



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

	BOARD MEETING: February 26, 2026	PROJECT NUMBER: 23-023
PERMIT HOLDERS(S): Rush System for Health d/b/a Rush University System for Health Rush Oak Park Hospital, Inc., Rush University Medical Center		
FACILITY NAME and LOCATION: Rush North and Harlem Medical Office Building, Chicago		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On July 27, 2023, the State Board approved Project #23-023. The permit authorized the establishment of a Medical Office Building in Chicago. The project cost is \$57,171,452, and the current completion date is December 31, 2025.

State Board Staff notes that the permit holders submitted the permit renewal request on January 2, 2026. This submittal was not in accordance with 77 Ill. Ad. Code 1130.740(c), which states that the State Board must receive renewal requests at least 45 days before the permit expiration date. A \$1,000.00 application processing fee and a \$500.00 late fee accompanied the renewal request (per 77 Ill. Adm. Code 1130.230(h)(5)).

II. Findings

State Board Staff notes this is the renewal request for this project, and the permit holders have submitted all information required in Section 1130.740 for a permit renewal. Board Staff notes that on April 29, 2025, the Permit Holders received approval to alter the project by adding a second Magnetic Resonance Imaging (MRI) machine to the facility. No changes in space or overall project costs were realized, and funding for the additional MRI machine was taken from the existing contingency cost line item.

June 27, 2025: The permit holders submitted their first permit renewal to extend the project completion date six months from July 1, 2025, to December 31, 2025. The Board Chairwoman approved this first-time permit renewal on July 2, 2025.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of July 1, 2026. This would extend the project's completion date by six months, from December 31, 2025, to July 31, 2026.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is 98% complete, with final administrative and post-construction items remaining. The additional time will allow the third-party financial audit to be completed, which is necessary to submit the final cost report. The certificate of occupancy was issued, all applicable life safety surveys were completed, and the facility has commenced operations.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders state that the project has proceeded with due diligence. However, additional time will be needed to complete the final inspections and a third-party audit of project costs (the final cost report).
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that approximately \$28,514,424 (49.9% of the overall permit amount of \$57,171,452) has been expended to date, and that sufficient funds exist to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders state that the permit amount will not deviate from the originally approved project amount (\$57,171,452).

IV. Project Description & Other Background Information

The permit authorized the establishment of a Medical Office Building in 61,000 GSF of space in Chicago. Project cost: \$57,171,452.

Permit Issuance Date: July 27, 2023

Financial Commitment Date: July 27, 2024

Original Project Completion Date: July 1, 2025

Proposed Project Completion Date: December 31, 2025
(6-month renewal request)

Proposed Project Completion Date: July 1, 2026
(2nd request, 6-month renewal request)

V. Applicable Rules for Permit Renewal Requests

77 Ill. Adm. Code 1130.230(h)(5) states that a permit holder shall be assessed a \$500 application processing fee. Permit renewal requests not received at least 45 days before the permit's expiration date are subject to an additional \$500 late application processing fee. Any permit renewal request received by the State Board after the stated completion date is subject to the fines provided in the Health Facilities Planning Act.

77 Ill. Adm. Code 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 Ill. Adm. Code 1130.740(b) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 Ill. Adm. Code 1130.740(c)(1-4) states that the State Board must be in receipt of a permit renewal request at least 45 days before the expiration date of the completion period, and include the following:

- 1) the requested completion date;
- 2) a status report on the project detailing what percent has been completed and a summary of project components yet to be finished, and the amount of funds expended on the project to date;
- 3) a statement as to the reasons why the project has not been completed; and
- 4) confirmatory evidence by the permit holder's authorized representative that the project's costs and scope comply with what the State Board approved and that sufficient financial resources are available to complete the project.

77 Ill. Adm. Code 1130.740(d) states the State Board staff will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFSRB criteria, and if this is the first request for this project, then the request, staff's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, will approve, deny, or refer the request to the HFSRB for action. If staff finds that all criteria are not positive or, if this is not the first request for this project, or if the Chairman refers this to HFSRB for action, then HFSRB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 Ill. Adm. Code 1130.140). Denial of a permit renewal request constitutes HFSRB's Notice of Intent to revoke a permit, and the permit holder will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal and a copy of the original State Board Staff Report.



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December 31, 2025

VIA E-MAIL

John P. Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Permit Renewal Request – Project #23-023 | Rush North & Harlem MOB

Dear Mr. Kniery:

We represent Rush Oak Park Hospital, Inc. (the “Permit Holder”) in connection with Project #23-023, which was approved by the Illinois Health Facilities and Services Review Board (“HFSRB”) to establish a Medical Office Building (“MOB”) totaling approximately 61,000 GSF at the southeast corner of North Avenue and Harlem Avenue in Chicago, Illinois. The approved project cost is \$57,171,452.

The current project completion date is December 31, 2025, and the Permit Holder is submitting this request for a permit renewal pursuant to Title 77 Ill. Admin. Code Section 1130.740, seeking an extension of the project completion date to July 1, 2026. Enclosed with this request is the required permit renewal fee of \$1,500.

Project Status

The project is substantially complete, with construction activities approximately 98% finished. Certain final administrative and post-construction items still remain outstanding. The MOB will include imaging rooms, a laboratory, 82 exam rooms, a physical therapy gym, physician offices, and procedure rooms. The MOB does not require licensure by the Illinois Department of Public Health as a health care facility and, as such, since the certificate of occupancy and all applicable life safety surveys were completed, the facility has commenced operations. To date, \$28,514,424.18 has been expended on the project.

The purpose of this permit renewal request is to allow additional time for the completion of a required third-party financial audit, which remains in progress and is necessary for submission of the Final Cost Report to HFSRB. While construction is substantially complete, the financial audit and related reporting cannot be finalized by the current project completion date. To ensure full compliance with post-permit reporting requirements, the Permit Holder respectfully requests that the project completion date be extended through July 1, 2026.

Confirmatory Evidence of Compliance

Enclosed is a verified statement from Brandon King, System Vice President – Facilities & Real Estate at Rush University System for Health, confirming that the Permit Holder remains in compliance with the approved scope and cost of the project, and that sufficient financial resources are available to complete all remaining regulatory requirements.

If you have any questions or require additional information regarding this renewal request, please feel free to contact me at 312-212-4967 or via email at JMorado@beneschlaw.com.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in blue ink, appearing to read "Juan Morado, Jr.", with a stylized flourish at the end.

Juan Morado, Jr.

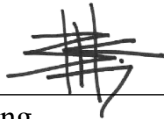
JMJ:mls
Enclosure

VERIFIED STATEMENT

I, Brandon King, being first duly sworn on oath, depose and state as follows:

1. I serve as System Vice President – Facilities & Real Estate for Rush University System for Health and am authorized to make this statement on behalf of the Permit Holder for Project #23-023.
2. This project involves the establishment of a Medical Office Building (“MOB”) located at the southeast corner of North Avenue and Harlem Avenue in Chicago, Illinois.
3. Construction of the facility is complete, and the facility is operational.
4. The project has been financially committed, and the only remaining step for project completion is the preparation and submission of the Final Cost Report, which requires a third-party financial audit currently in progress.
5. At this time, the project remains in full compliance with the approved scope and cost authorized by the Board. The Permit Holder affirms that sufficient financial resources remain available to complete all outstanding regulatory requirements and bring the project into full compliance with Board rules.

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct.



Brandon King
System Vice President – Facilities & Real Estate
Rush University System for Health



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DOCKET NO: H-02	BOARD MEETING: August 15, 2023	PROJECT NO: 23-023	PROJECT COST: \$57,171,452
FACILITY NAME: Rush North and Harlem Medical Office Building		CITY: Chicago	
TYPE OF PROJECT: Non-Substantive			HSA: VII

PROJECT DESCRIPTION: The Applicants (Rush Oak Park Hospital, Inc., Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center) propose to establish a medical office building in Chicago. The newly constructed building will house offices for primary and specialty care clinicians and non-hospital-based outpatient services, including physical therapy, lab, and imaging. The total cost of the project is \$57,171,452 with an anticipated completion date of July 1, 2025.

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The Applicants (Rush Oak Park Hospital, Inc., Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center) propose to establish a medical office building on the corner of North and Harlem Avenues in Chicago, Illinois. The building will be constructed by the owner/developer, and the operating identity/licensee is Rush Oak Park Hospital, Inc. The newly constructed building will consist of 61,000 GSF (14,945 GSF clinical/46,055 GSF non-clinical) and will include imaging, laboratory, physical therapy, and physician office space for various medical specialties. The total cost of the project is \$57,171,452 with an anticipated completion date of July 1, 2025.

WHY THE PROJECT IS BEFORE THE STATE BOARD:

- This project is before the State Board because it exceeds the capital expenditure minimum, and it is by or on behalf of a health care facility.

PURPOSE OF THE PROJECT

- The Applicants state the purpose of this project is to expand Rush Health System's multi-specialty patient care into the Oak Park/River Forest neighborhoods and the greater Chicagoland area. The goal of this project is to provide access to highly qualified, board-certified surgeons and physicians in the community, and to create a flexible workspace to maximize efficiencies in the growing field of ambulatory care.

CONCLUSION:

- The State Board does not have a need methodology for medical office buildings, nor does the State Board maintain an inventory of medical office buildings.
- The Applicants have addressed 14 criteria and appear to have met each of them.



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**Rush North and Harlem Medical Office Building
STATE BOARD STAFF REPORT
Project #23-023**

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Rush Oak Park Hospital, Inc., Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center
Facility Name	Rush North and Harlem Medical Office Building
Location	Corner of North and Harlem Avenues, Chicago, Illinois
Permit Holder	Rush Oak Park Hospital, Inc.
Operating Entity	Rush Oak Park Hospital, Inc
Owner of Site	Novak Wabansia, LLC
Application Received	April 25, 2023
Application Deemed Complete	May 10, 2023
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes
Expedited Review?	No

I. Project Description

The Applicants (Rush Oak Park Hospital, Inc., Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center) propose to establish a medical office building in Chicago, Illinois. The total cost of the project is \$57,171,452 with an anticipated completion date of July 1, 2025.

II. Summary of Findings

- A. State Board Staff finds the proposed project appears to be in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed project **not** be in conformance with the provisions of 77 ILAC 1120 (Part 1120).

III. General Information

The Applicants are Rush Oak Park Hospital, Inc., Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center. Rush University System for Health (Rush) is a nationally recognized health system anchored by Rush University Medical Center in Chicago. Rush has been committed to providing health care in the western Chicago suburbs. The following healthcare facilities are owned or operated by Rush Health.

TABLE ONE Facilities owned or operated by Rush Health System	
Rush University Medical Center, Chicago	HSA-06
Rush Oak Park Hospital, Oak Park	HSA-07
Rush Copley Medical Center, Aurora	HSA-08
Riverside Medical Center, Kankakee	HSA-09

The Medical Office Building will be in the HSA VII Health Service Area and the A-06 Hospital Planning Area. Rush Oak Park Hospital is in the A-06 Hospital Planning Area, and the proposed Medical Office Building will be located approximately 2 miles away. No Public Hearing was requested, and the State Board received no letters of support or opposition.

IV. Project Costs and Sources of Funds

The Applicants will fund this project with cash in the amount of \$33,187,007 and leases with a fair market value of \$23,984,445. The Applicants provided an Audited Financial Statement for the fiscal year ending June 30, 2022 (Application, p. 86). Itemization of these costs is on pages 49-50 of the Application for Permit.

TABLE TWO				
Project Costs and Sources of Funds				
Uses of Funds	Reviewable	Non-Reviewable	Total	% Of Total
Preplanning	\$14,429	\$59,872	\$79,300	.1%
New Construction Contracts	\$3,424,914	\$10,554,328	\$13,979,242	24.6%
Contingencies	\$340,000	\$2,277,836	\$2,617,836	4.7%
A&E Fees	\$189,716	\$584,634	\$774,350	.5%
Consulting and Other Fees	\$501,412	\$1,545,169	\$2,046,581	3.7%
Movable Equipment	\$7,751,548	\$3,483,300	\$11,234,848	20%
FMV of Leased Space/Equipment	\$5,876,189	\$18,108,256	\$23,984,445	42%
Other Costs to Capitalize	\$601,438	\$1,853,412	\$2,454,850	4.4%
Total	\$18,704,646	\$38,466,806	\$57,171,452	100.00%
Sources of Funds				
Cash and Securities	\$12,828,457	\$20,358,550	\$33,187,007	58%
FMV of Leases	\$5,876,189	\$18,108,256	\$23,984,445	42%
Total	\$18,704,646	\$38,466,806	\$57,171,452	100.00%

V. Cost Space Requirements

The total gross square feet of the medical office building will be 61,000 GSF (14,945 GSF clinical/46,055 GSF non-clinical).

TABLE THREE				
Cost/Space Requirements for Construction				
Reviewable	Cost	Proposed	New Construction	State Standard/Met Size Standard?
Diagnostic Radiology (6 units)	\$2,244,557	1,760 GSF	1,760 GSF	
Ultrasound				900 DGsf/Unit
MRI				1,800 DGsf/Unit
CT				1,800 DGsf/Unit

TABLE THREE				
Cost/Space Requirements for Construction				
Reviewable	Cost	Proposed	New Construction	State Standard/Met Size Standard?
Stress Echocardiology				DGSF/Unit
X-Ray				1,300 DGSF/Unit
PACS				400 DGSF/Unit
Breast Imaging Mammography/Ultrasound (2 units)	\$748,185	2,300 GSF	2,300 GSF	6,200 GSF
Total Reviewable w/ State Standards				
Reviewable-No State Board Standards				
Laboratory	\$187,046	160	160	N/A
Immediate Care	\$935,232	725	725	N/A
Physician Clinics	\$12,345,069	10,030	10,030	N/A
Physical Therapy	\$2,244,557	1,730	1,730	N/A
Subtotal Reviewable	\$18,704,646	14,945	14,945	
Non-Reviewable				
Administrative Offices, Staff Lounges, Conference Rooms	\$12,976,045	13,845	13,845	N/A
Stairs, Elevators, Corridors, Mechanical/Electrical Space	\$30,188,401	32,210	32,210	N/A
Subtotal Non-Reviewable	\$38,466,806	46,055	46,055	
Total	\$57,171,452	61,000	61,000	

VI. Background of the Applicants, Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project

The four criteria below are informational only.

- A) Criterion 1110.110 (a) - Background of the Applicants
- B) Criterion 1110.110 (b) – Purpose of the Project
- C) Criterion 1110.110 (c) – Safety Net Impact Statement
- D) Criterion 1110.110 (d) – Alternatives to the Proposed Project

A) Background of the Applicants

The Applicants provided licensure and accreditation information for the Hospitals they own (application, pp. 72-74). The Applicants have attested that they comply with and are in good standing with all federal and state regulations, including the Illinois State Agency Historic Resources Preservation Act and Executive Order #2006-5. In addition, the Applicants have attested that they have not taken any adverse actions as defined by the State Board in the past 3 years preceding the filing of this Application for Permit.

B) Purpose of the Project

The Applicants state that the purpose of this project is to expand Rush Health System's multi-specialty patient care into the Oak Park/River Forest neighborhoods and the greater

Chicagoland area. The goal of this project is to provide access to highly qualified, board-certified surgeons and physicians in the community and to create a flexible workspace to maximize efficiency in the growing field of ambulatory care.

C) Safety Net Impact Statement

This is a non-substantive project. A safety net impact statement is not required.

D) Alternatives to the Proposed Project

The Applicants considered four alternatives to the proposed project.

Alternative 1: Do Nothing

This option has no capital costs and yields no benefit to the community. The existing Rush Oak Park Hospital campus is landlocked and provides no opportunities for expansion. This option was rejected due to spatial constraints at the existing site that would prevent establishing a comprehensive outpatient care facility, and the need to consolidate services into a single, easily accessible outpatient facility.

Alternative 2: Construct a Medical Office Building at Another Location (Cost: Similar to Proposed Project)

The option of establishing a medical office building at another location was pursued, with research being conducted to lease an existing building with suitable space/access. The Applicants rejected this option because the cost to lease building space was comparable to the cost of the option chosen: to build a facility to suit the Applicants' needs in a space located approximately two miles from the Applicant facility.

Alternative 3: Develop a Project of Lesser Scope/Cost (Cost: Lower than the Cost of the Proposed Project, and Offering Fewer Services)

This option would be to construct a medical office building at the same site, but with a smaller footprint. The Applicants rejected this alternative because it would not meet the community's medical needs, resulting in poor health care planning.

Alternative 4: Project as Proposed (Cost: \$57,171,452)

The Applicants note that the project, as proposed, presents the greatest opportunity for responsible health planning and the provision of outpatient care in the region. The project, as proposed, will ensure the continued delivery of the exceptional patient care that Rush Oak Park Hospital patients rely upon and provide enhanced access to this population.

VII. Size of the Project, Projected Utilization, Assurance

A) Criterion 1110.120 (a) - Size of the Project

B) Criterion 1110.120 (b) – Projected Utilization

C) Criterion 1110.120 (c) - Assurances

A) Size of the Project

The Applicants propose to establish a Medical Office Building (MOB) in 61,000 GSF of space, at the intersection of North and Harlem Avenues, in Chicago. Table Three of this report identifies all services with applicable State standards, both reviewable and non-reviewable services, the current size, and their applicability to the State standards, and it appears that the Applicants have met the requirements of this criterion.

B) Projected Utilization

The Applicant group will provide the services for the proposed project and will not be hospital-based. The clinical services included in this project, as shown in Table Four, appear to comply with State standards.

TABLE FOUR Project Utilization				
Service/# of Units	Year 1	Year 2	State Standard Per unit	Met Standard?
Diagnostic Imaging				
Mammography (2 Units)	6,587 visits		5,000	Yes
X-Ray (1 Unit)	4,000 visits		6,500	Yes
Ultrasound (1 Unit)	2,700 visits		3,100	Yes
CT Scan (1 unit)	7,425 visits		7,000	Yes
MRI (1Unit)	3,080 visits		2,500	Yes
BH Visits	690 visits	690 visits	N/A	N/A

VIII. Clinical Service Areas Other Than Categories of Service

These criteria apply only to projects or components of projects (including major medical equipment) concerning Clinical Service Areas (CSAs) that are not Categories of Service, for which utilization standards are listed in Appendix B.

A) Service to Planning Area Residents

B) Service Demand

C) Impact of the Proposed Project on Other Area Providers

The Applicants note that the primary purpose of the Medical Office Building is to increase access to primary and specialty care services for residents of the planning area, and to assist in easing a robust patient capacity at the Rush Oak Park Hospital's inpatient/outpatient services. Table Five shows the historical and projected utilization of Rush Oak Park Hospital services for years 1 and 5. Table Five also shows the projected utilization of the proposed Rush, North, and Harlem St. facility. Table Six shows the historical and projected utilization of Rush's Imaging Services, indicating these services will operate above the State standard.

TABLE FIVE Historical/Projected Patient Utilization at Rush Health Facilities				
Department	FY 2022	Projected 2023	Projection Year 1	Projection Year 5
ROPH Primary Care	31,088	31,686	39,131	52,389
ROPH Immediate Care	-	-	3,119	11,000
ROPH Specialty Care	28,154	30,472	38,288	51,126
Rush North and Harlem (Proposed)	-	-	80,538	114,515
ROPH: Rush Oak Park Hospital				

TABLE SIX Historical/Projected Utilization of Imaging Services at Rush Oak Park					
	Dept./Service	Historical	Projected	State Standard	Met Standard
Year 1	Mammography	7,220 visits	6,587 visits	5,000 visits (2)	Yes
	Ultrasound	10,156 visits	2,700 visits	3,100 visits	
	X-Ray	28,620 visits	4,000 visits	8,000 visits	
	CT Scan	15,507 visits	7,425 visits	7,000 visits	
	MRI	3,946 visits	3,080 visits	2,500 visits	
Year 2	Mammography	7,220 visits	6,784 visits	5,000 visits (2)	Yes
	Ultrasound	10,156 visits	2,700 visits	3,100 visits	
	X-Ray	28,620 visits	4,400 visits	8,000 visits	
	CT Scan	15,507 visits	7,425 visits	7,000 visits	
	MRI	3,946 visits	3,080 visits	2,500 visits	

IX. Financial Viability

A. Criterion 1120.120 – Availability of Funds

B. Criterion 1120.130 – Financial Viability

C. Criterion 1120.140 (a) – Reasonableness of Debt Financing

D. Criterion 1120.140 (b) – Terms of Debt Financing

The Applicants will fund this project with \$33,187,007 in cash and the fair market value of leases totaling \$20,500,277. The Applicants have provided Audited Financial Statements, and the results shown in Table Seven prove that the Applicants have sufficient cash to fund this project through its completion. The Applicants also provided proof of an AA- bond rating from Fitch's Ratings Service (dated February 2023, application, p. 140). It appears the Applicants have sufficient funds available to fund this proposed project.

TABLE SEVEN Audited Financial Statements Rush University System for Health Fiscal Year Ended June 30, 2022		
(In thousands)		
	2022	2021
Cash	\$519,998	\$441,562
Current Assets	\$1,122,013	\$1,009,256

TABLE SEVEN Audited Financial Statements Rush University System for Health Fiscal Year Ended June 30, 2022		
(In thousands)		
	2022	2021
Total Assets	\$5,244,716	\$5,537,769
Current Liabilities	\$895,503	\$1,013,161
LTD	\$995,559	\$921,802
Total Liabilities	\$2,334,786	\$2,541,704
Net Patient Revenue	\$2,702,767	\$2,574,590
Total Revenues	\$3,168,432	\$2,999,061
Income from Operations	(\$137,714)	\$192,612
Net Income	(\$41,570)	\$300,787
Source: RUSH Audited Financial Statement Application, pg. 86		

D) Criterion 1120.140 (c) – Reasonableness of Project Costs

The proposed Medical Office Building will consist of 61,000GSF of newly constructed space (14,945 GSF clinical/46,055 GSF non-clinical). Only clinical spatial considerations are tested against the State Board standard.

Preplanning costs are \$19,429 and are less than 1% of the total for new construction, contingencies, and movable equipment (\$11,516,462). This appears reasonable when compared to the State Board Standard of 1.8%.

New Construction costs total \$3,424,914 or \$229.17 per GSF (\$3,424,924/14,945= \$229.17). This appears reasonable when compared to the State Board Standard of \$331.06 per GSF.

Contingency Costs: These costs total \$340,000 and are 9.9% of new construction costs. This appears reasonable when compared to the State Board Standard of 10%.

Architectural and Engineering Fees total \$189,716, or 0.5% of the new construction and contingencies. This appears reasonable when compared to the State Board Standard of 5.09%-7.65%.

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

Consulting	\$501,412
Movable Equipment	\$7,751,548
FMV of Leased Space/Equipment	\$5,876,189
Other Costs to Capitalize	\$601,438

The Applicants cited equipment cost premiums due to the purchase of the following Imaging equipment:

- Siemens Sola 1.5T MRI
- Siemens Naeotom Alpha
- Agfa DR600 X-Ray
- Siemens Acuson Sequoia Ultrasound
- Philips Epiq Echocardiogram
- Hologic Dimension 3D Tomosynthesis Screening Mammography Unit
- GE Invenia ABUS Unit

Other Costs to be capitalized include miscellaneous fees and costs associated with infrastructure space, including technology.

E) Criterion 1120.140 (d) - Direct Operating Costs

F) Criterion 1124.140 (e) - Effect of the Project on Capital Costs

The Applicants state that the direct cost per equivalent patient unit of service, when considering all patient visits, is \$337.39, or \$1,030.83 if only procedures are considered. The total capital costs are \$57,171,452, and the project's per-equivalent-patient-visit effect on capital costs is \$709.86; evaluated by patient procedure, the equivalent per patient procedure is \$2,344.14. The Applicants have successfully addressed these two criteria.