



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST, SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: H-07	BOARD MEETING: June 24, 2025	PROJECT NO: 25-017	PROJECT COST: Original: \$21,284,207
FACILITY NAME: Shirley Ryan AbilityLab f/k/a Rehabilitation Institute of Chicago		CITY: Chicago	
TYPE OF PROJECT: Non-Substantive			HSA: VI

PROJECT DESCRIPTION: The Applicant, (Shirley Ryan AbilityLab f/k/a Rehabilitation Institute of Chicago) proposes to renovate/build out space to accommodate the hospital's Streeterville DayRehab Center and Outpatient Rehabilitation Clinic, on the campus of Rehabilitation Institute of Chicago, 355 east Erie Street, Chicago. The project cost is \$21,284,207 and has an expected completion date of December 31, 2026.

The Project involves the build-out of space on the 16th floor of the Rehabilitation Institute, Chicago, which is currently used for storage (shell space). The Streeterville DayRehab Center is currently located at 354 East Superior Street, approximately one block from the hospital campus (355 East Erie Street, Chicago).

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicant (Rehabilitation Institute of Chicago) proposes to build out 50,500gsf of existing space, located on the 16th floor of the Shirley Ryan AbilityLab, to relocate the Streeterville DayRehab Center to the AbilityLab campus, located at 355 East Erie Street, Chicago.

The Project will entail the build-out/renovation of 50,500GSF of space to serve as outpatient rehabilitation clinic and research space. The space is located on the 16th floor of the Shirley Ryan AbilityLab and will be in close proximity to the AbilityLab's onsite outpatient programming that is currently located one floor below (15th floor). The Streeterville DayRehab Center is currently operating in leased space, about one block from the hospital campus (354 East Superior Street). The lease for the Superior Street space is due to expire in mid-2027, and the Applicant does not wish to renew this lease. Any displaced storage will be moved to additional storage space on the 17th floor of the AbilityLab.

The renovated space will include space for individual/group treatment, therapy gyms ("AbilityLabs"), clinician offices, and staff work/support areas. The DayRehab Center and the outpatient program operate with their own dedicated staffing complement.

PURPOSE OF PROJECT

- The purpose of this project is to improve the health care and well-being of the Chicago area and the population to be served. In 2017, the Rehabilitation Institute was replaced by Shirley Ryan Ability Lab, a facility designed to provide cutting-edge rehabilitation care and research in one single coordinated setting. Commensurate with national trends and increased therapeutic capabilities, inpatient rehabilitation care that was once costly and lengthy, is now being provided in a less restrictive and less costly environment. Rehabilitation patients are benefitting from shorter inpatient stays and services rendered through day hospitals or more traditional outpatient programming.

PUBLIC HEARING/COMMENT:

- No public hearing was requested, and no letters of support or opposition were received regarding this project.

SUMMARY:

- The Applicants addressed 17 criteria and appear to be in compliance with them all.



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Project #25-017 Shirley Ryan AbilityLab STATE BOARD STAFF REPORT

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Rehabilitation Institute of Chicago
Facility Name	Shirley Ryan AbilityLab f/k/a Rehabilitation Institute of Chicago
Location	355 East Erie Street, Chicago, IL
Permit Holder	Rehabilitation Institute of Chicago
Licensee/Operating Entity	Rehabilitation Institute of Chicago
Owner of Site	Rehabilitation Institute of Chicago
Application Received	April 2, 2025
Application Deemed Complete	April 4, 2025
Review Period Ends	June 3, 2025
Project Completion Date	December 31, 2026
Does the State Board staff extend the review period?	No
Can the Applicant request a deferral?	Yes

I. The Proposed Project

The Applicant (Rehabilitation Institute of Chicago) proposes to relocate its existing DayRehab Center from an off campus setting to space on the 16th floor of the Shirley Ryan AbilityLab, located at 355 East Erie Street, Chicago, Illinois.

The Project involves the relocation of its DayRehab services to existing shell space at the AbilityLab, in close proximity to existing outpatient programming services, located on the 15th floor of the AbilityLab.

II. Summary of Findings

- A. The State Agency finds the proposed project does appear to be in conformance with the provisions of Part 1110.
- B. The State Agency finds the proposed project does appear to be in conformance with the provisions of Part 1120.

III. General Information

Shirley Ryan AbilityLab (formerly known as Rehabilitation Institute of Chicago) owns/operates its Rehabilitation Hospital in Chicago and is known throughout the country as the leading provider in Rehabilitation Medicine. The Applicant owns/operates nine outpatient rehabilitation healthcare facilities in the metropolitan Chicago area and has collaborative relationships with twenty-three other providers of healthcare services in Illinois. The Shirley Ryan AbilityLab is in HSA VI which encompasses the City of

Chicago. There are eleven other hospitals in the service area that provide rehabilitation services, and they are listed in Table One.

TABLE ONE				
Rehabilitation Hospitals/Services in HSA-VI				
Facility	City	Rehab Beds	Admissions	Patient Days
AMITA Health Saint Mary & Elizabeth Medical Center	Chicago	15	316	4,100
Illinois Masonic Medical Center	Chicago	22	341	4,989
Insight Hospital & Medical Center	Chicago	24	0	0
Kindred Hospital-Chicago	Chicago	15	0	0
Louis Weiss Memorial Hospital	Chicago	26	196	2,427
Presence Resurrection Medical Ctr.	Chicago	35	602	8,618
Rush Specialty Hospital	Chicago	56	0	0
Rush University Medical Center	Chicago	59	766	9,247
Schwab Rehabilitation Hospital	Chicago	92	987	16,008
Shirley Ryan AbilityLab	Chicago	262	3,609	78,996
Shriners' Hospital for Children-Chicago	Chicago	6	55	855
Swedish Hospital	Chicago	25	281	3,854
Total		637	7,153	129,094

This is a non-substantive project, which is subject to both Parts 1110 and 1120 review. Financial commitment will occur after permit issuance. The estimated project completion date is December 31, 2026. An opportunity for public hearing was provided; however, one was not requested.

IV. Project Sources and Uses of Funds

The Applicant proposes to fund the project in its entirety with cash/securities totaling \$21,284,207. The Applicant provided proof of an A+/Stable Bond Rating from FitchRatings Service (December 2024). Table Two displays the project's cost information.

TABLE TWO			
Project Uses and Sources of Funds			
	Reviewable	Nonreviewable	Total
Use of Funds			
Preplanning	\$20,350	\$7,150	\$27,500
Modernization Contracts	\$11,659,070	\$6,250,355	\$17,909,425
Contingencies	\$272,190	\$232,810	\$505,000
Architectural/Engineering Fees	\$950,000	\$173,100	\$1,123,100
Consulting and Other Fees	\$639,755	\$191,096	\$830,850
Movable Equipment	\$385,732	\$52,600	\$438,332
Other Costs to be Capitalized	\$424,000	\$26,000	\$450,000
TOTALS	\$14,351,097	\$6,933,110	\$21,284,207

Source of Funds			
Cash/Securities	\$14,351,097	\$6,933,110	\$21,284,207
TOTALS	\$14,351,097	\$6,933,110	\$21,284,207

V. Background, Purpose of the Project, and Alternatives

A. Criterion 1110.110 - Background of the Applicants

The Applicants provided licensure and certification information as required. They certified that they have not had any adverse actions within the past three years. It appears the Applicants are fit, willing, and able and have the qualifications, background, and character to adequately provide a proper standard of healthcare service for the community.

B. Criterion 1110.110 - Purpose of the Project

The purpose of this project is to improve the health care and well-being of the Chicago area and the population to be served. In 2017, the Rehabilitation Institute was replaced by Shirley Ryan Ability Lab, a facility designed to provide cutting-edge rehabilitation care and research in one central location. Commensurate with national trends and increased therapeutic capabilities, inpatient rehabilitation care that was once costly and lengthy, is now being provided in a less restrictive and less costly environment. Rehabilitation patients are benefitting from shorter inpatient stays and services rendered through day hospitals or more traditional outpatient programming. While Shirley Ryan AbilityLab attracts patients from throughout the country, as well as internationally, understandably patients receiving care through the hospital's day hospital and outpatient programs come primarily from the Chicago area.

C. Criterion 1110.110 – Alternatives to the Proposed Project

The Applicants considered two alternatives to the alternative chosen.

1. Develop Rehabilitation Programs in Close Proximity to the Rehab Institute Campus
 2. Relocate Rehabilitation Programs to Sites Remote from Rehab Institute Campus
1. The development of a day rehabilitation program in close proximity to the AbilityLab would be the equivalent to status quo/do nothing, because this alternative exists with the Streeterville Day Rehabilitation program. The Applicants rejected this alternative due to the availability of vacant space on the campus of the AbilityLab, and the cost to rent off-campus would increase the capital cost of this project, further eroding the feasibility of this alternative. The Applicants did not provide a cost with this alternative, and it was rejected.
 2. The AbilityLab currently provides remote day rehabilitation services to twenty metropolitan Chicago locations (application pgs. 47-48) and is already the largest provider of outpatient/day rehabilitation services in this area. This alternative was

rejected due to the existence of the remote services and the additional expense incurred to rent another rehabilitation site. No cost was provided with this alternative.

VI. Project Scope and Size, Utilization and Unfinished/Shell Space – Review Criteria

- A) Criterion 1110.120 (a) – Size of the Project
- B) Criterion 1110.120 (b) – Projected Utilization

A) Size of Project

The applicant shall document that the physical space proposed for the project is necessary and appropriate. The proposed square footage cannot deviate from the square footage range indicated in Appendix B or exceed the square footage standard in Appendix B if the standard is a single number unless square footage can be justified by documenting, as described in subsection (a)(2).

The Applicants propose to renovate approximately 50,500 GSF of space on the sixteenth floor of the Shirley Ryan AbilityLab, in space currently used for storage. This space will facilitate the Applicant's relocation of its therapy gyms, clinician offices, support areas from a leased facility located one block away. Board Staff notes this project's spatial considerations are not applicable to Board jurisdiction.

TABLE THREE				
Spatial Allocations Shirley Ryan AbilityLab, Chicago				
Dept. Service	Cost	Proposed GSF	Modernized*	As-Is**
Clinical/Reviewable				
Outpatient Therapy	\$3,602,125	7,473	7,473	4,600
Day Hospital	\$10,619,812	19,481	19,481	
Casting	\$71,755	137	137	
Mental Health	\$57,404	128	128	
Total Clinical	\$14,351,097	27,219	27,219	4,600
Non-Clinical/Non-Reviewable				
Clinician Offices	\$623,980	986	986	
Administrative	\$415,987	308	308	
Conference/Meeting	\$762,642	1,727	1,727	
Staff Work Areas	\$1,455,953	3,751	3,751	
Pantry	\$277,324	915	915	
Reception/Waiting	\$693,311	2,311	2,311	1,300
Mechanical Areas	\$207,993	1,090	1,090	
Elevator/Lobby	\$485,318	1,314	1,314	
Supply/Equipment Storage	\$277,324	1,276	1,276	638
Toilet/Lockers	\$901,304	2,416	2,416	
Circulation	\$831,973	7,187	7,187	
Total Non-Clinical	\$6,933,110	23,281	23,281	1,938
TOTAL	\$21,284,207	23,281	23,281	6,538
*16 th Floor				
** 15 th Floor				

The allocated space is determined by the amount of space made available without requiring new construction, and the manner in which services are provided at the AbilityLab, combining patient care and research in one single location. The Board has no spatial standards for the components identified in Table Three, and no inpatient services will be provided in these areas. Rehabilitation services are provided in both individual and group settings, and the Applicants provided lists of the modalities provided in both the DayRehab Center, and the Outpatient department (see below) that will be located on the 16th floor, alongside the day hospital program, and will be the only campus program of this type. The hospital will also continue to provide outpatient programming on the 15th floor (See Table Three).

DayRehab Center

Occupational Therapy Studio
 Speech Pathology Therapy Room
 Low Stimulation AbilityLab (2 gyms)
 ADL Kitchenette/Bathroom/Bedroom
 Peds/Infant/Baby Area
 Pediatric Treadmill
 Mat Tables (2)
 Staircase
 Weight Stations (2)
 Nusteps (2), Treadmills, (7) Pilates
 Bikes (6), Mechanical Gait Track
 Ellipticals (2), Private Treatment Rooms
 Ballet Bar

Outpatient Department (16th Fl)

Muscular Skeletal AbilityLab (gym)
 Muscular Skeletal Treatment Rooms (6)
 Patient Education Center
 Hi-Lo Tables (21)
 Mechanical Gait Track
 Pilates Reformer

B) Project Services Utilization

The applicant shall document that, by the end of the second year of operation, the annual utilization of the clinical service areas or equipment shall meet or exceed the utilization standards specified in Appendix B.

The State Board has no State standards for the services provided in the proposed project. The services mentioned are often referred to as being physical/occupational/speech therapies, and these generalizations of therapies include the listed specialized therapies not normally provided through traditional hospital-based rehabilitation programs.

VI. Comprehensive Physical Rehabilitation/Therapy – Review Criteria

The Applicants note the proposed project is limited in scope, does not include the addition of beds, a new category of service, or major diagnostic equipment. The space allocated for renovation is located on the 16th floor, in space currently utilized as storage (not deteriorated or obsolete), but is simply being repurposed to provide space for additional diagnostic/therapeutic services. The Applicants note the Shirley Ryan AbilityLab was designed/constructed with the minimum facility size specifications for beds and inpatient units.

VII. Clinical Service Areas Other Than Categories of Service

The Applicants note the proposed project includes two clinical services that are not identified as categories of service by the State Board. They are the hospital's Outpatient Rehabilitation Services and the Shirley Ryan AbilityLab DayRehab Center. The modalities are being relocated from their off-campus locations to existing space on the hospital campus. It is noted that a significant percentage of the program's patient base have transitioned into the program as a result of inpatient care at the AbilityLab, or another hospital. Both the day rehabilitation and the outpatient departments serve dually as primary research and patient care sites, and growth in utilization has been hindered by the lack of available treatment space. The fifteenth floor will continue to provide outpatient physical/occupational/speech therapies with minimal modernization. The sixteenth floor is the primary component of this project, and once complete will provide needed additional capacity to expand the hospital's outpatient programming. Outpatient Rehabilitation programming has experienced significant growth in recent years, with approximately 40,000 patient visits/encounters in the last year. Tables Four and Five illustrate the historical utilization for the mentioned programs, that conservatively project 3% annual growth in the next four years.

TABLE FOUR		
Outpatient Program Utilization		
Shirley Ryan AbilityLab		
Year	Patient Encounters	Change from Prior Year
FY 2022	36,752	
FY 2023	39,134	+6.5%
FY 2024	39,336	+2.2%
FY 2025*	41,196	+3.0%
FY 2026*	42,432	+3.0%
FY 2027*	43,705	+3.0%
FY 2028*	45,016	+3.0%
*Projected		

TABLE FIVE		
DayRehab Center Utilization		
Shirley Ryan AbilityLab		
Year	Patient Encounters	Change from Prior Year
FY 2022	17,615	
FY 2023	20,543	+10.4%
FY 2024	21,849	+6.4%
FY 2025*	22,504	+3.0%
FY 2026*	23,180	+3.0%
FY 2027*	23,875	+3.0%
FY 2028*	45,016	+3.0%
*Projected		

VIII. Financial Viability

A. Criterion 1120.120 - Availability of Funds

The project will be funded in its entirety with cash/securities totaling \$21,284,207. The Applicants supplied proof of an A+/Stable Bond Rating from FitchRatings Service (December 2024) and Audited Financial Statements for three historical years (see Table Six).

TABLE SIX Financial Information Rehabilitation Institute of Chicago Audited August 31st		
Year	2024	2023
Cash	\$9,649	\$9,714
Current Assets	\$116,178	\$110,451
Total Assets	\$1,267,052	\$1,180,020
Current Liabilities	\$101,606	\$87,478
Total Liabilities	\$406,615	\$415,461
Revenue	\$16,833	\$29,389
Expenses	\$7,621	\$16,818
Operating Income (Loss)	\$9,212	\$12,571
Non-Operating Gains	\$4,164	\$2,900
Income (Loss)	\$13,376	\$15,471

B. Criterion 1120.130 - Financial Viability

The Applicant provided proof of an A+/Stable Bond Rating from FitchRatings Service (December 2024), Therefore, this criterion is inapplicable.

IX. Economic Feasibility

A. Criterion 1120.140(a) - Reasonableness of Financing Arrangements

B. Criterion 1120.140(b) - Conditions of Debt Financing

This project is being funded internally (cash/securities), and this criterion is inapplicable.

C. Criterion 1120.140(c) - Reasonableness of Project and Related Costs

The Board limits its feasibility reviews to clinical/reviewable costs and spatial considerations.

Preplanning Costs - This cost is \$20,350, which equals less than 1% of construction, modernization, contingencies, and equipment costs (\$12,994,802). This appears reasonable compared to the State standard of 1.8%.

Modernization - Modernization contracts total \$11,659,070. The facility will contain 27,219 GSF of modernized space, which costs \$428.35 per GSF. This appears reasonable compared to the adjusted State standard of \$768.46 per GSF.

Contingencies-Modernization - This cost totals \$272,190, or 2.3% of modernization costs (\$11,659,070). This appears reasonable compared to the State standard of 10% - 15%.

Architectural/Engineering Fees - These costs total \$950,000, or 7.5% of modernization, and contingencies (\$12,609,070). This appears reasonable compared to the State standard, which identifies that the cost should range between 5.87% - 8.81%.

Moveable or Other Equipment - These costs total \$385,732. Since the project does not involve the introduction of new beds, this criterion is inapplicable.

The State Board does not have a standard for these costs.

Consulting and Other Fees	\$639,755
Other Costs to be Capitalized	\$424,000

D. Criterion 1120.800 - Projected Operating Costs

The Applicants' project operating costs are \$992.72 per resident day. The State Board does not have a standard to compare to these costs.

E. Criterion 1120.800 - Total Effect of the Project on Capital Costs

The Applicants' project \$721.00 in capital costs per resident day. The State Board does not have a standard against which to compare the Applicants' costs.

TABLE SEVEN Allocation of Costs	
Project Cost	Total
Preplanning	
Evaluation of Alternatives	\$5,000
Pre-Architectural Function Planning	\$10,000
Financial Feasibility Analyses	\$7,500
Miscellaneous/Other	\$5,000
Total	\$27,500
Modernization	\$17,909,425
Contingencies	\$505,000

Architectural/Engineering Fees	
Design	\$973,100
Document Preparation	\$20,000
Interface with Agencies	\$15,000
Project Monitoring	\$15,000
Miscellaneous/Other	\$100,000
Total	\$1,123,100
Consulting & Other Fees	
Permitting	\$63,800
Interior Signage	\$175,000
Appliances	\$11,000
Fire Suppression System	\$6,050
CON-Related	\$75,000
Insurance	\$50,000
Project Management	\$250,000
Equipment Planning	\$100,000
Miscellaneous/Other	\$100,000
Total	\$830,850
Equipment	
DayRehab	\$193,000
Outpatient Center	\$90,332
Physician/Staff Offices	\$35,000
Family/Public Areas	\$40,000
Administrative Areas	\$55,000
Staff Support Areas	\$25,000
Total	\$438,332
Other Costs to be Capitalized	
Relocation of DayRehab-Related	\$350,000
Miscellaneous/Other	\$100,000
Total	\$450,000
Project Cost	\$21,284,207
Sources of Funds	
Cash/Securities	\$21,284,207
Total	\$21,284,207

25-017 Shirley Ryan AbilityLab - Chicago

