Not Applicable	

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

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

### **1. Describe the financial rationale for the proposed replacement equipment.**

The cost effectiveness of the replacement MRI equipment will allow the current charge structure to be maintained, preserving financial viability for Mosaic Medical Center Albany's MRI department.

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

Mosaic Medical Center Albany's MRI department's current Siemens Essenza 1.5T MRI scanner has surpassed the manufacturer's end of life status.

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

As stated above, due to the age and heavy use of the existing Siemens Essenza 1.5T MRI scanner, the ability to advance in scanning abilities and improved patient safety is restricted. The inability to use a detachable table requires additional movements for patients who are in a critical state, backlogs due to the scanner's capabilities, and longer scan times resulting in the patient staying in the magnet longer. By replacing the unit with Siemens Magnetom Altea 1.5T MRI scanner, we will be able to shorten some imaging sequences and utilize a detachable table.

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

Repair history is noted in Exhibit 3.4.1(Biomed), 3.4.2 (Cassling)

### **5. Document if the lease on the current unit has expired.**

Not applicable. The current Siemens Essenza 1.5T MRI scanner was leased until 2019 and then purchased.

### **6. Describe the technological advances provided by the new unit.**

Features unique to the Siemens Magnetom Altea 1.5T MRI scanner include premium MRI technology, biomatrix technology, exclusive turbo suite technology, new AI-powered image reconstruction technology, and deep resolve acceleration. These technologies will help improve turnaround times for scans and workflows, improve image quality, and improve patient experience. Deep resolve is an AI-powered image reconstruction technology that takes advantage of convolutional neural networks to accelerate MR scans, e.g. 70% for brain imaging, making them faster than ever before. Faster scans boost workflow efficiency while improving the patient experience. Turbo suite is comprised of three packages with unique parallel imaging, multi-slice, and compressed sensing technologies that are tailored to the patient's clinical need. Biomatrix technology will help capture respiratory, and head



motion, which both boosts consistency and frees up the technologist to select the optimal exam strategy. This combination ensures high-quality results. The respiratory sensors automatically detect breathing patterns as soon as the patient lies on the table. This simplifies workflow as the technologists can perform respiratory-triggered scans with further interaction.

**7. Describe how patient satisfaction would be improved.**

The patient’s experience will be impacted in several ways from Siemens Magnetom Altea’s performance. The Siemens Magnetom Altea offers our patients several different coil types that will help improve all patients’ experiences. The Siemens Magnetom Altea offers the ultra-flex coil for larger body habitus, a full suite of orthopedic coils, and a tilting head coil. These different types of coils bring the ability to provide comfort to the patient and improved imaging qualities. The detachable table will allow the patient to get comfortable prior to entering the magnet room and the quiet sequences will reduce the ambient noise during the scans. All this together will help improve our patient’s satisfaction / experience in the MRI department.

**8. Describe how patient outcomes would be improved.**

The Siemens Magnetom Altea will provide Mosaic Medical Center Albany with the ability to perform high quality exams and images while improving our turnaround time. Mosaic Medical Center Albany has the potential to increase the scanning capabilities with the Siemens Magnetom Altea; including prostate exams. The Altea will also have many new coils and features to assist with providing comfort during the MRI scan and improve image quality over the current MRI Essensa.

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

With this system, technologists can leverage simultaneous workflows, allowing for true multitasking, including image retrieval, image acquisition, post processing, and archiving.

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

The Siemens Altea will provide the following new capabilities:

- Detachable table
- Tilting head coil
- Quiet sequences
- BioMatrix Technology
- Orthopedic coils
- Ultra-flex coils
- Turbo Suite
- Deep Resolve

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

The replacement of this MRI scanner will have no impact on the patient charge for MRI services.

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

Exhibit 3.4.1

<b>Control #</b> 48221	<b>Serial</b> 64137	<b>Asset #</b>	<b>Requisition #</b>
SIEMENS 10352127 MRI, ESSENSA 1.5T			
<b>Facility/Dept.</b> MOSAIC LIFE CARE/ALBANY - MRI			
<b>Eq.Last Loc.</b> ALBANY - MRI			
<b>Bldg/Floor/Room</b>		<b>Located On</b>	03/31/16
<b>Purchased</b> 02/01/09	<b>Pur.Cost</b> \$1,300,000.00	<b>Life Labor \$</b> 6,304.82	<b>Life Parts \$</b> 0.00
<b>Deprec. Date</b> 02/01/19	<b>Deprec</b> \$0.00	<b>Est.Life</b> 10	<b>Fixed/Floating</b> Fixed
<b>Serviced By</b> Robert Johnson Employee	<b>Last Seen</b> 01/25/24	<b>Last Insp.</b> 01/25/24	
<b>Service Information:Cycle M/Yr.</b> Jul/90		<b>Next Insp.</b> 07/01/24	

Work Order #631226 -- Last Serviced on 01/22/24  
- Service Requested on 01/02/24 11:58AM:  
REVIEWED ISSUES - CHILLER LOOP LEAK  
- Service History:  
Robert Johnson (Employee)  
01/02/24 60 minutes Reviewed .  
01/22/24 10 minutes Work Order Entry

-----  
Work Order #632263 -- Last Serviced on 03/07/24  
- Service Requested on 01/02/24 8:53AM:  
WATER IS LOW - CAN NOT SCAN - COOLING SYSTEM HAS A LEAK IN HEAT EX COIL. PATCHED THE COIL WITH EPOXY TO TRY AND STOP LEAK UNTIL RESOLUTION IS DECIDED - RESEARCHED PARTS AND AVAILABILITY. WILL MONITOR SYSTEM FOR LEAK RETE BEFORE PART SWAP.

Secondary cooling lost pressure again. Customer does not want overtime will head there first thing in the morning.  
Found several more leaks and could not repair them, Will need to replace whole cabinet. Ordered new one and contacted hegele . System is down until it can be replaced.  
Checked on helium level system is at 54  
1/24 ramped down drained acc cabinet etc  
1/25/24 de iced. Filled helium removed bad acc cabinet and installed new.  
Coldhead and cooling shut off overnight had to return to change configuration of cooling cabinet and breakers . System is back up in running will monitor remotely  
The system is working properly at this time.  
- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)  
01/02/24 240 minutes Travel Time  
01/02/24 240 minutes Vendor Assist. Contract  
01/03/24 240 minutes Vendor Assist. Contract  
01/08/24 120 minutes Vendor Assist. Contract  
01/18/24 30 minutes Vendor Assist. Contract  
01/19/24 330 minutes Travel Time  
01/19/24 420 minutes Vendor Assist. Contract  
01/22/24 255 minutes Travel Time  
01/22/24 30 minutes Vendor Assist. Contract  
01/24/24 300 minutes Travel Time  
01/24/24 330 minutes Vendor Assist. Contract  
01/24/24 300 minutes Travel Time  
01/24/24 375 minutes Vendor Assist. Contract  
01/25/24 750 minutes Travel Time  
01/25/24 1740 minutes Vendor Assist. Contract  
01/26/24 630 minutes Travel Time  
01/26/24 960 minutes Vendor Assist. Contract  
01/27/24 360 minutes Travel Time  
01/27/24 240 minutes Vendor Assist. Contract

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

Control # 48221

Serial 64137

Asset #  
 Requisition #

SIEMENS 10352127 MRI, ESSENSA 1.5T  
 01/29/24 390 minutes Travel Time  
 01/29/24 330 minutes Vendor Assist. Contract  
 01/29/24 420 minutes Travel Time  
 01/29/24 240 minutes Vendor Assist. Contract  
 01/30/24 240 minutes Travel Time  
 01/30/24 660 minutes Vendor Assist. Contract  
 02/15/24 240 minutes Travel Time  
 02/15/24 120 minutes Troubleshooting  
 02/21/24 60 minutes Troubleshooting  
 02/21/24 150 minutes Travel Time  
 Robert Johnson (Employee)  
 03/07/24 120 minutes Work Order Entry

Work Order #628593 -- Last Serviced on 02/26/24

- Service Requested on 01/01/24 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

01/25/24 450 minutes Completed All Scheduled Inspections

Robert Johnson (Employee)

02/26/24 30 minutes Work Order Entry

1 \$0.00 \$0.00 7391886 PCB, TALES

Links

Source -- Link Descr -- Type -- File Path

WorkOrder -- PM -- File -- \\medimizer\Medimizer

16\UserSubFolder\HeartlandBioMMX3\Links\Vendor Service\Siemens\48221\0000287812.pdf

Work Order #628485 -- Last Serviced on 11/20/23

- Service Requested on 11/11/23 12:35PM:

CHILLER ISSUES AFTER POWER OUTAGE - PHONE SUPPORT AND ON-SITE ASSIST

- Service History:

Robert Johnson (Employee)

x 11/11/23 210 minutes Travel Time

x 11/11/23 120 minutes Troubleshooting

x 11/20/23 30 minutes Work Order Entry

Work Order #621208 -- Last Serviced on 08/11/23

- Service Requested on 07/01/23 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 07/26/23 120 minutes Completed All Scheduled Inspections

x 07/26/23 205 minutes Travel Time

Robert Johnson (Employee)

x 08/11/23 30 minutes Work Order Entry

Links

Source -- Link Descr -- Type -- File Path

WorkOrder -- PM20230726 -- File -- \\medimizer\Medimizer

16\UserSubFolder\HeartlandBioMMX3\Links\Vendor Service\Siemens\48221\0000280991.pdf

Work Order #614206 -- Last Serviced on 03/13/23

- Service Requested on 01/01/23 12:00AM:

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

**Control #** 48221

**Serial** 64137

**Asset #**  
**Requisition #**

SIEMENS 10352127 MRI, ESSENSA 1.5T

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 03/03/23 150 minutes Completed All Scheduled Inspections

x 03/03/23 240 minutes Travel Time

Robert Johnson (Employee)

x 03/13/23 30 minutes Work Order Entry

Links

Source -- Link Descr -- Type -- File Path

WorkOrder -- PM -- File -- \\medimizer\Medimizer

16\UserSubFolder\HeartlandBioMMX3\Links\Vendor Service\Siemens\48221\0000274263.pdf

-----  
Work Order #605394 -- Last Serviced on 09/06/22

- Service Requested on 07/01/22 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 08/16/22 360 minutes Completed All Scheduled Inspections

Robert Johnson (Employee)

x 09/06/22 20 minutes Work Order Entry

-----  
Work Order #601780 -- Last Serviced on 03/28/22

- Service Requested on 03/17/22 10:18AM:

VENDOR INSTALLED MOD MR043/20/R

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 03/17/22 480 minutes Installed Modification

Robert Johnson (Employee)

x 03/28/22 20 minutes Work Order Entry

-----  
Work Order #598115 -- Last Serviced on 03/28/22

- Service Requested on 01/01/22 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 03/17/22 570 minutes Completed All Scheduled Inspections

Robert Johnson (Employee)

x 03/28/22 20 minutes Work Order Entry

-----  
Work Order #588982 -- Last Serviced on 07/08/21

- Service Requested on 07/01/21 12:00AM:

Performance, PM and Safety

- Service History:

SIEMENS (Vendor)

x 07/08/21 300 minutes Completed All Scheduled Inspections

-----  
Work Order #581874 -- Last Serviced on 03/12/21

- Service Requested on 01/01/21 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 02/25/21 120 minutes Completed All Scheduled Inspections

03/07/24 9:25:29AM

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

Control # 48221

Serial 64137

Asset #  
Requisition #

SIEMENS 10352127 MRI, ESSENSA 1.5T

x 02/25/21 180 minutes Travel Time

Robert Johnson (Employee)

x 03/12/21 30 minutes Work Order Entry

-----  
Work Order #579093 -- Last Serviced on 10/02/20

- Service Requested on 09/28/20 9:10AM:

MOD MR046/15/E DUE DATE 10/5/20

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 09/28/20 990 minutes Modified System

Robert Johnson (Employee)

x 09/30/20 120 minutes Reviewed System

x 10/02/20 10 minutes Work Order Entry

-----  
Work Order #572324 -- Last Serviced on 08/28/20

- Service Requested on 07/01/20 12:00AM:

Performance, PM and Safety

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 08/26/20 270 minutes Completed All Scheduled Inspections

x 08/26/20 120 minutes Scheduled Parts Replacement

1 \$0.00 \$0.00 7391886 PCB, TALES

Robert Johnson (Employee)

x 08/28/20 30 minutes Work Order Entry

-----  
Work Order #563441 -- Last Serviced on 01/09/20

- Service Requested on 01/01/20 12:00AM:

Safety, Performance and PM

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 01/07/20 300 minutes Completed All Scheduled Inspections

x 01/07/20 90 minutes Installed Modification

- Service Notes:

VD14A - Service Pack 4 installed. Performed MOD per manufacturer instructions.  
The system is working properly at this time.

Robert Johnson (Employee)

x 01/09/20 20 minutes Work Order Entry

-----  
Work Order #561984 -- Last Serviced on 10/16/19

- Service Requested on 10/11/19 1:14PM:

MONITOR DEAD - T.SHOOT AND ASSIST VIA IT VIA PHONE IN PLACEMENT OF TEMP VGA MONITOR -  
ORDERED PARTS AND INSTALLED NEXT DAY - VERIFY MONITOR CAL AND OPERATION PASSED

- Service History:

Robert Johnson (Employee)

x 10/11/19 120 minutes Troubleshooting

x 10/12/19 270 minutes Replaced Monitor

x 10/15/19 90 minutes Documentation

x 10/16/19 30 minutes Delivered Monitor

x 10/16/19 10 minutes Work Order Entry

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 10/11/19 90 minutes Vendor Assist. Contract

1 \$0.00 \$0.00 10656056 MONITOR, COLOR 19

03/07/24 9:25:29AM

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

**Control #** 48221

**Serial** 64137

**Asset #**  
**Requisition #**

SIEMENS 10352127 MRI, ESSENSA 1.5T  
DSC1913-D

-----  
Work Order #556099 -- Last Serviced on 07/24/19

- Service Requested on 09/01/19 12:00AM:

Safety, Performance and PM

There are Work Order #s 551915. Open as of Jun 04, 2019

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 07/24/19 240 minutes Completed All Scheduled Inspections

-----  
Work Order #557470 -- Last Serviced on 06/07/19

- Service Requested on 06/07/19 12:02PM:

Physicist reports issues with image uniformity checks on head coil. Coil was checked using Siemens QA analysis and coil passes QA and meets manufactures specifications.

- Service History:

Robert Johnson (Employee)

x 06/07/19 30 minutes Checked Coil

- Service Notes:

Coil was checked and meets manufactures specifications.

-----  
Work Order #551395 -- Last Serviced on 04/15/19

- Service Requested on 04/15/19 10:48AM:

Alarm.

- Service History:

Tom Wright (Employee)

x 04/15/19 30 minutes Documentation

- Service Notes:

Talked with Rt. Alarm reset with no issue. magnet room temperature 55 deg. Requested that Maintenance look into HVAC system.

-----  
Work Order #550649 -- Last Serviced on 03/20/19

- Service Requested on 03/20/19 10:26AM:

Cooling pressure error.

- Service History:

Tom Wright (Employee)

x 03/20/19 120 minutes Travel Time

x 03/20/19 120 minutes Adjusted Water Source

x 03/20/19 30 minutes Adjusted Water Source

- Service Notes:

Adjusted colling volumn and pressure on primary and secondary sides. Colling function returned to normal. System returned to clinical use.

-----  
Work Order #547439 -- Last Serviced on 03/21/19

- Service Requested on 03/01/19 12:00AM:

Safety, Performance and PM

- Service History:

Tom Wright (Employee)

x 03/21/19 210 minutes Completed All Scheduled Inspections

- Service Notes:

System checked and calibrated per Siemens service instructions. No issues found. System returned to clinical use.

x 03/21/19 120 minutes Travel Time

Robert Johnson (Employee)

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

**Control #** 48221

**Serial** 64137

**Asset #**  
**Requisition #**

SIEMENS 10352127 MRI, ESSENSA 1.5T

x 03/21/19 120 minutes Travel Time  
x 03/21/19 210 minutes Completed All Scheduled Inspections

-----  
Work Order #546684 -- Last Serviced on 01/22/19

- Service Requested on 01/20/19 1:12PM:

Fault light and alarm claxon on.

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 01/20/19 60 minutes Vendor Assist. Contract  
x 01/22/19 15 minutes Vendor Assist. Contract

Tom Wright (Employee)

x 01/21/19 313 minutes Troubleshooting

- Service Notes:

Found cooling pressures low. Set primary and secondary to correct pressures. Issue resolved.

-----  
Work Order #546644 -- Last Serviced on 01/14/19

- Service Requested on 01/14/19 3:50PM:

Cooling issue.

- Service History:

Tom Wright (Employee)

x 01/14/19 180 minutes Troubleshooting  
x 01/14/19 30 minutes Troubleshooting

- Service Notes:

All pressures in limits. no issue found.

Rodney Houghton (Employee)

x 01/14/19 180 minutes Troubleshooting  
x 01/14/19 30 minutes Troubleshooting

-----  
Work Order #543395 -- Last Serviced on 12/20/18

- Service Requested on 12/01/18 12:00AM:

Safety, Performance and PM

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 12/20/18 195 minutes Completed All Scheduled Inspections  
x 12/20/18 120 minutes Completed All Scheduled Inspections

-----  
Work Order #539565 -- Last Serviced on 09/25/18

- Service Requested on 09/01/18 12:00AM:

Safety, Performance and PM

There are Work Order #s 536999. Open as of Jul 26, 2018

- Service History:

Tom Wright (Employee)

x 08/10/18 30 minutes Parts Ordered

- Service Notes:

Ordered back up drive.

x 09/25/18 60 minutes Inspected System

-----  
Work Order #540430 -- Last Serviced on 08/03/18

- Service Requested on 07/27/18 8:49AM:

Helium gas Pressure low in cold head system.

- Service History:

03/07/24 9:25:29AM

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

Control # 48221

Serial 64137

Asset #  
Requisition #

SIEMENS 10352127 MRI, ESSENSA 1.5T

GENERAL ELECTRIC (Vendor)

x 07/27/18 60 minutes Vendor Assist. Contract

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 08/03/18 330 minutes Vendor Assist. Contract

x 08/03/18 600 minutes Vendor Assist. Contract

1 \$0.00 \$0.00 7461127

ASSEMBLY, Compressor

Absorber

-----  
Work Order #539109 -- Last Serviced on 07/17/18

- Service Requested on 07/17/18 7:38AM:

Cooling errors, cold head not running.

- Service History:

Tom Wright (Employee)

x 07/17/18 120 minutes Travel Time

x 07/17/18 90 minutes Adjusted Water Source

- Service Notes:

Filled secondary water cooling loop with DI water and adjusted static pressure. All cooling systems functioning normal. No leaks found. System returned to clinical use.

Rodney Houghton (Employee)

x 07/17/18 120 minutes Travel Time

x 07/17/18 90 minutes Adjusted Water Source

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 07/17/18 60 minutes Vendor Assist. Contract

-----  
Work Order #536999 -- Last Serviced on 08/09/18

- Service Requested on 06/01/18 12:00AM:

Safety, Performance and PM

- Service History:

Tom Wright (Employee)

x 07/25/18 48 minutes Completed All Scheduled Inspections

x 07/25/18 300 minutes Completed All Scheduled Inspections

x 07/25/18 120 minutes Travel Time

- Service Notes:

System PMI performed per Siemens service instructions. No deficiencies found. System returned to clinical use.

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 08/09/18 60 minutes Vendor Assist. Contract

-----  
Work Order #532386 -- Requested on 03/01/18

- Service Requested on 03/01/18 12:00AM:

Preempted Safety, Performance, PM

- Service History: <None>

-----  
Work Order #532093 -- Last Serviced on 01/26/18

- Service Requested on 01/26/18 12:46PM:

LS phantom has air bubble

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 01/26/18 60 minutes Vendor Assist. Contract

1 \$0.00 \$0.00 10496685

ASSEMBLY Phantom

-----  
Work Order #528259 -- Last Serviced on 01/04/18



**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

**Control #** 48221

**Serial** 64137

**Asset #**  
**Requisition #**

SIEMENS 10352127 MRI, ESSENSA 1.5T

- Service Requested on 12/01/17 12:00AM:  
Safety, Performance and PM

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 01/04/18 120 minutes Completed All Scheduled Inspections

x 01/04/18 360 minutes Completed All Scheduled Inspections

-----  
Work Order #529130 -- Last Serviced on 10/19/17

- Service Requested on 10/19/17 8:22AM:

Operator screen black, no image.

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 10/19/17 15 minutes Vendor Assist. Contract

-----  
Work Order #525147 -- Requested on 09/01/17

- Service Requested on 09/01/17 12:00AM:

Preempted Safety, Performance, PM

- Service History: <None>

-----  
Work Order #526664 -- Last Serviced on 08/31/17

- Service Requested on 08/31/17 8:08AM:

OICS warning, Temperature out of limits.

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 08/31/17 360 minutes Vendor Assist. Contract

x 08/31/17 60 minutes Vendor Assist. Contract

-----  
Work Order #524760 -- Last Serviced on 06/19/17

- Service Requested on 06/16/17 3:43PM:

MOD MR003/16/R

- Service History:

SIEMENS (Vendor)

x 06/16/17 195 minutes Vendor Assist. Contract

x 06/16/17 180 minutes Vendor Assist. Contract

x 06/19/17 15 minutes Vendor Assist. Contract

-----  
Work Order #524755 -- Last Serviced on 06/16/17

- Service Requested on 06/16/17 3:23PM:

MOD MR019/17/S

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 06/16/17 60 minutes Vendor Assist. Contract

-----  
Work Order #524754 -- Last Serviced on 05/31/17

- Service Requested on 05/30/17 2:36PM:

Helium probe failure.

- Service History:

CASSLING DIAGNOSTIC IMAGING (Vendor)

x 05/30/17 75 minutes Vendor Assist. Contract

x 05/30/17 360 minutes Vendor Assist. Contract

x 05/31/17 90 minutes Vendor Assist. Contract

x 05/31/17 375 minutes Vendor Assist. Contract

03/07/24 9:25:29AM

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

<b>Control #</b> 48221	<b>Serial</b> 64137	<b>Asset #</b>
		<b>Requisition #</b>

SIEMENS 10352127 MRI, ESSENSA 1.5T				
1	\$0.00	\$0.00	10164397	ASSEMBLY, MSU
2	\$0.00	\$0.00	10164400	KIT, LS Fuse

Work Order #517886 -- Last Serviced on 07/25/17  
 - Service Requested on 05/01/17 12:00AM:  
 Safety, Performance and PM  
 - Service History:  
 SIEMENS (Vendor)  
 x 05/30/17 75 minutes Vendor Assist. Contract  
 x 05/31/17 45 minutes Vendor Assist. Contract  
 x 06/16/17 120 minutes Vendor Assist. Contract  
 x 06/16/17 180 minutes Vendor Assist. Contract  
 Tom Wright (Employee)  
 x 07/25/17 60 minutes Completed All Scheduled Inspections

Work Order #514834 -- Requested on 02/01/17  
 - Service Requested on 02/01/17 12:00AM:  
 Preempted Safety, Performance, PM  
 - Service History: <None>

Work Order #516134 -- Last Serviced on 01/31/17  
 - Service Requested on 01/27/17 7:31AM:  
 System PMI  
 - Service History:  
 CASSLING DIAGNOSTIC IMAGING (Vendor)  
 x 01/27/17 60 minutes Vendor Assist. Contract  
 x 01/31/17 165 minutes Vendor Assist. Contract  
 x 01/31/17 360 minutes Vendor Assist. Contract

Work Order #514347 -- Last Serviced on 12/16/16  
 - Service Requested on 12/15/16 3:28PM:  
 No power, will not come up.  
 - Service History:  
 CASSLING DIAGNOSTIC IMAGING (Vendor)  
 x 12/16/16 75 minutes Vendor Assist. Contract

Work Order #513267 -- Last Serviced on 11/17/16  
 - Service Requested on 11/17/16 2:41PM:  
 Adjust System PACs IPs.  
 - Service History:  
 CASSLING DIAGNOSTIC IMAGING (Vendor)  
 x 11/17/16 120 minutes Vendor Assist. Contract

Work Order #513164 -- Last Serviced on 11/10/16  
 - Service Requested on 11/10/16 3:33PM:  
 Add new network destination.  
 - Service History:  
 CASSLING DIAGNOSTIC IMAGING (Vendor)  
 x 11/10/16 90 minutes Vendor Assist. Contract  
 x 11/10/16 360 minutes Vendor Assist. Contract

Work Order #510837 -- Last Serviced on 12/05/16  
 03/07/24 9:25:29AM

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

Control # 48221

Serial 64137

Asset #  
 Requisition #

SIEMENS 10352127 MRI, ESSENSA 1.5T

- Service Requested on 11/01/16 12:00AM:  
 Safety, Performance and PM

- Service History:

Tom Wright (Employee)

x 12/05/16 60 minutes Completed All Scheduled Inspections

Work Order #507004 -- Last Serviced on 08/03/16

- Service Requested on 08/01/16 12:00AM:  
 Safety, Performance and PM

- Service History:

SIEMENS (Vendor)

x 07/15/16 120 minutes Vendor Assist. Contract

x 07/15/16 360 minutes Vendor Assist. Contract

Tom Wright (Employee)

x 08/03/16 60 minutes Completed All Scheduled Inspections

Work Order #511795 -- Last Serviced on 09/21/16

- Service Requested on 04/25/16 8:50AM:

X Gradient overheating.

- Service History:

CAS MEDICAL SYSTEMS, INC (Vendor)

x 04/25/16 60 minutes Vendor Assist. Contract

x 04/28/16 360 minutes Vendor Assist. Contract

x 04/28/16 360 minutes Vendor Assist. Contract

x 05/03/16 300 minutes Vendor Assist. Contract

x 05/03/16 300 minutes Vendor Assist. Contract

x 05/24/16 180 minutes Vendor Assist. Contract

x 05/24/16 180 minutes Vendor Assist. Contract

x 05/24/16 195 minutes Vendor Assist. Contract

x 05/24/16 300 minutes Vendor Assist. Contract

x 05/26/16 270 minutes Vendor Assist. Contract

x 05/26/16 360 minutes Vendor Assist. Contract

x 09/15/16 270 minutes Vendor Assist. Contract

x 09/15/16 360 minutes Vendor Assist. Contract

x 09/21/16 240 minutes Vendor Assist. Contract

x 09/21/16 360 minutes Vendor Assist. Contract

x 09/21/16 240 minutes Vendor Assist. Contract

x 09/21/16 300 minutes Vendor Assist. Contract

1 \$0.00 \$0.00 10018301

PCB, Gradient Modulator

1 \$0.00 \$0.00 10046279

ASSEMBLY, Gradient Final

Stage Driver

1 \$0.00 \$0.00 10131500

ASSEMBLY, Switch Box

1 \$0.00 \$0.00 8100831

GASKET, Magnet Stop Seal.

Work Order #503748 -- Last Serviced on 04/06/16

- Service Requested on 03/31/16 12:32PM:

NEW EQUIPMENT DOCUMENTATION

- Service History:

Robert Johnson (Employee)

x 03/31/16 15 minutes Documentation

x 04/06/16 10 minutes Work Order Entry

**Heartland Health System**  
**Work Order Service Information (Equipment)**  
**Control # 48221 (MRI, ESSENSA 1.5T)**

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**Control #** 48221

**Serial** 64137

**Asset #**

**Requisition #**

SIEMENS 10352127 MRI, ESSENSA 1.5T

Work Order #600917 -- Last Serviced on 02/17/22

- Service Requested on 02/11/12 8:28AM:

POWER LOSS - COLD HEAD COMPRESSOR NOT RUNNING - T.SHOOT TO BREAKER ISSUES - RESET SYSTEMS AND VERIFIED PROPER OPERATION - CONSULT WITH MARISSA ABOUT CONTRACTS

- Service History:

Robert Johnson (Employee)

x 02/11/22	120 minutes	Travel Time
x 02/11/22	120 minutes	Troubleshooting
x 02/11/22	60 minutes	Consultation
x 02/17/22	30 minutes	Work Order Entry

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**SERVICE ORDER HISTORY**
**Customer ==>** Mosaic Medical Center - Albany

**From Date ==>** 1/1/2022

**Site ID ==>** 400-513546

**To Date ==>** 3/7/2024

**Equipment ==>** MAGNETOM ESSENZA DOT

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
0000291307	02/15/2024	Cold head is not chripping	9.75		CFS15

Labor Information		
Tech	Hrs	Date
Ryan Wachter	0.25	02/15/2024
Ryan Wachter	2.25	02/15/2024
Ryan Wachter	1.75	02/15/2024
Ryan Wachter	2.00	02/15/2024
Ryan Wachter	1.00	02/21/2024
Ryan Wachter	2.50	02/21/2024
Total Labor:	9.75	

Parts Information		

Cold head is not chripping

Primary water side was low, filled unit with glycol to proper level. Tested unit with positive results  
 Checked water levels both are within specs.  
 The system is working properly at this time.

0000290439	01/19/2024	Cryogen Fill	1.00		CFS15
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Labor Information		

Parts Information		
Item Nbr	Item Descr	Qty
AP36453	Cancelled service charge	1.00
Totals:		1.00

Cryogen Fill

0000290393	01/18/2024	Water temp issue, multiple errors	152.25	5.00	CFS15
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### SERVICE ORDER HISTORY

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
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Labor Information		
Tech	Hrs	Date
Ryan Wachter	0.50	01/18/2024
Ryan Wachter	3.00	01/19/2024
Ryan Wachter	1.00	01/19/2024
Ryan Wachter	6.00	01/19/2024
Ryan Wachter	2.50	01/19/2024
Ryan Wachter	2.25	01/22/2024
Ryan Wachter	0.50	01/22/2024
Ryan Wachter	2.00	01/22/2024
Darin Long	4.50	01/24/2024
Ryan Wachter	2.50	01/24/2024
Ryan Wachter	6.75	01/24/2024
Darin Long	2.25	01/24/2024
Darin Long	3.50	01/24/2024
Ryan Wachter	2.50	01/24/2024
Darin Long	0.50	01/24/2024
Darin Long	0.50	01/25/2024
Alberto Garcia	3.00	01/25/2024
Ryan Wachter	2.25	01/25/2024
Darin Long	0.25	01/25/2024
Darin Long	3.75	01/25/2024
Ryan Wachter	2.00	01/25/2024
Ryan Wachter	7.25	01/25/2024
Alberto Garcia	1.50	01/25/2024
Alberto Garcia	6.50	01/25/2024
Darin Long	2.50	01/25/2024
Darin Long	4.25	01/25/2024
Alberto Garcia	3.50	01/25/2024
Ryan Wachter	2.50	01/25/2024
Darin Long	0.50	01/25/2024
Darin Long	0.50	01/26/2024
Ryan Wachter	2.75	01/26/2024
Darin Long	4.00	01/26/2024
Ryan Wachter	1.00	01/26/2024
Ryan Wachter	6.75	01/26/2024
Darin Long	0.50	01/26/2024
Darin Long	4.00	01/26/2024
Darin Long	5.00	01/26/2024
Ryan Wachter	2.25	01/26/2024

Parts Information		
Item Nbr	Item Descr	Qty
MFR LABOR-NOT BILL	3rd Party Hegele	1.00
SIE10131277	LS-ICS A Indoor Assembly	1.00
SIE10351933	LS-Glycol with Water Mixture 40/60	1.00
SIE10352740	LS-Fuse and Seal Set	1.00
SIE11060760	LS-Cooling Fluid Additive	1.00
Totals:		5.00

**SERVICE ORDER HISTORY**
**Customer ==>** Mosaic Medical Center - Albany

**From Date ==>** 1/1/2022

**Site ID ==>** 400-513546

**To Date ==>** 3/7/2024

**Equipment ==>** MAGNETOM ESSENZA DOT

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
	Ryan Wachter	3.00 01/27/2024			
	Darin Long	1.00 01/27/2024			
	Ryan Wachter	3.00 01/27/2024			
	Ryan Wachter	3.25 01/27/2024			
	Trey Astle	5.00 01/29/2024			
	Alberto Garcia	3.50 01/29/2024			
	Alberto Garcia	1.00 01/29/2024			
	Alberto Garcia	4.50 01/29/2024			
	Trey Astle	1.00 01/29/2024			
	Trey Astle	3.50 01/29/2024			
	Trey Astle	2.00 01/29/2024			
	Alberto Garcia	3.00 01/29/2024			
	Trey Astle	2.00 01/30/2024			
	Trey Astle	7.00 01/30/2024			
	Trey Astle	2.00 01/30/2024			
	Darin Long	0.25 01/31/2024			
	<b>Total Labor:</b>	<u>152.25</u>			

Water temp issue, multiple errors

Secondary cooling lost pressure again. Customer does not want overtime will head there first thing in the morning.

Found several more leaks and could not repair them, Will need to replace whole cabinet. Ordered new one and contacted hegele . System is down until it can be replaced.

Checked on helium level system is at 54

1/24 ramped down drained acc cabinet etc

1/25/24 de iced. Filled helium removed bad acc cabinet and installed new.

Coldhead and cooling shut off overnight had to return to change configuration of cooling cabinet and breakers. System is back up in running will monitor remotely

The system is working properly at this time.

0000289670	01/02/2024	Water is low, can not scan	13.75		CFS15
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Labor Information		
Tech	Hrs	Date
Neil Rezac	2.00	01/02/2024
Neil Rezac	4.00	01/02/2024
Neil Rezac	2.00	01/02/2024
Neil Rezac	4.00	01/03/2024
Neil Rezac	1.50	01/08/2024
Darin Long	0.25	01/08/2024
<b>Total Labor:</b>	<u>13.75</u>	

Parts Information	

Water is low, can not scan



### SERVICE ORDER HISTORY

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
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Cooling system has a leak in heat ex coil. patched the coil with epoxy to try and stop leak until resolution is decided.

researched parts and availability. will monitor system for leak rate before part swap.  
 The system is working properly at this time.

0000288266	11/14/2023	error code and cannot move table	11.25	9.00	CFS15
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Labor Information		
Tech	Hrs	Date
Neil Rezac	1.25	11/14/2023
Ryan Wachter	3.25	11/15/2023
Ryan Wachter	4.25	11/15/2023
Ryan Wachter	2.25	11/15/2023
Darin Long	0.25	12/11/2023
<b>Total Labor:</b>	<b>11.25</b>	

Parts Information		
Item Nbr	Item Descr	Qty
SIE10168371	LS-8 Amp Fuse	1.00
SIE10168371	LS-8 Amp Fuse	1.00
SIE10168371	LS-8 Amp Fuse	1.00
SIE10168372	LS-10 AMP Fuse	1.00
SIE10168372	LS-10 AMP Fuse	1.00
SIE10168372	LS-10 AMP Fuse	1.00
SIE10168372	LS-10 AMP Fuse	1.00
SIE10168372	LS-10 AMP Fuse	1.00
SIE10168379	LS-Vertical Driver	1.00
SIE10168381	EXCH-Vertical Controller	1.00
<b>Totals:</b>		<b>9.00</b>

error code and cannot move table

Error 91 horizontal drive error. Replaced Drive controller, fuses and driver board. Tested unit with positive results.

0000288179	11/11/2023	The breaker will not turn on for the MRI machine	1.50		CFS15
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Labor Information		
Tech	Hrs	Date
Ryan Wachter	0.50	11/11/2023
Darin Long	1.00	01/22/2024
<b>Total Labor:</b>	<b>1.50</b>	

Parts Information		
Item Nbr	Item Descr	Qty

The breaker will not turn on for the MRI machine

Secondary cooler and coldhead not turning back on after customer received a power failure. Called customer and had them try turning breakers back on, could not get system back up. In house biomed looked at system and was able to get system back up. Possible bad relay, need to change. OK to use system.  
 Completed under WO 290393  
 The system is working properly at this time.

0000287812	11/06/2023	PM Due 02/29/24	7.50	3.00	FSPM
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### SERVICE ORDER HISTORY

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
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Labor Information		
Tech	Hrs	Date
Darin Long	1.00	01/25/2024
Ryan Wachter	2.50	02/21/2024
Ryan Wachter	3.50	02/21/2024
Darin Long	0.25	02/21/2024
Darin Long	0.25	02/21/2024
<b>Total Labor:</b>	<b>7.50</b>	

Parts Information		
Item Nbr	Item Descr	Qty
SIE10568825	LS-Air Filter	1.00
SIE4694881	LS-Filter Mat	1.00
SIE7391886	EXCH-Transmit Antenna Level Sensor	1.00
<b>Totals:</b>		<b>3.00</b>

PM Due 02/29/24

Annual Safety Pm with TALEs replacement Performed planned maintenance in accordance with the mfg recommendations per PM protocol M4-060.333.05.08.02  
 The system is working properly at this time.

0000287544	10/27/2023	Not chirping not turning on	21.25	3.00	CFS15
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Labor Information		
Tech	Hrs	Date
Neil Rezac	1.00	10/27/2023
Ryan Wachter	2.50	10/27/2023
Ryan Wachter	1.25	10/27/2023
Ryan Wachter	0.25	10/27/2023
Ryan Wachter	2.25	10/27/2023
Ryan Wachter	0.50	10/30/2023
Ryan Wachter	0.50	10/31/2023
Ryan Wachter	2.25	11/01/2023
Ryan Wachter	1.00	11/01/2023
Ryan Wachter	2.00	11/01/2023
Ryan Wachter	2.25	11/10/2023
Ryan Wachter	1.00	11/10/2023
Ryan Wachter	0.25	11/10/2023
Ryan Wachter	4.00	11/10/2023
Darin Long	0.25	01/22/2024
<b>Total Labor:</b>	<b>21.25</b>	

Parts Information		
Item Nbr	Item Descr	Qty
LP	UV light for leak detection	1.00
LP	UV light for leak detection	1.00
SIE10399527	LS-Leak Detection Dye	1.00
<b>Totals:</b>		<b>3.00</b>

Not chirping not turning on

Filled secondary water to proper level system started up and ran correctly. Could not find any water leaks. Will research problem, to determine where leak is at.  
 Added dye to secondary water. will return in a week to see where leak is. Could not find leak but pressure hasn't dropped since week before will need to return in a couple weeks to determine leak.  
 Unit i fixed under WO 290393  
 The system is working properly at this time.

### SERVICE ORDER HISTORY

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
0000285123	08/28/2023	Water pressure is low	16.50	2.00	CFS15

Labor Information		
Tech	Hrs	Date
Ryan Wachter	1.00	08/28/2023
Ryan Wachter	2.50	08/28/2023
Ryan Wachter	2.50	08/28/2023
Ryan Wachter	2.50	08/28/2023
Ryan Wachter	2.50	09/05/2023
Ryan Wachter	2.75	09/05/2023
Ryan Wachter	2.50	09/05/2023
Jeremy Long	0.25	09/06/2023
<b>Total Labor:</b>	<b>16.50</b>	

Parts Information		
Item Nbr	Item Descr	Qty
SIE10352743	LS-Expansion Vessel Water 8L active	1.00
SIE10683626	LS-3 Bar Relief Valve	1.00
<b>Totals:</b>		<b>2.00</b>

Water pressure is low

Pressurized secondary system to proper level. Unit started working correctly possible bad safety valve, will order new one to see if that fixes water loss.

Replaced pressure tank and safety valve, pressurized to proper level and tested unit with positive results. The system is working properly at this time.

0000283510	07/17/2023	Error water temp out of range	7.75		CFS15
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Labor Information		
Tech	Hrs	Date
Ryan Wachter	1.00	07/17/2023
Ryan Wachter	3.00	07/17/2023
Ryan Wachter	1.25	07/17/2023
Ryan Wachter	2.50	07/17/2023
<b>Total Labor:</b>	<b>7.75</b>	

Parts Information		
Item Nbr	Item Descr	Qty

Error water temp out of range

Filled up primary and secondary water circuits to proper levels. Tested unit with positive results. The system is working properly at this time.

0000282995	06/26/2023	Static in between chirps on cold head	28.00		CFS15
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**SERVICE ORDER HISTORY**
**Customer ==>** Mosaic Medical Center - Albany

**From Date ==>** 1/1/2022

**Site ID ==>** 400-513546

**To Date ==>** 3/7/2024

**Equipment ==>** MAGNETOM ESSENZA DOT

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
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Labor Information		
Tech	Hrs	Date
Neil Rezac	1.50	06/26/2023
Neil Rezac	4.00	06/26/2023
Neil Rezac	1.50	06/26/2023
Neil Rezac	1.50	06/27/2023
Neil Rezac	6.00	06/27/2023
Neil Rezac	1.25	06/27/2023
Neil Rezac	1.50	06/29/2023
Neil Rezac	3.00	06/29/2023
Neil Rezac	0.25	06/29/2023
Neil Rezac	1.50	06/29/2023
Neil Rezac	2.00	12/11/2023
Neil Rezac	2.00	12/11/2023
Neil Rezac	2.00	12/11/2023
<b>Total Labor:</b>	<b>28.00</b>	

Parts Information	

Static in between chirps on cold head

checked CH pressures. Will schedule CH replacement.

0000280991	05/08/2023	PM Due 07/04/23	5.75	FSPM
------------	------------	-----------------	------	------

Labor Information		
Tech	Hrs	Date
Neil Rezac	2.00	07/26/2023
Neil Rezac	2.00	07/26/2023
Neil Rezac	1.75	07/26/2023
<b>Total Labor:</b>	<b>5.75</b>	

Parts Information	

PM Due 07/04/23

PM complete to spec Performed planned maintenance in accordance with the mfg recommendations per PM protocol

M4-060.832.05.02.02

The system is working properly at this time.

PM Protocol # M4-060.832.05.02.02

0000274263	11/07/2022	PM Due 01/04/23	6.50	FSPM
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### SERVICE ORDER HISTORY

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
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Labor Information		
Tech	Hrs	Date
Neil Rezac	2.00	03/03/2023
Neil Rezac	2.50	03/03/2023
Neil Rezac	2.00	03/03/2023
<b>Total Labor:</b>	<b>6.50</b>	

Parts Information		

PM Due 01/04/23

PM complete Performed planned maintenance in accordance with the mfg recommendations per PM protocol M4-060.832.05.02.02

PM Protocol # M4-060.832.05.02.02

0000269479	06/20/2022	Water temp alarm	7.25	1.00	CFS15
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Labor Information		
Tech	Hrs	Date
Scott Lyons	1.00	06/20/2022
Ryan Wachter	2.25	06/20/2022
Ryan Wachter	1.50	06/20/2022
Ryan Wachter	2.50	06/20/2022
<b>Total Labor:</b>	<b>7.25</b>	

Parts Information		
Item Nbr	Item Descr	Qty
LP	Distilled Water	1.00
<b>Totals:</b>		<b>1.00</b>

Water temp alarm

Added distilled water to secondary side of chiller. Will monitor system.  
 The system is working properly at this time.

0000268943	06/06/2022	PM Due 8/6/22	15.25	0.00	FSPM
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Labor Information		
Tech	Hrs	Date
John King	1.00	06/09/2022
Scott Lyons	1.00	06/09/2022
John King	5.25	06/09/2022
Scott Lyons	2.25	06/09/2022
Scott Lyons	2.50	08/16/2022
Scott Lyons	3.00	08/16/2022
Scott Lyons	0.25	08/16/2022
<b>Total Labor:</b>	<b>15.25</b>	

Parts Information		

PM Due 8/6/22

**SERVICE ORDER HISTORY**

**Customer ==>** Mosaic Medical Center - Albany  
**Site ID ==>** 400-513546  
**Equipment ==>** MAGNETOM ESSENZA DOT

**From Date ==>** 1/1/2022  
**To Date ==>** 3/7/2024

Work Order #	Entry Date	Problem	Tvl/Lbr Hrs	# Parts	Srv Type
--------------	------------	---------	-------------	---------	----------

Preventive Maintenance Performed planned maintenance in accordance with the mfg recommendations per PM protocol M4-060.832.05.02.02.05.19  
 The system is working properly at this time. Performed planned maintenance in accordance with the mfg recommendations per PM protocol M4-060.832.05.02.02.05.19  
 The system is working properly at this time.  
 PM Protocol # M4-060.832.05.02.02.05.19

0000268642	05/25/2022	MOD MR014/21/R			TM15
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Labor Information			Parts Information		

MOD MR014/21/R  
 Siemens Remote Push MOD completed

0000268551	05/24/2022	***BILLABLE***MOD MR020/21/R DUE DATE 10/28/22	3.25		CFS15
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Labor Information			Parts Information		
Tech	Hrs	Date			
Scott Lyons	2.25	06/09/2022			
Scott Lyons	1.00	06/09/2022			
Total Labor:	3.25				

\*\*\*BILLABLE\*\*\*MOD MR020/21/R  
 MR020/21/R Performed MOD per manufacturer instructions.  
 The system is working properly at this time.

Total Labor and Travel Hrs: 307.50

# Divider IV. Financial Feasibility Review Criteria and Standards



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

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

See Exhibit 4.1

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

See Exhibits 4.2.1, 4.2.2

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

MRI charges were based on the FY24 YTD Jan average charge for all inpatient and outpatient exams. Higher or lower acuity scans may vary from the average charge. Year-over-year increases in average patient charges are due to annual inflation factors.

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

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

# **Mosaic Health System and Related Organizations**

Consolidated Financial Report  
June 30, 2023

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## 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, 2023 and 2022, 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, 2023 and 2022, 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*

Davenport, Iowa  
September 28, 2023

**Mosaic Health System and Related Organizations**

**Consolidated Balance Sheets**  
**June 30, 2023 and 2022**  
**(Dollars in Thousands)**

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 46,788	\$ 64,409
Investments	698,323	709,083
Patient accounts receivable	127,391	93,935
Inventories	13,444	14,188
Prepaid expenses and other	27,450	19,520
Assets limited as to use—current portion	4,557	5,298
<b>Total current assets</b>	<b>917,953</b>	<b>906,433</b>
Assets limited as to use, net of current portion:		
Board-designated—self insurance trust, endowments and other	39,562	41,582
Funds held by bond trustees, under bond indenture	-	3,959
Other assets limited as to use	23,147	22,059
<b>Total assets limited as to use, net of current portion</b>	<b>62,709</b>	<b>67,600</b>
Notes receivable, net	1,382	8,394
Property and equipment, net	326,851	314,988
Other assets, net	91,511	76,347
<b>Total assets</b>	<b>\$ 1,400,406</b>	<b>\$ 1,373,762</b>

See notes to consolidated financial statements.

	2023	2022
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 5,145	\$ 4,729
Accounts payable	35,679	29,230
Accrued self-insured costs	4,280	5,480
Accrued expenses	60,530	69,774
Estimated settlements due to third-party payors	12,528	18,870
<b>Total current liabilities</b>	<b>118,162</b>	<b>128,083</b>
Long-term debt, net of current portion	273,000	289,489
Accrued self-insured costs, net of current portion	23,438	22,606
Other noncurrent liabilities	23,038	26,763
<b>Total liabilities</b>	<b>437,638</b>	<b>466,941</b>
Commitments and contingencies (Notes 7, 11, 13, 15, 16, 17 and 18)		
Net assets:		
Without donor restrictions	939,621	884,762
With donor restrictions	23,147	22,059
<b>Total net assets</b>	<b>962,768</b>	<b>906,821</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,400,406</b>	<b>\$ 1,373,762</b>



**Mosaic Health System and Related Organizations**

**Consolidated Statements of Operations**  
**Years Ended June 30, 2023 and 2022**  
**(Dollars in Thousands)**

	2023	2022
Unrestricted revenues, gains and other support:		
Patient service revenue	\$ 786,432	\$ 762,095
Net assets released from restrictions used for operations	1,281	1,013
340b program revenue and other	53,216	57,529
<b>Total unrestricted revenues, gains and other support</b>	<b>840,929</b>	<b>820,637</b>
Operating expenses:		
Salaries and wages	411,291	392,387
Employee benefits	74,923	73,308
Professional fees	13,182	11,549
Supplies	168,370	168,779
General, administrative and other	103,913	92,593
Insurance	6,537	8,354
Depreciation and amortization	36,141	34,295
Interest	9,155	9,283
Federal reimbursement allowance	32,377	31,105
<b>Total operating expenses</b>	<b>855,889</b>	<b>821,653</b>
<b>Operating loss before other operating revenue and expenses</b>	<b>(14,960)</b>	<b>(1,016)</b>
Other governmental relief payments	-	7,381
Other operating expense	1,889	(6,021)
<b>Operating (loss) income</b>	<b>(13,071)</b>	<b>344</b>
Other income (expense):		
Interest and dividend income	25,270	13,372
Net realized gains on sale of investments and assets limited as to use	4,890	27,125
Change in net unrealized gains and losses on trading securities	33,492	(151,525)
Other	812	782
<b>Total other income (loss)</b>	<b>64,464</b>	<b>(110,246)</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 51,393</b>	<b>\$ (109,902)</b>

See notes to consolidated financial statements.

**Mosaic Health System and Related Organizations**

**Consolidated Statements of Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**  
**(Dollars in Thousands)**

	<b>2023</b>	<b>2022</b>
Net assets without donor restrictions:		
Excess (deficiency) of revenue over expenses	\$ 51,393	\$ (109,902)
Other changes in net assets without restrictions	3,466	(187)
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>54,859</b>	<b>(110,089)</b>
Net assets with donor restrictions:		
Contributions and investment income	2,472	8,408
Net change in unrealized gains and losses on investments	620	(2,165)
Net assets released from restrictions used for operations	(1,281)	(1,013)
Other changes in net assets with donor restrictions	(723)	-
<b>Increase in net assets with donor restrictions</b>	<b>1,088</b>	<b>5,230</b>
<b>Change in net assets</b>	<b>55,947</b>	<b>(104,859)</b>
Net assets:		
Beginning	906,821	1,011,680
Ending	\$ 962,768	\$ 906,821

See notes to consolidated financial statements.

**Mosaic Health System and Related Organizations**

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**  
**(Dollars in Thousands)**

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 55,947	\$ (104,859)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	36,141	34,295
Loss (gain) on sale of property and equipment	213	(175)
Amortization of bond premium and issuance costs, net	(1,856)	(1,512)
Impairment long-lived assets	-	358
Net realized gains on sale of investments	(4,890)	(27,125)
Change in net unrealized gains and losses on investments and assets limited as to use	(34,112)	153,690
Contributions and investment income donor restricted in perpetuity	(13)	(26)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Patient accounts receivable	(33,456)	(8,731)
Inventories	744	(405)
Prepaid expenses and other	(7,930)	(5,068)
Increase (decrease) in liabilities:		
Accounts payable	7,711	5,176
Accrued expenses and other	(12,969)	5,059
Estimated settlements due to third-party payors	(6,342)	3,171
Accrued self-insured costs	(368)	(834)
<b>Net cash (used in) provided by operating activities</b>	<b>(1,180)</b>	<b>53,014</b>
Cash flows from investing activities:		
Purchases of property and equipment, net	(40,460)	(37,669)
Purchases of investments and assets limited as to use	(109,040)	(258,258)
Proceeds from the sales of investments and assets limited as to use	164,469	273,104
Purchase of software included in other assets	(24,730)	(38,225)
Payments received on notes receivable	7,012	332
<b>Net cash used in investing activities</b>	<b>(2,749)</b>	<b>(60,716)</b>
Cash flows from financing activities:		
Principal payments under debt agreements	(64,486)	(4,533)
Proceeds from issuance of long-term debt	49,688	-
Contributions and investment income donor restricted in perpetuity	13	26
<b>Net cash used in financing activities</b>	<b>(14,785)</b>	<b>(4,507)</b>

(Continued)

**Mosaic Health System and Related Organizations**

**Consolidated Statements of Cash Flows (Continued)**  
**Years Ended June 30, 2023 and 2022**  
**(Dollars in Thousands)**

	<b>2023</b>	<b>2022</b>
<b>(Decrease) in cash and cash equivalents</b>	<b>\$ (18,714)</b>	<b>\$ (12,209)</b>
Cash and cash equivalents:		
Beginning, including assets limited as to use 2022 \$2,449; 2021 \$1,270	<u><b>66,858</b></u>	<u>79,067</u>
Ending, including assets limited as to use 2023 \$1,356; 2022 \$2,449	<u><b>\$ 48,144</b></u>	<u>\$ 66,858</u>
Supplemental disclosure of cash flow information, cash paid for interest	<u><b>\$ 10,960</b></u>	<u>\$ 9,352</u>
Supplemental schedule of noncash investing and financing activities:		
Change in property and equipment purchases included in accounts payable	<u><b>\$ (1,262)</b></u>	<u>\$ 475</u>
Additions to operating leases	<u><b>\$ 1,124</b></u>	<u>\$ 1,017</u>
Additions to finance leases	<u><b>\$ 135</b></u>	<u>\$ 474</u>

See notes to consolidated financial statements.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 1. Nature of Business and Significant Accounting Policies

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

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

The Parent has ownership interest in the following related organizations:

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

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

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

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

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

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

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

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### 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). Midwestern had a 90.5% interest in Saint Joseph Downtown Development, LLC (SJDD). Midwestern also owned 1% of German American MT, LLC (GAMT) and German American MT, LLC owned 9.5% of SJDD. In December 2022, upon completion of the seven-year New Market Tax Credit compliance period, US Bank executed its put option. Midwestern then acquired 100% ownership of SJDD and GAMT, transferred assets to the Parent, and dissolved both SJDD and GAMT (see Note 13).

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

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

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

**Accounting standard updates adopted in the current year:** There were no accounting standard updates adopted during the current fiscal year which had a material impact on Mosaic's financial statements.

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

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

At June 30, 2023, Mosaic's cash accounts exceeded federally insured limits by approximately \$49,101. Management believes the credit risk related to these deposits is minimal.

**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. 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.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### 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, 2023 and 2022, Mosaic had other receivables recorded, net of allowances, related to the Program of approximately \$6,400 and \$4,700, respectively.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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

Mosaic generated approximately \$36,100 and \$42,800 of revenues from the Program in 2023 and 2022, respectively, which is recorded in 340b program revenue and other. The receivables are included as a component of prepaid expenses and other in the accompanying consolidated balance sheets. The costs incurred in connection with the Program are included within operating expense in the accompanying consolidated statements of operations.

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

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

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

**Investments in unconsolidated companies:** Mosaic-St. Joseph has a 15% interest in Mercury Surgery Center, LLC, a 45% interest in St. Joseph Center for Outpatient Surgery, LLC, and a 30% interest in Village at Burlington Creek, LLC. Effective December 15, 2021, Mosaic divested its 33.3% interest in MPact Health, LLC, and the entity was liquidated and dissolved. All four entities are Missouri limited liability companies (see Note 14).

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

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

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



## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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

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

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

	<u>Years</u>
Land improvements	5-25
Buildings and fixed equipment	5-40
Moveable equipment	3-20

Interest incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Total interest capitalized during the years ended June 30, 2023 and 2022 was approximately \$1,040 and \$1,340, respectively.

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

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

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### 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 year ended June 30, 2023, the Mosaic Life Care Foundation was awarded \$6,500,000 of American Rescue Plan Act (ARPA) grants through funding agreements with the City of St. Joseph and Buchanan County. These grants are intended to fund the construction of the Children's Discovery Center (CDC). The Mosaic Life Care Foundation recognizes accounts receivable and contribution revenue with donor restrictions as qualifying costs for the construction of the CDC are incurred. As of June 30, 2023, the Mosaic Life Care Foundation has not yet received any of the \$6,500,000 that has been awarded but has recognized approximately \$390,000 in contributions receivable related to these agreements with the remaining portion to be recognized as qualifying construction costs are incurred.

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

At June 30, 2023, 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 \$10,555 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 \$1,544 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)

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#### 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, 2023 and 2022, there were no uncertain tax positions identified and recorded as a liability.

**Excess (deficiency) of revenues over expenses:** The consolidated statements of operations and changes in net assets include excess (deficiency) of revenues over expenses. Changes in net assets without donor restrictions, which are excluded from excess (deficiency) 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)

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#### 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.

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

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

#### Note 2. Patient Service Revenue

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

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

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

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

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

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 2. Patient Service Revenue (Continued)

Mosaic participates in the Medicaid Federal Reimbursement Allowance Program (FRA). Under the FRA, Mosaic received reimbursement of approximately \$31,600 and \$44,500, which is reflected as a component of patient service revenue and paid taxes of approximately \$32,400 and \$31,100 in 2023 and 2022, 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, 2023 and 2022, Mosaic has recorded a total liability of approximately \$8,400 and \$9,400, respectively, for the estimated portion of funding received in excess of costs. Estimated long-term liabilities of approximately \$8,400 for program years 2023, 2022, 2021, 2020 and 2019 are recorded as other noncurrent liabilities. During 2023, Mosaic reduced the estimated FRA program liability related to prior program years by approximately \$10,400 thereby increasing patient service revenue by the same amount. This change in estimate was the result of the state of Missouri providing Mosaic final settlement notifications during the year ended June 30, 2023. Due to the subjectivity involved in making these estimates due to the lack of historical precedence with respect to how the state administers the program, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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

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 2023 or 2022.

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.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 2. Patient Service Revenue (Continued)

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, 2023 and 2022, adjustments arising from changes in estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years were not significant. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

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

Patient service revenue recognized in the years ended June 30, 2023 and 2022, was approximately:

	2023	2022
Medicare and managed Medicare	\$ 355,150	\$ 326,332
Medicaid and managed Medicaid	102,793	108,859
Managed care/commercial	320,944	316,789
Patients, self pay	7,545	10,115
	<u>\$ 786,432</u>	<u>\$ 762,095</u>

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

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### 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 \$21,100 and \$26,800 for 2023 and 2022, 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, 2023 and 2022, was as follows:

	2023	2022
Medicare and managed Medicare	39%	39%
Medicaid and managed Medicaid	17	9
Managed care/commercial	43	50
Patients, self pay	1	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:

	2023	2022
Long-term debt:		
Obligated Group:		
Series 2012 Fixed Rate Revenue Bonds	\$ -	\$ 50,000
Series 2019A Fixed Rate Revenue Bonds	212,095	215,900
Series 2023A Fixed Rate Revenue Bonds	50,000	-
Finance leases (Note 11)	1,838	2,450
St. Joseph Downtown Development, LLC:		
Note payable, bearing interest at 1.5%, interest only payable quarterly through December 31, 2022 then interest and principal payable quarterly through December 31, 2045, collateralized by certain real estate (Note 13)	-	9,800
	<u>263,933</u>	<u>278,150</u>
Plus unamortized premium	16,292	18,709
Less unamortized debt issuance costs	(2,080)	(2,641)
Total long-term debt	<u>278,145</u>	<u>294,218</u>
Less current maturities, debt	(4,355)	(3,983)
Less current maturities, finance leases	(790)	(746)
Total long-term debt, net	<u>\$ 273,000</u>	<u>\$ 289,489</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 2012 Bonds:** On April 14, 2023, the Series 2012 Bonds were refunded with the issuance of the Series 2023A Bonds.

**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.



## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 5. Long-Term Debt (Continued)

**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.

The Series 2023A Bonds are secured under the Master Trust Indenture and bear interest at a fixed rate of 3.46%. 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.

**Trustee-held funds:** The Master Trust Indenture required that deposits be made to trustee-held accounts, which must be used for specific purposes, until each respective debt issue was retired. These trustee-held funds aggregated approximately \$0 and \$4,000 at June 30, 2023 and 2022, respectively. Funds held at June 30, 2022 were used to fund various capital projects for the Obligated Group through June 2023.

**Debt maturities:** At June 30, 2023, 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:

2024	\$	5,145
2025		4,691
2026		4,857
2027		4,883
2028		5,005
Thereafter		239,352
		<u>\$ 263,933</u>

**Line of credit:** On April 16, 2021, Mosaic entered into a three-year revolving line of credit with maximum borrowings of \$50,000 (line of credit). As of June 30, 2023, Mosaic had no borrowings outstanding on the line of credit.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### 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. In the analysis below, indirect costs have been allocated across all functional expense categories to reflect the full cost of those activities. 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, 2023 and 2022 are as follows:

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

	Patient Care	Management and General	Fundraising	Other Activity	Grand Total
2022					
Salaries and wages	\$ 359,096	\$ 29,113	\$ 311	\$ 3,867	\$ 392,387
Employee benefits	65,461	6,595	76	1,176	73,308
Professional fees	4,702	5,297	2	1,548	11,549
Supplies	167,986	286	58	449	168,779
General, administrative and other	69,344	18,567	11	4,671	92,593
Insurance	7,523	758	-	73	8,354
Depreciation and amortization	29,964	1,895	-	2,436	34,295
Interest	7,395	1,724	-	164	9,283
Federal reimbursement allowance	31,105	-	-	-	31,105
Total expenses	<u>\$ 742,576</u>	<u>\$ 64,235</u>	<u>\$ 458</u>	<u>\$ 14,384</u>	<u>\$ 821,653</u>

Functional expenses may differ from tax functional expense reporting.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 7. Property and Equipment

Property and equipment at June 30 consist of the following:

	2023	2022
Land and land improvements	\$ 28,718	\$ 27,918
Buildings and fixed equipment	516,544	494,555
Moveable equipment	252,363	234,394
Leasehold improvements	1,102	1,102
Construction in progress	12,648	12,339
	<u>811,375</u>	<u>770,308</u>
Less accumulated depreciation	484,524	455,320
Property and equipment, net	<u>\$ 326,851</u>	<u>\$ 314,988</u>

As of June 30, 2023, Mosaic has committed approximately \$9,643 for costs related to various construction projects, which will be funded primarily with cash from operations and proceeds from 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.

**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.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 8. Fair Value of Financial Instruments (Continued)

**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, 2023 and 2022:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		2023		
Assets limited as to use and investments:				
Money market funds	\$ 13,898	\$ 13,898	\$ -	\$ -
Mutual funds:				
Equity	312,649	312,649	-	-
Other fixed income	214,136	214,136	-	-
U.S. treasury securities	23,326	-	23,326	-
U.S. government and agency securities	15,208	-	15,208	-
Municipal securities	22,014	-	22,014	-
Corporate notes	62,306	-	62,306	-
Foreign issues	6,186	-	6,186	-
Common and preferred stock	27,086	27,086	-	-
Beneficial interest in trust	4,225	-	-	4,225
Other	1,153	-	1,153	-
	702,187	\$ 567,769	\$ 130,193	\$ 4,225
Private investment funds (A)	59,370			
Cash included in assets limited as to use	1,356			
Pledge receivable in assets limited as to use	842			
Accrued income	1,834			
Total assets limited as to use and investments	<u>\$ 765,589</u>			

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 8. Fair Value of Financial Instruments (Continued)

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	2022			
Assets limited as to use and investments:				
Money market funds	\$ 12,566	\$ 12,566	\$ -	\$ -
Mutual funds:				
Equity	290,552	290,552	-	-
Other fixed income	246,094	246,094	-	-
U.S. treasury securities	24,718	-	24,718	-
U.S. government and agency securities	12,427	-	12,427	-
Municipal securities	28,533	-	28,533	-
Corporate notes	62,126	-	62,126	-
Foreign issues	6,552	-	6,552	-
Common and preferred stock	30,311	30,311	-	-
Beneficial interest in trust	4,106	-	-	4,106
Other	523	-	523	-
	718,508	\$ 579,523	\$ 134,879	\$ 4,106
Private investment funds (A)	59,437			
Cash included in assets limited as to use	2,449			
Accrued income	1,587			
Total assets limited as to use and investments	<u>\$ 781,981</u>			

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

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2023.

**Investments and financial instruments:** Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equity securities and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 8. Fair Value of Financial Instruments (Continued)

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

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

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

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

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

	Fair Value	Valuation Technique
Beneficial interest in trust	\$ 4,225	Present value of future distributions expected to be received over term of agreement

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 8. Fair Value of Financial Instruments (Continued)

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

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

	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity fund	\$ 26,320	\$ -	Limited to month-end redemption	7 Days
Domestic equity fund	33,117	-	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:

	2023	2022
Board-designated:		
Self-insured claims	\$ 24,815	\$ 25,758
Foundation operations	19,304	20,095
Other	-	1,027
Funds held by bond trustees, under bond indenture	-	3,959
Restricted by time or purpose	20,245	19,265
Restricted in perpetuity	2,902	2,794
Total assets limited as to use	67,266	72,898
Less current portion required for current liabilities	4,557	5,298
Noncurrent assets limited as to use	\$ 62,709	\$ 67,600

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

	2023	2022
Cash and cash equivalents	\$ 1,356	\$ 2,449
Investments	61,353	65,151
Total noncurrent assets limited as to use	\$ 62,709	\$ 67,600

## 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 2023 and 2022, is comprised of the following:

	2023	2022
Interest and dividend income	\$ 27,992	\$ 15,654
Net realized gains on sale of investments	4,890	27,125
Change in net unrealized gains and losses	34,112	(153,690)
Total investment return (loss)	<u>\$ 66,994</u>	<u>\$ (110,911)</u>

Reconciliation of total investment return (loss) reporting:

Investment income reported as:

Unrestricted:

Other operating revenue, net	\$ 2,722	\$ 2,282
Other nonoperating income (expense):		
Interest and dividend income from investments	25,270	13,372
Net realized gains on sale of investments	4,890	27,125
Change in net unrealized gains and losses	33,492	(151,525)
Restricted by time or purpose	620	(2,165)
Total investment return (loss)	<u>\$ 66,994</u>	<u>\$ (110,911)</u>

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

	2023	2022
Children's special health needs	\$ 1,788	\$ 1,651
Specific programs	12,308	12,090
Various	9,051	8,318
	<u>\$ 23,147</u>	<u>\$ 22,059</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, 2023 and 2022, 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 \$8,900 and \$8,100 during the years ended June 30, 2023 and 2022, 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 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 2023 and 2022 was \$414 and \$1,741, respectively. A liability related to the plans and agreements was recorded in the amounts of approximately \$500 and \$400 as of June 30, 2023 and 2022, respectively.



## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 11. Leases

At June 30, 2023 and 2022, 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, 2023 and 2022 consisted of the following:

	2023	2022
Operating lease expense, general, administrative and other	\$ 1,735	\$ 2,190
Finance lease expense:		
Amortization of ROU assets, depreciation and amortization	\$ 808	\$ 1,017
Interest on lease liabilities, interest	26	25
	\$ 834	\$ 1,042

Supplemental cash flow information related to leases for the years ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,615	\$ 1,436
Operating cash flows from finance leases	25	24
Financing cash flows from finance leases	820	702
ROU assets obtained in exchange for lease obligations:		
Operating leases	1,124	1,017
Finance leases	135	474

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 11. Leases (Continued)

Supplemental statement of financial position information related to leases as of June 30, 2023 and 2022 consisted of the following:

	2023	2022
Operating leases:		
Operating lease ROU assets, net, other assets	\$ 7,203	\$ 7,518
Accrued expenses	\$ 1,165	\$ 1,423
Other noncurrent liabilities	3,789	3,820
Total operating lease liabilities	<u>\$ 4,954</u>	<u>\$ 5,243</u>
Finance leases:		
Property and equipment, gross	\$ 3,812	\$ 3,758
Accumulated depreciation	2,019	1,365
Property and equipment, net	<u>\$ 1,793</u>	<u>\$ 2,393</u>
Current maturities of long-term debt	\$ 790	\$ 747
Long-term debt, net of current portion	1,048	1,703
Total finance lease liabilities	<u>\$ 1,838</u>	<u>\$ 2,450</u>
Weighted average remaining lease term:		
Operating leases	13 years	13 years
Finance leases	3 years	4 years
Weighted average discount rate:		
Operating leases	2.40%	1.89%
Finance leases	1.34%	1.05%

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

	Operating	Finance
2024	\$ 1,268	\$ 812
2025	954	425
2026	905	370
2027	491	167
2028	182	62
Thereafter	2,157	53
Minimum lease payments	<u>5,957</u>	<u>1,889</u>
Less amount representing interest	1,003	51
Net minimum lease payments	<u>\$ 4,954</u>	<u>\$ 1,838</u>

## 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 excess cash generated by operations for the years ended June 30, 2023 and 2022.

Financial assets available for general expenditure within one year of the balance sheet date, comprise the following at June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 46,788	\$ 64,409
Investments	698,323	709,083
Receivables:		
Patient	127,391	93,935
Notes	1,382	8,394
Other	9,074	6,819
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	44,119	46,880
Funds held by bond trustees, under bond indenture	-	3,959
Donor restricted net assets:		
Restricted by time or purpose	20,245	19,265
Restricted in perpetuity	2,902	2,794
Other assets	91,511	76,347
Total financial assets	1,041,735	1,031,885
Less amounts not available to meet cash needs for general expenditures within one year:		
Other assets	91,511	76,347
Assets limited as to use:		
Board-designated—self insurance trust, endowments and other	44,119	46,880
Funds held by bond trustees, under bond indenture	-	3,959
Donor restricted net assets:		
Restricted by time or purpose	20,245	19,265
Restricted in perpetuity	2,902	2,794
Note receivables	1,382	8,394
Financial assets available to meet cash needs for general expenditures within one year	\$ 881,576	\$ 874,246

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### **Note 12. Financial Assets Available and Liquidity (Continued)**

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

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

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

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

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

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

On December 6, 2022, USBCDC exercised its put option and entered into a Membership Interest Purchase Agreement with Midwestern for the purchase of USBCDC's Member interest in GAMT in the amount of \$219. At the same time, the notes were allonged to USBCDC, the \$7,029 note was paid in full, and the \$2,771 note was considered cancelled and recognized as other income within the consolidated statement of operations. As of June 30, 2023 and 2022, the combined balances of the long-term debt, net and the current portion included in current maturities of long-term debt were \$0 and \$9,800, respectively.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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

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

#### Note 14. Investments in Unconsolidated Joint Ventures

At June 30, 2023 and 2022, investments in unconsolidated joint ventures amounted to \$23,677 and \$23,660, respectively. Investments in the unconsolidated joint ventures are included in other assets in the consolidated balance sheets.

The unconsolidated joint ventures consist of three health care entities in which Mosaic's ownership interest ranges from 15% to 45%. The unaudited collective financial position of the unconsolidated joint ventures as of and for the years ended June 30, 2023 and 2022 were:

	2023	2022
Total assets	\$ 14,890	\$ 14,947
Net income	6,364	5,203

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, 2023 and 2022 as follows:

	2023	2022
Gain on investment in unconsolidated joint ventures	\$ 2,721	\$ 2,282
New investments in unconsolidated joint ventures	-	210
Distributions received from unconsolidated joint ventures	(2,704)	(2,774)

#### Note 15. Self-Insurance

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 15. Self-Insurance (Continued)

Mosaic's professional and general liability insurance coverage includes self-insured retention for up to \$1,000 per claim for fiscal years ended June 30, 2023 and 2022. 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% and 3.5% for June 30, 2023 and 2022, respectively. Management believes that the accrued liability for uninsured losses is adequate to cover losses incurred to date, but the accrual is necessarily based on estimates and, therefore, the ultimate liability may be less or more than anticipated.

Mosaic's workers' compensation insurance coverage is also self-insured with per occurrence retention limits of up to \$500 for fiscal years ended June 30, 2023 and 2022. Mosaic has accrued for the uninsured portion of the actuarially estimated losses based upon pending and historical claims experience.

At June 30, 2023 and 2022, current accrued expenses include approximately \$4,300 and \$5,500, respectively, 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 2023 and 2022, is summarized as follows:

	2023	2022
Balance, beginning	\$ 28,015	\$ 28,920
Current year claims incurred and changes in estimates for claims incurred in prior years	2,337	5,033
Claims and expenses paid	(2,634)	(5,938)
Balance, ending	<u>\$ 27,718</u>	<u>\$ 28,015</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. During the years ended June 30, 2023 and 2022, employee health insurance expense related to all plans totaled approximately \$40,200 and \$40,000, respectively. Mosaic has recorded approximately \$4,100 and \$4,100 as of June 30, 2023 and 2022, respectively, for open claims and claims incurred but not yet reported, which is included in accrued expenses.

#### Note 16. Commitments and Contingencies

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

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 16. Commitments and Contingencies (Continued)

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

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

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

#### Note 17. Health Care Industry

**COVID-19 Pandemic:** On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus disease (COVID-19) a pandemic. The Center for Disease Control (CDC) confirmed its spread to the United States and it was declared a national public health emergency, followed by state emergency declarations (including by the Governor of Missouri), and the Centers for Medicare and Medicaid Services (CMS) issuing guidance regarding elective procedures. The COVID-19 pandemic has caused significant disruption to the national economy as well as Mosaic's operations.

During the year ended June 30, 2022, Mosaic received Public Health and Social Services Emergency Fund (Provider Relief Fund or PRF) cash payments of \$7,100 in both general and targeted distributions. Also, during the year ended June 30, 2022, Mosaic determined approximately \$7,100 met the required conditions including offsetting lost revenues and incremental expenses and are recognized as other governmental relief payments, within the consolidated statements of operations.

In response to COVID-19, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act authorized funding to hospitals and other health care providers to be distributed through the PRF. Payments from the Provider Relief Fund are to be used to prevent, prepare for, and respond to COVID-19, and shall reimburse the recipient for health care related expenses or lost revenues attributable to COVID-19 and are not required to be repaid, provided the recipients attest to and comply with the terms and conditions.

## Mosaic Health System and Related Organizations

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 17. Health Care Industry (Continued)

The CARES Act has authorized \$178 billion in payments to be distributed through the PRF. Distributions from the PRF to providers commenced during the three months ended June 30, 2020. Payments from the PRF are not loans and, therefore, they are not subject to repayment. However, as a condition to receiving distributions, providers must agree to certain terms and conditions, including, among other things, that the funds are being used for lost revenues and unreimbursed COVID-related costs as defined by Department of Health and Human Services (HHS), and that the providers will not seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider. All recipients of PRF payments are required to comply with the reporting requirements described in the terms and conditions and as determined by HHS. In January 2021, HHS released updated reporting requirements that include lost revenues, expenses attributable to COVID-19 and nonfinancial information. The updated reporting requirements reflect certain provisions of the Consolidated Appropriations Act affecting the calculation of lost revenues, as well as the distribution of PRF funds among subsidiaries in a hospital system. Furthermore, HHS has indicated that it will be closely monitoring and, along with the Office of Inspector General, auditing providers to ensure that recipients comply with the terms and conditions of relief programs and to prevent fraud and abuse. All providers will be subject to civil and criminal penalties for any deliberate omissions, misrepresentations or falsifications of any information given to HHS. Mosaic has formally accepted PRF payments issued to it and the terms and conditions associated with those payments.

There is at least a reasonable possibility that amounts recorded under CARES Act provider relief funds by Mosaic for the years ended June 30, 2022 may reverse in future periods.

In addition, beginning March 27, 2020, all employers were able to elect to defer payment of the 6.2% employer Social Security tax through December 31, 2020. Mosaic elected to defer the employer portion of the Social Security taxes as permitted by the CARES Act. Amounts deferred as of June 30, 2022, were approximately \$5,100 which was all recorded as accrued expenses on the consolidated balance sheet. Amounts deferred as of June 30, 2023 were \$0.

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

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

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



## **Mosaic Health System and Related Organizations**

### **Notes to Consolidated Financial Statements (Dollars in Thousands)**

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#### **Note 18. Electronic Health Records System**

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

Mosaic placed the Epic EHR System in-service effective May 1, 2023. As of June 30, 2023, approximately \$54,300 of cost has been capitalized as other assets, net on Mosaic's consolidated balance sheet. As the Epic EHR System was placed into service May 1, 2023, approximately \$994 of accumulated amortization and depreciation has been expensed as of June 30, 2023. Mosaic estimates amortization and depreciation expense to be approximately \$6,000 for through 2033.

Mosaic entered into a hosting services agreement with Epic during November 2021. Mosaic followed the guidance at FASB ASC 350-40-30-5 entitled, Implementation Costs of a Hosting Arrangement That Is a Service Contract and is treating the license agreement as a service contract. Mosaic capitalized nonproduction hosting services and currently expenses production hosting services as incurred.

#### **Note 19. Subsequent Events**

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

Mosaic has evaluated subsequent events through September 28, 2023, and determined no additional disclosures are required other than those disclosed above. These 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, 2023 and 2022, 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 and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and other supplementary 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*

Davenport, Iowa  
September 28, 2023

## Mosaic Health System and Related Organizations

### Consolidating Balance Sheet

June 30, 2023

(Dollars in Thousands)

	Obligated Group			Total Obligated Group	Other Related Organizations and Eliminations	Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations			
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 24	\$ 25	\$ 42,116	\$ 42,165	\$ 4,623	\$ 46,788
Investments	-	-	698,323	698,323	-	698,323
Patient accounts receivable	105,184	14,798	-	119,982	7,409	127,391
Inventories	11,449	1,832	-	13,281	163	13,444
Prepaid expenses and other	11,310	844	15,097	27,251	199	27,450
Assets limited as to use—current portion	-	-	3,760	3,760	797	4,557
<b>Total current assets</b>	<b>127,967</b>	<b>17,499</b>	<b>759,296</b>	<b>904,762</b>	<b>13,191</b>	<b>917,953</b>
Assets limited as to use, net of current portion:						
Board-designated—self insurance trust, endowments and other	-	-	21,061	21,061	18,501	39,562
Other assets limited as to use	259	7,362	-	7,621	15,526	23,147
<b>Total assets limited as to use, net of current portion</b>	<b>259</b>	<b>7,362</b>	<b>21,061</b>	<b>28,682</b>	<b>34,027</b>	<b>62,709</b>
Due from (to) affiliates	59,490	(16,518)	(34,473)	8,499	(8,499)	-
Notes receivable, net	75	-	-	75	1,307	1,382
Property and equipment, net	237,364	22,191	28,202	287,757	39,094	326,851
Other assets, net	30,652	3,694	51,065	85,411	6,100	91,511
<b>Total assets</b>	<b>\$ 455,807</b>	<b>\$ 34,228</b>	<b>\$ 825,151</b>	<b>\$ 1,315,186</b>	<b>\$ 85,220</b>	<b>\$ 1,400,406</b>

## Mosaic Health System and Related Organizations

### Consolidating Balance Sheet

June 30, 2023

(Dollars in Thousands)

	Obligated Group			Total Obligated Group	Other Related Organizations and Eliminations	Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations			
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Current maturities of long-term debt	\$ 657	\$ 31	\$ 4,414	\$ 5,102	\$ 43	\$ 5,145
Accounts payable	13,727	988	19,511	34,226	1,453	35,679
Accrued self-insured costs	-	-	4,280	4,280	-	4,280
Accrued expenses	17,690	1,586	42,657	61,933	(1,403)	60,530
Estimated settlements due to third-party payors	6,568	2,019	-	8,587	3,941	12,528
<b>Total current liabilities</b>	<b>38,642</b>	<b>4,624</b>	<b>70,862</b>	<b>114,128</b>	<b>4,034</b>	<b>118,162</b>
Long-term debt, net of current portion	727	57	271,983	272,767	233	273,000
Accrued self-insured costs, net of current portion	-	-	23,438	23,438	-	23,438
Other noncurrent liabilities	5,675	4,039	6,468	16,182	6,856	23,038
<b>Total liabilities</b>	<b>45,044</b>	<b>8,720</b>	<b>372,751</b>	<b>426,515</b>	<b>11,123</b>	<b>437,638</b>
Net assets:						
Without donor restrictions	410,503	18,146	452,400	881,049	58,572	939,621
With donor restrictions	260	7,362	-	7,622	15,525	23,147
<b>Total net assets</b>	<b>410,763</b>	<b>25,508</b>	<b>452,400</b>	<b>888,671</b>	<b>74,097</b>	<b>962,768</b>
<b>Total liabilities and net assets</b>	<b>\$ 455,807</b>	<b>\$ 34,228</b>	<b>\$ 825,151</b>	<b>\$ 1,315,186</b>	<b>\$ 85,220</b>	<b>\$ 1,400,406</b>

## Mosaic Health System and Related Organizations

### Consolidating Statement of Operations Year Ended June 30, 2023 (Dollars in Thousands)

	Obligated Group			Total Obligated Group	Other Related Organizations and Eliminations	Consolidated
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations			
Unrestricted revenues, gains and other support:						
Patient service revenue	\$ 679,278	\$ 75,816	\$ -	\$ 755,094	\$ 31,338	\$ 786,432
Net assets released from restrictions used for operations	-	416	-	416	865	1,281
340b program revenue and other	46,147	5,961	2,011	54,119	(903)	53,216
<b>Total unrestricted revenues, gains and other support</b>	<b>725,425</b>	<b>82,193</b>	<b>2,011</b>	<b>809,629</b>	<b>31,300</b>	<b>840,929</b>
Operating expenses:						
Salaries and wages	309,257	37,577	46,455	393,289	18,002	411,291
Employee benefits	52,109	7,806	10,655	70,570	4,353	74,923
Professional fees	3,620	523	9,925	14,068	(886)	13,182
Supplies	149,066	17,259	(2,598)	163,727	4,643	168,370
General, administrative and other	39,902	7,813	58,137	105,852	(1,939)	103,913
Corporate allocations	109,430	13,742	(127,597)	(4,425)	4,425	-
Insurance	4,335	1,028	863	6,226	311	6,537
Depreciation and amortization	26,503	2,672	4,119	33,294	2,847	36,141
Interest	1,694	755	7,056	9,505	(350)	9,155
Federal reimbursement allowance	28,581	2,346	-	30,927	1,450	32,377
<b>Total operating expenses</b>	<b>724,497</b>	<b>91,521</b>	<b>7,015</b>	<b>823,033</b>	<b>32,856</b>	<b>855,889</b>
<b>Operating income (loss) before other operating revenue and expenses</b>	<b>928</b>	<b>(9,328)</b>	<b>(5,004)</b>	<b>(13,404)</b>	<b>(1,556)</b>	<b>(14,960)</b>
Other operating expense	-	-	(723)	(723)	2,612	1,889
<b>Operating income (loss)</b>	<b>928</b>	<b>(9,328)</b>	<b>(5,727)</b>	<b>(14,127)</b>	<b>1,056</b>	<b>(13,071)</b>
Other income (expense):						
Interest and dividend income	416	-	23,481	23,897	1,373	25,270
Net realized gains on sale of investments and assets limited as to use	-	-	4,890	4,890	-	4,890
Change in net unrealized gains and losses on trading securities	-	879	32,596	33,475	17	33,492
Other	2,359	(19)	14	2,354	(1,542)	812
<b>Total other income</b>	<b>2,775</b>	<b>860</b>	<b>60,981</b>	<b>64,616</b>	<b>(152)</b>	<b>64,464</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 3,703</b>	<b>\$ (8,468)</b>	<b>\$ 55,254</b>	<b>\$ 50,489</b>	<b>\$ 904</b>	<b>\$ 51,393</b>

**Mosaic Health System and Related Organizations**

**Consolidating Statement of Changes in Net Assets  
Year Ended June 30, 2023  
(Dollars in Thousands)**

	<b>Obligated Group</b>			<b>Total Obligated Group</b>	Other Related Organizations and Eliminations	<b>Consolidated</b>
	Mosaic St. Joseph	Mosaic Maryville	Mosaic Health System and Eliminations			
Net assets without restrictions:						
Excess (deficiency) of revenue over expenses	\$ 3,703	\$ (8,468)	\$ 55,254	\$ 50,489	\$ 904	\$ 51,393
Net asset transfers	-	9,684	(10,501)	(817)	817	-
Other changes in net assets without restrictions	314	(879)	3,386	2,821	645	3,466
<b>Increase in net assets without restrictions</b>	<b>4,017</b>	<b>337</b>	<b>48,139</b>	<b>52,493</b>	<b>2,366</b>	<b>54,859</b>
Net assets with donor restrictions:						
Contributions and investment income	-	247	-	247	2,225	2,472
Net change in unrealized gains and losses on investments	-	-	-	-	620	620
Net assets released from restrictions used for operations	-	(416)	-	(416)	(865)	(1,281)
Other changes in net assets with donor restrictions	(52)	592	-	540	(1,263)	(723)
<b>Increase (decrease) in net assets with donor restrictions</b>	<b>(52)</b>	<b>423</b>	<b>-</b>	<b>371</b>	<b>717</b>	<b>1,088</b>
<b>Change in net assets</b>	<b>3,965</b>	<b>760</b>	<b>48,139</b>	<b>52,864</b>	<b>3,083</b>	<b>55,947</b>
Net assets:						
Beginning	406,798	24,748	404,261	835,807	71,014	906,821
Ending	\$ 410,763	\$ 25,508	\$ 452,400	\$ 888,671	\$ 74,097	\$ 962,768

**SERVICE-SPECIFIC REVENUES AND EXPENSES****Project Title:** Mosaic Medical Center - Albany**Project #:** 6093 HT**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.*

	<b>Year</b>		
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
<b>Amount of Utilization:*</b>	340	381	388
<b>Revenue:</b>			
Average Charge**	\$2,865	\$3,139	\$3,129
Gross Revenue	\$974,100	\$1,195,959	\$1,214,052
Revenue Deductions	327,702	355,662	379,992
Operating Revenue	646,398	840,297	834,060
Other Revenue	0	0	0
<b>TOTAL REVENUE</b>	<b>\$646,398</b>	<b>\$840,297</b>	<b>\$834,060</b>
<b>Expenses:</b>			
Direct Expenses			
Salaries	95,134	160,427	137,110
Fees	88,053	79,141	77,610
Supplies	3,599	3,771	3,687
Other	0	0	0
<b>TOTAL DIRECT</b>	<b>\$186,786</b>	<b>\$243,339</b>	<b>\$218,407</b>
Indirect Expenses			
Depreciation	25,657	33,528	13,829
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	123,991	137,248	161,817
<b>TOTAL INDIRECT</b>	<b>\$149,648</b>	<b>\$170,776</b>	<b>\$175,646</b>
<b>TOTAL EXPENSES</b>	<b>\$336,434</b>	<b>\$414,115</b>	<b>\$394,053</b>
<b>NET INCOME (LOSS):</b>	<b>\$309,964</b>	<b>\$426,182</b>	<b>\$440,007</b>

\*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:** Mosaic Medical Center - Albany

**Project #:** 6093 HT

## 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.*

	<b>Year</b>		
	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>
<b>Amount of Utilization:*</b>	400	405	410
<b>Revenue:</b>			
Average Charge**	\$3,088	\$3,242	\$3,404
Gross Revenue	\$1,235,200	\$1,313,010	\$1,395,640
Revenue Deductions	394,289	419,127	445,503
Operating Revenue	840,911	893,883	950,137
Other Revenue	0	0	0
<b>TOTAL REVENUE</b>	<b>\$840,911</b>	<b>\$893,883</b>	<b>\$950,137</b>
<b>Expenses:</b>			
Direct Expenses			
Salaries	141,206	145,443	149,806
Fees	77,045	79,356	81,737
Supplies	5,605	5,774	5,947
Other	0	0	0
<b>TOTAL DIRECT</b>	<b>\$223,856</b>	<b>\$230,573</b>	<b>\$237,490</b>
Indirect Expenses			
Depreciation	306,598	306,598	306,598
Interest***	0	0	0
Rent/Lease	0	0	0
Overhead****	165,301	170,260	175,368
<b>TOTAL INDIRECT</b>	<b>\$471,899</b>	<b>\$476,858</b>	<b>\$481,966</b>
<b>TOTAL EXPENSES</b>	<b>\$695,755</b>	<b>\$707,431</b>	<b>\$719,456</b>
<b>NET INCOME (LOSS):</b>	<b>\$145,156</b>	<b>\$186,452</b>	<b>\$230,681</b>

\*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.