



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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<b>DOCKET NO:</b> H-08	<b>BOARD MEETING:</b> October 30, 2018	<b>PROJECT NO:</b> 18-023	<b>PROJECT COST:</b>  Original: \$473,326,372
<b>FACILITY NAME:</b> Rush University Medical Center Ambulatory Care Building		<b>CITY:</b> Chicago	
<b>TYPE OF PROJECT:</b> Non-Substantive			<b>HSA:</b> VI

**PROJECT DESCRIPTION:** The Applicants (Rush System for Health and Rush University Medical Center) propose to construct an 11-story medical office building in 526,590 gross square feet of space. The cost of the project is \$473,326,372. The completion date as stated in the application is November 30, 2022.

## **EXECUTIVE SUMMARY**

### **PROJECT DESCRIPTION:**

- The Applicants (Rush System for Health and Rush University Medical Center) are proposing to construct an 11-story medical office building/ambulatory care center in 526,590 gross square feet of newly-constructed space. The cost of the project is approximately \$473,326,372. The completion date as stated in the application is November 30, 2022.
- The proposed 11-story medical office building will be designated as an ambulatory destination center for cancer and neurological care. The building will be located in close proximity to Rush University Medical Center's inpatient tower and be connected to the inpatient tower via a bridge and tunnel system.
- Included in the overall spatial allotment is a 329,134 GSF parking deck for approximately 1,000 vehicles. This space, combined with the 526,590 GSF of space which will be utilized as clinical/non-clinical space dedicated to outpatient care amounts to 855,724 GSF of newly constructed space. Rush University Medical Center will be the operating entity/licensee, as well as the site owner.

### **WHY THE PROJECT IS BEFORE THE STATE BOARD:**

- The proposed project is by or on behalf of a health care facility and the cost of the project is in excess of the capital expenditure minimum of \$13,477,931.

### **PURPOSE OF THE PROJECT:**

- According to the Applicants, *The primary purpose of the project is to improve accessibility for outpatients seeing physicians located on the Rush University Medical center (RUMC) campus and/or utilizing outpatient services such as imaging, radiation therapy, or infusion therapy on the campus. A second purpose of the project is to provide a contemporary, centralized, and efficient setting for the provision of those services, and particularly in the cancer care and neurosciences clinical specialties. Currently, the physicians' offices and the ancillary services most often used by outpatients are located in numerous buildings, scattered throughout the campus, often originally designed for other services, and difficult for outpatients to access. While RUMC is an important provider of services to residents of western Chicago neighborhoods surrounding the campus, because of its reputation and the breadth of services provided, its market area/service population includes the entire metropolitan Chicago area; and patients from throughout the United States and internationally are routinely attracted to the RUMC campus by RUMC's specialty services."*

### **PUBLIC HEARING/COMMENT:**

- There was no request for a public hearing and no letters of opposition were received by State Board Staff. Letters of support were received from State Senator Patricia Van Pelt and State Representative Arthur Turner.

### **CONCLUSIONS:**

- State Board Staff reviewed the application for permit and note that the Applicants have failed to meet the requirements of the following criterion:

<b>State Board Standards Not Met</b>	
<b>Criteria</b>	<b>Reasons for Non-compliance</b>
<b>Criterion 1120.140(c) – Reasonableness of Project Costs</b>	The Applicants are in excess of the State standards for New Construction and Contingencies Costs by \$8,004,165 and Architectural & Engineering Fees

State Board Standards Not Met	
	by \$247,320. Explanation of the cost overrun is at the end of this report.

**STATE BOARD STAFF REPORT**  
**Project #18-023**  
**Rush University Medical Center Ambulatory Care Building**

<b>APPLICATION CHRONOLOGY</b>	
Applicants(s)	Rush System for Health Rush University Medical Center
Facility Name	Rush University Medical Center Ambulatory Care Building
Location	NE Corner of Ashland Avenue and West Harrison Street, Chicago
Permit Holder	Rush University Medical Center
Operating Entity/Licensee	Rush University Medical Center
Owner of Site	Rush University Medical Center
Gross Square Feet	526,590 GSF
Application Received	August 7, 2018
Application Deemed Complete	August 7, 2018
Financial Commitment Date	October 30, 2020
Anticipated Completion Date	November 30, 2022
Review Period Ends	October 6, 2018
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

**I. Project Description**

The Applicants (Rush System for Health and Rush University Medical Center) are proposing to construct an 11-story medical clinics building in approximately 526,590 gross square feet of space, in Chicago. The cost of the project is \$473,326,372. The completion date as stated in the application is November 30, 2022.

**II. Summary of Findings**

- A.** State Board Staff finds the proposed project is in conformance with all relevant provisions of Part 1110.
- B.** State Board Staff finds the proposed project is **not** in conformance with all relevant provisions of Part 1120.

**III. General Information**

The Applicants (Rush System for Health and Rush University Medical Center) are located at 1725 West Harrison Street (Health System), and 1653 West Congress Parkway (Hospital), in Chicago, Illinois. Rush University Medical Center is a 715-bed acute care hospital, which is part of Rush System for Health. Rush System for Health encompasses the following health care facilities:

- Rush University Medical Center, Chicago (715 beds)
- Rush Oak Park Hospital, Oak Park (237 beds)
- Rush Copley Medical Center, Aurora (210 beds)
- Rush Surgicenter, Chicago (multi-specialty/4 ORs)

The Applicants' facility will be located on the northeast corner of Ashland Avenue and West Harrison Street, in Chicago. This is proximal to the Medical Center campus, and will be connected to the inpatient center via bridge and tunnel systems.

#### IV. **Project Details**

Rush System for Health and Rush University Medical Center, as co-applicants propose to construct a Medical Office/Medical Clinics building (MOB) on the northeast corner of Ashland Avenue and West Harrison Street. The 11-story MOB will be a destination center for cancer and neurological care and include the following services: radiation therapy, infusion therapy, integrative medicine, phlebotomy, imaging services (General Radiology, MRI, CT scanning, PET/CT), and a Breast Center that will include breast ultrasound and mammography. In addition, there will be offices for approximately 100 physicians, located on seven floors. The 11-story MOB will total 855,724 GSF, all which is new construction. Of this space, 329,134 GSF will be designated as parking space for approximately 1,000 vehicles. The remaining 526,590 GSF will be designated as clinical and non-clinical outpatient care space. Total capital costs associated with the project are \$473,326,372. Rush University Medical center will be the operating entity/licensee and has ownership of the building site.

<b>Floor Plan</b>	
Lower Level	Equipment sterilization, mechanical
First Floor	(2 stories) radiation therapy, physicians' offices, lobby, retail, canopy
Second Floor	Physicians' offices, mechanical, canopy
3rd Floor	Phlebotomy, retail, tumor board <sup>(1)</sup> , conference areas, pharmacy, women's board <sup>(2)</sup>
4th Floor	Imaging, breast center
5th Floor	Physicians' offices
6th Floor	Physicians' offices, infusion therapy
7th Floor	Physicians' offices, infusion therapy, infusion pharmacy, integrative medicine
8th Floor	Physicians' offices, infusion therapy
9th Floor	Physicians' offices, infusion therapy, cancer retail
10th Floor	Physicians' offices
11th Floor	Administrative

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1. Tumor Board: An office to provide a treatment planning approach in which a number of doctors who are experts in different specialties (disciplines) review and discuss the medical condition and treatment options of a patient. In cancer treatment, a tumor board review may include that of a medical oncologist (who provides cancer treatment with drugs), a surgical oncologist (who provides cancer treatment with surgery), and a radiation oncologist (who provides cancer treatment with radiation). Also called multidisciplinary opinion.
2. Women's Board: An office for the Woman's Board to organize a number of service and philanthropic initiatives, the highlight of which is the board's annual fundraising Fashion Show — the longest continuously running charitable fashion show in the country.

## V. Uses and Sources of Funds

The Applicants are funding this project with a combination of cash/securities totaling \$271,301,372 and project-related bond issues totaling \$202,025,000. There was no estimated start-up cost or operating deficit reported.

**TABLE ONE**  
**Uses and Sources of Funds**

Uses of Funds	Reviewable	Non Reviewable	Total	% of Total
Preplanning	\$1,400,000	\$4,000,000	\$5,400,000	1.1%
Site Preparation	\$2,000,000	\$10,300,000	\$12,300,000	2.6%
New Construction Contracts	\$41,481,060	\$225,267,970	\$266,749,030	56.3%
Contingencies	\$1,908,480	\$15,206,000	\$17,114,480	3.6%
A & E Fees	\$3,000,000	\$11,088,000	\$14,088,000	3%
Consulting and Other Fees	\$8,306,250	\$47,068,750	\$55,375,000	11.7%
Movable Equipment	\$36,800,000	\$32,445,000	\$69,245,000	14.6%
Net Interest Expense	\$1,106,035	\$8,948,827	\$10,054,862	2.1%
Other Costs to be Capitalized	\$2,530,000	\$20,470,000	\$23,000,000	5%
<b>Total</b>	<b>\$98,531,825</b>	<b>\$374,794,547</b>	<b>\$473,326,372</b>	<b>100.00%</b>
<b>Sources of Funds</b>				
Cash/Securities	\$56,476,505	\$214,824,867	\$271,301,372	57.3%
Bond Issues	\$42,055,320	\$159,969,680	\$202,025,000	42.7%
<b>Total</b>	<b>\$98,531,825</b>	<b>\$374,794,547</b>	<b>\$473,326,372</b>	<b>100.00%</b>

Note: Itemization of these costs can be seen at the end of this report.

## VI. Cost Space Requirements

The reviewable or clinical portion of the project comprises approximately 21% of the total costs and approximately 18% of the total gross square footage. The non-reviewable or non-clinical portion of the project is approximately 79% of the costs and 82% of the gross square footage. Board staff notes that the 329,124 GSF allotted for the parking deck was not considered in these calculations. The Board Staff considers physician offices as clinical services; however the State Board does not have a need or gross square footage standard for this area.

### **The Statute defines non-clinical service area as an area**

(i) *for the benefit of the patients, visitors, staff, or employees of a health care facility and (ii) not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation,*

and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.

The Applicants stated the following in additional information:

*“The proposed building will house numerous functions that are currently, and in certain cases, will continue to be provided in other buildings on the Rush University Medical Center campus. The vast majority of the functions/space to be re-located is physicians' office space. It is not anticipated that any of the vacated space will be re-purposed for clinical/reviewable purposes. While the tentative re-assigning of space to be vacated has begun, that process will continue up to and until the proposed building's opening, and likely beyond. This process is largely dependent on the patient care and research space requirements of the individual physicians to be recruited, and cannot be accurately identified at this time. However, it is anticipated that a minimum of ninety physicians' offices will be re-located; and it is also anticipated that the major portion of the vacated space will be re-assigned to other physicians.*

*The Applicants anticipate that the cost associated with the reallocation of existing space will be below the capital cost threshold requiring a CON Permit. However, should the associated cost exceed the applicable threshold, the Applicants certify that a Permit will be secured, prior to any such costs exceeding that threshold.”*

<b>TABLE TWO</b>				
<b>Costs Space Chart</b>				
<b>Dept./Area</b>	<b>Cost</b>	<b>Proposed GSF</b>	<b>% of Total GSF</b>	<b>% of Total Costs</b>
<b>Reviewable</b>				
General Radiology	\$2,955,955	2,400	.28%	.62%
CT	\$7,882,546	5,200	.6%	1.6%
MRI	\$8,079,610	5,200	.6%	1.7%
PET/CT	\$3,862,847	1,750	.2%	.8%
Radiation Therapy	\$25,717,509	16,833	1.9%	5.4%
Breast Imaging	\$6,897,228	7,408	.8%	1.4%
Specialty Pharmacy	\$11,823,819	11,030	1.2%	2.4%
Infusion Therapy	\$19,312,238	31,611	3.7%	4%
Infusion Pharmacy	\$6,897,228	7,445	.8%	1.4%
Integrative Medicine	\$3,941,273	5,150	.6%	.8%
Phlebotomy	\$1,161,573	1,397	.16%	.24%
<b>Total Reviewable</b>	<b>\$98,531,825</b>	<b>95,424</b>	<b>10.84%</b>	<b>20.8%</b>

<b>TABLE TWO (continued)</b>				
<b>Dept./Area</b>	<b>Costs</b>	<b>Proposed GSF</b>	<b>% of Total</b>	<b>% of Total Costs</b>
<b>Non-Reviewable</b>				
Physician's Offices	\$79,089,909	119,122	13.9%	16.7%
Administrative Area	\$23,691,038	41,500	4.8%	5%
Sterilization	\$3,373,151	2,982	.3%	.71%
Tumor Board	\$382,919	740	.05%	.08%
Lobbies/Public Areas	\$68,742,301	121,438	14.2%	14.5%
Staff Areas	\$7,841,517	14,964	1.7%	1.6%
Imaging Non-Clinical	\$4,062,272	6,176	.72%	.85%
Radiation Oncology Non-Clinical	\$3,600,770	5,300	.61%	.76%
Canopy	\$2,623,562	10,412	1.2%	.55%
Retail & Food Service	\$8,474,166	14,352	1.6%	1.7%
Receiving Dock	\$732,541	1,945	.23%	.15%
Materials Walkway	\$499,460	1,993	.23%	.10%
Conference/Education	\$6,809,300	11,851	1.4%	1.4%
Tunnel & Bridges	\$20,228,117	5,283	.62%	4.3%
Mechanical	\$22,275,902	34,317	4%	4.7%
Parking Deck	\$101,373,667	329,134	38.4%	21.4%
DGSF>BGSF	\$20,993,955	38,791	4.5%	4.4%
<b>Total Non-Reviewable</b>	<b>\$374,794,547</b>	<b>760,300</b>	<b>89.16%</b>	<b>79.2%</b>
<b>Project Total</b>	<b>\$473,326,372</b>	<b>855,724</b>	<b>100%</b>	<b>100%</b>

## **VII. Background of the Applicants**

### **A) Criterion 1110.3030(b)(1) & (3) - Background of the Applicants**

**To demonstrate compliance with this criterion, the Applicants must document the following:**

- A) A listing of all health care facilities currently owned and/or operated by the Applicants in Illinois including licensing, certification and accreditation identification numbers, as applicable;
- B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;
- C) A certified listing from the Applicants of any adverse action taken against any facility owned and/or operated by the Applicants during the three years prior to the filing of the application;
- D) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to;
- E) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted.
- F) *Adverse Action means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois.* [77 IAC 1130.140]

1. Rush University Medical Center, is a Domestic Corporation, incorporated under the laws of the State of Illinois on July 21, 1883. Rush System for Health, a domestic corporation, was incorporated under the same laws on September 22, 1995. Both applicants have complied with all of the rules of the General Not for Profit Corporation Act and are in good standing.



2. The Applicants provided a listing of all facilities currently owned and accredited by the Joint Commission<sup>1</sup> as required. [Application for Permit page 42]
3. The proposed location of the medical clinics building is in compliance with Executive Order #2006-05. *Executive Order #2006-05 requires all State Agencies responsible for regulating or permitting development within Special Flood Hazard Areas shall take all steps within their authority to ensure that such development meets the requirements of this Order. State Agencies engaged in planning programs or programs for the promotion of development shall inform participants in their programs of the existence and location of Special Flood Hazard Areas and of any State or local floodplain requirements in effect in such areas. Such State Agencies shall ensure that proposed development within Special Flood Hazard Areas would meet the requirements of this Order.* [Application for Permit pages 37-38]
4. The proposed location of the medical clinics building is in compliance with the Illinois State Agency Historic Resources Preservation Act, which requires *all State Agencies in consultation with the Director of Historic Preservation, institute procedures to ensure that State projects consider the preservation and enhancement of both State owned and non-State owned historic resources* (20 ILCS 3420/1).
5. Rush System for Health/Rush University Medical Center has attested that they have not had any adverse actions<sup>2</sup> against any facility owned and operated by the Applicants during the three (3) year period prior to the filing of this application and the Applicants authorize the State Board and Agency access to information to verify documentation or information submitted or to obtain any documentation or information which the State Board or Agency finds pertinent to this application. [Application for Permit page 47]

### **VIII. Purpose of the Project, Safety Net Impact Statement, Alternatives to the Proposed Project**

#### **Reviewer Note:**

The three (3) criteria below are informational only and the State Board Staff does not reach a conclusion on whether the Applicants have successfully met the criterion.

#### **A) Criterion 1110.230 (a) – Purpose of the Proposed Project**

**To demonstrate compliance with this criterion, the Applicants shall address the purpose of the project, i.e., identify the issues or problems that the project is proposing to address or solve. Information to be provided shall include, but is not limited to, identification of existing problems or issues that need to be addressed, as applicable and appropriate for the project.**

#### **The Applicants stated the following:**

*“The primary purpose of the project is to improve accessibility for outpatients seeing physicians located on the Rush University Medical Center (RUMC) campus and/or utilizing outpatient services such as imaging, radiation therapy, or infusion therapy on the campus. A second purpose of the project is to provide a contemporary, centralized, and efficient setting for the provision of*

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<sup>1</sup> The Joint Commission is an independent, not-for-profit organization that accredits and certifies more than 20,000 health care organizations and programs in the United States. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. [source: Joint Commission website]

<sup>2</sup> Adverse Action" means a disciplinary action taken by IDPH, CMMS, or any other State or federal agency against a person or entity that owns or operates or owns and operates a licensed or Medicare or Medicaid certified healthcare facility in the State of Illinois. These actions include, but are not limited to, all Type "A" and Type "AA" violations. As defined in Section 1-129 of the Nursing Home Care Act [210 ILCS 45], "Type 'A' violation" means a violation of the Nursing Home Care Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility presenting a substantial probability that risk of death or serious mental or physical harm to a resident will result therefrom or has resulted in actual physical or mental harm to a resident. As defined in Section 1-128.5 of the Nursing Home Care Act, a "Type AA violation" means a violation of the Act or of the rules promulgated thereunder which creates a condition or occurrence relating to the operation and maintenance of a facility that proximately caused a resident's death. [210 ILCS 45/1-129]

*those services, and particularly in the cancer care and neurosciences clinical specialties. Currently, the physicians' offices and the ancillary services most often used by outpatients are located in numerous buildings, scattered throughout the campus, often originally designed for other services, and difficult for outpatients to access. While RUMC is an important provider of services to residents of western Chicago neighborhoods surrounding the campus, because of its reputation and the breadth of services provided, its market area/service population includes the entire metropolitan Chicago area; and patients from throughout the United States and internationally are routinely attracted to the RUMC campus by RUMC's specialty services."* (Application, p. 48)

It is anticipated that the majority of patients using the proposed medical clinics building will be residents of the City of Chicago. During 2017, RUMC provided nearly 1.4M outpatient interactions. The Applicants provided a list of 53 zip codes areas in which 44 of these zip codes accounting for a minimum of 0.5% of the outpatient caseload in the City of Chicago (as are many other ZIP Code areas contributing less than 0.5%). . See Pages 50-51 of the application

**B) Criterion 1110.230(b) - Safety Net Impact Statement**

**All health care facilities, with the exception of skilled and intermediate long-term care facilities licensed under the Nursing Home Act [210 ILCS 45], shall provide a safety net impact statement, which shall be filed with an application for a substantive project.**

*Substantive projects shall include no more than the following:*

1. *Projects to construct a new or replacement facility located on a new site; or a replacement facility located on the same site as the original facility and the costs of the replacement facility exceed the capital expenditure minimum.*
2. *Projects proposing a new service or discontinuation of a service, which shall be reviewed by the Board within 60 days.*
3. *Projects proposing a change in the bed capacity of a health care facility by an increase in the total number of beds or by a redistribution of beds among various categories of service or by a relocation of beds from one facility to another by more than 20 beds or more than 10% of total bed capacity, as defined by the State Board in the Inventory, whichever is less, over a 2-year period. [20 ILCS 3960/12]*

The proposed project is considered a non-substantive project. A non-substantive classification includes all projects that are not classified substantive or emergency. "Emergency Projects" means projects that are *emergent in nature and must be undertaken immediately to prevent or correct structural deficiencies or hazardous conditions that may harm or injure persons using the facility, as defined at 77 Ill. Adm. Code 1110.40(a).* [20 ILCS 3960/12(9)]

The Applicants provided charity care information for all three of its hospitals, as required for non-substantive projects.

TABLE THREE			
Charity Care			
Rush University Medical Center			
	2015	2016	2017
Net Patient Revenue	\$1,081,808,000	\$1,170,781,000	\$1,211,537,000
Amount of Charity Care (Charges)	\$82,762,047	\$78,396,404	\$81,830,055
Cost of Charity Care	\$20,805,851	\$19,934,173	\$21,603,793
Percentage	19.2%	17%	17.8%
Rush Oak Park Hospital			

	2015	2016	2017
Net Patient Revenue	\$123,499,000	\$131,233,000	\$137,305,456
Amount of Charity Care (Charges)			\$11,893,094
Cost of Charity Care	\$2,528,249	\$2,763,906	\$2,796,890
Percentage	1.8%	2.1%	2%
<b>Rush-Copley Medical Center</b>			
	2015	2016	2017
Net Patient Revenue	\$328,293,000	\$335,283,000	\$344,519,000
Amount of Charity Care (Charges)	\$25,701,899	\$25,987,076	\$27,404,717
Cost of Charity Care	\$4,393,509	\$4,548,664	\$4,965,373
Percentage	1.3%	1.3%	1.4%

**C) Criterion 1110.230(c) – Alternatives to the Project**

C) To determine if a proposed project is the best alternative, in terms of cost, efficiency, or effectiveness

C) the Applicants must provide documentation of the following:

C)

C) The applicant considered three alternatives to the proposed project.

C)

**C) 1) Develop Outpatient Building to House a Broader Scope of Physician Specialties**

The option of developing a larger outpatient building to house a broader range of physician specialties was determined to be financially infeasible. The only option to expanding on the existing parcel of land would be expanding vertically, resulting in approximately \$15.5 million dollars in construction per story, and approximately \$25 million per story in total construction costs. Although patient access may be superior to that of the proposed project, quality of care would be identical to that of the alternative chosen. The applicants identified no specific project cost with this alternative.

**2) Build on Other On-Campus Sites or Sites Adjacent to the Campus**

The Applicants considered several alternative sites during the planning phase of the project, but deemed these either inferior or impractical in comparison to the site chosen. All options considered either presented issues with patient access or excessive cost. The Applicants further note that cancer care and the neurosciences are highly complex specialties, requiring integrated patient care. Any off-campus locations or locations with any remoteness would compromise the integrated care commitment, and thus affect the quality of patient care. There were no project costs identified with this alternative.

**3) Joint Venture/Refer Patients to Other Providers**

The Applicants rejected this alternative, based on two assertions: 1) The patients seeking the level of care (cancer care/neurosciences), are seeking RUMC physicians for their care, and 2) The providers in the area do not have the clinical expertise in terms of cancer care or neuroscience, to offer a comparable level of care. The Applicants identified no project costs with this alternative.

## **IX. Size of the Project, Projected Utilization, Assurances**

### **A) Criterion 1110.234(a) - Size of the Project**

To demonstrate compliance with this criterion, the Applicants must document that the proposed gross square footage does not exceed the State Board Standards in Part 1110 Appendix B.

The State Board does not have size standards for laboratory, physician offices, public areas/waiting, staff support areas, administration, conference area, elevators, stairs, storage or mechanical.

All Diagnostic and Treatment utilization numbers are the minimums per unit for establishing more than one unit, except where noted in 77 Ill. Adm. Code 1100. HFSRB shall periodically evaluate the guidelines to determine if revisions should be made. [Section 1110 Appendix A]

The Applicants are proposing the following services outlined in Table Four and address those applicable to State size/utilization standards. The criterion has been met.

<b>TABLE FOUR Size/Utilization Data Rush University Medical Center Ambulatory Care Building</b>					
<b>Department/ Service</b>	<b># of Rooms</b>	<b>Proposed DGSF</b>	<b>State Standard (dgsf)</b>	<b>Projected Utilization (2022)*</b>	<b>Met Standard? Size/Utilization</b>
General Radiology	2	2,400	2,600	14,000	Yes/Yes
CT	3	5,200	5,400	15,000	Yes/Yes
MRI	3	5,200	5,400	12,000	Yes/Yes
PET/CT	1	1,800	1,800	3,600	Yes/Yes
Linear Accelerator	3	5,065	7,200	30,000	Yes/Yes
Mammography	4	3,100	3,600	24,000	Yes/Yes
Breast Ultrasound	4	3,100	3,600	9,500	Yes/Yes
*Visits Source: Application, pgs. 67-71					

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234(a))**

### **B) Criterion 1110.234(b) – Projected Utilization**

To demonstrate compliance with this criterion, the Applicants must 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 Part 1110 Appendix B. The number of years projected

shall not exceed the number of historical years documented. If the Applicants does not meet the utilization standards in Appendix B, or if service areas do not have utilization standards in 77 Ill. Adm. Code 1100, the Applicants shall justify its own utilization standard by providing published data or studies, as applicable and available from a recognized source

The State Board listed the projected utilization standards for all applicable modalities in Table Four. All modalities that have applicable State standards are compliant, and the Applicants have met the requirements of this criterion.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION PROJECTED UTILIZATION (77 IAC 1110.234(b))**

**X. Additional General Review Criteria for Master Design and Related Projects**

**A) Criterion 1110.130(a) System Impact of Master Plan**

On February 16, 2016, The State Board approved Master Design Project #15-053, addressing the first phase of a campus renovation and reconfiguration at Rush University Medical Center (RUMC). The proposed project is a continuation of this initiative, and the Applicants attest to the following:

- 1) The site of the project remains the same.
- 2) Patient accessibility will continue to be greatly improved through the consolidation of outpatient services.
- 3) The project continues to be a separate single building, with adjacent parking.
- 4) The building size is being increased from 9 to 11 stories.
- 5) The cost of the project has not surpassed the previously proposed \$500,000,000.
- 6) The project continues to serve the growing outpatient initiative in the fields of cancer care and neurosciences at RUMC.
- 7) The proposed building will relocate physician office space to a more suitable centralized location.
- 8) Many ancillary services often used by outpatients will be co-located in the proposed building.
- 9) The building will not contain any inpatient beds.

Some facets of the project were refined through the planning phase. The Applicants attest to the following:

- 1) The scope of physician specialties has been focused primarily on cancer care and neurosciences.
- 2) Existing buildings on the campus will be used longer than originally anticipated.
- 3) The building size has been reduced by 88,000 GSF, from 620,000 GSF to 532,000 GSF.
- 4) A single parking deck will be constructed, in opposition to the two previously planned.
- 5) Rush Surgicenter at the Professional Building will remain in its current location.

State Board Staff finds the proposed project in compliance with the criterion, and no negative findings exist.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION MASTER DESIGN AND RELATED PROJECTS (77 IAC 1110.130).**

**XI. Clinical Services Other than Categories of Service**

**A) Criterion 1110.270(a) – Clinical Service Other than Categories of Service - Informational –**

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

The Applicants identified seven clinical service areas subject to review under this criterion. They are:

General Radiology  
CT  
MRI  
PET/CT  
Mammography  
Breast Ultrasound  
Linear Accelerator

**B) Criterion 1110.270(b) - Need Determination – Establishment**

**To demonstrate compliance with this criterion, the Applicants must document how the need for the proposed establishment was determined.**

The Applicants place the impetus for the proposed project under necessary expansion and the need to improve outpatient accessibility to the RUMC cancer care and neurosciences centers. No new major medical equipment will be introduced as a result of this project. However, this does not preclude the applicants from the procurement of selective new technologies in the future, as they become available. The establishment of approximately 100 physician's offices will also pave the way from ambitious recruitment efforts to attract new clinicians, and increase patient utilization/patient satisfaction.

**1) Service to the Planning Area Residents**

**To demonstrate compliance with this sub-criterion, the Applicants must document that the primary purpose of the proposed project is to provide care to the residents of the planning area in which the proposed service will be physically located.**

The proposed ambulatory care center will be located in the HSA VI Service Area and the A-02 Hospital Planning Area. The A-02 Hospital Planning Area includes the following communities located in the City of Chicago: Humboldt Park, West Town, Austin, West Garfield Park, East Garfield Park, Near West Side, North Lawndale, South Lawndale, Lower West Side, Loop, Armour Square, McKinley Park, and Bridgeport. There are nine (9) hospitals located in the A-02 Hospital Planning Area. According to the Applicants, it is anticipated that the majority of patients using the proposed Ambulatory Care Center will be residents of the primary service area located in Chicago, with the remaining coming from the secondary service area (Application, pgs. 50-51).

**The following seven modalities/categories of service have size and utilization standards, and each are addressed individually. [See historical utilization of Rush University Medical Center provided to the State Board at the end of this report]**

### **General Radiology**

The proposed facility will contain two (2) general radiology units. This is in addition to 30 general radiology units currently located on the RUMC campus. The applicants note that one (1) of the 30 existing units will be removed from service, leaving 31 operational units upon project completion. The Applicants project that 10,000 general radiology treatments will be performed by the first year after project completion (2022), and 14,000 general radiology treatments will be performed by the second year (2023), after project completion. This is in compliance with the State standard of 8,000 procedures of service annually per unit.

### **CT**

The proposed facility will contain three (3) CT units. This is in addition to eight (8) existing CT units, of which, two (2) will be removed from service at project completion. This will result in a total of nine (9) CT units on the RUMC campus after project completion. The Applicants project that 12,000 CT examinations will be performed in the first year after project completion (2022), and 15,000 CT examinations will be performed in the second year after project completion (2023). This complies with the State standard of 7,000 examinations being performed annually per unit.

### **MRI**

The proposed facility will contain three (3) MRI units. This is in addition to five (5) existing MRI units, of which, two (2) will be removed from service at project completion. This will result in a total of six (6) MRI units on the RUMC campus after project completion. The Applicants project that 8,000 MRI examinations will be performed in the first year after project completion (2022), and 12,000 MRI examinations will be performed in the second year after project completion (2023). This complies with the State standard of 2,500 examinations being performed annually per unit.

### **PET/CT**

The proposed facility will contain one (1) PET/CT unit. This is in addition to one (1) existing PET/CT unit, which will be removed from service at project completion. This will result in a total of (1) PET/CT unit after project completion. The Applicants note that in 2017, 99.6% of the PET/CT examinations performed at RUMC were for outpatients. The Applicants project that 2,800 PET/CT examinations will be performed in the first year after project completion (2022), and 3,600 PET/CT examinations will be performed in the second year after project completion (2023). This complies with the State standard of 3,600 examinations being performed annually.

### **Mammography**

The proposed facility will contain four (4) Mammography units. This is in addition to seven (7) existing MRI units, used for outpatient purposes exclusively. This will result in a total of eleven (11) Mammography units on the RUMC campus after project completion. The Applicants project that 20,000 Mammography examinations will be performed in the first year after project completion (2022), and 24,000 Mammography examinations will be performed in the second year after project completion (2023). This complies with the State standard of 5,000 examinations being performed annually per unit.

### **Breast Ultrasound**

The proposed facility will contain four (4) Breast Ultrasound units. Breast Ultrasound units are used exclusively for breast examinations, and in support of the 4 proposed Mammography units. The Applicants project that 6,000 Breast Ultrasound examinations will be performed in the first year after project completion (2022), and 9,500 Breast Ultrasound examinations will be performed in the second year after project completion (2023). This complies with the State standard of 3,100 examinations being performed annually per unit.

### **Radiation Therapy**

RUMC has strong commitment to treating cancer. This includes being the leader in oncology-related research and the provision of cancer treatment services in Chicago. RUMC currently utilizes four (4) Linear Accelerators in the treatment of cancer, and proposes to add three (3) Linear Accelerators to its proposed Outpatient facility. The applicants note that two of the existing Linear Accelerators will be taken out of service, leaving five (5) operational units on campus. Historical utilization does not justify a total of 5 linear accelerators. However the intent of this project is to provide these radiation therapy services in one building on the Rush campus so that patients will not have to receive these services at a different location on the campus. The applicants note the two existing units will remain in inpatient service areas, due to the proposed ambulatory care buildings inability to treat inpatients. The Applicants project that 24,000 procedures will be performed in the first year after project completion (2022) at the ambulatory facility, and 30,000 procedures will be performed in the second year after project completion (2023). This complies with the State standard of 7,500 examinations being performed annually per unit.

### **Infusion Therapy**

While the State Board does not have a standard for the provision of Infusion Therapy, the Applicants propose to exceed the standard for ambulatory care through the provision of this modality, which is 2,000 visits annually. The Applicants expect to easily exceed this capacity within its first year of operation.



The Applicants provided an explanation of the methodology used to estimate utilization of the services to be provided:

*“Central to the projected utilization are the Applicants' commitment to grow their cancer and neurosciences programs as identified in this application's narrative description. This process has already begun, with a commitment that includes:*

- 1) The recruitment of a significant number of new faculty members, including subspecialists, in these two clinical specialties,*
- 2) The procurement of selective new technologies as they become available, and*
- 3) The locating of the offices of approximately 100 physicians in the building housing the services and equipment addressed in this application. These commitments serve as the primary "drivers" for the utilization projections presented in this application.*

*Examples of that commitment are:*

- The recruitment of a Section Chief, Bone Marrow Transplantation, to begin practice during the fourth quarter of this year;*
- The recruitment of an attending hematologist that began practice during the third quarter of this year*
- The recruitment of an attending medical oncologist, specializing in GI cancers that began practice during the third quarter of this year;*
- The recruitment of a Chief Research Informatics Officer to begin practice during the fourth quarter of this year;*
- The active recruiting of a Director, GI Medical Oncology;*
- The active recruiting of an attending benign hematologist;*
- The active recruiting of an attending gastroenterologist;*
- The active recruiting of 2-3 attending bone marrow transplantation specialists;*
- The active recruitment of a Cancer Center Director and Chief Administrative Officer;*
- The active recruitment of a variety of key support personnel;*
- The active recruitment of attending neurologists;*
- The active recruitment of attending surgical oncologists;*
- The growth in cancer clinical trials by 20% during 2018;*
- The initiation of a scalp cooling program during the third quarter of this year;*
- The expansion of outpatient infusion therapy services to six days-a-week in January, 2019;*
- The expansion of the cancer urgent care program to six days-a-week during the first quarter of 2019;*
- The reduction in waiting time for initial oncology appointments from fourteen to seven days during 2019;*
- The initiation of a program to see oncology outpatients as early as 6:30AM, to begin during the first quarter of 2019;*
- The expansion of RUMC's cellular therapy program, currently underway.”*

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERION CLINICAL SERVICES OTHER THAN CATEGORIES OF SERVICE (77 IAC 1110.270(c) (1), (2) and (3))**

## **XII. Financial Viability**

### **The Purpose of the Act**

This Act shall establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and **financial resources to adequately provide a proper service for the community**; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. [20 ILCS 3960/2]

### **A) Criterion 1120.120 – Availability of Funds**

**To demonstrate compliance with this criterion, the Applicants must document that funds are available to fund the project.**

The Applicants are funding this project with cash/securities of \$271,301,372, and project-related bond issues totaling \$202,025, 000. The Applicants have provided evidence of an “A+/Stable” bond rating from Standard & Poor’s Ratings Service (dated September 2017), an “A1/Stable” bond rating from Moody’s Investors Service dated January 2017, and an “A+Positive” Outlook bond rating from Fitch Ratings Service, dated December 2016. 1120.20(b) requires that the bond rating provided be affirmed within the latest 18-month period prior to the submittal of the application. The bond ratings provided from Moody’s Investors Service and Fitch Ratings Service were over 18 months old. However, because the bond rating from Standard & Poor’s Ratings Service was within the 18-month period, this is sufficient. The Applicants also provided their most recent audited financial statements summarized in the table below. From the documents submitted, it appears that Applicants have sufficient funds to fund the project.

**TABLE SIX**  
**Rush System for Health**  
**Financial Statements**  
**As of June 30, 2017**  
**(In thousands)**  
**Audited**

	2016	2017
Cash	\$582,337	\$552,796
Current Assets	\$582,337	\$552,796
PPE	\$1,360,635	\$1,467,804
Total Assets	\$3,581,303	\$3,817,382
Current Liabilities	\$564,982	\$582,795
LTD	\$635,710	\$616,412
Net Assets	\$1,913,066	\$2,215,743
Net Patient Service Revenue	\$1,916,368	\$2,002,772
Total Revenue	\$2,164,882	\$2,267,798
Operating Expenses	\$2,073,697	\$2,198,258
Income From Operations	\$91,185	\$69,540
Revenues in excess of expenses	\$155,215	\$104,819

Source: Rush System for Health Consolidated Financial Statements Report of Independent Auditor , supplemental information submitted August 28, 2018

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION AVAILABILITY OF FUNDS (77 IAC 1120.120)**

**B) Criterion 1120.130- Financial Viability**

To demonstrate compliance with this criterion, the Applicants must document that the Applicants are financially viable by providing evidence of an “A” or better bond rating or meeting all of the financial ratio standards published by the State Board at Part 1120 Appendix A.

The Applicants provided evidence of an “A” or better bond rating from Standard & Poor’s Ratings Service that affirmed its 'A+/Stable long-term rating. [Application for Permit page 71]. Based upon the information received from the Applicants, the Applicants are considered financially viable.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERION FINANCIAL VIABILITY (77 IAC 1120.130)**

**XIII. Economic Feasibility**

**A) Criterion 1120.140(a) - Reasonableness of the Financing**

**B) Criterion 1120.140(b) – Terms of Debt Financing**

To demonstrate compliance with these criteria, the Applicants must document that the financing is reasonable.

The Applicants are funding this project with cash/securities totaling \$271,301,372, and project related bond issues totaling \$202,025,000. The applicants also supplied Audited

Financial Statement for Rush System for Health, dated June 20, 2017. In accordance with the furnished data, the Applicants met the requirements of these criteria.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH CRITERIA REASONABLENESS OF FINANCING ARRANGEMENTS AND TERMS OF DEBT FINANCING (77 IAC 1120.140(a) and (b))**

**C) Criterion 1120.140(c) – Reasonableness of Project Costs**

To demonstrate compliance with this criterion, the Applicants must document that the costs for the project are reasonable and are in compliance with the State Board Standards published in Part 1120 Appendix A.

All costs addressed in this criterion are classified as clinical.

**Preplanning Costs** – These costs total \$1,400,000 and are 1.7% of new construction, contingencies and movable equipment costs (\$80,189,540). These costs appear reasonable when compared to the State Board Standard of 1.8%.

**Site Preparation** – These costs total \$2,000,000 and are 4.6% of new construction and contingencies costs (\$43,389,540). These costs appear reasonable when compared to the State Board Standard of 5.0%.

**New Construction and Contingencies** – These costs total \$43,389,540 or \$454.70 GSF. (\$43,389,540/95,424=\$454.70). This appears **EXCESSIVE** when compared to the State Board Standard of \$370.82/GSF [2020 mid-point of construction].

**Contingencies** – These costs total \$1,908,480 and are 4.6% of new construction costs (\$41,481,060). This appears reasonable when compared to the State Board Standard of 10%.

**Architectural and Engineering Fees** – These costs total \$3,000,000 and are 6.9% of new construction and contingencies (\$43,389,540). These costs appear **EXCESSIVE** when compared to the State Board Standard of 4.22% - 6.34%.

**Consulting and Other Fees** – These costs are \$8,306,250. The State Board does not have a standard for these costs.

**Movable Equipment** – These costs total \$36,800,000 and are not reviewable by the State Board (hospital).

**Net Interest Expense During Construction** – These costs total \$1,106,035. The State Board does not have a standard for these costs.

**Other Costs to be Capitalized** – These costs total \$2,530,000. The State Board does not have a standard for these costs.

The Applicants are in excess of the State standards for Architectural & Engineering Fees and New Construction and Contingencies Costs, resulting in a negative finding for this criterion.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS NOT IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140(c))**

**D) Criterion 1110.140(d) – Direct Operating Costs**

To demonstrate compliance with this criterion the Applicants must document that the projected direct annual operating costs for the first full fiscal year at target utilization but no more than two years following project completion. Direct costs mean the fully allocated costs of salaries, benefits and supplies for the service.

The Applicants are projecting a \$7,373.76 operating expense per patient day.

**E) Criterion 1110.140(e) – Effect of the Project on Capital Costs**

To demonstrate compliance with this criterion, the Applicants must document the effect the project will have on capital costs per equivalent patient day.

The Applicants are projecting capital costs of \$718.39 per patient day.

**THE STATE BOARD STAFF FINDS THE PROPOSED PROJECT IS IN CONFORMANCE WITH CRITERIA DIRECT OPERATING COSTS AND EFFECT OF THE PROJECT ON CAPITAL COSTS (77 IAC 1120.140(d) and 77 IAC 1120.140(e))**

Historical Utilization Rush University Medical Center							
	2012	2013	2014	2015	2016	Average	CAGR
Outpatient Data	422,210	439,516	465,273	492,186	529,186	469,674	4.62%
Hospital Campus	418,080	432,642	458,949	483,638	518,996	462,461	4.42%
Offsite	4,230	6,874	6,324	8,548	10,190	7,233	19.22%

	2012	2013	2014	2015	2016	Average	CAGR	Existing (2016)
General Radiology	43,399	45,517	46,262	50,579	63,720	49,895	7.98%	27
CT	24,504	26,173	25,343	28,241	37,376	28,327	8.81%	8
MRI	13,382	18,462	13,839	14,431	15,424	15,108	2.88%	5
PET	714	1,239	1,371	1,461	1,633	1,284	17.99%	1
Ultrasound	20,996	21,295	22,657	25,117	29,150	23,843	6.78%	18
Mammography	23,656	23,848	23,391	23,575	27,251	24,344	2.87%	10
Linear Accelerator	18,056	18,377	17,164	15,707	16,234	17,108	-2.10%	3

## Explanation of the Cost Difference between the State Standard and the Applicants Costs.

“The reviewable component of the project involves 95,424 sq. ft of construction, limited to the project's clinical areas. The costs in excess of the norm equate to 18.4% of the construction and contingency costs of the project's reviewable component and 1.7% of the total project cost. In evaluating the anticipated construction cost in response to your inquiry, factors relating to the building in general (which contribute to the construction cost of the reviewable component) as well as the composition of the reviewable component of the project appear to have impacted the construction cost of the reviewable component. Among those factors and their estimated impact on construction costs are:

- Less than ideal soil conditions with a high water table, that results in the need for deeper than typical foundations, a permanent earth retention system to act as a water cut-off, and the off-site disposal of a higher than usual volume of excavated materials. (\$4.5-6M).
- The necessity to provide a building enclosure/external skin consistent with the city's expectations for major construction projects viewable from the Eisenhower Expressway (\$1.75-2M)
- Higher than typical infrastructure requirements (air handling, emergency power, fixtures, etc.) to ensure compatibility with adjacent campus structures(\$1.8-\$2M)
- A high proportion (41 %) of the reviewable area being dedicated to imaging and radiation therapy, both of which require high construction costs, ranging from \$460 to \$540 per sq. ft, compared to the standard of \$371 per sq. ft for reviewable areas
- The absence within the project of traditionally low construction cost reviewable areas such as physical therapy, occupational therapy, and respiratory therapy

## Architectural and Engineering Fees

\$3,000,000 has been allocated to the reviewable component of the project, to include architectural and engineering design services, as well as document preparation, project monitoring, interaction with reviewing agencies, and other miscellaneous tasks. The HFSRB standard for a project of this scope is 6.34% and the proposed fee is 6.91 %. This variance equates to \$247,320, or 0.05% of the project cost. Incorporated into the cost are the higher-than typical engineering fees associated with the radiation therapy function, and the locating of imaging on the fourth floor (load-bearing and vibration abatement issues), and a portion of the costs associated with the remediation of the soil conditions. Radiation therapy is located on the first floor. Given the building's footprint, and based upon the expertise of Power and HDR (the project architectural firm), the imaging functions are being centralized and located on the fourth floor to minimize staffing redundancies and maximize the patient experience. It is estimated that the engineering costs associated with the issues discussed above add \$250-\$300,000 to the architectural and engineering fees.

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**Itemization of**  
**PROJECT COSTS**

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**Preplanning Costs**

Evaluation of Alternatives	\$750,000
Process Management	\$1,750,000
Financial Feasibility Assessments	\$500,000
Prelim. Equip. Planning	\$400,000
Program Planning	\$1,000,000
Space/Facility Planning	\$750,000
Misc./Other	<u>\$1,000,000</u>

**Total** **\$5,400,000**

**Site Preparation**

Earthwork	\$400,000
Landscaping	\$250,000
Ramps	\$350,000
Traffic-Related	\$250,000
Equipment Rental	\$400,000
Utility-Related	\$1,400,000
Excavation	\$400,000
Drainage-Related	\$750,000
Enclosures & Entrances	\$100,000
Surface Parking	\$2,500,000
Roadways and Walkways	\$2,500,000
Exterior Lighting & Signage	\$1,000,000
Misc./Other	<u>\$2,000,000</u>

**Total** **\$12,300,000**

**Architectural and Engineering Fees**

Design	\$12,888,000
Document Preparation	\$200,000
Interface with Agencies	\$200,000
Project Monitoring	\$300,000
Misc./Other	<u>\$500,000</u>

**Total** **\$14,088,000**

**Consulting and Other Fees**

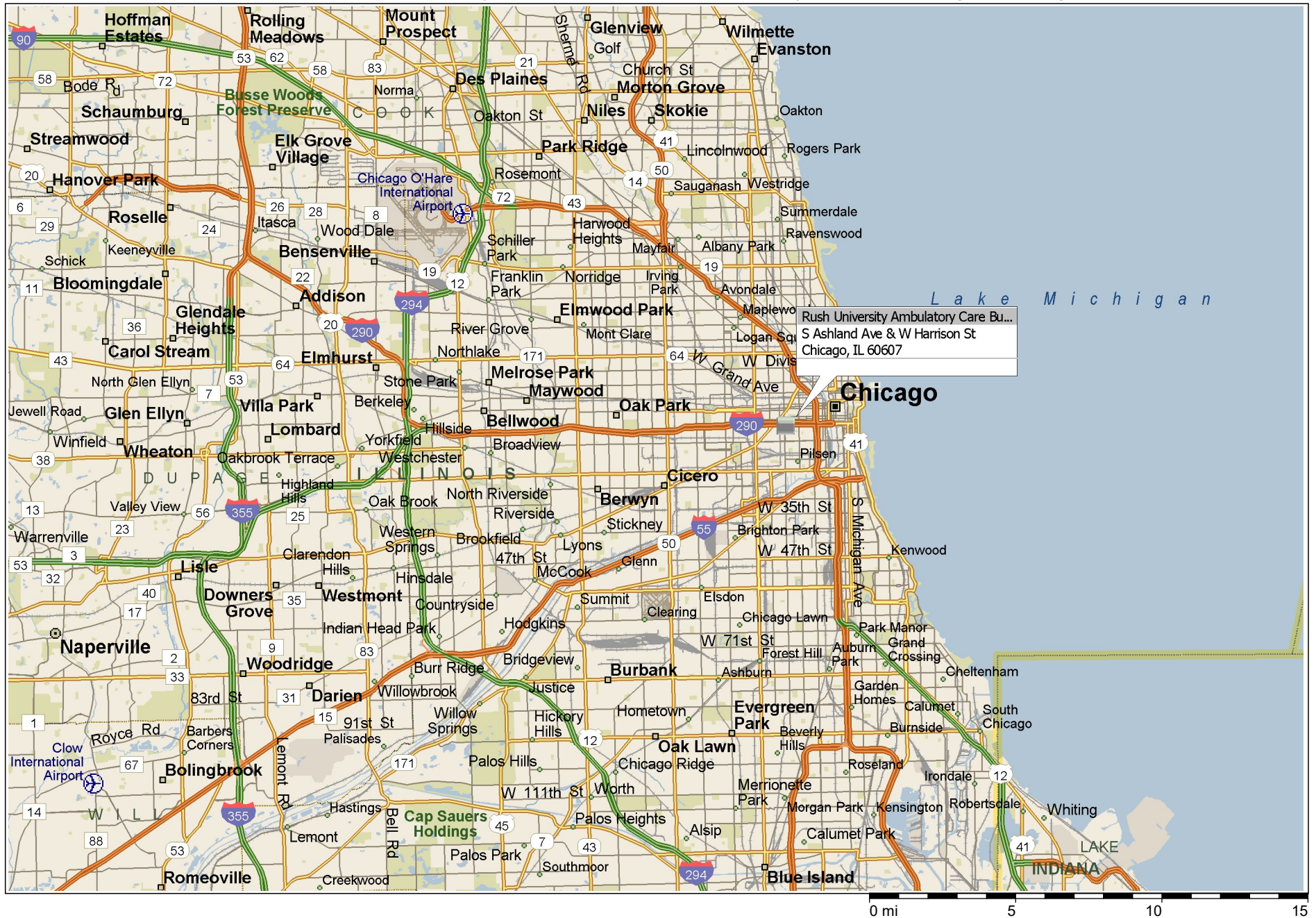
CON-related	\$300,000
Legal & Accounting	\$450,000
Financing-related	\$450,000
Fees and Permits	\$2,500,000
Insurance	\$12,000,000
Diversity Consultant	\$400,000
Jobsite Medical Team/Safety	\$425,000
Geotechnical Engineering	\$125,000
Radiation Shielding Consultant	\$70,000
Retail Consultant	\$50,000
FF&E Coordination	\$50,000
Technology Activation	\$1,400,000



<b><u>Itemization of</u></b> <b><u>PROJECT COSTS</u></b>	
Utility Coordinator	\$50,000
Right-of Way Associated	\$60,000
Travel/Site Visits	\$300,000
Interior Signage	\$475,000
Project Management	\$12,500,000
Medical Equipment Planning	\$1,750,000
Site Security	\$1,200,000
Change Order Allowance	\$12,100,000
Acoustics and Vibrations	\$75,000
Traffic Engineer	\$30,000
IT Interface	\$250,000
Internal Auditing/Supervision	\$150,000
Fencing/Temp. Lighting	\$140,000
Landscape Design	\$100,000
Public/Community Relations	\$150,000
Utilities-Related Consulting	\$150,000
Temporary Off-Site Parking	\$200,000
Interior Design	\$200,000
IT Consulting	\$300,000
Misc. Consultants	\$500,000
Commissioning	\$1,000,000
Artwork	\$475,000
Misc./Other	<u>\$5,000,000</u>
<b>Total</b>	<b>\$55,375,000</b>
 <b>Movable Equipment</b>	
General Radiology	\$1,100,000
CT	\$6,120,000
MRI	\$6,700,000
PET/CT	\$2,470,000
Radiation Therapy	\$13,200,000
Breast Imaging	\$3,045,000
Specialty Pharmacy	\$450,000
Infusion Therapy	\$2,950,000
Infusion Pharmacy	\$450,000
Integrative Medicine	\$245,000
Phlebotomy	<u>\$70,000</u>
<b>Total</b>	<b>\$36,800,000</b>
Physicians' Offices	\$13,955,000
Administrative Areas	\$2,100,000
Sterilization	\$547,000
Tumor Board	\$62,000
Lobbies & Public Areas	\$6,482,000
Staff Areas	\$748,000
Imaging, Non-Clinical	\$2,100,000
Rad One, Non-Clinical	<u>\$2,350,000</u>
<b>Total</b>	<b>\$28,344,000</b>

<b><u>Itemization of</u></b> <b><u>PROJECT COSTS</u></b>	
Retail & Retail Food Serv.	\$369,000
Receiving Dock	\$58,000
Conf. & Education	\$474,000
Mechanical	\$3,150,000
Parking Deck	<u>\$50,000</u>
<b>Total</b>	<b>\$4,101,000</b>
Net Interest Expense During Const.	
Construction Period Interest	\$10,054,862
Other Cost to be Capitalized	
Architectural Re-Design	\$8,000,000
Design Contingencies	\$15,000,000
<b>Total</b>	<b><u>\$23,000,000</u></b>

# 18-023 Rush University Medical Center Ambulatory Care Building - Chicago



<u>Ownership, Management and General Information</u>				<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
<b>ADMINISTRATOR NAME:</b>	Dr Larry J Goodman			White	48.4%	Hispanic or Latino:	16.8%
<b>ADMINISTRATOR PHONE:</b>	312-942-5865			Black	35.0%	Not Hispanic or Latino:	82.5%
<b>OWNERSHIP:</b>	Rush University Medical Center			American Indian	0.4%	Unknown:	0.7%
<b>OPERATOR:</b>	Rush University Medical Center			Asian	2.2%		
<b>MANAGEMENT:</b>	Other Not For Profit (specify below)			Hawaiian/ Pacific	0.1%	IDPH Number:	1917
<b>CERTIFICATION:</b>	(Not Answered)			Unknown	13.9%	HPA	A-02
<b>FACILITY DESIGNATION:</b>	(Not Answered)					HSA	6
<b>ADDRESS</b>	1653 West Congress Parkway	<b>CITY:</b> Chicago	<b>COUNTY:</b> Suburban Cook (Chicago)				

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2016	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
<b>Medical/Surgical</b>	342	317	317	18,787	90,603	8,204	5.3	270.0	78.9	85.2
0-14 Years				1	1					
15-44 Years				4,159	18,476					
45-64 Years				7,913	36,575					
65-74 Years				3,933	20,119					
75 Years +				2,781	15,432					
<b>Pediatric</b>	20	20	20	887	3,749	899	5.2	12.7	63.5	63.5
<b>Intensive Care</b>	130	124	124	8,081	35,549	338	4.4	98.1	75.4	79.1
Direct Admission				6,788	29,754					
Transfers - Not included in Facility Admissions				1,293	5,795					
<b>Obstetric/Gynecology</b>	34	34	34	2,580	8,754	314	3.5	24.8	72.9	72.9
Maternity				2,580	8,754					
Clean Gynecology				0	0					
<b>Neonatal</b>	60	60	58	606	16,446	0	27.1	44.9	74.9	74.9
<b>Long Term Care</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
<b>Swing Beds</b>			0	0	0		0.0	0.0		
<b>Total AMI</b>	70			1,399	14,853	0	10.6	40.6	58.0	
Adolescent AMI		15	13	347	2,928	0	8.4	8.0		53.3
Adult AMI		52	41	1,052	11,925	0	11.3	32.6		62.7
<b>Rehabilitation</b>	59	54	42	915	11,351	0	12.4	31.0	52.6	57.4
<b>Long-Term Acute Care</b>	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	18					4308				
<b>Facility Utilization</b>	<b>715</b>			<b>31,962</b>	<b>181,305</b>	<b>14,063</b>	<b>6.1</b>	<b>533.8</b>	<b>74.7</b>	

<u>Inpatients and Outpatients Served by Payor Source</u>							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
<b>Inpatients</b>	<b>37.7%</b>	<b>23.3%</b>	<b>0.1%</b>	<b>35.1%</b>	<b>2.2%</b>	<b>1.7%</b>	
	12037	7432	33	11232	689	539	31,962
<b>Outpatients</b>	<b>32.9%</b>	<b>20.6%</b>	<b>0.1%</b>	<b>42.2%</b>	<b>2.0%</b>	<b>2.3%</b>	
	174060	109058	384	223110	10406	12168	529,186

<u>Financial Year Reported:</u>	7/1/2015 to	6/30/2016	<u>Inpatient and Outpatient Net Revenue by Payor Source</u>					<u>Charity Care Expense</u>	<u>Total Charity Care Expense</u>
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals			
<b>Inpatient Revenue ( \$ )</b>	<b>35.6%</b>	<b>13.1%</b>	<b>0.1%</b>	<b>51.0%</b>	<b>0.3%</b>	<b>100.0%</b>			
	251,990,000	92,476,000	444,000	361,432,000	1,808,000	708,150,000	9,593,714		19,934,173
<b>Outpatient Revenue ( \$ )</b>	<b>22.8%</b>	<b>7.0%</b>	<b>0.1%</b>	<b>69.7%</b>	<b>0.4%</b>	<b>100.0%</b>			
	105,390,000	32,417,000	251,000	322,676,000	1,897,000	462,631,000	10,340,459		Total Charity Care as % of Net Revenue 1.7%

<u>Birthing Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	2,366		Level I	Level II	Level II+	Kidney:	110
Number of Live Births:	2,338		Beds	5	0	Heart:	0
Birthing Rooms:	0		Patient Days	3,453	5,938	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		9,391	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	11
Labor-Delivery-Recovery Rooms:	10					Liver:	32
Labor-Delivery-Recovery-Postpartum Rooms:	0		Inpatient Studies		1,205,020	Total:	153
C-Section Rooms:	3		Outpatient Studies		1,083,520		
CSections Performed:	788		Studies Performed Under Contract		94,108		



**Surgery and Operating Room Utilization**

<u>Surgical Specialty</u>	<u>Operating Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Cardiovascular	0	0	4	4	597	86	3298	220	3518	5.5	2.6
Dermatology	0	0	0	0	0	0	0	0	0	0.0	0.0
General	0	0	6	6	2374	2393	8547	5606	14153	3.6	2.3
Gastroenterology	0	0	0	0	0	0	0	0	0	0.0	0.0
Neurology	0	0	4	4	1805	459	7787	1147	8934	4.3	2.5
OB/Gynecology	0	0	2	2	615	1018	1925	1844	3769	3.1	1.8
Oral/Maxillofacial	0	0	0	0	0	0	0	0	0	0.0	0.0
Ophthalmology	0	0	2	2	24	1115	63	2046	2109	2.6	1.8
Orthopedic	0	0	8	8	4856	1229	15260	3163	18423	3.1	2.6
Otolaryngology	0	0	1	1	543	1341	2243	3421	5664	4.1	2.6
Plastic Surgery	0	0	1	1	145	383	628	1293	1921	4.3	3.4
Podiatry	0	0	0	0	0	0	0	0	0	0.0	0.0
Thoracic	0	0	1	1	784	408	2275	724	2999	2.9	1.8
Urology	0	0	2	2	446	1203	1401	2518	3919	3.1	2.1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>31</b>	<b>12189</b>	<b>9635</b>	<b>43427</b>	<b>21982</b>	<b>65409</b>	<b>3.6</b>	<b>2.3</b>

**SURGICAL RECOVERY STATIONS**

Stage 1 Recovery Stations

44

Stage 2 Recovery Stations

46

**Dedicated and Non-Dedicated Procedure Room Utilization**

<u>Procedure Type</u>	<u>Procedure Rooms</u>				<u>Surgical Cases</u>		<u>Surgical Hours</u>			<u>Hours per Case</u>	
	Inpatient	Outpatient	Combined	Total	Inpatient	Outpatient	Inpatient	Outpatient	Total Hours	Inpatient	Outpatient
Gastrointestinal	0	0	9	9	1192	6719	1625	8653	10278	1.4	1.3
Laser Eye Procedures	0	2	0	2	0	630	0	473	473	0.0	0.8
Pain Management	0	0	0	0	0	0	0	0	0	0.0	0.0
Cystoscopy	0	0	0	0	0	0	0	0	0	0.0	0.0
<b>Multipurpose Non-Dedicated Rooms</b>											
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0
	0	0	0	0	0	0	0	0	0	0.0	0.0

**Emergency/Trauma Care**

Certified Trauma Center	No
Level of Trauma Service	<b>Level 1</b>
	(Not Answered)
Operating Rooms Dedicated for Trauma Care	0
Number of Trauma Visits:	0
Patients Admitted from Trauma	0
Emergency Service Type:	Comprehensive
Number of Emergency Room Stations	54
Persons Treated by Emergency Services:	72,693
Patients Admitted from Emergency:	12,548
Total ED Visits (Emergency+Trauma):	<b>72,693</b>

**Free-Standing Emergency Center**

Beds in Free-Standing Centers	
Patient Visits in Free-Standing Centers	
Hospital Admissions from Free-Standing Center	

**Outpatient Service Data**

Total Outpatient Visits	<b>529,186</b>
Outpatient Visits at the Hospital/ Campus:	518,996
Outpatient Visits Offsite/off campus	10,190

**Cardiac Catheterization Labs**

Total Cath Labs (Dedicated+Nondedicated labs):	<b>5</b>
Cath Labs used for Angiography procedures	0
Dedicated Diagnostic Catheterization Labs	0
Dedicated Interventional Catheterization Labs	0
Dedicated EP Catheterization Labs	2

**Cardiac Catheterization Utilization**

Total Cardiac Cath Procedures:	<b>3,740</b>
Diagnostic Catheterizations (0-14)	170
Diagnostic Catheterizations (15+)	1,608
Interventional Catheterizations (0-14):	33
Interventional Catheterization (15+)	649
EP Catheterizations (15+)	1,280

**Cardiac Surgery Data**

Total Cardiac Surgery Cases:	<b>501</b>
Pediatric (0 - 14 Years):	43
Adult (15 Years and Older):	458
Coronary Artery Bypass Grafts (CABGs) performed of total Cardiac Cases :	93

**Diagnostic/Interventional Equipment****Examinations****Therapeutic Equipment****Therapies/ Treatments**

	<u>Owned Contract</u>		<u>Inpatient</u>	<u>Outpt</u>	<u>Contract</u>		<u>Owned Contract</u>		
General Radiography/Fluoroscopy	27	0	44,581	63,720	0	Lithotripsy	1	0	11
Nuclear Medicine	8	0	1,126	6,082	0	Linear Accelerator	3	1	16,234
Mammography	10	0	7	27,251	0	Image Guided Rad Therapy			11,805
Ultrasound	18	0	9,715	29,150	0	Intensity Modulated Rad Thrpy			8,845
Angiography	6	0				High Dose Brachytherapy	1	0	137
Diagnostic Angiography			4,978	4,175	0	Proton Beam Therapy	0	0	0
Interventional Angiography			0	0	0	Gamma Knife	0	0	0
Positron Emission Tomography (PET)	1	0	0	1,633	0	Cyber knife	0	0	0
Computerized Axial Tomography (CAT)	8	0	16,847	37,376	0				
Magnetic Resonance Imaging	5	1	12,300	15,424	0				