# ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
# APPLICATION FOR PERMIT

## SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

**This Section must be completed for all projects.**

### Facility/Project Identification

| | | |
|---|---|---|
| Facility Name: Rush Copley Medical Center | | |
| Street Address: 2000 Ogden Avenue | | |
| City and Zip Code: Aurora, Illinois 60504 | | |
| County: Kane | Health Service Area: 8 | Health Planning Area: A-12 |

### Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| |
|---|
| Exact Legal Name: Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center |
| Street Address: 2000 Ogden Avenue |
| City and Zip Code: Aurora, Illinois 60501 |
| Name of Registered Agent: John Diederich |
| Registered Agent Street Address: 2000 Ogden Avenue |
| Registered Agent City and Zip Code: Aurora 60504 |
| Name of Chief Executive Officer: John Diederich |
| CEO Street Address: 2000 Ogden Avenue |
| CEO City and Zip Code: Aurora 60504 |
| CEO Telephone Number: 630-978-6200 |

### Type of Ownership of Applicants

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

### Primary Contact [Person to receive ALL correspondence or inquiries]

| |
|---|
| Name: Juan Morado Jr. and Mark J. Silberman |
| Title: CON Counsel |
| Company Name: Benesch Friedlander Coplan & Aronoff LLP |
| Address: 71 South Wacker Drive, Suite 1600, Chicago, Illinois 60606 |
| Telephone Number: 312-212-4967 and 312-212-4952 |
| E-mail Address: jmorado@beneschlaw.com and msilberman@beneschlaw.com |
| Fax Number: |

### Additional Contact [Person who is also authorized to discuss the application for permit]

| |
|---|
| Name: Mary Shilkaitis |
| Title: Senior Vice President of Operations & Chief Operating Officer |
| Company Name: Rush Copley Medical Center |
| Address: 2000 Ogden Avenue, Aurora, Illinois 60504 |
| Telephone Number: 630-978-6200 |
| E-mail Address: Mary.Shilkaitis@rushcopley.com |
| Fax Number: 630-978-6858 |

# ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
# APPLICATION FOR PERMIT

## SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

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### Facility/Project Identification

| | | |
|---|---|---|
| Facility Name: Rush Copley Medical Center | | |
| Street Address: 2000 Ogden Avenue | | |
| City and Zip Code: Aurora, Illinois 60504 | | |
| County: Kane | Health Service Area: 8 | Health Planning Area: A-12 |

### Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

| |
|---|
| Exact Legal Name: Rush University System for Health |
| Street Address: 1725 West Harrison Street, Suite 364 |
| City and Zip Code: Chicago, IL 60612 |
| Name of Registered Agent: Carl Bergetz |
| Registered Agent Street Address: 1700 West Van Buren Street, Suite 301 |
| Registered Agent City and Zip Code: Chicago, IL 60612 |
| Name of Chief Executive Officer: K. Ranga Rama Krishnan, MB ChB |
| CEO Street Address: 1700 West Van Buren Street, Suite 301 |
| CEO City and Zip Code: Chicago, IL 60612 |
| CEO Telephone Number: 312-942-6886 |

### Type of Ownership of Applicants

☒ Non-profit Corporation
☐ For-profit Corporation
☐ Limited Liability Company
☐ Partnership
☐ Governmental
☐ Sole Proprietorship
☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

**APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

### Primary Contact [Person to receive ALL correspondence or inquiries]

| |
|---|
| Name: Juan Morado Jr. and Mark J. Silberman |
| Title: CON Counsel |
| Company Name: Benesch Friedlander Coplan & Aronoff LLP |
| Address: 71 South Wacker Drive, Suite 1600, Chicago, Illinois 60606 |
| Telephone Number: 312-212-4967 and 312-212-4952 |
| E-mail Address: jmorado@beneschlaw.com and msilberman@beneschlaw.com |
| Fax Number: (312) 767-9192 |

### Additional Contact [Person who is also authorized to discuss the application for permit]

| |
|---|
| Name: Katherine B. Fishbein |
| Title: Assistant General Counsel |
| Company Name: Rush University Medical Center |
| Address: 1700 West Van Buren Street, Suite 301 Chicago, IL 60612 |
| Telephone Number: 312-942-6886 |
| E-mail Address: Katherine_fishbein@rush.edu |
| Fax Number: 312-942-4233 |

**Post Permit Contact**
[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]**

| |
|---|
| Name: Mary Shilkaitis |
| Title: Senior Vice President of Operations & Chief Operating Officer |
| Company Name: Rush Copley Medical Center |
| Address: 2000 Ogden Avenue, Aurora, Illinois 60504 |
| Telephone Number: 630-978-6200 |
| E-mail Address: Mary.Shilkaitis@rushcopley.com |

**Site Ownership**
[Provide this information for each applicable site]

| |
|---|
| Exact Legal Name of Site Owner: Copley Memorial Hospital Inc. |
| Address of Site Owner: 2000 Ogden Avenue, Aurora, Illinois 60504 |
| Street Address or Legal Description of the Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.** |
| **APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** |

**Operating Identity/Licensee**
[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center

Address: 2000 Ogden Avenue, Aurora, Illinois 60504

- ☒ Non-profit Corporation
- ☐ For-profit Corporation
- ☐ Limited Liability Company
- ☐ Partnership
- ☐ Governmental
- ☐ Sole Proprietorship
- ☐ Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

**APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Organizational Relationships**

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

**APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

### Flood Plain Requirements

[Refer to application instructions.]

| |
|---|
| Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org. This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 **(http://www.hfsrb.illinois.gov)**. **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete. |
| **APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** |

### Historic Resources Preservation Act Requirements

[Refer to application instructions.]

| |
|---|
| Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act. |
| **APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** |

## DESCRIPTION OF PROJECT

### 1. Project Classification

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

☐ Substantive

☒ Non-substantive

## 2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Rush Copley Medical Center ("Rush Copley") proposes to modernize its existing facility located at 2000 W. Ogden Avenue, Aurora, Illinois 60504.

This project is designed to create a functional bridge between the Emergency Department ("ED") and in-patient admission through the creation of observation 'beds' The project comes before the Board as a Modernization because when the entirety of the project is considered it involves potential expenditure of funds for the benefit of a healthcare facility, thereby potentially implicating the capital expenditure thresholds. See 77 Ill. Admin. Code Section 1130.301(a)(1). While the construction envisioned, itself, will not trigger the capital expenditure thresholds, in an interest of transparency and considering the various components being considered (even when not interdependent) applicant has elected to submit this project for consideration and approval by the HFSRB.

Approximately 15,002 square feet of space will be built out above the existing ED for the purposes of housing the observation unit or Clinical Decision Unit and allowing for the relocation of existing imaging services and equipment. Additional office space will be included as well as the addition of dedicated staff areas (lounge, locker-rooms, etc.). The core of the project will be the creation of 20 rooms to allow for the observation of patients (along with the necessary supportive areas (e.g., supplies, laundry, team meeting rooms, waiting rooms, etc.). The existing ultrasound/imaging spaces currently housed within the first floor of the ED be vacated, allowing for the more productive utilization of these spaces.

This project does not add any new categories of services to the facility. Nor does it not involve the provision of in-patient services, or add beds to the existing compliment available at the facility. As such, the project is designated as being non-substantive, consistent with 77 Ill. Admin. Code 1110.20(b).

## Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

| Project Costs and Sources of Funds | | | |
|---|---|---|---|
| **USE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Preplanning Costs | $15,300.00 | $14,700.00 | $30,000 |
| Site Survey and Soil Investigation | $9,646.00 | $8,554.00 | $18,200 |
| Site Preparation | $317,286.00 | $211,524.00 | $528,810 |
| Off Site Work | - | - | - |
| New Construction Contracts | - | - | - |
| Modernization Contracts | $7,701,651.18 | $6,560,665.82 | $14,262,317 |
| Contingencies | $685,205.40 | $456,803.60 | $1,142,009 |
| Architectural/Engineering Fees | $419,910.00 | $279,940.00 | $699,850 |
| Consulting and Other Fees | $797,978.40 | $531,985.60 | $1,329,964 |
| Movable or Other Equipment (not in construction contracts) | $1,960,957.08 | $688,984.92 | $2,649,942 |
| Bond Issuance Expense (project related) | - | - | - |
| Net Interest Expense During Construction (project related) | $148,000.00 | $52,000.00 | $200,000.00 |
| Fair Market Value of Leased Space or Equipment | - | - | - |
| Other Costs to Be Capitalized | $356,083.56 | $125,110.44 | $481,194 |
| Acquisition of Building or Other Property (excluding land) | - | - | - |
| **TOTAL USES OF FUNDS** | **$12,412,017.62** | **8,930,268.38** | **$21,342,286** |
| **SOURCE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Cash and Securities | $8,425371.60 | $5,616,914.40 | $14,042,286 |
| Pledges | - | - | - |
| Gifts and Bequests | - | - | - |
| Bond Issues (project related) | - | - | - |
| Mortgages | - | - | - |
| Leases (fair market value) | - | - | - |
| Governmental Appropriations | - | - | - |
| Grants | $4,380,000 | $2,920,000 | $7,300,000 |
| Other Funds and Sources | - | - | - |
| **TOTAL SOURCES OF FUNDS** | **$12,412,017.62** | **$8,930,268.38** | **$21,342,286** |
| **NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** | | | |

**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

| |
|---|
| Land acquisition is related to project ☐ Yes ☒ No<br>Purchase Price: N/A<br>Fair Market Value: N/A |
| The project involves the establishment of a new facility or a new category of service<br>☐ Yes ☒ No<br><br>If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.<br><br>Estimated start-up costs and operating deficit cost is N/A |

**Project Status and Completion Schedules**

| |
|---|
| **For facilities in which prior permits have been issued please provide the permit numbers.** |
| Indicate the stage of the project's architectural drawings:<br>☐ None or not applicable ☐ Preliminary<br>☒ Schematics ☐ Final Working |
| Anticipated project completion date (refer to Part 1130.140): August 31, 2023 |
| Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):<br><br>☐ Purchase orders, leases or contracts pertaining to the project have been executed.<br>☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies<br>☒ Financial Commitment will occur after permit issuance. |
| **APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** |

**State Agency Submittals** [Section 1130.620(c)]

| |
|---|
| Are the following submittals up to date as applicable?<br>☒ Cancer Registry<br>☒ APORS<br>☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted<br>☒ All reports regarding outstanding permits<br>**Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.** |

## Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet** (**BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

**Not Reviewable Space [i.e. non-clinical]:** *means an area for the benefit of the patients, visitors, staff or employees of a health care facility and 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.* [20 ILCS 3960/3]

| | | Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|---|---|---|---|---|---|---|---|
| **Dept. / Area** | **Cost** | **Existing** | **Proposed** | **New Const.** | **Modernized** | **As Is** | **Vacated Space** |
| **REVIEWABLE** | | | | | | | |
| Observation Unit | | - | 10,662 | - | 10,662 | - | - |
| Diagnostic Radiology-Ultrasound Room | | - | 445 | - | 445 | - | - |
| Total Clinical | $12,412,017.62 | - | 11,107 | - | 11,107 | - | - |
| | | | | | | | |
| **NON-REVIEWABLE** | | | | | | | |
| Administrative | | - | 1,348 | - | 1,348 | - | - |
| Mechanical | | - | 2,547 | - | 2,547 | - | - |
| Total Non-clinical | $8,930,268.38 | - | 3,895 | - | 3,895 | - | - |
| **TOTAL** | **$21,342,286** | | **15,002** | | **15,002** | | |

**APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

### Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

| **FACILITY NAME: Rush Copley Medical Center** | | | **CITY: Aurora** | | |
|---|---|---|---|---|---|
| **REPORTING PERIOD DATES:** | | **From: January 1, 2020** | | | **to: December 31, 2020** |
| **Category of Service** | **Authorized Beds** | **Admissions** | **Patient Days** | **Bed Changes** | **Proposed Beds** |
| Medical/Surgical | 123 | 5,697 | 27,664 | 0 | 0 |
| Obstetrics | 34 | 2,831 | 4,868 | 0 | 0 |
| Pediatrics | 0 | 0 | 0 | 0 | 0 |
| Intensive Care | 22 | 3,358 | 16,542 | 0 | 0 |
| Comprehensive Physical Rehabilitation | 18 | 369 | 4,913 | 0 | 0 |
| Acute/Chronic Mental Illness | 0 | 0 | 0 | 0 | 0 |
| Neonatal Intensive Care | 13 | 217 | 1,600 | 0 | 0 |
| General Long-Term Care | 0 | 0 | 0 | 0 | 0 |
| Specialized Long-Term Care | 0 | 0 | 0 | 0 | 0 |
| Long Term Acute Care | 0 | 0 | 0 | 0 | 0 |
| Other ((identify) | 0 | 0 | 0 | 0 | 0 |
| TOTALS: | 210 | 12,472 | 55,587 | 0 | 0 |

## CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

**This Application is filed on the behalf of Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.**

| | |
|---|---|
| John Diederich | Brenda VanWyhe |
| SIGNATURE | SIGNATURE |
| John Diederich | Brenda VanWyhe |
| PRINTED NAME | PRINTED NAME |
| President and Chief Executive Officer | Senior Vice-President, ~~Operations~~ Finance and Chief Financial Officer |
| PRINTED TITLE | ~~PRINTED TITLE~~ |
| Notarization:<br>Subscribed and sworn to before me<br>this 31st day of March 2022 | Notarization:<br>Subscribed and sworn to before me<br>this 31 day of MARCH 2022 |
| Peggy A Draper | Peggy A Draper |
| Signature of Notary | Signature of Notary |
| Seal OFFICIAL SEAL<br>PEGGY A DRAPER<br>NOTARY PUBLIC - STATE OF ILLINOIS<br>MY COMMISSION EXPIRES:03/09/23 | Seal OFFICIAL SEAL<br>PEGGY A DRAPER<br>NOTARY PUBLIC - STATE OF ILLINOIS<br>MY COMMISSION EXPIRES:03/09/23 |

*Insert the EXACT legal name of the applicant

## CERTIFICATION

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- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

**This Application is filed on the behalf of Rush University System for Health in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.**

DocuSigned by:
Ranga Krishnan
488AEAA30D81444...
SIGNATURE
K. Ranga Rama Krishnan, MB Chb
PRINTED NAME
Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 11 day of APRIL, 2022

Mary F. Panosh
Signature of Notary

Seal

DocuSigned by:
Carl Bergetz
72EA67116052458...
SIGNATURE
Carl Bergetz
PRINTED NAME
Chief Legal Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 11 day of APRIL, 2022

Mary F. Panosh
Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

OFFICIAL SEAL
MARY F PANOSH
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 1/15/25

OFFICIAL SEAL
MARY F PANOSH
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 1/15/25

## SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

### 1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

**BACKGROUND OF APPLICANT**

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. 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.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

**APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.**

## Criterion 1110.110(b) & (d)

**PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.

4. Cite the sources of the documentation.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

**NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.**

**APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.**

**ALTERNATIVES**

1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

**APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

### Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

**SIZE OF PROJECT:**

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
   a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
   c. The project involves the conversion of existing space that results in excess square footage.
   d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

   **Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.**

| SIZE OF PROJECT | | | | |
|---|---|---|---|---|
| **DEPARTMENT/SERVICE** | **PROPOSED BGSF/DGSF** | **STATE STANDARD** | **DIFFERENCE** | **MET STANDARD?** |
| **Observation Beds** | **10,662 GSF** | **N/A** | **N/A** | **N/A** |
| **Diagnostic Radiology-Ultrasound** | **445 GSF** | **900 GSF** | **455 GSF** | **YES** |

**APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**PROJECT SERVICES UTILIZATION:**

**This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.**

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

**A table must be provided in the following format with Attachment 15.**

***These visit counts include all locations of Rush Copley Medical Center.**

| UTILIZATION | | | | | |
|---|---|---|---|---|---|
| | **DEPT./ SERVICE** | **HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS ) ETC.** | **PROJECTED UTILIZATION** | **STATE STANDARD** | **MEET STANDARD?** |
| **YEAR 1** | **Ultrasound** | **33,008 visits (2019)*** | **4,349 visits** | **3100 visits** | **YES** |
| **YEAR 2** | **Ultrasound** | **30,761 visits (2020)*** | **4,566 visits** | **3100 visits** | **YES** |

**APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**UNFINISHED OR SHELL SPACE:**

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.

3. Evidence that the shell space is being constructed due to:
   a. Requirements of governmental or certification agencies; or
   b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:
   a. Historical utilization for the area for the latest five-year period for which data is available; and
   b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**ASSURANCES:**

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

**APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## M. Criterion 1110.270 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:

2. Indicate changes by Service: Indicate # of key room changes by action(s):

| Service | # Existing Key Rooms | # Proposed Key Rooms |
|---|---|---|
| ☒ **Ultrasound** | **1** | |
| ☐ | | |
| ☐ | | |

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

| Project Type | Required Review Criteria |
|---|---|
| New Services or Facility or Equipment | (b) − Need Determination − Establishment |
| Service Modernization | (c)(1) − Deteriorated Facilities |
| | AND/OR |
| | (c)(2) − Necessary Expansion |
| | PLUS |
| | (c)(3)(A) − Utilization − Major Medical Equipment |
| | OR |
| | (c)(3)(B) − Utilization − Service or Facility |
| **APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** | |

**The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):**

- **Section 1120.120 Availability of Funds − Review Criteria**
- **Section 1120.130 Financial Viability − Review Criteria**
- **Section 1120.140 Economic Feasibility − Review Criteria, subsection (a)**

## VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [**Indicate the dollar amount to be provided from the following sources]:**

| | |
|---|---|
| **$14,042,286** | a) Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:<br>1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and<br>2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; |
| ________ | b) Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience. |
| ________ | c) Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts; |
| ________ | d) Debt − a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:<br>1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;<br>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;<br>3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;<br>4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;<br>5) For any option to lease, a copy of the option, including all terms and conditions. |

| | |
|---|---|
| ________ | e) Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; |
| **$7,300,000** | f) Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; |
| ________ | g) All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project. |
| **$21,342,286** | **TOTAL FUNDS AVAILABLE** |

**APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION VIII. 1120.130 - FINANCIAL VIABILITY - APPLICANT QUALIFIES FOR FINANCIAL VIABILITY WAIVER AS THEY MAINTAIN A "A" BOND RATING.

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

**Financial Viability Waiver**

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. All the project's capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

**APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

| | Historical 3 Years | | | Projected |
|---|---|---|---|---|
| **Enter Historical and/or Projected Years:** | | | | |
| Current Ratio | | | | |
| Net Margin Percentage | | | | |
| Percent Debt to Total Capitalization | | | | |
| Projected Debt Service Coverage | | | | |
| Days Cash on Hand | | | | |
| Cushion Ratio | | | | |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

**APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

**This section is applicable to all projects subject to Part 1120.**

**A. Reasonableness of Financing Arrangements**

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Conditions of Debt Financing**

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

| COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Department (list below) | A | B | C | D | E | F | G | H | Total Cost (G + H) |
| | Cost/Square Foot New | Mod. | Gross Sq. Ft. New | Circ.* | Gross Sq. Ft. Mod. | Circ.* | Const. $ (A x C) | Mod. $ (B x E) | |
| Observation Beds | | $665.62 | | | 11,107 | | | $7,393,085.88 | $7,393,085.88 |
| Ultrasound Room | | $27.78 | | | 11,107 | | | $308,565.30 | $308,565.30 |
| Contingency | | $61.69 | | | 11,107 | | | $685,205.40 | $685,205.40 |
| TOTALS | | $755.10 | | | 11,107 | | | $8,386,856.58 | $8,386,856,58 |

* Include the percentage (%) of space for circulation

**D. Projected Operating Costs**

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

**E. Total Effect of the Project on Capital Costs**

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

**APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION X. SAFETY NET IMPACT STATEMENT

**SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:**

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

**Safety Net Impact Statements shall also include all of the following:**

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

**A table in the following format must be provided as part of Attachment 37.**

| **Safety Net Information per PA 96-0031** | | | |
|---|---|---|---|
| **CHARITY CARE** | | | |
| **Charity (# of patients)** | **Year** | **Year** | **Year** |
| Inpatient | | | |
| Outpatient | | | |
| **Total** | | | |
| **Charity (cost in dollars)** | | | |
| Inpatient | | | |
| Outpatient | | | |
| **Total** | | | |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **Year** | **Year** | **Year** |
| Inpatient | | | |
| Outpatient | | | |
| **Total** | | | |
| **Medicaid (revenue)** | | | |
| Inpatient | | | |
| Outpatient | | | |
| **Total** | | | |

**APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION X. CHARITY CARE INFORMATION

**Charity Care information MUST be furnished for ALL projects [1120.20(c)].**

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

**Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.**

**A table in the following format must be provided for all facilities as part of Attachment 39.**

| CHARITY CARE | | | |
|---|---|---|---|
| | **Year** | **Year** | **Year** |
| **Net Patient Revenue** | | | |
| Amount of Charity Care (charges) | | | |
| Cost of Charity Care | | | |

**APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

## SECTION XI SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: <u>**Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center, 2000 Ogden Avenue, Aurora, Illinois 60504, 630-978-6200**</u>

2. Project Location: <u>**2000 W Ogden Avenue, Aurora, Illinois 60504, Kane County, Aurora Township**</u>
   (Address) (City) (State)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (https://msc.fema.gov/portal/home) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the ***Go To NFHL Viewer*** tab above the map. You can print a copy of the floodplain map by selecting the icon in the top corner of the page. Select the pin tool icon and place a pin on your site. Print a FIRMETTE size image.

   If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

**IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes____ No __X**

**IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?**

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number:________________________________ Effective Date:______________

Name of Official:___________________________________ Title:_____________________

Business/Agency:_______________________ Address:______________________________

________________________________________________________________________

(City) (State) (ZIP Code) (Telephone Number)

Signature:________________________________________ Date:_____________________

<u>NOTE:</u> This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

**If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428**

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

## INDEX OF ATTACHMENTS

# Attachment 1
# Type of Ownership of Applicants

Included with this attachment are:

**1.** The Certificate of Good Standing for Rush System for Health

**2.** The Certificate of Good Standing for Copley Memorial Hospital, Inc.

**3.** The Certificate of Good Standing for Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center

# Attachment 1
# Certificate of Good Standing
# Rush University System for Health

*File Number* 5852-111-6

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

***To all to whom these Presents Shall Come, Greeting:***

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

RUSH SYSTEM FOR HEALTH, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 22, 1995, ADOPTED THE ASSUMED NAME RUSH UNIVERSITY SYSTEM FOR HEALTH ON JANUARY 29, 2019, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

***In Testimony Whereof,*** *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 27TH *day of* MAY *A.D.* 2021 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 2114700784 verifiable until 05/27/2022
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

**Attachment 1**
**Certificate of Good Standing**
**Copley Memorial Hospital, Inc.**

*File Number* 0328-142-6

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

***To all to whom these Presents Shall Come, Greeting:***

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

COPLEY MEMORIAL HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 03, 1886, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

***In Testimony Whereof,*** *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 11TH *day of* FEBRUARY *A.D.* 2022 .

Authentication #: 2204200406 verifiable until 02/11/2023
Authenticate at: http://www.ilsos.gov

Jesse White
SECRETARY OF STATE

# Attachment 1
## Certificate of Good Standing
## Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center

*File Number* 5271-021-9

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

*To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

RUSH COPLEY MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 21, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

***In Testimony Whereof,*** *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 11TH *day of* FEBRUARY *A.D.* 2022 .

Authentication #: 2204200414 verifiable until 02/11/2023
Authenticate at: http://www.ilsos.gov

Jesse White
SECRETARY OF STATE

# Attachment 2
# Site Ownership

This site is owned by Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center, an Illinois not for profit corporation. Included as evidence of site ownership is a letter attesting to ownership by John Diederich, President and CEO of Rush Copley Medical Center.

# Attachment 2
# Letter Attesting to Site Ownership

**Rush Copley Medical Center**
2000 Ogden Avenue
Aurora, IL 60504

Tel: 630.978.6200
Fax: 630.978.6888
www.rushcopley.com

RUSH

March 23, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Attestation of Site Ownership

Dear Chair Savage,

As representative of Rush Copley Medical Center, I, John Diederich, hereby attest that the site of the proposed modernization of Rush Copley Medical Center, located at 2000 Ogden Avenue, Aurora, Illinois 60504 is owned by Rush Copley Medical Center.

Furthermore, I attest that the proposed location for the proposed modernization of Rush Copley Medical Center, located at 2000 Ogden Avenue, Aurora, Illinois 60504 is is not located in a flood zone.

Sincerely,

John Diederich
President and CEO

Subscribed and sworn to before me this
31st day of March, 2022.

Notary Public

OFFICIAL SEAL
PEGGY A DRAPER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:03/09/23
Seal

15513384 v1

# Attachment 3
# Operating Licensee

The operating entity will continue to be Copley Memorial Hospital, Inc. d/b/a Rush Copley Medical Center. Attached as evidence of the entity's good standing is a Certificate of Good Standing issued by Illinois Secretary of State.

*File Number* 5271-021-9

STATE OF ILLINOIS
OFFICE OF
THE SECRETARY OF STATE

## *To all to whom these Presents Shall Come, Greeting:*

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

RUSH COPLEY MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 21, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

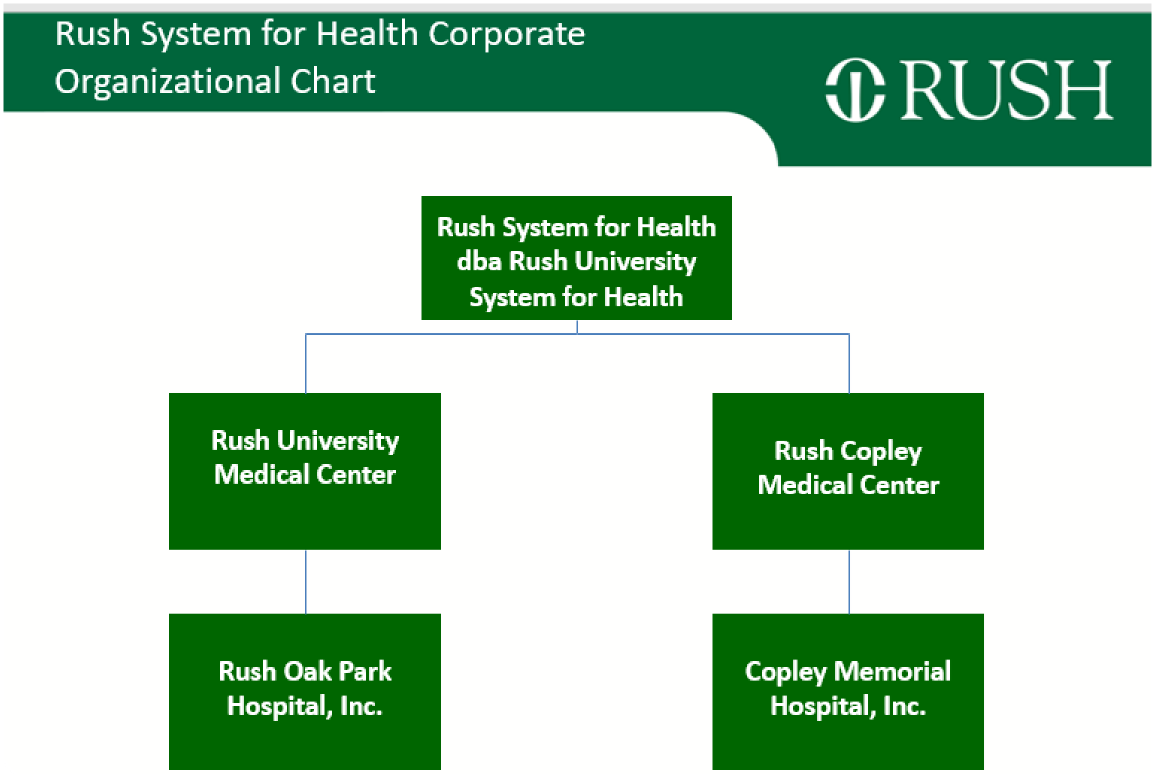
***In Testimony Whereof,*** *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 11TH *day of* FEBRUARY *A.D.* 2022 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 2204200414 verifiable until 02/11/2023
Authenticate at: http://www.ilsos.gov

Jesse White
SECRETARY OF STATE

# Attachment 4
# Organizational Chart



# Attachment 5
# Flood Plain Requirements

**Rush Copley Medical Center**
2000 Ogden Avenue
Aurora, IL 60504

Tel: 630.978.6200
Fax: 630.978.6888
www.rushcopley.com

RUSH

March 28, 2022

Debra Savage
Board Chair
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

**Re: Rush Copley Medical Center- Flood Plain Requirements**

Dear Chair Savage:

As representative of Rush Copley Medical Center, I, John Diederich affirm that the proposed location for the modernization of Rush Copley Medical Center complies with Illinois Executive Order #2005-5. The facility location is 2000 Ogden Avenue, Aurora, Illinois 60504 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

John Diederich
President and CEO

15513383 v1

# Attachment 5
# Flood Plain Requirements

# Attachment 6
# Historic Preservation Act Requirements

The applicant submitted a request for determination to the Illinois Department of Natural Resources- Preservation Services Division on March 4, 2022. A final determination has not yet been received, however, with the certification made with this application, the applicant certifies that either a determination from the Department will be provided to the HFSRB staff prior to Board review of this CON application or if the HFSRB approves this application, the project will not be obligated until the determination is made by DNR.

# Attachment 6

Benesch

Juan Morado Jr.
71 South Wacker Drive, Suite 1600
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

March 4, 2022

**VIA E-MAIL**

Jeffrey Krutchen
Chief Archaeologist
Preservation Services Division
Illinois Historic Preservation Office Illinois Department of Natural Resources
1 Natural Resources Way
Springfield, Illinois 62702
Jeffrey.kruchten@illinois.gov
SHPO.Review@illinois.gov

Re: Certificate of Need Application for the Modernization of an Existing Hospital

Dear Jeffrey:

I am writing on behalf of my client, Rush Copley Medical Center ("RCMC"), to request a review of the project area under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). RCMC is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. RCMC is proposing to modernize an existing hospital located at 2000 Ogden Avenue, Aurora, Illinois 60504.

The proposed hospital modernization will include approximately 15,000 square feet of space that will be built out above the existing ED for the purposes of housing a 20 bed observation unit and allowing for the relocation of existing imaging services and equipment. Additional office space will be included as well as dedicated staff areas (lounge, locker-rooms, etc…). For your reference, we have included pictures of the existing facility and topographic maps (Attachments 1-2) showing the general location of the project.

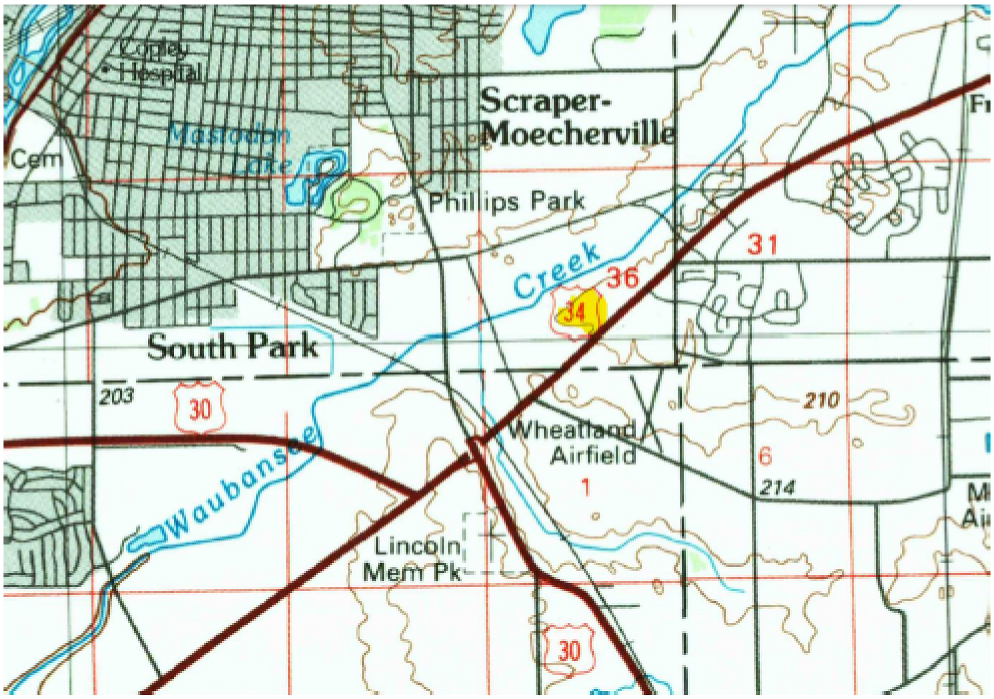
We respectfully request review of the project area and a determination letter at your earliest convenience. Thank you in advance for all the time and effort that will be going into this review.

Very truly yours,
BENESCH, FRIEDLANDER,
COPLAN & ARONOFF, LLP

Juan Morado, Jr.

# Attachment 6

**Rush Copley Medical Center Topographic Map**
(2000 Ogden Avenue, Aurora, Illinois 60504. **Yellow Highlighted**)



# Attachment 6

Rush Copley Medical Center Aerial Map

# Attachment 6

**Rush Copley Medical Center Street View**


# Attachment 7
# Detailed Project Costs and Sources of Funds

| Project Costs and Sources of Funds | | | |
|---|---|---|---|
| **USE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Preplanning Costs | $15,300.00 | $14,700.00 | $30,000 |
| Site Survey and Soil Investigation | $9,646.00 | $8,554.00 | $18,200 |
| Site Preparation | $317,286.00 | $211,524.00 | $528,810 |
| Off Site Work | - | - | - |
| New Construction Contracts | - | - | - |
| Modernization Contracts | $7,701,651.18 | $6,560,665.82 | $14,262,317 |
| Contingencies | $685,205.40 | $456,803.60 | $1,142,009 |
| Architectural/Engineering Fees | $419,910.00 | $279,940.00 | $699,850 |
| Consulting and Other Fees | $797,978.40 | $531,985.60 | $1,329,964 |
| Movable or Other Equipment (not in construction contracts) | $1,960,957.08 | $688,984.92 | $2,649,942 |
| Bond Issuance Expense (project related) | - | - | - |
| Net Interest Expense During Construction (project related) | $148,000.00 | $52,000.00 | $200,000.00 |
| Fair Market Value of Leased Space or Equipment | - | - | - |
| Other Costs to Be Capitalized | $356,083.56 | $125,110.44 | $481,194 |
| Acquisition of Building or Other Property (excluding land) | - | - | - |
| **TOTAL USES OF FUNDS** | **$12,412,017.62** | **8,930,268.38** | **$21,342,286** |
| **SOURCE OF FUNDS** | **CLINICAL** | **NONCLINICAL** | **TOTAL** |
| Cash and Securities | $8,425371.60 | $5,616,914.40 | $14,042,286 |
| Pledges | - | - | - |
| Gifts and Bequests | - | - | - |
| Bond Issues (project related) | - | - | - |
| Mortgages | - | - | - |
| Leases (fair market value) | - | - | - |
| Governmental Appropriations | - | - | - |
| Grants | $4,380,000 | $2,920,000 | $7,300,000 |
| Other Funds and Sources | - | - | - |
| **TOTAL SOURCES OF FUNDS** | **$12,412,017.62** | **$8,930,268.38** | **$21,342,286** |
| **NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.** | | | |

# Attachment 7
# Detailed Project Costs and Sources of Funds

| | | |
|---|---|---|
| Preplanning Costs | • Preplanning Design Fees-$20,000<br>• Development fees- $5,000 | $30,000 |
| Site Survey and Soil Investigation | • Geotech testing-$10,000<br>• Soil testing-$8,200 | $18,200 |
| Site Preparation | • Demolition-$235,000<br>• Concrete-$246,810<br>• Construction Equipment Rental-$47,000 | $528,810 |
| Modernization Contracts | • General Contractor cost, material, and labor cost**<br>** Note, the bid ultimately selected included additional allowances and contingencies given the uncertainty of expenses in a post-COVID world and the supply chain challenges being faced by all. | $14,262,317 |
| Contingencies | • Unforeseen events related to construction costs | $1,142,009 |
| Architectural/Engineering Fees | • A/E Site Plans Preparation, Review Process | $699,850 |

# Attachment 7
# Detailed Project Costs and Sources of Funds

| | | |
|---|---|---|
| Consulting and Other Fees | • A/E Construction Administration-$28,500<br>• Testing/Balancing/Certifications for HVAC-$18,000<br>• MEP Commissioning-$40,000<br>• General Conditions-$403,578<br>• Miscellaneous General Requirements-$209,280<br>• CON Consulting and Application Fee-$185,000<br>• Medical Gas Shutdowns Trimedix/Biomed Costs-$20,000<br>• IDPH Review Fees-$11,806<br>• Builder Risk Insurance-$42,000<br>• Builder Permit Fees-$320,000<br>• Security Adjustments-$10,000<br>• Building Material Testing-$41,800 | $1,329,964 |
| Movable or Other Equipment (not in construction contracts) | • IT Equipment, Data Closet Buildout-$301,565<br>• Furniture, Fixtures and Equipment-$1,132,793<br>• Security Cameras, Card Readers, Panic Buttons-$20,000<br>• IT Infrastructure-$1,165,584<br>• Interior Signage- $30,000 | $2,649,942 |
| Other Costs to Be Capitalized | • Miscellaneous Fees and Expenses-$245,595<br>• Temporary Protection-$235,599 | $481,194 |
| **TOTAL USES OF FUNDS** | **$21,342,286** | **$21,3442,286** |

# Attachment 7
# Detailed Project Costs and Sources of Funds

**Preplanning Costs-** Preplanning costs are based upon costs expended to date for the location of the observation unit at the facility. The clinical preplanning costs are estimated to be $15,300, which is approximately .138% of the construction contracts plus contingencies plus equipment costs.

**Site Preparation and Site Survey**- The clinical site preparation and site survey costs are estimated to be $326,932, which is approximately 3.89% of the construction and contingency costs.

**Modernization Construction Contracts**- The proposed project will be constructed above the existing emergency department at the facility. The project building costs are based on national architectural and construction standards and adjusted to compensate for several factors. As reported by Crain's Chicago Business, Jones Lang LaSalle, a Chicago based real estate service firm conducted a nation study of construction costs and found that construction costs in the Chicagoland area were 19.4% higher than the national average, and third highest in the nation. Coupled with the unexpected increases in labor and raw material costs due to the COVID-19 pandemic, the project's costs are higher than originally planned but are consistent with Rush Copley Medical Center's experience in developing facilities. The clinical construction costs are estimated to be $7,701,651.18 or $693.41 per clinical square foot.

**Contingencies-** The Project's contingencies costs are designed to allow the construction team an amount of funding for unforeseeable event related to construction. Clinical construction costs for contingencies are estimated to be $685,205.25 or 8.8% percent of projected clinical new construction costs.

**Architectural/Engineering Fees-** The clinical project cost for architectural/engineering fees are projected to be $419,910 or 5% of the new construction and contingencies costs.

**Consulting and Other Fees-** The Project's consulting fees are primarily comprised of various project-related fees, additional state/local fees, and other CON related costs.

**Moveable Equipment Costs-** The moveable equipment costs are necessary for the operation of the observation unit and renovation of the ultrasound room.

**Other Costs that are to be Capitalized-** The Project's other costs to be capitalized include miscellaneous expense associated with the project.

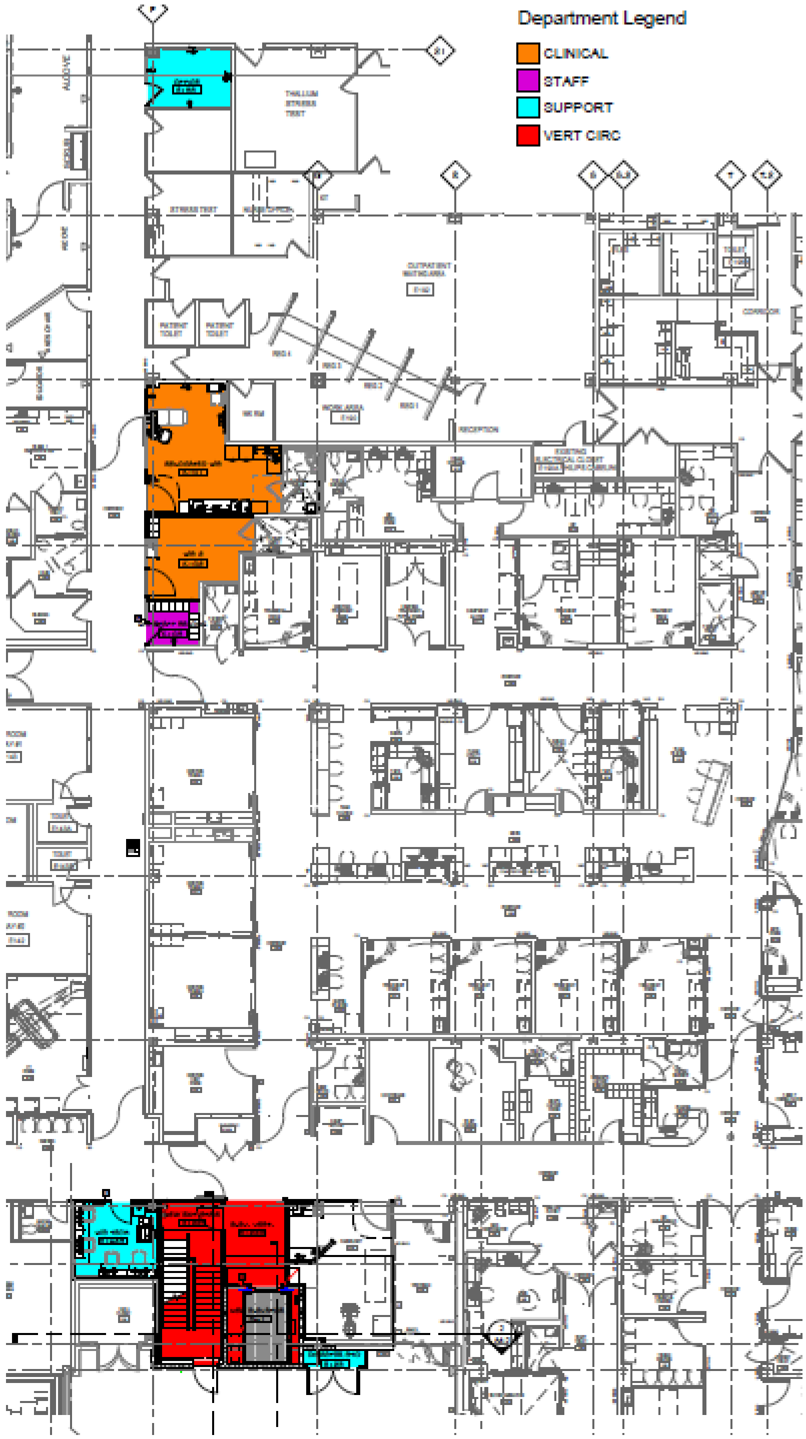
# Attachment 8
# Project Status and Completion Schedules

The proposed project plans are still at a schematic stage. The proposed project completion date is August 31, 2023. Financial commitment for the project will occur following permit issuance, but in accordance with HFSRB regulations.

# Attachment 9
# Cost Space Requirements

| | | Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|---|---|---|---|---|---|---|---|
| **Dept. / Area** | **Cost** | **Existing** | **Proposed** | **New Const.** | **Modernized** | **As Is** | **Vacated Space** |
| **REVIEWABLE** | | | | | | | |
| Observation Unit | | - | 10,662 | - | 10,662 | - | - |
| Diagnostic Radiology-Ultrasound Room | | - | 445 | - | 445 | - | - |
| Total Clinical | $12,412,017.62 | - | 11,107 | - | 11,107 | - | - |
| | | | | | | | |
| **NON-REVIEWABLE** | | | | | | | |
| Administrative | | - | 1,348 | - | 1,348 | - | - |
| Mechanical | | - | 2,547 | - | 2,547 | - | - |
| Total Non-clinical | $8,930,268.38 | - | 3,895 | - | 3,895 | - | - |
| **TOTAL** | **$21,342,286** | | **15,002** | | **15,002** | | |

# Attachment 9



# Attachment 9

# Attachment 11
# Background of the Applicant

The following information is provided to illustrate the qualifications, background and character of the Applicants, and to assure the Health Facilities and Services Review Board that the proposed hospital will provide a proper standard of health care services for the community.

**Rush Copley Medical Center**

1. The proposed project is brought forth by Rush Copley Medical Center. The ownership of Rush Copley Medical Center is reflected in Attachment 4.

2. Rush Copley Medical Center does not have a direct ownership interest in any other health care facility in Illinois but does hold an indirect ownership interest in Rush-Copley SurgiCenter, LLC (that does not exceed 5%). However, Rush University System for Health does maintain an ownership interest in excess of 5% in multiple healthcare facilities. Those facilities are described in the enclosed certification letter. The applicants certify that there have been no adverse actions taken during the three (3) years prior to filing of this application. A letter certifying to the above information is included at Attachment 11.

3.We have included a letter authorizing access to the HFSRB and IDPH to verify information contained in the application at Attachment 11.

# Attachment 11
# Background of the Applicant

**Background of Rush Copley Medical Center**

Rush Copley Medical Center's story began in 1886 as Aurora City Hospital opened with five physicians and 12 rooms. Then a new Aurora City Hospital opened its doors in 1888 with eight private rooms, six ward beds for women and seven for men, and five nursery beds. Fast forward 107 years later and in 1995, a new hospital, the Rush Copley Medical Center opened its current location with 144 beds. It became the premier regional medical center for the greater Fox Valley area, with expansion into Yorkville with Rush Copley Healthcare Center.

Rush Copley joined the Rush University System for Health, which comprises Rush University Medical Center, Rush University, Rush Copley Medical Center and Rush Oak Park Hospital, as well as numerous outpatient care facilities.

Rush Copley is dedicated to meeting the health care needs of a growing and diverse community and has full-service offering of medical services including advanced care in heart and vascular, cancer, women's health, emergency services, orthopaedics and neuroscience. Like all Rush facilities, the facility maintains a laser focus on safety, quality care, and the result is nearly all of their outcomes often exceed national standards.

**Background of Rush University System for Health**

Rush University System for Health ("Rush") is a nationally recognized system anchored by Rush University Medical Center ("RUMC") located in the Illinois Medical District, with additional hospitals in Aurora (Rush Copley Medical Center) and Oak Park (Rush Oak Park Hospital), ambulatory surgical treatment centers, its newly approved Ambulatory Care Building, and more than 30 clinical locations across the Chicago area. Rush University System for Health is consistently recognized for exceptional patient care, education, research and community partnerships.

RUMC ranked 19th out of almost 3,000 hospitals in the U.S. News and World Report's 2021-2022 Best Hospital rankings. RUMC also ranked in the top 50 hospitals in nine specialties, with three the highest ranked programs in Illinois. This is an especially great honor - fewer than 5% of U.S. hospitals receive high enough scores to rank nationally in even one specialty.

Outside of the city center, Rush Copley Medical Center and Rush Oak Park Hospital have spread the core mission of Rush to other parts of the Chicagoland area with critical healthcare needs. Collectively they provide 395 hospital beds to the community, over $6.6 million in charity care, and over 320,000 outpatient visits in 2019. These additional centers of healthcare have expanded the reach of the heartfelt compassion of Rush professionals as well as increased the availability of a broad range of services to a growing and diverse community.

RUMC, Rush Copley Medical Center, and Rush Oak Park Hospital all consistently receive high marks for quality and patient experience from the Centers for Medicare & Medicaid Services. Rush's excellence in providing high quality medical care shined during the ongoing COVID-19 pandemic. RUMC was the epicenter for the City of Chicago and provided critical analytic data and information for the entire state. RUMC would go on to be one of the first COVID-19 testing for the city, and ultimately helped distribute vaccines not only to patients of Rush facilities but throughout various neighborhoods by setting up pop-up clinics deep within hard-to-reach communities such as Austin and Englewood.

# Attachment 11
# Background of the Applicant

## Clinical Excellence and Top Quality: Honors & Awards

Vizient ranked Rush University Medical Center **No. 2** in its 2021 quality and accountability study.

**Top U.S. Hospital No.19** (Rush University Medical Center) 9 ranked clinical programs, including 3 best in Illinois

**11** Rush University programs among **top 10 in this year's rankings**

Newsweek World's Best Hospitals **#16 in the United States**

Magnet designation for **Rush University Medical Center, Rush Oak Park Hospital** and **Rush Copley Medical Center**

Rush University Medical Center was an American Hospital Association honoree (2019)

**CHIME/HIMSS** Most Wired **Stage 7** for Analytics **Stage 7** Ambulatory

8 Epic Stars and Honor Roll

Rush University Medical Center and Rush Oak Park Hospital received five stars from the Centers for Medicare and Medicaid Services (CMS). Rush Copley Medical Center received four stars. (2021)

**LGBTQ Healthcare** Equality Leader

All three Rush hospitals again received 'A' grades, the highest possible, in the latest grades awarded by The Leapfrog Group.

Rush University Medical Center named one of the 2021 "Best Places to Work for Disability Inclusion"

RUSH

Rush University Medical Center | 4/16/2022 1

## Rush University

- Expertly trained health professionals
- Continuing Education and Workforce Development Programs
- Regional clinical data networks

**40** Educational degree programs

**1,600** Basic, clinical and population studies

*U.S. News & World Report's* Best Graduate Schools survey ranked **9** programs in the College of Nursing with four programs (Doctor of Nursing Practice, NP Peds Acute Care, NP Peds Primary Care, NP Mental Health) ranked **#1** nationally.

**2** of the College of Health Sciences programs are ranked among the top **10** in the nation.

### Learn. Discover. Thrive.

Bachelor's programs: **3**

Master's programs: **14**

PhD programs: **3**

Professional doctorate programs: **17**

Certificate programs: **4**

# Attachment 11
# Background of the Applicant

## RUSH by the Numbers

All statistics, unless otherwise noted, refer to Rush University System for Health, which comprises Rush University Medical Center, Rush University, Rush Copley Medical Center and Rush Oak Park Hospital, as well as numerous outpatient care facilities. Numbers shown reflect unaudited end-of-year reporting for FY2021 (July 1, 2020 - June 30, 2021).

### Patient Statistics

| | |
|---|---|
| 1,122 | Authorized beds |
| 49,717 | Admissions |
| 57,208 | Surgeries |
| 165,614 | Emergency department visits |

### 9 Nationally Ranked Medical Center Programs

*(U.S. News & World Report 2021-2022)*

| | |
|---|---|
| Neurology and Neurosurgery | 3rd |
| Orthopedics | 6th |
| Geriatrics | 16th |
| Gynecology | 20th |
| Gastroenterology and GI Surgery | 21st |
| Pulmonology and Lung Surgery | 28th |
| Cardiology and Heart Surgery | 33rd |
| Cancer | 42nd |
| Ear, Nose and Throat | 45th |

### Births

| | |
|---|---|
| 5,262 | **Total births** |
| 2,507 | Rush University Medical Center |
| 2,755 | Rush Copley Medical Center |

### People

| | |
|---|---|
| 858 | Employed physicians |
| 12,723 | Full-time equivalents |
| 2,699 | Rush University enrollment, Spring 2021 |

### Financials

| | |
|---|---|
| $5.5B | Total assets |
| $3B | Total operating revenue |
| 10.2% | Operating cash flow margin |
| 4.1% | Operating margin |
| $156M | Annual research revenue |
| 290 days | Cash on hand |
| A1 | Moody's rating stable outlook |
| A+ | S&P rating strong & stable |
| AA- | Fitch rating stable |

# Attachment 11
# Background of the Applicant

Rush Copley Medical Center
2000 Ogden Avenue
Aurora, IL 60504

Tel: 630.978.6200
Fax: 630.978.6888
www.rushcopley.com

RUSH

March 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification and Authorization

Dear Chair Savage,

As representative of Rush Copley Medical Center, I, John Diederich, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Rush Copley Medical Center, has no ownership interest in any Illinois healthcare facilities, and as such we no adverse actions to report for the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

John Diederich
President and CEO

15513455 v1

Rush is an academic health system comprising Rush University Medical Center, Rush Copley Medical Center and Rush Oak Park Hospital.

# Attachment 11
# Background of the Applicant



**Rush University System for Health**
1725 West Harrison Street
Suite 364
Chicago, IL 60612

RUSH

March 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification and Authorization

Dear Board Chair,

As representative of Rush University System for Health, I, Carl Bergetz, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Rush University System for Health has ownership interest in the following Illinois healthcare facilities:

- Rush University Medical Center
- Rush Oak Park Hospital
- Rush Copley Medical Center
- Rush Surgicenter at the Professional Bldg, Ltd.
- Rush Oak Book Surgery Center, LLC
- Rush-Copley Surgicenter, LLC

Additionally, none of the health care facilities listed above have been cited for an adverse action in the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

DocuSigned by:
Carl Bergetz

Carl Bergetz, JD
Chief Legal Officer
Rush University System for Health

RUSH is an academic health system comprising Rush University Medical Center, Rush University, Rush Copley Medical Center and Rush Oak Park Hospital.

# Attachment 11
# Background of the Applicant

Illinois Department of PUBLIC HEALTH HF 121805

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 02/17/2022 | | 7001753 |

Ambulatory Surgery Treatment Center

Effective: 02/18/2021

Rush Surgicenter at the Professional Bldg. Ltd.
1725 W Harrison St Ste 556
Chicago, IL 60612

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 02/17/2022
Lic Number 7001753

Date Printed 12/08/2020

Rush Surgicenter at the Professional B

1725 W Harrison St Ste 556
Chicago, IL 60612-2646

FEE RECEIPT NO.

Illinois Department of PUBLIC HEALTH HF 124002

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 11/17/2022 | | 0004671 |

General Hospital

Effective: 11/18/2021

Copley Memorial Hospital, Inc
dba Rush Copley Medical Center
2000 Ogden Ave

Aurora, IL 60504

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 11/17/2022
Lic Number 0004671

Date Printed 10/12/2021

Copley Memorial Hospital, Inc
dba Rush Copley Medical Center
2000 Ogden Ave
Aurora, IL 60504

FEE RECEIPT NO.

# Attachment 11
# Background of the Applicant

Illinois Department of **PUBLIC HEALTH**

HF 121976

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 01/29/2022 | | 7003222 |

Ambulatory Surgery Treatment Center

Effective: 01/30/2021

Rush Oak Brook Surgery Center, LLC
2011 York Rd
Oak Brook, IL 60523

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 01/29/2022
Lic Number 7003222

Date Printed 01/05/2021

Rush Oak Brook Surgery Center, LLC

2011 York Rd
Oak Brook, IL 60523-1914

FEE RECEIPT NO.

Illinois Department of **PUBLIC HEALTH**

HF 123490

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 09/30/2022 | | 7003207 |

Ambulatory Surgery Treatment Center

Effective: 10/01/2021



Rush-Copley Surgicenter LLC
dba Castle Surgicenter
2111 Ogden Avenue

Aurora, IL 60504

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 09/30/2022
Lic Number 7003207

Date Printed 07/20/2021
Validation Num 1283

Rush-Copley Surgicenter LLC
dba Castle Surgicenter
2111 Ogden Avenue
Aurora, IL 60504-7597

FEE RECEIPT NO.

# Attachment 11
# Background of the Applicant

HF 122228

**Illinois Department of**
**PUBLIC HEALTH**

**LICENSE, PERMIT, CERTIFICATION, REGISTRATION**

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 03/16/2022 | | 22005 |

**Free Standing Emergency Center**

Licensed Beds: 8

Copley Memorial Hospital-Freestanding Emergency Center
1122 W. Veterans Parkway
Yorkville, IL 60560

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-483-001 10M 9/18

**DISPLAY THIS PART IN A CONSPICUOUS PLACE**

Exp. Date 03/16/2022
Lic Number 22005

Date Printed 02/10/2021

Copley Memorial Hospital-Freestandin

1122 W. Veterans Parkway
Yorkville, IL 60560

**FEE RECEIPT NO.**

# Attachment 11
# Background of the Applicant

**Illinois Department of PUBLIC HEALTH** HF 121495

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 12/31/2021 | | 0001917 |

**General Hospital**

Effective: 01/01/2021

Rush University Medical Center
1653 W Congress Pkwy
Chicago, IL 60612

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 12/31/2021
Lic Number 0001917

Date Printed 10/14/2020

Rush University Medical Center
1653 W Congress Pkwy
Chicago, IL 60612

FEE RECEIPT NO.

**Illinois Department of PUBLIC HEALTH** HF 122924

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
|---|---|---|
| 06/30/2022 | | 0001750 |

**General Hospital**

Effective: 07/01/2021

Rush Oak Park Hospital, Inc.
520 S Maple Ave
Oak Park, IL 60304

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #19-493-001 10M 9/18

DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 06/30/2022
Lic Number 0001750

Date Printed 05/14/2021

Rush Oak Park Hospital, Inc.
520 S Maple Ave
Oak Park, IL 60304

FEE RECEIPT NO.

# Attachment 12
# Purpose of the Project

This project is designed to improve the level of patient care provided at Rush Copley Medical Center ("RCMC"), ensuring the appropriate degree of attention and observation to a broad spectrum of patient populations. It is being undertaken to solve a specific problem and bring a new perspective to the interplay between emergency and in-patient care.

For too long, traditional healthcare has produced a tension which has existed between managing patient flow in the Emergency Department and the admission of patients. The tension has been fueled by things such as bed capacity, reimbursement, staffing, and others. What should, however, always drive these decisions is the needs of the patient. When an ED was busy, pressure existed to admit patients into the compliment of in-patient beds for the purposes of clearing the ED, thereby allowing for more timely patient assessment and care for those waiting in the ED. Other times, when a hospital was at its licensed bed capacity, patients could find themselves having to linger in an ED awaiting an available bed to which they could be admitted. Too often healthcare providers were required to drive the timeliness of these decisions considering factors other than the patient. This is not to say that the best interests of patients were not being appropriately advanced, but it revealed a challenge than warranted a solution. Rush Copley has been studying and evaluating this issue for over two years and this proposed project presents the solution.

Nothing better illustrated the need for this level of care than COVID-19 (and no enterprise was more at the heart of this battle than RUSH). Throughout the country, bed-capacities were ignored in the interest of meeting patient needs. Patients were housed wherever space could be found, regardless of bed-type designation. The nature of the pandemic created needs to separate and segregate patient populations (e.g. infected, uncertain, high-risk) just as much as there was a need to simply create the safe space necessary to fully and properly evaluate the patient. RCMC did what all dedicated healthcare professionals and institutions needed to do during a global pandemic - whatever it took to care for their patient populations. However, this project is looking to a brighter future.

This problem also has a significant impact on healthcare providers. Under the best of times, it places an unnecessary (and avoidable) burden on those frontline workers caring for these patient populations, having to juggle patient populations of differing acuity and requiring varying levels of observation. When a patient that is placed onto an inpatient unit who might warrant an additional degree of attention or observation, it places an additional burden on the nurses working the floor and can create an unwarranted disparity in attention available to the remaining patient populace based upon the competing needs and competing acuity of the patient population. When patients are required to linger in the emergency department, they are often unable to obtain the degree of attention they need when more emergent patients arrive, again creating an unnecessary burden on the staff managing the ED. Finally, but not unimportantly, consider the impact upon the patient and their family who lingers in the waiting area, unable to access the ED. Some suffer unnecessarily, other conditions can progress to a point where it would have benefitted from earlier intervention, and still others may leave the ED without obtaining evaluation and/or care.

All these problems can be lessened by the creation of an observation unit.

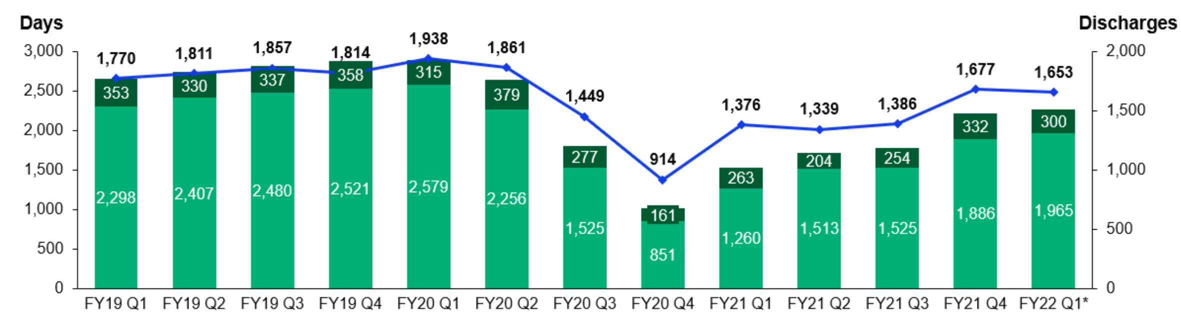
# Attachment 12
# Purpose of the Project

The project involves building out another floor above the existing ED. It will establish 20 rooms in which patients can be observed - creating a necessary buffer between the emergency department and inpatient admissions. The types of patients able to benefit from these services include patients with circulatory system issues, digestive issues, genitourinary concerns, injury or poisoning, respiratory issues, and others. This can also be incredibly useful for the treatment and evaluation of behavioral health patients, allowing for a more practiced patient evaluation and the appropriate time to evaluate the effectiveness of interventions that might obviate the need for transfer to an inpatient psychiatric unit. This is an issue that RCMC has been tracking and evaluating since before COVID-19, but the pandemic shined a spotlight on the need for this additional avenue of care. The unit will utilize technical monitoring and dedicated staffing, better enabling RCMC's staff to attend to the needs of the patients. Where appropriate, patients will be still be admitted. When appropriate, the patient can be discharged - having been able to access the time, care, attention, and treatment needed. What will drive these decisions will be the needs and interests of the patient, not the limitations or challenges facing the healthcare facility.

The service area will be consistent with the existing patient population currently served by RCMC. The documentation to support this project is included, demonstrating an average daily census of 24.33 patients over a 13-quarter period.

## RCMC Observation

### Days and Discharges by Quarter with Average Daily Census (ADC)




| | FY19 Q1 | FY19 Q2 | FY19 Q3 | FY19 Q4 | FY20 Q1 | FY20 Q2 | FY20 Q3 | FY20 Q4 | FY21 Q1 | FY21 Q2 | FY21 Q3 | FY21 Q4 | FY22 Q1* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ADC** | 28.8 | 29.7 | 31.3 | 31.6 | 31.4 | 28.6 | 19.8 | 11.1 | 16.6 | 18.7 | 19.8 | 24.4 | 24.6 |
| **ADC Adjusted** (no OB/L&D or NICU) | 28.1 | 29.1 | 30.3 | 30.8 | 30.9 | 27.9 | 19.0 | 10.3 | 15.3 | 17.6 | 18.3 | 22.8 | 23.4 |
| **ADC Adjusted** (From ED only; no OB/L&D, NICU) | 24.9 | 26.1 | 27.5 | 27.6 | 28.0 | 24.5 | 16.6 | 9.3 | 13.6 | 16.2 | 16.8 | 20.6 | 21.2 |

Total Discharges · Non-ED · From ED
Observation Days

RUSH Source: RCMC Avega
Note: 1) Includes OP observation charge codes for patients discharged FY19-Aug 2021;
2) ADC = average daily census; 3) Non-ED reflects observation utilization that did not originate from ED;
From ED reflects observation utilization that originated from the ED (ED level charge); 4) *FY22 Q1 is estimated based on July-August 2021 data

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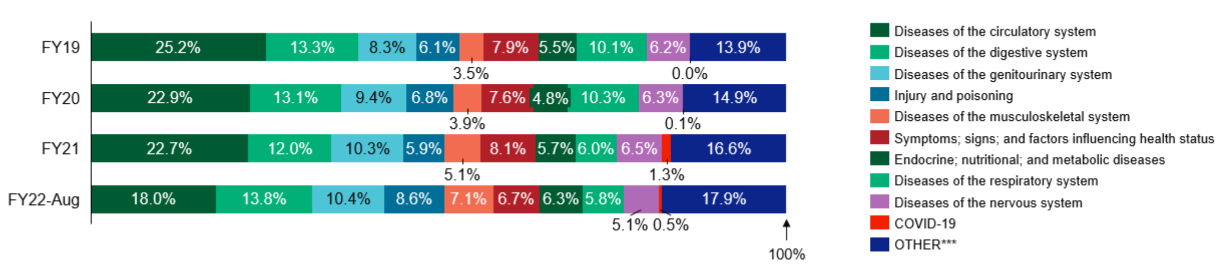
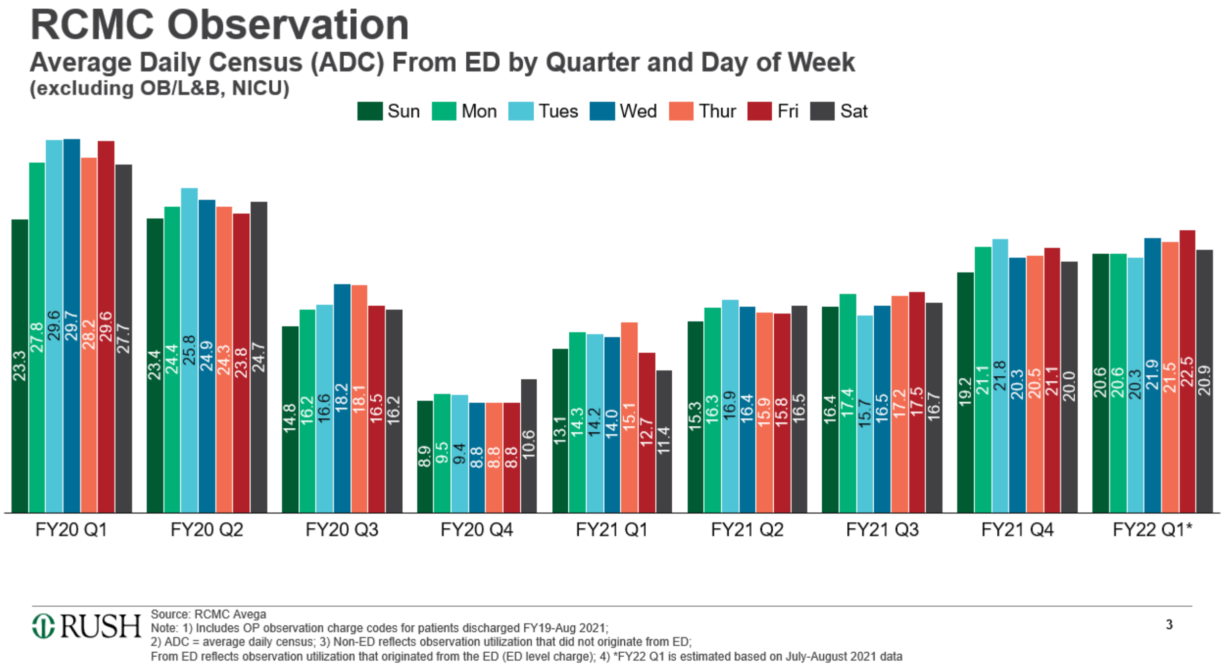


# Attachment 12
# Purpose of the Project




It is worth noting that the methodology outlining the expected ADC has been refined over time based upon patient needs, patient acuity, and ongoing evaluation of the project. RCMC is confident the proposed 20-beds will be sufficient to meet the needs of this patient population and solve the problems being addressed: (1) easing the burden between admission versus ED; (2) prioritizing patient needs through innovation and technology; and (3) easing an unnecessary burden upon healthcare workers.

# Attachment 13
# Alternatives to the Project

**Alternatives**

**1. Expand the Existing Emergency Department (Cost: Construction would be similar to proposed project, operation and equipment would be notably more expensive)**

This option would not solve the existing problem and could, potentially, exacerbate some of the concerns. Building out the emergency department to span multiple floors (remember this observation unit will be built above the existing ED) would create an unnecessary and unnatural divide within the ED patient population. The purpose of the observation unit is to allow an appropriate degree of attention for those truly emergent patients, allow for the prompt admission of patients warranting admission, and allow for the time, space, and attention for those patients requiring more observation and evaluation. Doing so assists in avoiding the challenges that occur when managing the needs of patient populations of varying levels of acuity. Expanding the ED would likely increase the burden on healthcare workers (who would either be isolated with additional emergent patients) or would create administrative challenges for determining where, within the multistory ED, to house patients. Moreover, the expense would inevitably be greater because the equipment required for an observation unit is distinctly different from that for an ED. From a facility standpoint, expansion of the ED at the ground level would not be feasible. Ultimately, this alternative was not selected because it would solve none of the existing problems.

**2. Expand licensed bed capacity (Cost: Construction would be similar to proposed project)**

This option creates a problem at the other end of the spectrum. An additional twenty beds could be added to the licensed bed capacity of the hospital, rather than the creation of an observation unit. However, this would result in the unnecessary admission of patients who might otherwise be able to be fully treated with the additional availability of an observation unit. Moreover, it would exacerbate the problems that arise when treating patient populations with varying levels of acuity and, accordingly, different needs. The result would be increasing the strain on the frontline healthcare workers caring for these patient populations. From a facility standpoint, location of in-patient rooms in this new built space would be inorganic, creating an additional challenge from an administrative perspective or requiring the addition of beds by conversion of single-patient rooms into multi-patient rooms. The only benefit identified would be financial, in that it would allow for more patient admissions, but this project is not motivated by profit for the facility but by patient and provider needs. Based upon patient needs, patient preferences, and the consideration of the impact upon the healthcare workers, this alternative was not selected.

**3. Proceed without Observation Unit - - Maintain the status quo (No financial cost; patient needs would be impacted)**

RCMC could continue to make do with the service lines as they exist. The consequence would be failing to meet the needs of patients or solve the identified challenges. Patients would either continue to linger in the ER or would be admitted as outpatient observation patients to an inpatient unit. On a dedicated observation unit, patients will be able to avoid being mixed with those of varying acuity, thereby reducing the strain on healthcare workers and ensuring an appropriate degree of oversight, interaction, and observation. The benefits of this project sufficiently outweighed the risk of this project not being approved or the cost to the project, thus maintaining the status quo was not selected as an option.

# Attachment 13
# Alternatives to the Project (continued)

**4. <u>Project as proposed</u>**

For all of the reasons outlined above and within the Purpose of the Project, this was the alternative selected.

# Attachment 14
# Size of the Project

The square footage identified in this application for the proposed project includes 20 observation beds, and one expanded room for ultrasound procedures to take place. There is no state standard for observation beds, however if you apply the standard for Medical Surgical beds which is 660 GSF per bed, this project meets the state standard as it only proposes 533 GSF per bed. The state standard for an ultrasound room is 900 GSF and the modernized space proposed in this project also meets the state standard. The project is necessary, not excessive, and consistent with the standards identified in Appendix B of 77 Illinois Admin Code Section 1110, as documented below.

| SIZE OF PROJECT | | | | |
|---|---|---|---|---|
| **DEPARTMENT/SERVICE** | **PROPOSED BGSF/DGSF** | **STATE STANDARD** | **DIFFERENCE** | **MET STANDARD?** |
| **Observation Beds** | **10,662 GSF** | **N/A** | **N/A** | **N/A** |
| **Diagnostic Radiology-Ultrasound** | **445 GSF** | **900 GSF** | **455 GSF** | **YES** |

# Attachment 15
# Project Service Utilization

The projected utilization for this project is based on historical patient volume and the need for 20 observation beds and modernized ultrasound room is supported by the data provided in this attachment.

The project utilization of this facility is based on the utilization target criteria found in 77 Ill. Admin. Code Section 1100.630(c).

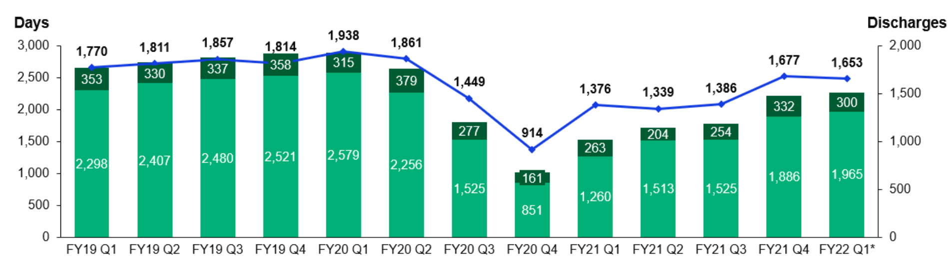
Rush Copley Medical Center currently owns and operates a number of ultrasound machines at the facility. The ultrasound machines in use at the facility are made up of both mobile and stationary units. Currently, there is a room utilized for ultrasound procedures on the 3rd floor of the facility, but due to its location and size the facility proposes to relocate the existing equipment to renovated space on the first floor. Given the proximity of the renovated ultrasound room to the emergency department, the facility believes it will increase utilization of the existing equipment as described in the chart below.

***These visit counts include all locations of Rush Copley Medical Center and ultrasound equipment.**

| UTILIZATION | | | | | |
|---|---|---|---|---|---|
| | DEPT./ SERVICE | HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC. | PROJECTED UTILIZATION | STATE STANDARD | MEET STANDARD? |
| YEAR 1 | Ultrasound | 33,008 visits (2019)* | 4,349 visits | 3100 visits | YES |
| YEAR 2 | Ultrasound | 30,761 visits (2020)* | 4,566 visits | 3100 visits | YES |

While there is not review criteria for observation beds, the data to support this project is included below. It reflects a demonstrated average daily census of 24.33 patients over a 13-quarter period. The proposed project will establish 20 rooms in which patients can be observed - creating a necessary buffer between the emergency department and inpatient admissions. The types of patients able to benefit from these services include patients with circulatory system issues, digestive issues, genitourinary concerns, injury or poisoning, respiratory issues, and others. This can also be incredibly useful for the treatment and evaluation of behavioral health patients, allowing for a more practiced patient evaluation and the appropriate time to evaluate the effectiveness of interventions that might obviate the need for transfer to an inpatient psychiatric unit.

## RCMC Observation
**Days and Discharges by Quarter with Average Daily Census (ADC)**




| | FY19 Q1 | FY19 Q2 | FY19 Q3 | FY19 Q4 | FY20 Q1 | FY20 Q2 | FY20 Q3 | FY20 Q4 | FY21 Q1 | FY21 Q2 | FY21 Q3 | FY21 Q4 | FY22 Q1* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADC | 28.8 | 29.7 | 31.3 | 31.6 | 31.4 | 28.6 | 19.8 | 11.1 | 16.6 | 18.7 | 19.8 | 24.4 | 24.6 |
| ADC Adjusted (no OB/L&D or NICU) | 28.1 | 29.1 | 30.3 | 30.8 | 30.9 | 27.9 | 19.0 | 10.3 | 15.3 | 17.6 | 18.3 | 22.8 | 23.4 |
| ADC Adjusted (From ED only; no OB/L&D, NICU) | 24.9 | 26.1 | 27.5 | 27.6 | 28.0 | 24.5 | 16.6 | 9.3 | 13.6 | 16.2 | 16.8 | 20.6 | 21.2 |

Total Discharges Non-ED From ED
Observation Days

RUSH Source: RCMC Avega
Note: 1) Includes OP observation charge codes for patients discharged FY19-Aug 2021;
2) ADC = average daily census; 3) Non-ED reflects observation utilization that did not originate from ED;
From ED reflects observation utilization that originated from the ED (ED level charge); 4) *FY22 Q1 is estimated based on July-August 2021 data

1

# Attachment 16
# Unfinished or Shell Space

NOT APPLICABLE- The proposed project does not include plans for shell space.

# Attachment 17
# Assurances

NOT APPLICABLE- The proposed project does not include plans for shell space.

# Attachment 31
# Criterion 1110.270(c)(1) and (c)(3)(B) – Deteriorated Facilities

The justification of this project is not to replace deteriorated our outdated equipment but, rather, to make better use of existing equipment and better utilize existing space by renovating to house the ultrasound equipment. Considering the data reflected in the chart below, the renovation and relocation of the equipment is justified and its relocation in proximity to the emergency depart will provide better access to clinicians working in that unit.

Furthermore, we would argue that this project can be justified under the provisions of 1110.270(c)(2) as the renovation of the ultrasound room is necessary to provide expansion for diagnostic treatment, ancillary training, or other support services to meet the requirements of patient service demand. The chart below shows the historical utilization data and reflects that the equipment will fully utilize and continue to meet the state standards.

| UTILIZATION | | | | | |
|---|---|---|---|---|---|
| | DEPT./ SERVICE | HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC. | PROJECTED UTILIZATION | STATE STANDARD | MEET STANDARD? |
| YEAR 1 | Ultrasound | 33,008 visits (2019)* | 4,349 visits | 3100 visits | YES |
| YEAR 2 | Ultrasound | 30,761 visits (2020)* | 4,566 visits | 3100 visits | YES |

# Attachment 33
# Availability of Funds

The total estimated project cost is $21,342,286. The Applicant/Licensee will fund the project costs with cash and cash equivalents and a grant from the State of Illinois Capital Development Board. Rush University System for Health has sufficient internal resources to fund the project and its most recent audited financial statements are enclosed with this attachment. Also enclosed is a copy of the grant agreement between the State of Illinois Capital Development Board and Rush Copley Medical Center.

Additionally, enclosed are letters confirming proof of project funding and most recent audited financial statements for Rush University System for Health.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

**GRANT AGREEMENT**

**BETWEEN**
**THE STATE OF ILLINOIS, CAPITAL DEVELOPMENT BOARD**
**AND**
**COPLEY MEMORIAL HOSPITAL**

---

The Capital Development Board (CDB) (Grantor), with its principal office at 401 S Spring St, 3rd Floor Stratton Building, Springfield, Illinois 62706, and Copley Memorial Hospital (Grantee), with its principal office at 2000 Ogden Ave, Aurora, IL 60504 and payment address (if different than principal office) at same, hereby enter into this Grant Agreement (Agreement). Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

**PART ONE – THE UNIFORM TERMS**
**RECITALS**

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the state of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

**ARTICLE I**
**AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION**

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that 074584749 is Grantee's correct DUNS Number, that N/A is Grantee's correct UEI, if applicable, that 36-2170840 is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration. Grantee is doing business as a (check one):

- ☐ Individual
- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Corporation (includes Not for Profit)
- ☐ Medical Corporation
- ☐ Governmental Unit
- ☐ Estate or Trust
- ☐ Pharmacy-Non Corporate
- ☐ Pharmacy/Funeral Home/Cemetery Corp.
- ☐ Tax Exempt
- ☐ Limited Liability Company (select applicable tax classification)
  - ☐ P = partnership
  - ☐ C = corporation

If Grantee has not received a payment from the state of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

1.2. Amount of Agreement. Grant Funds (check one) ) ☒ shall not exceed or ☐ are estimated to be $7,300,000.00, of which $0 are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this Agreement.

1.3. Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is N/A, the

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

federal awarding agency is N/A, and the Federal Award date is N/A. If applicable, the Assistance Listing Program Title is N/A and Assistance Listing Number is N/A. The Catalog of State Financial Assistance (CSFA) Number is 511-00-2748. The State Award Identification Number is 2748-30963.

1.4. Term. This Agreement shall be effective on 01/16/2022 and shall expire on 01/15/2027, unless terminated pursuant to this Agreement.

1.5. Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

1.6. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**CAPITAL DEVELOPMENT BOARD**

By: ____________________

Signature of Executive Director

By: N/A

Signature of Designee

Date: ____________________

Printed Name: Jim Underwood

Printed Title: Executive Director

**COPLEY MEMORIAL HOSPITAL**

By: ____________________

Signature of Authorized Representative

Date: ____________________

Printed Name: ____________________

Printed Title: ____________________

E-mail: ____________________

By: ____________________

Signature of First Other Approver, if Applicable

Date: ____________________

Printed Name: Paula Sorensen

Printed Title: Chief Fiscal Officer

Other Approver

By: ____________________

Signature of Second Other Approver, if Applicable

Date: ____________________

Printed Name: Amy Romano

Printed Title: General Counsel

Second Other Approver

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

**ARTICLE II**
**REQUIRED REPRESENTATIONS**

2.1. Standing and Authority. Grantee warrants that:

(a) Grantee is duly organized, validly existing and in good standing, if applicable, under the laws of the state in which it was incorporated or organized.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is organized under the laws of another jurisdiction, Grantee warrants that it is also duly qualified to do business in Illinois and, if applicable, is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to $30,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. *See* 44 Ill. Admin. Code 7000.40(c)(1)(A).

2.5. Compliance with Registration Requirements. Grantee certifies that it: (i) is registered with the federal SAM; (ii) is in good standing with the Illinois Secretary of State, if applicable; (iii) have a valid DUNS Number; (iv) have a valid UEI, if applicable; and (v) have successfully completed the annual registration and prequalification through the Grantee Portal. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

**ARTICLE III**
**DEFINITIONS**

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"2 CFR Part 200" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

"Agreement" or "Grant Agreement" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Allocable Costs" means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

"Allowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Assistance Listings" has the same meaning as in 2 CFR 200.1.

"Assistance Listing Number" has the same meaning as in 2 CFR 200.1

"Assistance Listing Program Title" has the same meaning as in 2 CFR 200.1.

"Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget Period" has the same meaning as in 2 CFR 200.1.

"Catalog of State Financial Assistance" or "CSFA" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Close-out Report" means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

"Conflict of Interest" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Consolidated Year-End Financial Report" or "CYEFR" means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

"Cost Allocation Plan" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Direct Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Disallowed Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"DUNS Number" means a unique nine-digit identification number provided by Dun & Bradstreet for each physical location of Grantee's organization.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

"FAIN" means the Federal Award Identification Number.

"FFATA" or "Federal Funding Accountability and Transparency Act" has the same meaning as in 31 USC 6101; P.L. 110-252.

"Financial Assistance" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Fixed-Rate" has the same meaning as in 44 Ill. Admin. Code 7000.30. "Fixed-Rate" is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.30.

"GATU" means the Grant Accountability and Transparency Unit of GOMB.

"Generally Accepted Accounting Principles" or "GAAP" has the same meaning as in 2 CFR 200.1.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"Grant Funds" means the Financial Assistance made available to Grantee through this Agreement.

"Grantee Portal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Improper Payment" has the same meaning as in 2 CFR 200.1.

"Indirect Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Indirect Cost Rate" means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

"Indirect Cost Rate Proposal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Net Revenue" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Net Revenue" is synonymous with "Profit."

"Nonprofit Organization" has the same meaning as in 2 CFR 200.1.

"Notice of Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"OMB" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Obligations" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Period of Performance" has the same meaning as in 2 CFR 200.1.

"Prior Approval" has the same meaning as in 44 Ill. Admin. Code 7000.30.
"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with "Net Revenue."

"Program" means the services to be provided pursuant to this Agreement.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith if it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.6. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.7. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR 200.305(b)(8).

4.8. Timely Billing Required. Grantee must submit any payment request to Grantor within fifteen (15) days of the end of the quarter, unless another billing schedule is specified in **PART TWO**, **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.9. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or sub-grantee) must contain the following certification by an official authorized to legally bind the Grantee (or sub-grantee):

> By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

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"Program Costs" means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM); which is the federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

"State" means the State of Illinois.

"Term" has the meaning set forth in Paragraph 1.4.

"Unallowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Unique Entity Identifier" or "UEI" means the unique identifier assigned to the Grantee or to subrecipients by SAM.

**ARTICLE IV**
**PAYMENT**

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Pre-Award Costs. Pre-award costs are not permitted unless specifically authorized by the Grantor in **Exhibit A**, **PART TWO** or **PART THREE** of this Agreement. If they are authorized, pre-award costs must be charged to the initial Budget Period of the Award, unless otherwise specified by the Grantor. 2 CFR 200.458.

4.3. Return of Grant Funds. Any Grant Funds remaining that are not expended or legally obligated by Grantee, including those funds obligated pursuant to ARTICLE XVII, at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days. A Grantee who is required to reimburse Grant Funds and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986. 30 ILCS 210; 44 Ill. Admin. Code 7000.450(c). In addition, as required by 44 Ill. Admin. Code 7000.440(b)(2), unless granted a written extension, Grantee must liquidate all obligations incurred under the Award at the end of the period of performance.

4.4. Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable federal laws or regulations. See 2 CFR 200.305; 44 Ill. Admin. Code 7000.120.

4.5. Payments to Third Parties. Grantee agrees to hold harmless Grantor when Grantor acts in good faith

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**ARTICLE VII**
**ALLOWABLE COSTS**

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(d).

i. Waived and de minimis Indirect Cost Rate elections will remain in effect until the Grantee elects a different option.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee's fiscal year end, as dictated in the applicable appendices, such as:

i. Appendix V and VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and local governments,
ii. Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,
iii. Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and
iv. Appendix V to 2 CFR Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

(d) A Grantee who does not have a current negotiated rate, may elect to charge a de minimis rate of 10% of modified total direct costs which may be used indefinitely. No documentation is required to justify the 10% de minimis Indirect Cost Rate. 2 CFR 200.414(f).

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. *See* 2 CFR 200.451.

7.4. Higher Education Cost Principles. The federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR 200 Subpart E and Appendix III.

7.5. Nonprofit Organizations Cost Principles. The federal cost principles that apply to Nonprofit Organizations that are not institutions of higher education are set forth in 2 CFR 200 Subpart E, unless exempt under 2 CFR 200 Appendix VIII.

7.6. Government Cost Principles. The federal cost principles that apply to state, local and federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

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**ARTICLE V**
**SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT**

5.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2. Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. *See* 2 CFR 200.308.

5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit G**. Grantee shall adhere to the specific conditions listed therein.

**ARTICLE VI**
**BUDGET**

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-federal as well as the federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308 or 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval.

6.3. Discretionary and Non-discretionary Line Item Transfers. Discretionary and non-discretionary line item transfers may only be made in accordance with 2 CFR 200.308 and 44 Ill. Admin. Code 7000.370. Neither discretionary nor non-discretionary line item transfers may result in an increase to the total amount of Grant Funds in the Budget unless Prior Approval is obtained from Grantor.

6.4. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

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(d) **Budget Control**. Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management**. Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.9. Federal Requirements. All Awards, whether funded in whole or in part with either federal or State funds, are subject to federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.8.

7.10. Profits. It is not permitted for any person or entity to earn a Profit from an Award. *See, e.g.*, 2 CFR 200.400(g); *see also* 30 ILCS 708/60(a)(7).

7.11. Management of Program Income. Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

**ARTICLE VIII**
**REQUIRED CERTIFICATIONS**

8.1. Certifications. Grantee, its officers, and directors shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the state of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of state or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.*) or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

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7.7. Commercial Organization Cost Principles. The federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System**. Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/520, Grantee shall use reasonable efforts to ensure that funding streams are delineated within Grantee's accounting system. *See* 2 CFR 200.302.

(b) **Source Documentation**. Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

i. The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.7).

ii. If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO**, **PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. *See* 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

iii. Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

iv. If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control**. Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

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(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

(u) **Illinois Works Review Panel.** For Awards made for public works projects, as defined in the Illinois Works Jobs Program Act, Grantee certifies that it and any contractor(s) or sub-contractor(s) that performs work using funds from this Award, shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

**ARTICLE IX**
**CRIMINAL DISCLOSURE**

9.1. Mandatory Criminal Disclosures. Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. *See* 30 ILCS 708/40. Additionally, if Grantee receives over $10 million in total Financial Assistance, funded by either State or federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

**ARTICLE X**
**UNLAWFUL DISCRIMINATION**

10.1. Compliance with Nondiscrimination Laws. Grantee, its employees and subcontractors under subcontract made pursuant to this Agreement, shall comply with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

(a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;

(b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);

(c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (*See also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin

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(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by federal or state government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Workplace.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than $5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC 1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency 2 CFR 200.205(a), or by the State (*See* 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any officer, director, partner or other managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

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**ARTICLE XII**
**MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING**

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.334, unless a different retention period is specified in 2 CFR 200.334 or 44 Ill. Admin. Code 7000.430(a) and (b). If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.337 and 44 Ill. Admin. Code 7000.430(e), shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, federal authorities, any person identified in 2 CFR 200.337, and any other person as may be authorized by Grantor (including auditors), by the state of Illinois or by federal statute. Grantee shall cooperate fully in any such audit or inquiry.

12.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. *See* 2 CFR 200.329 and 200.332. Additional monitoring requirements may be in **PART TWO** or **PART THREE**.

**ARTICLE XIII**
**FINANCIAL REPORTING REQUIREMENTS**

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.208. Unless so specified, the first of such reports shall cover the first three months after the Award begins, and reports must be submitted no later than the due date(s) specified in **PART TWO** or **PART THREE**, unless additional information regarding required financial reports is set forth in **Exhibit G**. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 208(b)(3) and 200.328. Any report required by 30 ILCS 708/125 may be detailed in **PART TWO** or **PART THREE**.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report no later than the due date specified in **PART TWO** or **PART THREE** following the end of the period of performance for this Agreement or Agreement termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately

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Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);

(e) The Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 *et seq.*); and

(f) The Age Discrimination Act (42 USC 6101 *et seq.*).

**ARTICLE XI**
**LOBBYING**

11.1. Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2. Federal Form LLL. If any funds, other than federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

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submit a refund to Grantor, if applicable. 2 CFR 200.345.

13.3. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of Improper Payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply. 44 Ill. Admin. Code 7000.80.

**ARTICLE XIV**
**PERFORMANCE REPORTING REQUIREMENTS**

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO**, **PART THREE** or **Exhibit G**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. Pursuant to 2 CFR 200.208, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit-based review of the application. In such cases, Grantor shall notify Grantee of same in **Exhibit G**. Pursuant to 2 CFR 200.329 and 44 Ill. Admin. Code 7000.410(b)(2), periodic Performance Reports shall be submitted no later than the due date(s) specified in **PART TWO** or **PART THREE**. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.329. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, no later than the due date specified in **PART TWO** or **PART THREE** following the end of the period of performance or Agreement termination. *See* 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b)(1).

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.329(b) and (c), all Performance Reports must relate the financial data and accomplishments to the performance goals and objectives of this Award and also include the following: a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost and demonstration of cost effective practices (e.g., through unit cost data); performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. *See* 2 CFR 200.301 and 200.210.

**ARTICLE XV**
**AUDIT REQUIREMENTS**

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor's Office of Management and Budget. *See* 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

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15.2. Consolidated Year-End Financial Reports (CYEFR). All grantees are required to complete and submit a CYEFR through the Grantee Portal. The CYEFR is a required schedule in the Grantee's audit report if the Grantee is required to complete and submit an audit report as set forth herein.

(a) This Paragraph 15.2 applies to all Grantees, unless exempted pursuant to a federal or state statute or regulation, which is identified in **PART TWO** or **PART THREE**.

(b) The CYEFR must cover the same period as the Audited Financial Statements, if required, and must be submitted in accordance with the audit schedule at 44 Ill. Admin. Code 7000.90. If Audited Financial Statements are not required, however, then the CYEFR must cover the Grantee's fiscal year and must be submitted within 6 months of the Grantee's fiscal year-end.

(c) CYEFRs must include an in relation to opinion from the auditor of the financial statements included in the CYEFR.

(d) CYEFRs shall follow a format prescribed by Grantor.

15.3. Entities That Are Not "For-Profit".

(a) This Paragraph applies to Grantees that are not "for-profit" entities.

(b) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(c) Financial Statement Audit. If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards, Grantee is subject to the following audit requirements:

i. If, during its fiscal year, Grantee expends $500,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in PART TWO, PART THREE or Exhibit G based on the Grantee's risk profile.

ii. If, during its fiscal year, Grantee expends less than $500,000 in Federal and state Awards, singularly or in any combination, from all sources, but expends $300,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).

iii. If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee shall have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of Federal and state Awards.

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iv. If Grantee does not meet the requirements in subsections 15.3(b) and 15.3(c)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

v. Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 6 months after the end of the Grantee's audit period.

15.4. "For-Profit" Entities.

(a) This Paragraph applies to Grantees that are "for-profit" entities.

(b) Program-Specific Audit. If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards), from all sources, Grantee is required to have a program-specific audit conducted in accordance with 2 CFR 200.507. The auditor must audit Federal programs with Federal Awards expended that, in the aggregate, cover at least 50 percent (0.50) of total Federal Awards expended. The audit report packet must be completed as described in 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90 and the current GATA audit manual, and must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(c) Financial Statement Audit. If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards and state Awards, singularly or in any combination, from all sources, Grantee must follow all of the audit requirements in Paragraphs 15.3(c)(i)-(v), above.

(d) Publicly-Traded Entities. If Grantee is a publicly-traded company, Grantee is not subject to the single audit or program-specific audit requirements, but is required to submit its annual audit conducted in accordance with its regulatory requirements.

15.5. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the state of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to Generally Accepted Government Auditing standards or Generally Accepted Auditing standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

15.6. Delinquent Reports. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

**ARTICLE XVI**
**TERMINATION; SUSPENSION; NON-COMPLIANCE**

16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or

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modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.340(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

i. Pursuant to a funding failure under Paragraph 4.1;
ii. If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;
iii. If the Award no longer effectuates the program goals or agency priorities as set forth in **Exhibit A, PART TWO** or **PART THREE**; or
iv. If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Non-compliance. If Grantee fails to comply with the U.S. Constitution, applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.208. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.339. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 44 Ill. Admin. Code 7000.80 and 7000.260.

16.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.342; 44 Ill. Admin. Code 7000.80 and 7000.260.

16.5. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

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i. Grantor expressly authorizes them in the notice of suspension or termination; and
ii. The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.343.

16.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.340(d).

**ARTICLE XVII**
**SUBCONTRACTS/SUB-GRANTS**

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved. Grantee must notify any potential sub-recipient that the sub-recipient shall obtain and provide to the Grantee a Unique Entity Identifier prior to receiving a subaward. 2 CFR 25.300.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by federal and state laws and regulations, and the provisions of this Agreement. The terms of this Agreement shall apply to all subawards authorized in accordance with Paragraph 17.1. 2 CFR 200.101(b)(2).

17.3. Liability as Guaranty. Grantee shall be liable as guarantor for any Grant Funds it obligates to a sub-grantee or sub-contractor pursuant to Paragraph 17.1 in the event the Grantor determines the funds were either misspent or are being improperly held and the sub-grantee or sub-contractor is insolvent or otherwise fails to return the funds. 2 CFR 200.345; 30 ILCS 705/6; 44 Ill. Admin. Code 7000.450(a).

**ARTICLE XVIII**
**NOTICE OF CHANGE**

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, federal employer identification number (FEIN), DUNS Number, UEI, SAM registration status, Related Parties, senior management or address. *See* 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

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18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

**ARTICLE XIX**
**STRUCTURAL REORGANIZATION AND RECONSTITUTION OF BOARD MEMBERSHIP**

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure or management makeup (for example, a merger or a corporate restructuring), and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This ARTICLE XIX does not require Grantee to report on minor changes in the makeup of its board membership. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

**ARTICLE XX**
**AGREEMENTS WITH OTHER STATE AGENCIES**

20.1. Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

**ARTICLE XXI**
**CONFLICT OF INTEREST**

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.113 and 30 ILCS 708/35.

21.2. Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person: (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the state of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or $106,447.20 (30 ILCS 500/50-13).

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

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**ARTICLE XXII**
**EQUIPMENT OR PROPERTY**

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole or in part with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439. Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President's Office of Management and Budget, the Governor's Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and executive orders.

22.4. Equipment Instructions. Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, are no longer needed for their original purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer's guidelines, federal and state laws or rules, and Grantor requirements stated herein.

22.5. Domestic Preferences for Procurements. In accordance with 2 CFR 200.322, as appropriate and to the extent consistent with law, the Grantee should, to the greatest extent practicable under this Award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this paragraph must be included in all subawards and in all contracts and purchase orders for work or products under this Award.

**ARTICLE XXIII**
**PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

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23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

**ARTICLE XXIV**
**INSURANCE**

24.1. Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

**ARTICLE XXV**
**LAWSUITS AND INDEMNIFICATION**

25.1. Independent Contractor. Grantee is an independent contractor under this Agreement and neither Grantee nor any employee or agent of Grantee is an employee of Grantor and do not acquire any employment rights with Grantor or the state of Illinois by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or state of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2. Indemnification. To the extent permitted by law, Grantee agrees to hold harmless Grantor against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

**ARTICLE XXVI**
**MISCELLANEOUS**

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific

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employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3. Exhibits and Attachments. **Exhibits A** through **G**, **PART TWO**, **PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7. No Waiver. No failure of Grantor to assert any right or remedy hereunder will act as a waiver of right to assert such right or remedy at a later time or constitute a course of business upon which Grantee may rely for the purpose of denial of such a right or remedy to Grantor.

26.8. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the state of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable state and federal statutes, federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11. Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12. Precedence.

(a) Except as set forth in subparagraph (b), below, the following rules of precedence are controlling for this Agreement: In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or rule(s), the relevant statute(s) or rule(s) shall control.

(b) Notwithstanding the provisions in subparagraph (a), above, if a relevant federal or state statute(s) or rule(s) requires an exception to this Agreement's provisions, or an exception to a requirement in

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this Agreement is granted by GATU, such exceptions must be noted in **PART TWO** or **PART THREE**, and in such cases, those requirements control.

26.13. Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

26.14. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.15. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.17. Attorney Fees and Costs. If Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

26.18. Continuing Responsibilities. The termination or expiration of this Agreement does not affect: (a) the right of the Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including, without limitation, final Indirect Cost Rate adjustments and those funds obligated pursuant to ARTICLE XVII; (c) the Consolidated Year-End Financial Report; (d) audit requirements established in ARTICLE XV; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XXII; or (f) records related requirements pursuant to ARTICLE XII. 44 Ill. Admin. Code 7000.450.

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**EXHIBIT A**

**PROJECT DESCRIPTION**

A.1 Scope. The scope of the project in this Agreement is as follows:

16,492 sq ft new 2nd floor construction comprising:

- 19 single rooms with shared toilets and one isolation room with private toilet.
- Central core of two soiled utility rooms & one clean utility room; medication room; nourishment room; two nursing stations.
- One telemetry room and additional office space.
- 3,289 sq ft of support space including mechanical room, data room and storage space.
- Patient elevator and exit stairway.

A.2 State Share. The maximum State Share is seven million, three hundred thousand dollars ($7,300,000). Grantee shall be responsible for all project costs in excess of the maximum State Share. If the total approved, allowable project costs are less than the maximum State Share, the grant amount will be reduced so as not to exceed the total allowable project costs.

A.3 Source of Funds. The grant is funded through Public Act 101-0638 from the Capital Development Fund and is subject to reappropriation.

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**EXHIBIT B**

**DELIVERABLES OR MILESTONES**

B.1 Milestones. In accordance with the terms of this Agreement, Grantee must submit pay requests and other documentation outlined in Exhibit C after completion of the following milestones:

1. upon execution of this Agreement,
2. upon bid award and CDB's acceptance of supplemental documents,
3. upon construction reaching 25% completion,
4. upon construction reaching 50% completion, and
5. upon substantial completion of construction.

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**EXHIBIT C**

**PAYMENT**

Grantee shall receive a maximum of $7,300,000 under this Agreement.

C.1 Processing Payments. Grantor will process pay requests upon receipt and approval of all required documentation.

C.2 Payment Schedule. The following payment schedule is based on the maximum State share. The payment schedule amounts will change if the total project cost decreases as described in Exhibit A. Each of the following construction milestones must be achieved prior to Grantee submitting the pay request.

| | | |
|---|---|---|
| Execution of agreement | 10% | $730,000 |
| Upon bid award and CDB's acceptance of supplemental documents | 20% | $1,460,000 |
| Construction reaching 25% completion | 25% | $1,825,000 |
| Construction reaching 50% completion | 35% | $2,555,000 |
| Substantial completion | 10% | $730,000 |

C.3 Second Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Second Payment:

- Signed copy of the architect/engineer's contract.
- Summary of all bids received.
- Summary of all bids awarded, including any alternate bids that were awarded.
- Copy of invoices for any other relevant expenses incurred prior to bidding (survey work, soil borings, topos, etc.).
- Signed copy of construction manager's contract, if applicable, including the total fee to be paid.
- Signed copies of any other contracts awarded.
- Documentation of FEP requirements (completed 4105 and 665s).
- Signed Project Labor Agreement, if applicable.
- Completed Illinois Works Jobs Program Act Apprenticeship Initiative Budget Supplement, if applicable.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Compliance with agreed reporting requirements.

C.4 Third Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Third Payment:

- All partial and final lien waivers for Minority-Owned Business Enterprises (MBEs) and Woman-Owned Business Enterprises (WBEs) to date.
- Certification from the architect/engineer that construction has reached 25 percent completion.
- Signed copies of any additional contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Copies of documentation of other expenses incurred relating to the project, including change orders and modifications to existing contracts.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Continued compliance with all reporting requirements.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

C.5 Fourth Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Fourth payment:

- All additional partial and final lien waivers for Minority-Owned Business Enterprises (MBEs) and Woman-Owned Business Enterprises (WBEs) to date.
- Certification from the architect/engineer that construction has reached 50 percent completion.
- Signed copies of any additional contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Copies of documentation of other expenses incurred relating to the project, including change orders and modifications to existing contracts.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Continued compliance with all reporting requirements.

C.6 Fifth and Final Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Fifth and Final Payment:

- Signed certification from the architect/engineer that the project is substantially complete.
- Signed copies of any remaining contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Final certification form letter (will be issued by CDB upon receipt of signed certification from the architect that the project is substantially complete).
- Completed and signed construction verification form and final pay-out form. The verification form will be provided to Grantee by CDB upon receipt of the request for payment.
- Documentation of Fair Employment Practices requirements for final payment (final lien waivers).
- Completed Illinois Works Jobs Program Act Apprenticeship Initiative Certification.
- Continued compliance with all reporting requirements.

C.7 Additional Documentation. Grantor may request additional documentation at any time to substantiate project costs. Any costs not adequately substantiated will not be included in the State share as identified in Paragraph A.2.

C.8 Expenditures Prior to Grant Agreement. Notwithstanding the above, in the event that Grantee incurred expenses related to the grant award prior to the execution of this Agreement but within the term of this Agreement, as identified in Paragraph 1.4, Grantee must submit to Grantor a report that accounts for eligible grant expenditures and project activities from the effective date of the grant up to and including the date of execution of this Agreement. Grantee shall submit the report to Grantor within 30 calendar days of execution of this Agreement. Only those expenses that are reasonable, allowable, and in furtherance of the purpose of the grant award shall be reimbursed. Grantor must approve the report prior to issuing any payment to Grantee.

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

**EXHIBIT D**

**CONTACT INFORMATION**

**CONTACT FOR NOTIFICATION:**

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

**GRANTOR CONTACT**

Name: Natalie Lambert

Title: Grant Analyst

Address: 401 S Spring St, 3rd Fl Stratton Bldg.

Phone: 217-720-1595

TTY#: 217-524-4449

E-mail Address: natalie.lambert2@illinois.gov

**GRANTEE CONTACT**

Name: ______________________________

Title: ______________________________

Address: ____________________________

Phone: ______________________________

TTY #: ______________________________

Fax #: ______________________________

E-mail Address: _______________________

Additional Information: __________________

State of Illinois
GRANT AGREEMENT FISCAL YEAR 2021 /
2 5 20

# Attachment 33
# Availability of Funds

*Agreement No. 900-010-343*

**EXHIBIT E**

**PERFORMANCE MEASURES**

E.1 Performance Reports. Grantee must provide quarterly reports outlining the progress of project and identifying significant developments, as well as any problems, delays, or adverse conditions, including any corrective action taken or planned. Grantee shall submit the reports on a form provided by Grantor. Grantee shall submit performance reports to Grantor on the following schedule:

- April 30 for the period from January 1 to March 31
- July 30 for the period from April 1 to June 30
- October 30 for the period from July 1 to September 30
- January 30 for the period from October 1 to December 31

# Attachment 33
# Availability of Funds

***Agreement No. 900-010-343***

**EXHIBIT F**

**PERFORMANCE STANDARDS**

F.1 Contracts for Procurement. The Grantee may enter into contracts to accomplish the procurement required to complete the scope of the project described in this Agreement and shall manage and administer the design and construction work on the project as may be appropriate and in accordance with this Agreement.

F.2 Bidding Deadline. All construction contracts for the project must be awarded no later than two (2) years after the effective date of this Agreement.

F.3 Project Completion. All obligations in this Agreement, including any close-out obligations, must be completed during the Agreement term specified in Paragraph 1.4.

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# Availability of Funds

***Agreement No. 900-010-343***

**EXHIBIT G**

**SPECIFIC CONDITIONS**

Grantor may remove (or reduce) a Specific Condition included in this **Exhibit G** by providing written notice to the Grantee, in accordance with established procedures for removing a Specific Condition.

G.1 Property Standards. Grantee shall provide corrective action plan related to Grantee's most recently completed Internal Control Questionnaire. Grantor will review implementation of corrective action, to include new or enhanced controls over equipment and property.

G.2 Procurement Standards. Grantee shall provide corrective action plan related to Grantee's most recently completed Internal Control Questionnaire. Grantor will review implementation of corrective action, to include new or enhanced controls over procurement of activities.

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# Availability of Funds

***Agreement No. 900-010-343***

**PART TWO – THE GRANTOR-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE**, the Grantor has the following additional requirements for its Grantee:

**Article XXVII**
**ADDITONAL REQUIRMENTS**

27.1 Timely Billing Required. Grantee must submit any payment request after completion of the payment milestones identified in Exhibit C. Grantee is not required to submit pay requests at the end of each quarter as indicated in Paragraph 4.7 of this Agreement.

27.2. Business Enterprise for Minorities, Women, and Persons with Disabilities Act. For this project, Grantee agrees to endeavor to meet a goal of at least 25 percent of the grant funds being awarded to minority and woman owned businesses, with 20 percent being awarded to minority owned businesses and 5 percent being awarded to woman owned businesses. Grantee agrees to coordinate the meeting of these goals with Grantor's Fair Employment Practices Unit and to provide documentation of its good faith efforts to meet those percentages in the event that the goals are not met.

27.3 Additional Legal Requirements.

(a) All project procurements shall be in accordance with applicable law, including but not limited to 2 CFR Part 200.

(b) Grantee agrees to comply with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575), the Illinois Accessibility Code (71 Ill. Admin. Code 400), and the Employee Classification Act (820 ILCS 185).

(c) Grantee agrees to comply in all respects with the Illinois State Agency Historic Resources Act (20 ILCS 3420) and the Archaeological and Paleontological Resources Protection Act (20 ILCS 3435) and hereby accepts the assignment of any duties Grantor has or may have under the Acts.

(d) Grantee agrees to comply in all respects with Executive Order 2006-05, Construction Activities in Special Flood Hazard Areas, if applicable.
(www.illinois.gov/Government/ExecOrders/Documents/2006/execorder2006-5.pdf)

(e) If the Grantee's project(s) and/or land development(s) fall under the requirements of the Farmland Preservation Act (505 ILCS 75), the Interagency Wetland Policy Act of 1989 (20 ILCS 830), the Illinois Natural Areas Preservation Act (525 ILCS 30), and/or the Illinois Endangered Species Protection Act (520 ILCS 10), Grantee hereby accepts the assignment of any duties Grantor has or may have under those, and prior to beginning any construction, Grantee shall provide Grantor with proof of compliance. In the alternative, Grantee certifies that the project(s) and/or land development(s) is not impacted by the statutes identified herein.

(f) Grantee agrees to comply with Prohibition on Use of Grant Funds for Prohibited Political Activities in the Illinois Grant Funds Recovery Act (30 ILCS 705/4.3).

(g) All contracts for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall include a project labor agreement. Each such project labor

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agreement shall comply with the requirements of Section 25 of the Project Labor Agreements Act (30 ILCS 571/25).

(h) Grantee agrees to comply with the Illinois Works Jobs Program Act Apprenticeship Initiative (30 ILCS 559/20-20, 14 Ill. Adm. Code 680).

i. Applicable Goal: The goal of the Illinois Works Jobs Program Act Apprenticeship Initiative is that, for projects estimated to cost $500,000 or more, apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less.
   a. For projects that are estimated to receive $500,000 or more in State grant funds:
      i. If the State's contribution to the project amount is 50% or more of the estimated total project cost for the project, the 10% apprenticeship goal applies to all prevailing wage eligible work performed on the project.
      ii. If the State's contribution to the project is less than 50% of the estimated total project cost, the 10% apprenticeship goal applies only to prevailing wage eligible work being funded by State grant funds.
   b. For projects that are estimated to receive less than $500,000 of State grant funds, but the estimated total project cost is $500,000 or more:
      i. If the estimated total project cost is $500,000 or more and the State contribution to the project represents 50% or more of the estimated total project cost, the 10% apprenticeship goal applies to all prevailing wage eligible work on the project.
      ii. If the estimated total project cost is less than 50% funded by State grant funds, the 10% apprenticeship goal does not apply.
   c. If the estimated total project cost is less than $500,000, the 10% apprenticeship goal does not apply.

ii. Budget Supplement: All Grantees shall submit the Illinois Works Jobs Program Act Apprenticeship Initiative Budget Supplement as identified in the Payment Milestones in Exhibit C. When the Illinois Works Apprenticeship Initiative goal applies, the Budget Supplement shall contain a complete and thorough estimate of all the labor hours for the project, broken down by prevailing wage category.

iii. Reporting Requirements: When the Illinois Works Apprenticeship Initiative goal applies to all or part of a project, Grantee shall submit quarterly reports of the hourly workforce utilization including all apprenticeship hours using Illinois Works Apprenticeship Initiative Reporting Forms. Reports shall be submitted on the dates provided in Exhibit E of this Agreement.

iv. Reduction or Waiver of Goal: If, at any point during the project, Grantee determines that the applicable apprenticeship goal for any prevailing wage classification may not be met, Grantee shall submit a request for a reduction or waiver of that particular goal, indicating why the goal may not be met. Grantee shall include all documentation supporting the request.

v. Certification of Completion: Upon completion of the work set forth in this Agreement, Grantee shall submit a certification demonstrating that the 10% apprenticeship goal has been met or that Grantee received a reduction or waiver of the 10% apprenticeship goal for each prevailing wage classification. In the event that work on the project extends beyond the term of this Agreement, Grantee shall submit an additional certification upon completion of all project work. Submission of the Certification(s) of Completion is only required when the Illinois Works Apprenticeship Initiative goal applies to all or part of the project.

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# Availability of Funds

***Agreement No. 900-010-343***

27.4 Bonding Requirements. If Grantee does not have established procedures and contractual provisions requiring construction contractors to provide bonds, Grantor encourages Grantee to require construction contractors to obtain a bid bond in the amount of ten percent of the bid, a performance bond in the full amount of the bid, and a separate labor and materials payment bond in the full amount of the bid.

27.5 Retainage. Grantor encourages the following policy for retainage on construction contracts to ensure timely payments to contractors: "Retainage, 10 percent of the contract sum, may be reduced to 5 percent of the contract sum on all portions of work after completion of the work equals to 50 percent of the contract sum upon written request by the contractor and written approval of the Grantee and the contractor's surety. Retention may not be reduced if the contract is behind the approved schedule, including extension or substantial claims are outstanding against the contractor or for other causes related to nonperformance."

27.6 Prohibition on Administrative Costs. Grant funds shall not be spent for Grantee's administrative costs and expenses, whether incurred as an officer, employee, or on a contractual basis. Indirect Costs may not be charged to the Award. All expenses must be bondable capital improvements.

27.7 Earned Interest. When interest is earned on grant funds held by Grantee, up to $500 per year in interest may be retained by Grantee for administrative expenses related to the project. Any other interest earned on grant funds held by the Grantee shall be spent on project eligible expenditures. Grantee shall certify to Grantor annually the amount by which any earned interest exceeds $500 and shall provide an accounting for the expenditure of such interest annually unless more frequent accounting is requested by Grantor.

27.8 Use and Ownership of Facility. Grantee must comply with the requirements of 2 CFR 200.311 for any real property acquired or improved using Grant Funds.

# Attachment 33
# Availability of Funds

## Rush Consolidated Financial Statement

# Rush System for Health

Consolidated Financial Statements as of and for the
Years Ended June 30, 2021 and 2020,
Supplemental Consolidating Schedules as of and
for the Year Ended June 30, 2021, and
Independent Auditors' Report

RUSH

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# Availability of Funds

## RUSH SYSTEM FOR HEALTH

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# Availability of Funds

Deloitte.

**Deloitte & Touche LLP**
111 South Wacker Drive
Chicago, IL 60606-4301
USA

Tel:+1 312 486 1000
Fax:+1 312 486 1486
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Rush System for Health:

We have audited the accompanying consolidated financial statements of Rush System for Health and its subsidiaries (the "System"), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Rush System for Health and its subsidiaries as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

# Attachment 33
# Availability of Funds

**Report on Consolidating Schedules**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 45-47 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the consolidated financial statements. These schedules are the responsibility of the System's management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

October 28, 2021

# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATED BALANCE SHEETS**
**(Dollars in thousands)**

| | As of June 30, 2021 | As of June 30, 2020 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 441,652 | $ 578,478 |
| Accounts receivable for patient services | 364,311 | 348,019 |
| Other accounts receivable | 55,769 | 59,102 |
| Self-insurance trust—current portion | 43,670 | 30,629 |
| Other current assets | 103,854 | 105,047 |
| Total current assets | 1,009,256 | 1,121,275 |
| ASSETS LIMITED AS TO USE AND INVESTMENTS: | | |
| Investments | 1,738,921 | 1,241,061 |
| Limited as to use by donor or time restriction or other | 748,897 | 560,763 |
| Self-insurance trust—less current portion | 131,177 | 105,509 |
| Total assets limited as to use and investments | 2,618,995 | 1,907,333 |
| PROPERTY AND EQUIPMENT—NET | 1,619,887 | 1,611,645 |
| OPERATING LEASE RIGHT-OF-USE ASSETS | 131,459 | 157,785 |
| POSTRETIREMENT AND PENSION BENEFIT ASSETS | 65,694 | - |
| OTHER NONCURRENT ASSETS | 92,478 | 93,603 |
| TOTAL ASSETS | $ 5,537,769 | $ 4,891,641 |
| **LIABILITIES AND NET ASSETS** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 64,183 | $ 77,663 |
| Accrued expenses | 455,323 | 368,241 |
| Postretirement and pension benefit liabilities | 2,275 | - |
| Estimated third-party settlements payable and advances payable | 393,910 | 415,706 |
| Current portion of accrued liability under self-insurance programs | 59,227 | 44,135 |
| Current portion of long-term debt | 12,216 | 11,775 |
| Short-term operating lease liability | 26,027 | 26,342 |
| Total current liabilities | 1,013,161 | 943,862 |
| LONG-TERM LIABILITIES: | | |
| Accrued liability under self-insurance programs—less current portion | 242,975 | 222,279 |
| Postretirement and pension benefit liabilities | 92,941 | 95,924 |
| Long-term debt—less current portion | 921,802 | 900,160 |
| Line of credit | - | 75,000 |
| Obligations under financing leases and other financing arrangements | 3,226 | 41,499 |
| Long-term operating lease liabilities | 108,467 | 133,120 |
| Other long-term liabilities | 159,132 | 89,841 |
| Total long-term liabilities | 1,528,543 | 1,557,823 |
| Total liabilities | 2,541,704 | 2,501,685 |
| NET ASSETS: | | |
| Without donor restrictions | 1,980,607 | 1,568,626 |
| With donor restrictions | 1,015,458 | 821,330 |
| Total net assets | 2,996,065 | 2,389,956 |
| TOTAL LIABILITIES AND NET ASSETS | $ 5,537,769 | $ 4,891,641 |

See notes to the consolidated financial statements.

# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**
**(Dollars in thousands)**

| | For the Years Ended June 30, 2021 | 2020 |
|---|---|---|
| REVENUE: | | |
| Patient service revenue | $2,574,590 | $2,233,576 |
| Tuition and educational programs revenue | 87,235 | 81,530 |
| Research revenue and net assets released from restriction and used for research and other operations | 155,870 | 164,949 |
| Other revenue | 181,366 | 176,538 |
| Total revenue | 2,999,061 | 2,656,593 |
| EXPENSES: | | |
| Salaries, wages and employee benefits | 1,516,253 | 1,425,626 |
| Supplies, utilities and other | 903,588 | 810,953 |
| Insurance | 70,484 | 66,163 |
| Purchased services | 217,905 | 257,076 |
| Depreciation and amortization | 149,422 | 156,862 |
| Interest and fees | 33,234 | 28,437 |
| Total expenses | 2,890,886 | 2,745,117 |
| OPERATING INCOME (LOSS) | 108,175 | (88,524) |
| NON-OPERATING INCOME (LOSS) | | |
| Investment income and other—net | 193,926 | 15,917 |
| Contributions without donor restrictions | 3,944 | 901 |
| Fundraising expenses | (9,926) | (12,995) |
| Pension settlement expense | - | (40,445) |
| Debt rate lock settlement | - | (62,500) |
| Change in fair value of interest rate swaps | 4,668 | (3,896) |
| Loss on debt refunding | - | (75) |
| Total non-operating income (loss) | 192,612 | (103,093) |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENSES | $ 300,787 | $ (191,617) |

(Continued)

# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**
**(Dollars in thousands)**

| | For the Years Ended June 30, 2021 | 2020 |
|---|---|---|
| **NET ASSETS WITHOUT DONOR RESTRICTIONS:** | | |
| Excess (deficit) of revenues over expenses | $ 300,787 | $ (191,617) |
| Net assets released from restrictions used for the purchase of property and equipment | 41,385 | 2,021 |
| Postretirement related changes other than net periodic postretirement cost | 64,215 | (12,794) |
| Cumulative effect of change in accounting principle—Adoption of ASU No. 2016—02, *Leases* | - | 34,532 |
| Other | 5,059 | 9,416 |
| Increase/(decrease) in net assets without donor restrictions | 411,446 | (158,442) |
| **NET ASSETS WITH DONOR RESTRICTIONS:** | | |
| Pledges, contributions and grants | 110,377 | 162,349 |
| Net assets released from restrictions | (141,240) | (162,045) |
| Net realized and unrealized gains (losses) on investments | 225,526 | (16,651) |
| Increase/(decrease) in net assets with donor restrictions | 194,663 | (16,347) |
| INCREASE/(DECREASE) IN NET ASSETS | 606,109 | (174,789) |
| NET ASSETS—Beginning of period | 2,389,956 | 2,564,745 |
| NET ASSETS—End of period | $ 2,996,065 | $ 2,389,956 |

See notes to the consolidated financial statements. (Concluded)

# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Dollars in thousands)**

| | For the Years Ended June 30, 2021 | 2020 |
|---|---|---|
| **OPERATING ACTIVITIES:** | | |
| Increase (decrease) in net assets | $ 606,108 | $ (174,789) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 149,422 | 156,862 |
| Non-cash operating lease expense | 1,316 | 1,497 |
| Cumulative effect of change in accounting principle | - | (34,532) |
| Postretirement related changes other than net periodic postretirement cost | (64,215) | 12,794 |
| Change in fair value of interest rate swaps | (4,668) | 3,896 |
| Net unrealized and realized (gains) losses on investments | (407,123) | 13,983 |
| Restricted contributions and investment income received | (26,544) | (24,593) |
| Investment (gains) losses on trustee held investments | (7,299) | 54 |
| Gain on sale of property and equipment | 4,434 | 25,004 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable for patient services | (16,292) | 45,025 |
| Accounts payable and accrued expenses | 91,023 | 38,336 |
| Estimated third-party settlements payable | (21,796) | 228,431 |
| Pension and postretirement costs | (2,187) | 35,406 |
| Accrued liability under self-insurance programs | 35,788 | 18,169 |
| Other changes in assets and liabilities | 88,281 | (19,698) |
| Net cash provided by operating activities | 426,248 | 325,845 |
| **INVESTING ACTIVITIES:** | | |
| Additions to property and equipment | (173,502) | (220,640) |
| Acquisition of Rush Oak Brook Orthopaedic Center | (13,205) | - |
| Acquisition of of physician practices | - | (605) |
| Investment in Joint Venture | (6,678) | - |
| Purchase of investments | (3,238,677) | (4,165,767) |
| Sale of investments | 2,928,398 | 4,135,096 |
| Net cash used in investing activities | (503,664) | (251,916) |
| **FINANCING ACTIVITIES:** | | |
| Proceeds from restricted contributions and investment income | 26,544 | 24,593 |
| Payment on line of credit | (75,000) | (36,500) |
| Proceeds from issuance of long-term debt | - | 75,000 |
| Proceeds from debt issuance | - | (27,460) |
| Proceeds from capital lease | - | 366,500 |
| Payment of long-term debt | (12,768) | (14,270) |
| Payment of obligations on finance lease liabilities | (896) | (2,524) |
| Proceeds from other financing arrangements | 2,710 | 271 |
| Net cash (used in) provided by financing activities | (59,410) | 385,610 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (136,826) | 459,539 |
| CASH AND CASH EQUIVALENTS—Beginning of period | 578,478 | 118,939 |
| CASH AND CASH EQUIVALENTS—End of period | $ 441,652 | $ 578,478 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Right of use assets obtained in exchange for new operating lease liabilities | $ 2,319 | $ 3,556 |
| Cash paid for interest | $ 38,794 | $ 30,574 |
| Net asset transfer of newly affiliated entity | $ - | $ 8,651 |
| Noncash additions to property and equipment | $ 18,471 | $ 20,829 |

See notes to consolidated financial statements.

# Attachment 33
# Availability of Funds

## RUSH SYSTEM FOR HEALTH
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**
**(Dollars in thousands)**

### 1. ORGANIZATION AND BASIS OF CONSOLIDATION

Rush System for Health ("RUSH") is a multihospital health system with operations that consist of several diverse activities with a shared mission of patient care, education, research, and community service. RUSH consists of an academic medical center, Rush University Medical Center ("RUMC"), two community hospitals, Rush Copley Medical Center ("RCMC") and Rush Oak Park Hospital ("ROPH"), that each serve distinct markets in the Chicago, Illinois, metropolitan area and Rush Health, a physician hospital organization and clinically integrated network. RUMC, RCMC, and ROPH are all Illinois not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Effective March 1, 2017, RUMC and RCMC reorganized their operations under a common corporate parent, Rush System for Health, d/b/a Rush University System for Health (the "System Parent"), an Illinois not-for-profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code. The System Parent, RUMC, RCMC and certain of its subsidiaries, and ROPH comprise the RUSH Obligated Group (the "RUSH Obligated Group" or the "Obligated Group") pursuant to the Master Trust Indenture, dated as of May 29, 2020, as amended and as entered into by each member of the Obligated Group. The members of the RUSH Obligated Group are jointly and severally liable for all debt issued under the Master Trust Indenture.

#### Rush University Medical Center

RUMC, the largest member of RUSH, is an academic medical center comprising Rush University Hospital ("RUH") and Rush University, located in Chicago, Illinois, and ROPH, located in Oak Park, Illinois.

RUH—A 727-licensed bed acute care, rehabilitation, and psychiatric hospital in Chicago, Illinois. RUH also includes a faculty practice plan, Rush University Medical Group, which employed 687 physicians as of June 30, 2021.

Rush University—A graduate health sciences university that educates students in health-related fields. This includes over 2,800 students in Rush Medical College, the College of Nursing, the College of Health Sciences, and the Graduate College. Rush University also includes a research operation with $192,421 and $192,885 in annual research expenditures during fiscal years 2021 and 2020, respectively.

ROPH—A 185-licensed bed acute care hospital located in Oak Park, Illinois, eight miles west of RUH. ROPH includes an employed medical group, Rush Oak Park Physicians Group (ROPPG), which employed 70 physicians as of June 30, 2021. RUMC is the sole corporate member of ROPH.

#### Rush Copley Medical Center

RCMC is the sole corporate member of Copley Memorial Hospital, Inc. ("CMH"), Rush Copley Medical Group NFP ("RCMG"), Copley Ventures, Inc. ("Ventures"), and Rush Copley Foundation, Inc. ("Foundation").

CMH—A 210-bed licensed acute care hospital located in Aurora, Illinois. CMH provides inpatient, outpatient, and emergency care services for residents of Aurora and surrounding communities in the far western suburbs of Chicago, Illinois.

RCMG—Established to own, operate, control, and otherwise coordinate the activities of physician practice health and medical services and to provide certain physician billing and administrative services. As of June 30, 2021, RCMG employed 101 physicians.

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Ventures—Holds title to property for rental purposes and holds ownership of the Rush Copley Healthplex, a health and fitness center.

Foundation—Solicits contributions to support health care activities in the market area, including, but not limited to, those of CMH.

**Rush Health**

Rush Health is RUSH's physician hospital organization and clinically integrated network that is comprised of both RUSH related and owned entities, which includes RUMC, ROPH, RCMC, and non-related independent providers such as Riverside Healthcare in Kankakee. Non-related independent providers comprise 10% of the organization's membership. Rush Health has approximately 2,200 affiliated providers (1,792 physicians and 470 Advanced Practice Providers). Effective August 12, 2019, the System Parent became the sole corporate member of Rush Health, an Illinois-not-for-profit taxable corporation that provides payor and employer contracting, data aggregation and analysis, care coordination, and quality and process improvement services to its members. Prior to this, Rush Health was treated as a joint venture and any income was recorded using the equity method of accounting. Rush Health and Riverside Health System are not members of the Obligated Group.

**COVID -19 Pandemic Update**

The Novel Corona Virus 2019 ("COVID-19") pandemic has materially impacted the hospitals and operations that comprise the system for which RUSH serves, and has impacted the business and financial condition of the RUSH Obligated Group. On March 18, 2020, the Centers for Medicare & Medicaid Services formally recommended that health care providers delay all elective surgeries and non-essential medical, surgical, and dental procedures during the pandemic. Governor Pritzker's Executive Order no. 2020-19 then required a cancellation of all elective surgeries and non-emergency care through May 11, 2020. Beginning May 11, 2020, the Illinois Department of Public Health ("IDPH") provided updated guidelines that hospitals and Ambulatory Surgical Treatment Centers may begin to perform elective procedures. RUSH followed IDPH guidelines and began the process of performing such elective and non-emergency procedures. Management continues to monitor the developments with respect to the COVID-19 pandemic and intends to follow requirements from the Centers for Disease Control and other applicable federal, state, and local regulatory agencies.

RUSH has been provided some relief based on payments made to hospitals as a result of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. CARES payments of $61,200 and $86,000 were recorded as other revenue in the consolidated statements of operations and changes in net assets during the years ended June 30, 2021 and 2020, respectively. In fiscal year 2020, RUSH also received advanced payments from Medicare of $231,700 which has been recorded within estimated third-party settlements and advances payable in the consolidated balance sheets. During fiscal year 2021, RUSH has paid back $39,228 of advanced payments from Medicare and $192,472 remains outstanding as of June 30, 2021. Of this amount, $149,441 is estimated to be repaid in fiscal year 2022 and is recorded within estimated third-party settlements and advances payable. The remaining $43,031 will be repaid in fiscal year 2023 and is recorded within other long-term liabilities in the consolidated balance sheet.

As of October 8, 2021, the Johns Hopkins University Corona Virus Resource Center Tracker reported the United States to have the largest number of confirmed cases at approximately 44.4 million. Of the United States counties, Cook County, Illinois has the fourth largest number of confirmed cases at approximately 625,647. RUSH continues its efforts to mitigate the financial impacts as it works to increase elective surgical cases and manage non-COVID related expenses. During fiscal year 2021, volumes returned to pre-pandemic levels in August 2020 and have remained relatively consistent since then.

RUSH continues to work with local and city officials to deliver the COVID-19 vaccine to our community, patients and employees, following the guidelines outlined by the state and local departments of public health.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The accompanying consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

### Basis of Consolidation

Included in RUSH's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

The supplemental consolidating balance sheet and consolidating statement of operations and changes in net asset as of and for the year ended June 30, 2021, are presented for the purpose of additional analysis of RUSH's fiscal year 2021 consolidated financial statements taken as a whole.

### Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### New Accounting Pronouncements

Effective July 1, 2020, RUSH adopted ASU No. 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes, modifies, and adds certain disclosure requirements on fair value required by Topic 820. The ASU did not have a material impact on the consolidated financial statements.

Effective July 1, 2020, RUSH adopted ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.* This aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The ASU did not have a material impact to the consolidated financial statements.

In March 2021, the FASB issued ASU No. 2021-03—*Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events,* which provides not-for-profit entities with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in Subtopic 350-20 as of the end of the reporting period, whether the reporting period is an interim or annual period. An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired. An entity that does not elect the accounting alternative for amortizing goodwill and that performs its annual impairment test as of a date other than the annual reporting date should perform a triggering event evaluation only as of the end of the reporting period. RUSH is planning to adopt this ASU in fiscal year 2022 and does not expect that it will have a material impact on the consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which requires the application of a current expected credit loss ("CECL") impairment model to financial assets measured at amortized cost (including trade accounts receivable), net investments in leases, and certain off-balance-sheet credit exposures. Under the CECL model, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and forecasted information. Furthermore, the CECL model requires financial assets with similar risk characteristics to be analyzed on a collective basis. ASU No. 2016-13 was originally effective on July 1, 2021. However, ASU No. 2019-10, *Financial Instruments – Credit Losses*

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*(Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842),* delayed the effective date of this new standard for RUSH to July 1, 2023. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ASU No. 2020-07 requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities. Additional disclosures around qualitative information and any policies on monetization, description of any donor-imposed restrictions and a description of valuation techniques are also required. ASU No. 2020-07 is effective for RUSH beginning on July 1, 2021. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other* (Topic 350): *Simplifying the Test for Goodwill Impairment*. The ASU No. 2017-04 eliminates Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The ASU also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. RUSH will still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard, which is required to be implemented in fiscal year 2022.

In August 2018, the FASB issued ASU No. 2018-14, Compensation-*Retirement Benefits-Defined Benefit Plans*. The ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The ASU allows entities to remove disclosures over accumulated comprehensive income and certain information about plan assets. The ASU also requires entities to add disclosures over reasons for significant gains and losses affecting the benefit obligation and any explanation for other significant changes in the benefit obligation or plan assets. RUSH is currently reviewing the requirements of the standard and evaluating the impact of the standard, which is required to be implemented in fiscal year 2022.

### Cash and Cash Equivalents

Cash and investments having an original maturity of 90 days or less when purchased are considered to be cash and cash equivalents. These securities are so near maturity that they present insignificant risk of changes in value.

### Patient Service Revenue and Patient Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which RUSH expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and governmental programs), and others, and includes variable consideration for retroactive revenue adjustments due to settlement of audits, review, and other investigations. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by RUSH. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. RUSH believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients at RUSH receiving inpatient acute care services. For outpatient services, the performance obligation is satisfied as the patient simultaneously receives and consumes the benefits provided as the services are performed. In the case of these outpatient services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. RUSH measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. RUSH also sells certain goods to patients and customers in a retail setting. The performance obligation is satisfied at a point in time, and revenue is generally recognized when goods are provided to the customer. Any

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unsatisfied or partially unsatisfied performance obligations at the end of the period are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of health care services provided to patients who are still receiving inpatient care at RUSH at the end of the year. Such amounts totaled $18,135 and $20,025 at June 30, 2021 and 2020, respectively, and are included within other current assets in the accompanying consolidated balance sheets.

Consistent with RUSH's mission, care is provided to patients regardless of their ability to pay. RUSH provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Such amounts determined to qualify as charity care are not reported as revenue.

RUSH determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions which consist of contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with RUSH's policy as well as implicit price concessions provided to patients. RUSH determines its estimates of contractual adjustments and discounts based on contractual agreements, published rates, its discount policies and historical experience. RUSH determines its estimate of implicit price concessions based on its historical collection experience. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. RUSH determines its estimate of implicit price concessions for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions. RUSH has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts RUSH expects to collect based on its collection history with those patients. For the years ended June 30, 2021 and 2020, implicit price concessions totaled approximately $117,017 and $95,277, respectively.

RUSH uses a portfolio approach to account for categories of patient contracts as a collective group rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient revenue and major payor classes and types of services provided for outpatient revenue. Based on historical collection trends and other analysis, RUSH believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

### Inventory

Medical supplies, pharmaceuticals, and other inventories are stated at the lower of cost or net realizable value and are included in other current assets in the accompanying consolidated balance sheets.

### Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, investments, derivative instruments, accounts receivable, accounts payable, accrued expenses, estimated third-party settlements, and debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and estimated third-party settlements approximated their financial statement carrying amount as of June 30, 2021 and 2020 because of their short-term maturity.

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### Assets Limited as to Use and Investments

Assets limited as to use consist primarily of investments limited as to use by donors, assets held by trustees under debt or other agreements and for self-insurance, and board designated assets set aside for a specified future use. Investments in equity and debt securities with readily determinable fair values are measured at fair value using quoted market prices or model-driven valuations.

Alternative investments consist of limited partnerships that invest primarily in marketable securities (hedge funds), real estate, limited partnerships that invest in nonmarketable securities (private equity) and private debt. Investments in hedge funds and private equity funds are generally not marketable and may be divested only at specified times. Alternative investments are reported at net asset value (NAV) which approximates fair value.

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within non-operating income (loss) within the accompanying consolidated statements of operations and changes in net assets, net of investment related expenses, unless the income or loss is restricted by donor or interpretation of law. Investment gains and losses on RUSH's endowment and trustee-held funds are recognized within net assets with donor restrictions. Income earned on tax-exempt borrowings for specific construction projects is offset against interest expense capitalized for such projects.

### Derivative Instruments

Derivative instruments, specifically interest rate swaps, are recorded in the consolidated balance sheets as either assets or liabilities at their respective fair values. The change in the fair value of derivative instruments is reflected in non-operating income (loss) in the accompanying consolidated statements of operations and changes in net assets. Net cash settlements and payments, representing the realized changes in the fair value of the interest rate swaps, are included in interest expense in the accompanying consolidated statements of operations and changes in net assets and as operating cash flows in the accompanying consolidated statements of cash flows.

### Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value at the date of receipt. Expenditures that substantially increase the useful life of existing property and equipment are capitalized. Routine maintenance and repairs are expensed as incurred. Depreciation expense, including amortization of finance lease assets, is recognized over the estimated useful lives of the assets using the straight-line method. Buildings and building service equipment assets have an estimated useful life of 10 to 80 years, moveable equipment assets have an estimated useful life of 5 to 10 years, and computer software and hardware assets have an estimated useful life of 5 to 7 years.

Assets derived from finance leases are included in property and equipment with the related liability classified in either other current liabilities or other long-term liabilities in the consolidated balance sheets according to the expected timing of lease payments.

### Operating Lease Right of Use Assets and Lease Liabilities

RUSH determines if an arrangement is a lease or contains a lease at inception through review of the underlying agreement and determination of whether an identifiable asset exists that RUSH has the right to control. Leases result in the recognition of Right-of-Use (ROU) assets and lease liabilities in the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. RUSH determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. RUSH has made a policy election to use a risk-free rate using a period comparable with the lease term for the initial and

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subsequent measurement of all lease liabilities. RUSH has also elected a policy to combine lease and non-lease components in its measurement of ROU assets and lease liabilities.

The lease term will include options to extend or to terminate the lease only if RUSH is reasonably certain to exercise the option. Lease expense is generally recognized on a straight-line basis over the lease term.

RUSH has elected not to record leases with an initial term of twelve months or less in the consolidated balance sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term.

**Asset Retirement Obligations**

RUSH recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, RUSH capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle an asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets. Asset retirement obligations are reported in other long-term liabilities in the accompanying consolidated balance sheets and amounted to $24,576 and $23,383 as of June 30, 2021 and 2020, respectively.

**Ownership Interests in Other Health-Related Entities**

RUSH has a majority ownership interest in a number of subsidiaries, which provide outpatient surgical services. An ownership interest of more than 50% in another health-related entity in which RUSH has a controlling interest is consolidated. As of June 30, 2021 and 2020, noncontrolling interests in consolidated subsidiaries amounted to $2,617 and $5,403, respectively. The amounts related to noncontrolling interests are recorded in net assets without donor restrictions, and as the amounts are not material, they are not separately presented in the accompanying consolidated financial statements. RUSH also has affiliations with and interests in other organizations that are not consolidated. These organizations primarily provide outpatient health care and managed care contracting services. An ownership interest in another health-related entity of at least 20%, but not more than 50%, in which RUSH has the ability to exercise significant influence over the operating and financial decisions of the investee, is accounted for on the equity basis, and the income (loss) is reflected in other revenue. An ownership interest in a health-related entity of less than 20%, in which RUSH does not have the ability to exercise significant influence over the operating and financial decisions of the investee, is carried at cost or estimated net realizable value and reported within other assets, which is not material to the consolidated financial statements.

**Debt issuance Costs**

Debt issuance costs, net of amortization, is computed using the effective interest method over the life of the related debt and is reported within long-term debt in the consolidated balance sheets. Unamortized debt issuance costs amounted to $7,483 and $6,875 as of June 30, 2021 and 2020, respectively.

**Other Assets**

Other assets include investments in joint ventures accounted for on the equity basis, unconditional promises to contribute, goodwill, insurance recoveries, and other intangible assets. RUSH continually evaluates the recoverability of the carrying value of long-lived assets, such as goodwill, by assessing assets for impairment.

**Other Long-term Liabilities**

Other long-term liabilities include asset retirement obligations, employee benefit plan liabilities for certain defined contribution and supplemental retirement plans other than defined benefit pension plans, liabilities for derivative instruments, and other long-term obligations.

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## Net Assets

Net assets are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions*—Net assets without donor restrictions are resources available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of business. The net assets without donor restrictions of RUSH are primarily derived from annual excess of revenue over expenses and net assets released from donor restrictions for operations. Voluntary resolutions by the Board to designate a portion of its net assets without donor restrictions for specific purposes are presented as board-designated. Because these designations are voluntary and may be reversed by the Board at any time, board-designated net assets are included under the caption "without donor restriction."

*Net Assets With Donor Restrictions*—Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, whereby the organization must continue to use the resources in accordance with the donor's instructions.

## Contributions

Unconditional contributions and promises to contribute cash and other assets (pledge receivable) are reported at fair value at the date the promise is received. Fair value is estimated as the net present value of the estimated future cash flows of such awards. Estimated future cash flows due after one year are discounted using interest rates commensurate with the time value of money concept. Net unconditional promises to contribute are reported in current assets and other noncurrent assets in the accompanying consolidated balance sheets and amounted to $9,402 and $12,174 and $28,071 and $31,730 as of June 30, 2021 and 2020, respectively.

Conditional contributions are recorded as revenue when the conditions are met. Contributions are conditional when there are barriers that RUSH must overcome to be entitled to the funds. RUSH has received approximately $124,526 and $102,481 of conditional contributions whose conditions have not been met as of June 30, 2021 and 2020, respectively. Of the fiscal 2021 amount, approximately $98,974 relates to federal, state, and local grant awards where RUSH expects to meet the condition of incurring allowable expenditures under the various grants within the next twelve months. Another $25,552 is related to awards from foundations and other not-for-profit organizations where RUSH expects to recognize the contribution once the conditions have been met.

Unconditional contributions and conditional contributions whose conditions have been met are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, the restricted net assets are released as net assets without restrictions and reported in the consolidated statements of operations as other revenue (if time restricted or restricted for operating purposes) or reported in the consolidated statements of changes in net assets as net assets released from restrictions used for purchase of property and equipment (if restricted for capital acquisitions). Donor-restricted contributions for operating purposes whose restrictions are met within the same year as either received or the same year as the condition is met are reported as other revenue in the accompanying consolidated statements of operations and changes in net assets.

RUSH is the beneficiary of several split-interest agreements, primarily perpetual trusts held by others, which are recorded in assets limited as to use within the accompanying consolidated balance sheets. RUSH recognizes its interest in these trusts based on either RUSH's percentage of the fair value of the trust assets or the present value of expected future cash flows to be received from the trusts, as appropriate, based on each trust arrangement.

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### Excess (Deficit) of Revenues over Expenses

The consolidated statements of operations and changes in net assets include excess (deficit) of revenues over expenses as a performance indicator. Excess (deficit) of revenues over expenses includes all changes in net assets without donor restrictions, net of investment related expenses, except for contributions of (and assets released from donor restrictions related to) long-lived assets, and other items that are required by GAAP to be reported separately (such as postretirement-related changes other than net periodic postretirement costs, and the cumulative effect of changes in accounting principle).

### Non-Operating Income (Loss)

Non-operating income (loss) includes items not directly associated with patient care or other core operations of RUSH. Non-operating income (loss) consists primarily of investment returns without donor restrictions, endowment investment income appropriated for use, the difference between total investment return and amount allocated to operations for investments designated for self-insurance programs, investment income or loss (including interest, dividends, and realized and unrealized gains and losses), net of investment related expenses, on all other investments unless restricted by donor or interpretation of law, changes in the fair value of interest rate swaps, gains and losses on derivative contracts, pension settlement expenses, losses on extinguishment of debt, contributions without donor restrictions, and fundraising expenses.

### Consideration of Events Subsequent to the Consolidated Balance Sheet Date

RUSH has evaluated events occurring subsequent to the consolidated balance sheet date through October 28, 2021, the date the consolidated financial statements were issued. There were no significant subsequent events through this date, with the exception of the item below.

Announced September 28, 2021, RUSH and DispatchHealth entered into an arrangement to bring high-acuity, in-home medical care to Chicago. The arrangement is focused on expanding care delivery options and giving patients access to convenient acute healthcare in the home at a lower cost. The DispatchHealth and RUSH arrangement will bring acute care to those patients who often struggle with access to care in their time of need. Beginning October 7, 2021 patients will have access to care that can treat common to complex injuries and illnesses in the home.

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### 3. PATIENT SERVICE REVENUE

The mix of patient service revenue recognized during the years ended June 30, 2021 and 2020, by major payor source and by lines of business, was as follows:

| June 30, 2021 | RUH | ROPH | CMH | Physician Groups | Clinical Joint Ventures & Other | Total | |
|---|---|---|---|---|---|---|---|
| Medicare | $ 337,984 | $ 35,167 | $ 86,770 | $ 57,389 | $ 17,514 | $ 534,823 | 20.8% |
| Medicare Managed Care | 85,077 | 11,452 | 34,517 | 11,734 | - | 142,780 | 5.5% |
| Medicaid | 44,718 | 1,437 | 7,263 | 10,854 | 3,698 | 67,970 | 2.6% |
| Medicaid Managed Care | 226,402 | 16,963 | 40,143 | 34,851 | 17,127 | 335,486 | 13.0% |
| Managed Care | 240,290 | 26,766 | 72,408 | 76,818 | 27,677 | 443,959 | 17.2% |
| Blue Cross | 535,016 | 42,359 | 119,066 | 81,539 | 19,272 | 797,253 | 31.0% |
| Commercial, Self-Pay, and Other | 175,767 | 24,697 | 20,698 | 19,147 | 12,010 | 252,319 | 9.8% |
| Total Patient Service Revenue | $ 1,645,254 | $ 158,841 | $ 380,865 | $ 292,332 | $ 97,298 | $ 2,574,590 | 100.0% |

| June 30, 2020 | RUH | ROPH | CMH | Physician Groups | Clinical Joint Ventures & Other | Total | |
|---|---|---|---|---|---|---|---|
| Medicare | $ 319,399 | $ 33,148 | $ 69,057 | $ 49,081 | $ 12,226 | $ 482,911 | 21.6% |
| Medicare Managed Care | 57,201 | 6,726 | 23,651 | 8,488 | - | 96,066 | 4.3% |
| Medicaid | 45,813 | 1,391 | 9,755 | 4,131 | 2,199 | 63,289 | 2.8% |
| Medicaid Managed Care | 159,105 | 10,490 | 35,395 | 32,356 | 19,618 | 256,964 | 11.5% |
| Managed Care | 484,678 | 36,597 | 99,584 | 54,631 | 7,065 | 682,555 | 30.6% |
| Blue Cross | 217,509 | 22,450 | 71,965 | 64,798 | 13,999 | 390,721 | 17.5% |
| Commercial, Self-Pay, and Other | 183,716 | 21,973 | 15,600 | 26,498 | 13,283 | 261,070 | 11.7% |
| Total Patient Service Revenue | $ 1,467,421 | $ 132,775 | $ 325,007 | $ 239,983 | $ 68,390 | $ 2,233,576 | 100.0 % |

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

**Medicare and Medicare Managed Care**: Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates.

**Medicaid and Medicaid Managed Care**: Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service.

**Blue Cross, Managed Care, Commercial, and Other**: Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be

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subject to review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity continues with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayment of previously billed and collected revenues from patient services. Management believes that RUSH is in substantial compliance with current laws and regulations.

Laws and regulations governing payment programs are complex and subject to interpretation. Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as new information becomes available or as years are settled or are no longer subject to such audits, reviews and investigations. As a result, there is a reasonable possibility that recorded estimated third-party settlements could change by a material amount.

RUSH has filed formal appeals relating to the settlement of certain prior-year Medicare cost reports. The outcome of such appeals cannot be determined at this time. Any resulting gains will be recognized in the consolidated statements of operations and changes in net assets when realized.

## 4. CHARITY CARE

RUSH has an established charity care policy and maintains records to identify and monitor the level of charity care it provides.

RUMC patients with a family income between 201% and 400% of the current federal poverty level are eligible to apply for charity care and receive a discount of either 100% or 75%, depending on their family income. Additionally, uninsured patients with family income between 201% and 600% of the current federal poverty level automatically receive a 68% discount while uninsured patients with a family income above 600% of the current federal poverty level receive a 50% discount. RUMC also provides free care to all uninsured patients whose family income is 200% or less of the current federal poverty level.

RCMC provides free care to all patients who apply and provide documents supporting income and asset levels of less than 200% of the current-year federal poverty level, a 30% discount to all uninsured patients regardless of ability to pay, and discounts balances to patients under 600% of the poverty level. Interest-free payment plans are also provided.

Charity care includes the estimated cost of unreimbursed services provided and supplies furnished under its charity care policy and the excess of cost over reimbursement for Medicaid patients. The estimated cost of charity care provided is determined using a ratio of cost to gross charges and multiplying that ratio by the gross unreimbursed charges associated with providing care to charity patients.

In December 2008, the Centers for Medicare and Medicaid Services approved the Illinois Hospital Assessment Program (the "Program") to improve Medicaid reimbursement for Illinois hospitals. This Program increased net patient service revenue in the form of additional Medicaid payments and increased supplies, utilities, and other expense through a tax assessment from the State of Illinois. In fiscal year 2014, the State of Illinois approved a new enhanced assessment program providing additional funding to RUSH. The net benefit to RUSH from the Program was $51,229 and $43,162 during the years ended June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the Medicaid payment of $123,248 and $106,576 was included in patient service revenue, representing 5% of the patient service revenue for fiscal years 2021 and 2020, respectively, and the tax assessment of $72,019 and $63,414, respectively, was included in supplies, utilities, and other expenses within the consolidated statements of operations and changes in net assets.

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The following table presents the level of charity care and unreimbursed Medicaid services provided for the years ended June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients—net of net benefit under the Program | $ 136,869 | $ 163,821 |
| Estimated costs and expenses incurred to provide charity care in the hospitals | 24,286 | 32,024 |
| Total | $ 161,155 | $ 195,845 |

Beyond the cost to provide charity care and unreimbursed services to hospital Medicaid patients, RUSH also provides substantial additional benefits to the community, including educating future health care providers, supporting research into new treatments for disease, and providing subsidized medical services in response to community and health care needs, as well as other volunteer services. These community services are provided free of charge or at a fee below the cost of providing them.

## 5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use and investments consist primarily of marketable equity and debt securities, which are held in investment pools to satisfy the investment objectives for which the assets are held or to satisfy donor restrictions. RUSH also holds certain investments in alternative investments consisting of hedge funds, real estate investments, private equity funds, and private debt.

Following is a summary of the composition of assets limited as to use and investments as of June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Marketable securities and short-term investments | $ 288,742 | $ 57,663 |
| Fixed income securities | 682,072 | 518,924 |
| Public equity securities | 359,729 | 206,368 |
| Fund investments (mutual/commingled) | 1,017,055 | 920,591 |
| Alternative investments | 272,019 | 199,758 |
| Other | 6,063 | 4,973 |
| Total investments | 2,625,680 | 1,908,277 |
| Beneficial interest in trusts | 36,985 | 29,685 |
| Total assets limited as to use and investments | 2,662,665 | 1,937,962 |
| Less amount reported as current assets | (43,670) | (30,629) |
| Assets limited as to use and investments—noncurrent | $ 2,618,995 | $ 1,907,333 |

As of June 30, 2021 and 2020, RUSH has commitments to additional alternative investments totaling $81,465 and $94,429, respectively.

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It is RUMC's intent to maintain a long-term investment portfolio to support its self-insurance program. Accordingly, the total return on investments restricted for the self-insurance program is reported in the consolidated statements of operations and changes in net assets in three separate line items. The investment return allocated to operations, reported in other revenue, is determined by a formula designed to provide a consistent stream of investment earnings to support the self-insurance provision reported in insurance expense in the accompanying consolidated statements of operations and changes in net assets. This allocated return, 4.5% for the years ended June 30, 2021 and 2020, approximates the real return that RUSH expects to earn on its investments over the long term and totaled $6,741 and $6,718 for the years ended June 30, 2021 and 2020, respectively. The difference between the total investment return and the amount allocated to operations is reported in nonoperating income (loss) and totaled $16,851 and ($4,206) for the years ended June 30, 2021 and 2020, respectively. There is no guarantee that the investment return expected by management will be realized. For the years ended June 30, 2021 and 2020, the total annual investment return was approximately 7.2% and 1.5%, respectively.

The composition and presentation of investment income and the realized and unrealized gains and losses on all investments, net of investment related expenses, for the years ended June 30, 2021 and 2020, are as follows:

| | 2021 | 2020 |
|---|---|---|
| Interest and dividends | $ 31,137 | $ 42,884 |
| Net realized gains on sales of securities | 101,925 | 62,147 |
| Unrealized gains (losses) — without donor restrictions | 135,910 | (61,267) |
| Unrealized gains (losses) — with donor restrictions | 151,469 | (38,268) |
| | $ 420,441 | $ 5,496 |
| Reported as: | | |
| Other operating revenue | $ 989 | $ 6,230 |
| Nonoperating income | 193,926 | 15,917 |
| Net assets with donor restrictions — net realized and unrealized gains (losses) on investments | 225,526 | (16,651) |
| | $ 420,441 | $ 5,496 |

## 6. FAIR VALUE MEASUREMENTS

As of June 30, 2021 and 2020, RUSH held certain assets and liabilities that are required to be measured at fair value on a recurring basis, including marketable securities and short-term investments, certain restricted, trusteed and other investments, derivative instruments, and beneficial interests in trusts.

### Valuation Principles

Under FASB Accounting Standard Codification 820, *Fair Value Measurement*, fair value is defined as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to measure fair value are based upon observable and unobservable inputs. Observable inputs generally reflect market data from independent sources and are supported by market activity, while unobservable inputs are generally unsupported by market activity. The three-level valuation hierarchy, which prioritizes the inputs used in measuring fair value of an asset or liability at the measurement date, includes:

*Level 1 inputs*—Quoted prices (unadjusted) for identical assets or liabilities in active markets. Securities typically priced using Level 1 inputs include listed equities and exchange-traded mutual funds.

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*Level 2 inputs*—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in nonactive markets, and model-driven valuations whose inputs are observable for the asset or liability, either directly or indirectly. Securities typically priced using Level 2 inputs include government bonds (including US treasuries and agencies), corporate and municipal bonds, collateralized obligations, interest rate swaps, commercial paper, currency options and pending transactions.

*Level 3 inputs*—Unobservable inputs for which there is little or no market data available are based on the reporting entity's own judgment or estimation of the assumptions that market participants would use in pricing the asset or liability. The fair values for securities typically priced using Level 3 inputs are determined using model-driven techniques, which include option-pricing models, discounted cash flow models, and similar methods. The Level 3 classification includes beneficial interests in trusts.

**Fair Value Measurements at the Consolidated Balance Sheet Date**

The following tables present RUSH's fair value hierarchy for its financial assets and liabilities measured at fair value or NAV, which approximates fair value, on a recurring basis as of June 30, 2021 and 2020:

| **Fair Value Measurements as of June 30, 2021** | **Level 1** | **Level 2** | **Level 3** | **Valued @ NAV** | **Total Fair Value** |
|---|---|---|---|---|---|
| **Marketable securities and short-term investments** | $ 64,597 | $ 224,145 | $ - | $ - | $ 288,742 |
| **Fixed Income Securities:** | | | | | |
| U.S. Government and Agency securities | - | 358,521 | - | - | 358,521 |
| Corporate Bonds | - | 311,623 | - | - | 311,623 |
| Asset Backed Securities and Other | 1,020 | 10,909 | - | - | 11,929 |
| **Public Equity Securities** | 359,729 | - | - | - | 359,729 |
| **Fund Investments (Mutual/Commingled):** | | | | | |
| Fixed Income Funds | 79,219 | 161,036 | - | - | 240,255 |
| Public Equity Funds | 267,510 | - | - | 429,955 | 697,465 |
| Multi Asset Class Funds | 19,816 | - | - | 59,518 | 79,334 |
| **Alternative Investments:** | | | | | |
| Hedge Funds | - | - | - | - | - |
| Private Equity Partnerships | - | - | - | 153,308 | 153,308 |
| Private Debt | - | - | - | 118,711 | 118,711 |
| **Other:** | | | | | |
| Derivative Assets | 156 | 1,315 | - | - | 1,471 |
| Trustee-held Investments | - | - | 36,985 | - | 36,985 |
| Pending Transactions | - | (10,777) | - | - | (10,777) |
| **Total investments** | $ 792,047 | $ 1,056,772 | $ 36,985 | $ 761,492 | $ 2,647,296 |
| Obligations under interest rate swap agreements | $ - | $ (14,009) | $ - | $ - | $ (14,009) |
| Other derivative liabilities | - | (253) | - | - | (253) |
| Total liabilities at fair value | $ - | $ (14,262) | $ - | $ - | $ (14,262) |

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| Fair Value Measurements as of June 30, 2020 | Level 1 | Level 2 | Level 3 | Valued @ NAV | Total Fair Value |
|---|---|---|---|---|---|
| **Marketable securities and short-term investments** | $ 32,518 | $ 5,026 | $ - | $ 20,119 | $ 57,663 |
| **Fixed Income Securities:** | | | | | |
| U.S. Government and Agency securities | - | 160,114 | - | - | 160,114 |
| Corporate Bonds | - | 302,372 | - | - | 302,372 |
| Asset Backed Securities and Other | - | 56,438 | - | - | 56,438 |
| **Public Equity Securities** | 206,368 | - | - | - | 206,368 |
| **Fund Investments (Mutual/Commingled):** | | | | | |
| Fixed Income Funds | 151,267 | - | - | - | 151,267 |
| Public Equity Funds | 182,583 | 138,316 | - | 311,983 | 632,882 |
| Multi Asset Class Funds | 100,487 | - | - | 35,955 | 136,442 |
| **Alternative Investments:** | | | | | |
| Hedge Funds | - | - | - | 6,091 | 6,091 |
| Private Equity Partnerships | - | 1,469 | - | 112,904 | 114,373 |
| Private Debt | - | - | - | 79,294 | 79,294 |
| **Other:** | | | | | |
| Derivative Assets | - | 335 | - | - | 335 |
| Trustee-held Investments | - | - | 29,685 | - | 29,685 |
| Pending Transactions | - | (4,245) | - | - | (4,245) |
| **Total investments** | $ 673,223 | $ 659,825 | $ 29,685 | $ 566,346 | $ 1,929,079 |
| Obligations under interest rate swap agreements | $ - | $ (18,678) | $ - | $ - | $ (18,678) |
| Total liabilities at fair value | $ - | $ (18,678) | $ - | $ - | $ (18,678) |

**Level 3 Rollforward**

A rollforward of the amounts in the consolidated balance sheets for financial instruments classified by RUSH within Level 3 of the fair value hierarchy is as follows:

| | Interest in Trusts |
|---|---|
| Fair value — June 30, 2019 | $ 29,739 |
| Actual return on investments — Realized and unrealized losses | (54) |
| Purchases | - |
| Sales | - |
| Fair value — June 30, 2020 | 29,685 |
| Actual return on investments — Realized and unrealized losses | 7,300 |
| Purchases | - |
| Sales | - |
| Fair value — June 30, 2021 | $ 36,985 |

During the fiscal year 2021 and 2020, there were no transfers in Level 3 investments.

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### Investments in Entities that Report Fair Value Using NAV

Included within the fair value table above are investments in certain entities that report fair value using a calculated NAV or its equivalent. These investments consist of public equity funds within fund Investments and hedge fund of funds, private equity partnerships, and private debt within alternative investments. The NAV instruments listed in the fair value measurement tables use the following valuation techniques and inputs as of the valuation date:

*Marketable Securities and Short-Term Investments*—Marketable securities and short-term investments classified as NAV are invested in a short-term collective fund that serves as an investment vehicle for cash reserves. Fair value was determined using the calculated NAV as of the valuation date, based on a constant price. These funds are invested in high quality and short-term money market instruments with daily liquidity.

*Fund Investments*—Investments within this category consist of fixed income, public equity, and multi-asset funds. The fair value of fixed income and public equity funds classified at NAV are primarily determined using the calculated NAV at the valuation date under a market approach. This includes investments in commingled funds that invest primarily in domestic and foreign equity securities whose underlying values have a readily determinable market value or based on a NAV. Multi-asset funds include investments in fund of funds that seek to provide both capital appreciation and income by investing in both traditional and alternative asset funds. The asset allocation is driven by the fund manager's long-range forecasts of asset-class real returns. Investments in this category classified as NAV are held in a commingled fund that invests primarily in global equity and bond mutual funds. Included in this category is a multistrategy hedge fund, priced on the last business day of each calendar month. The values for underlying investments are estimated based on many factors, including operating performance, balance sheet indicators, growth, and other market and business fundamentals. The underlying investment strategies can include long-short, global macro, fixed-income and currency hedges, and other tactical opportunity-related strategies.

*Alternative Investments*—Investments within this category consist primarily of hedge fund of funds, private equity partnerships, and private debt. The hedge fund of funds consists of diversified investments including equity long/short, credit long/short, event-drive, relative value, global opportunities, and other multistrategy funds. Hedge fund of funds investments are valued based on RUSH's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value. Private equity and private debt partnerships are valued based on the estimated fair values of the nonmarketable private equity and private debt partnerships in which it invests, which is an equivalent of NAV.

The following table summarizes RUSH's unfunded commitments that report fair value using NAV as of June 30, 2021:

| Entities that Report Fair Value Using NAV | Unfunded Commitments (In Thousands) | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|---|---|---|---|
| Fund Investments (Mutual/Commingled) | None | Daily/Monthly | 1-15 days |
| Alternative Investments: | | | |
| Hedge Funds | None | Quarterly | 65-95 days |
| Private Equity Partnerships | $ 29,932 | Not currently redeemable | N/A |
| Private Debt | 51,533 | Not currently redeemable | N/A |
| Total | $ 81,465 | | |

### 7. ENDOWMENT FUNDS

RUSH's endowment consists of more than 400 individual funds, which are established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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**Interpretation of Relevant Law**

RUSH has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the original value of the gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, RUSH classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, RUSH considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

a. The duration and preservation of the fund
b. The purposes of the organization and the donor-restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the organization
g. The investment policies of the organization

**Endowment Investment and Spending Policies**

RUSH has adopted endowment investment and spending policies to preserve purchasing power over the long term and provide stable annual support to the programs supported by the endowment, including professorships, research and education, free care, student financial aid, scholarships, and fellowships. Approximately 16% and 18% of RUSH's endowment is available for general purposes for the years ended June 30, 2021 and 2020, respectively.

RUMC has an Investment Committee with the authority discharged from the RUMC Board of Trustees to oversee its investment portfolio and approve the investment policy for RUMC and ROPH. RCMC has a Finance Committee with the authority to oversee its investment portfolio and approve its investment policy. The System Parent Board of Trustees, as a whole, maintains ultimate oversight and control over the investment policies and practices of its subsidiaries, through the discharge of its reserved powers over RUMC, RCMC, and ROPH.

The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long term. The current asset allocation targets and ranges as well as the asset allocation as of June 30, 2021 and 2020, are as follows:

| Asset Class | Target Allocation and Range | Percentage of Endowment Assets 2021 | 2020 |
|---|---|---|---|
| Global equity | 60% (+/- 5%) | 65 % | 57 % |
| Multi Asset Fund | 10% (+/- 5%) | 8 | 6 |
| Private equity | 15% (+/- 5%) | 19 | 18 |
| Fixed income | 15% (+/- 5%) | 9 | 18 |
| Cash | -- | 0 | 1 |

To achieve its long-term rate of return objectives, RUSH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The expected long-term rate of return target of the endowment given its current asset allocation structure is approximately 7.0%. Actual returns in any given year may vary from this amount. RUSH has established market-related benchmarks to evaluate the endowment fund's performance on an ongoing basis.

The System Parent Board of Trustees approves the annual spending policy for program support. In establishing the annual spending policy, RUSH's main objectives are to provide for intergenerational equity over the long term, the concept that future beneficiaries will receive the same level of support as current beneficiaries on an inflation-adjusted

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basis, and to maximize annual support to the programs supported by the endowment. The spending rate was 4.0% for the fiscal years ended June 30, 2021 and 2020, and income from the endowment fund provided $22,056 and $21,089 of support for RUSH's programs during the fiscal years ended June 30, 2021 and 2020, respectively.

### Composition of Endowment Fund and Reconciliation

The endowment net asset composition by type of fund as of June 30, 2021, consisted of the following:

| | Without Restrictions | With Restrictions | Total |
|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 827,939 | $ 827,939 |
| Board-designated endowment funds | 14,074 | - | 14,074 |
| Total funds | $ 14,074 | $ 827,939 | $ 842,013 |

Changes in endowment net assets for the fiscal year ended June 30, 2021, consisted of the following:

| | Without Restrictions | With Restrictions | Total |
|---|---|---|---|
| Endowment net assets — June 30, 2020 | $ 12,719 | $ 639,377 | $ 652,096 |
| Contributions | - | 11,225 | 11,225 |
| Net investment return | 1,656 | 199,798 | 201,454 |
| Transfer of endowment appreciation | (301) | (22,461) | (22,762) |
| Endowment net assets — June 30, 2021 | $ 14,074 | $ 827,939 | $ 842,013 |

The endowment net asset composition by type of fund as of June 30, 2020, consisted of the following:

| | Without Restrictions | With Restrictions | Total |
|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ 639,377 | $ 639,377 |
| Board-designated endowment funds | 12,719 | - | 12,719 |
| Total funds | $ 12,719 | $ 639,377 | $ 652,096 |

Changes in endowment net assets for the fiscal year ended June 30, 2020, consisted of the following:

| | Without Restrictions | With Restrictions | Total |
|---|---|---|---|
| Endowment net assets — June 30, 2019 | $ 13,026 | $ 640,339 | $ 653,365 |
| Contributions | - | 12,858 | 12,858 |
| Net investment return | (126) | 7,296 | 7,170 |
| Transfer of endowment appreciation | (181) | (21,116) | (21,297) |
| Endowment net assets — June 30, 2020 | $ 12,719 | $ 639,377 | $ 652,096 |

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A summary of RUSH's long-term debt as of June 30, 2021 and 2020, is as follows:

| Illinois Finance Authority Revenue Bonds | Interest Rates | Final Maturity Date | Amount Outstanding at June 30, 2021 | 2020 |
|---|---|---|---|---|
| Fixed-rate revenue bonds: | | | | |
| Series 2015 A/B | 5.00% | November 15, 2039 | $ 438,315 | $ 448,175 |
| Variable-rate revenue bonds: | Average of 1.09% and 2.24% | | | |
| Series 2016 | in FY2021 and FY2020, respectively | November 1, 2045 | 50,000 | 50,000 |
| Total tax-exempt debt | | | 488,315 | 498,175 |
| Other Debt: | | | | |
| 2020 Taxable Bonds | 3.92% | November 15, 2029 | 330,000 | 330,000 |
| ROBOC | 4.75% | March 5, 2026 | 38,930 | - |
| Series 2019 | 1.78% | September 1, 2045 | 35,818 | 36,752 |
| Line of Credit | 3.20% | December 31, 2022 | - | 75,000 |
| Mortgage loan, collateralized by fitness center | 4.40% | May 2021 | - | 980 |
| **Total par value of debt** | | | 893,063 | 940,907 |
| Less current portion of long-term debt | | | (12,216) | (11,775) |
| Debt Issuance Costs | | | (6,440) | (6,875) |
| Less unamortized premium | | | 47,395 | 52,903 |
| **Long-term debt** | | | $ 921,802 | $ 975,160 |

In the third quarter of fiscal year 2020, the Obligated Group marketed a $330,000 taxable bond offering for the purposes of funding the construction of the Joan and Paul Rubschlager Building, retiring the Series 2011 bonds, and general corporate purposes. On February 14, 2020, RUSH entered into a $250,000 Treasury Interest rate lock with a reference yield of 2.06% and 30 years with its lead underwriting bank with the purpose of protecting RUSH from an adverse increase in interest rates. Subsequent to the rate lock but preceding the pricing of the bond offering, the breakout of COVID-19 pandemic precipitated the second largest two-month decline in 30-year rates over the last 30 years. The resulting decline in rates led to an adverse outcome whereas the rate lock was unwound on April 16, 2020, at a loss of $62,500 at a 30-year rate of 1.196%. The rate lock was a cash outflow and was recorded as a one-time non-operating loss within the consolidated statement of operations and changes in net assets in fiscal year 2020.

Under its various indebtedness agreements, the Obligated Group is subject to certain financial covenants, including maintaining a minimum historical debt service coverage and maximum annual debt service coverage ratios; maintaining minimum levels of days cash on hand; limitations on selling, leasing, or otherwise disposing of Obligated Group property; and certain other nonfinancial covenants. Management believes the Obligated Group was in compliance with its financial covenants as of June 30, 2021 and 2020.

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Annual maturities of outstanding long-term debt are as follows:

| Years Ending June 30 | |
|---|---|
| 2022 | $ 12,216 |
| 2023 | 12,703 |
| 2024 | 13,510 |
| 2025 | 14,143 |
| 2026 | 20,866 |
| Thereafter | 819,625 |
| Total | $ 893,063 |

### Lines of Credit Arrangements

In fiscal year 2020, the Obligated Group executed a $25,000 line of credit, with a maturity date of April 2021. No amounts were drawn on the $25,000 line of credit as of June 30, 2020 and 2021. In fiscal year 2020, the Obligated Group also had an existing three-year line of credit of $75,000 that was fully drawn. On October 9, 2020, the Obligated Group repaid its $75,000 line of credit that was due on December 31, 2022. As of June 30, 2021, no amounts were drawn or outstanding on this line of credit and the full amount of the line of credit was available for use.

## 10. DERIVATIVES

### Derivatives Policy

The Obligated Group uses derivative instruments, specifically interest rate swaps, to manage its exposure to changes in interest rates on variable rate borrowings. The use of derivative instruments exposes the Obligated Group to additional risks related to the derivative instrument, including market, credit, and termination, as described below, and the Obligated Group has defined risk management practices to mitigate these risks.

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads. Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Obligated Group will accept. Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligations during the term of the contract. When the fair value of a derivative contract is positive (an asset to the Obligated Group), the counterparty owes the Obligated Group, which creates credit risk. Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold. Termination risk represents the risk that the Obligated Group may be required to make a significant payment to the counterparty if the derivative contract is terminated early. Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract. The test measures the ability to make a termination payment without a significant impairment to the Obligated Group's ability to meet its debt or liquidity covenants.

Board approval is required to enter or modify any derivative transaction. Management periodically reviews existing derivative positions as its risk tolerance and cost of capital changes over time.

### Interest Rate Swap Agreements

The Obligated Group has two interest rate swap agreements (the "Swap Agreements"), which were designed to synthetically fix the interest payments on its Series 2006A Bonds. Under the Swap Agreements, the Obligated Group makes fixed-rate payments equal to 3.945% to the swap counterparties and receives variable-rate payments equal to 68% of London InterBank Offered Rate (0.0631% and 0.066% as of June 30, 2021 and 2020, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements. As of June 30, 2021 and 2020, the

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Swap Agreements had a notional amount of $67,400 and $71,500, respectively ($33,700 in notional amount with each counterparty). Following the refinancing of the Series 2006A Bonds into the Series 2016 Bonds, the Obligated Group used $50,000 in notional amount of the Swap Agreements to synthetically fix the interest on the Series 2016 Bonds. The Swap Agreements each expire on November 1, 2035, and amortize annually commencing in November 2012. The Swap Agreements are secured by obligations issued under the Master Trust Indenture.

The Swap Agreements also require either party to post collateral in the form of cash and certain cash equivalents to secure potential termination payments. The amount of collateral that is required to be posted is based on the relevant party's long-term credit rating. Based on its current rating, the Obligated Group is required to post collateral with the swap counterparties in the event that the market value of the Swap Agreements exceeds $(30,000) or $(15,000) for each Swap Agreement. As of June 30, 2021 and 2020, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements as of June 30, 2021 and 2020, was as follows:

| | Reported As | June 30 2021 | June 30 2020 |
|---|---|---|---|
| Obligations under Swap Agreements | Other long-term liabilities | $ (14,009) | $ (18,678) |
| Collateral posted under Swap Agreements | Other current assets | - | - |
| Obligations under Swap Agreements — net | | $ (14,009) | $ (18,678) |

The fair value of the Swap Agreements reported in RUSH's consolidated balance sheets in other long-term liabilities as of June 30, 2021 and 2020, includes an adjustment for the Obligated Group's credit risk and may not be indicative of the termination value that RUSH would be required to pay upon early termination of the Swap Agreements.

Management has not designated the Swap Agreements as hedging instruments. Amounts recorded in the accompanying consolidated statements of operations and changes in net assets for the Swap Agreements allocated to RUSH for the fiscal years ended June 30, 2021 and 2020, were as follows:

| | Reported As | Fiscal Years Ended June 30 2021 | Fiscal Years Ended June 30 2020 |
|---|---|---|---|
| Change in fair value of interest rate swaps | Nonoperating (loss) income | $ (4,668) | $ 3,896 |
| Net cash payments on interest rate swaps | Interest expense | 2,843 | 2,129 |

## 11. LEASES AND OTHER FINANCING ARRANGEMENTS

RUSH has entered into the following lease arrangements:

### Finance Leases

RUMC is party to certain financing leases and long-term financing arrangements relating to medical and office equipment and buildings. Expiration of leases ranges from 2021 to 2026. Assets acquired under financing lease arrangements are included in property and equipment—net in the accompanying consolidated balance sheets. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Total financing lease assets and liabilities in the consolidated balance sheets were $3,136 and $1,713 at June 30, 2021 and 2020, respectively.

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### Operating Leases

RUSH leases office space and medical space that expire in various years through 2033. These leases generally contain renewal options for periods ranging from 5 to 10 years and require RUSH to pay all executory costs (property taxes, maintenance, and insurance). Lease payments generally have an escalating fee schedule, which range from a 1.0% to 3.0% increase each year. Termination of these leases is generally prohibited unless there is a violation under the lease agreement. A portion of the leased space is subleased under leases expiring over the next five years.

### Short-Term Leases

RUSH leases certain equipment, medical space, and office space with a lease term of less than twelve months. Short-term lease expense is not material to RUSH and is recognized when paid within supplies, utilities, and other in the accompanying statements of operations and changes in net assets.

### All Leases

RUSH's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2021, RUSH has not entered into any additional operating and finance leases for equipment, office space or medical space that have not yet commenced.

Lease cost and other required information related to operating leases for the year ended June 30, 2021 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Lease cost: | | |
| Operating lease cost | $ 27,556 | $ 30,729 |
| Short-term and variable lease cost | 14,924 | 345 |
| Total operating, short-term, and variable lease cost | $ 42,480 | $ 31,074 |
| Other information: | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ (26,563) | $ (29,233) |
| Right-of-use assets obtained in exchange for new operating lease liabilities | 2,319 | 3,556 |
| Operating leases | | |
| Weighted-average remaining lease term | 6.33 | 7.00 |
| Weighted-average discount rate | 1.89 % | 1.88 % |

Annual maturities of lease liabilities at June 30, 2021, are as follows:

| | Operating Leases |
|---|---|
| 2022 | $ 27,692 |
| 2023 | 25,095 |
| 2024 | 23,645 |
| 2025 | 18,979 |
| 2026 | 13,186 |
| Thereafter | 34,451 |
| Total future undiscounted lease payments | 143,048 |
| Less interest | 8,554 |
| Lease liabilities | $ 134,494 |

## 12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

RUMC maintains a defined benefit pension plan, defined contribution plans, and other postretirement benefit plans that together cover substantially all of RUMC's employees.

Prior to January 1, 2012, RUMC had two defined benefit pension plans, the Retirement Plan and the Pension Plan (collectively, the "Defined Benefit Pension Plans"), covering substantially all of its employees. Benefits are based on the years of service and the employee's final average earnings, as defined. Plan assets and obligations are measured as of June 30 (the "Measurement Date") each year.

Effective as of the close of business on December 31, 2011, the Pension Plan, representing certain union employees, was amended to freeze benefit accruals for all participants. No additional benefits will accrue, and no additional individuals will become plan participants in the Pension Plan as of January 1, 2012. Also, effective December 31, 2011, the Pension Plan was merged into the Retirement Plan with all accrued benefits of the Pension Plan participants preserved as part of the merger. Effective January 1, 2012, the Retirement Plan was amended to include eligible union members previously covered by the Pension Plan.

Effective January 1, 2015 (the "effective date"), a new defined benefit plan was established. This new plan (the "Pre-2015 Separations Plan" or the "Pre-2015 Plan"), is a spin-off of the current Retirement Plan. The Retirement Plan's benefit obligation and assets attributable to participants who terminated employment prior to January 1, 2015, with a vested benefit were transferred to the Pre-2015 Plan as of the effective date.

RUMC offered an enhanced retirement opportunity ("ERO") to certain RUMC and ROPH employees meeting eligibility requirements during fiscal year 2019. Some of these employee settlements occurred in fiscal year 2020 with a cash payout of $691. During fiscal year 2020, RUMC, on behalf of the defined benefit plans for RUMC and ROPH, continued to de-risk its open defined benefit plan for certain eligible employees. RUMC completed a risk transfer of certain retiree liabilities to an insurance company that went into effect June 1, 2020. In fiscal year 2020, the risk transfer was for $125,900 of plan assets and liabilities that resulted in a one-time non-cash settlement of $40,445. The settlement is included in non-operating losses within the consolidated statement of operations and changes in net assets. In fiscal year 2021, there were no settlements, curtailments or changes to the plan.

In addition to the pension programs, RUMC also provides postretirement health care benefits for certain employees (the "Postretirement Healthcare Plans"). Further benefits under the Postretirement Healthcare Plans have been curtailed since 2010.

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### Obligations and Funded Status

The tables below set forth the accumulated benefit obligation, the change in the projected benefit obligation, and the change in the plan assets of the Defined Benefit Pension Plans and Postretirement Healthcare Plans (collectively, the "Plans"). The tables also reflects the funded status of the Plans as of the Measurement Date and amounts recognized in the consolidated balance sheets as of June 30, 2021 and 2020.

| Obligations and Funded Status<br>Year ended June 30, 2021 | Defined Benefit Pension Plans<br>Retirement Pension Plan | <br>Supplemental Pension Plan | <br>Retirement Plan Pre 2015 | Postretirement Healthcare Plan |
|---|---|---|---|---|
| Actuarial present value of benefit obligations — accumulated benefit obligation | $ 606,423 | $ 4,440 | $ 431,733 | $ 6,145 |
| **Change in projected benefit obligations:** | | | | |
| Projected benefit obligation — beginning of measurement period | $ 613,370 | $ 4,052 | $ 442,875 | $ 6,008 |
| Service costs | 27,544 | - | - | 228 |
| Interest costs | 18,902 | 121 | 12,655 | 184 |
| Employee contributions | - | - | - | 104 |
| Special termination benefits | - | - | - | - |
| Plan settlements | - | - | - | - |
| Actuarial gain (loss) | 8,789 | 267 | (30) | 123 |
| Benefits paid | (21,355) | - | (23,767) | (502) |
| Projected benefit obligation — end of measurement period | $ 647,250 | $ 4,440 | $ 431,733 | $ 6,145 |
| **Change in plan assets:** | | | | |
| Fair value of plan assets — beginning of measurement period | $ 477,281 | $ - | $ 492,691 | $ - |
| Actual return on plan assets | 83,223 | - | 28,503 | - |
| Employer contributions | 23,000 | - | - | 398 |
| Plan participant contributions | - | - | - | 104 |
| Plan settlements | - | - | - | - |
| Benefits paid | (21,355) | - | (23,767) | (502) |
| Fair value of plan assets — end of measurement period | $ 562,149 | $ - | $ 497,427 | $ - |
| Accrued benefit liability (asset) | $ 85,101 | $ 4,440 | $ (65,694) | $ 6,145 |

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# Availability of Funds

| **Obligations and Funded Status**<br>**Year ended June 30, 2020** | **Defined Benefit Pension Plans** | **Postretirement Healthcare Plan** |
|---|---|---|
| Actuarial present value of benefit obligations — accumulated benefit obligation | $ 1,023,587 | $ 6,008 |
| **Change in projected benefit obligations:** | | |
| Projected benefit obligation — beginning of measurement period | $ 1,079,493 | $ 6,296 |
| Service costs | 23,765 | 221 |
| Interest costs | 38,678 | 236 |
| Employee contributions | - | 250 |
| Special termination benefits | - | - |
| Plan settlements | (128,817) | - |
| Actuarial gain (loss) | 100,474 | (471) |
| Benefits paid | (53,296) | (524) |
| Projected benefit obligation — end of measurement period | $ 1,060,297 | $ 6,008 |
| **Change in plan assets:** | | |
| Fair value of plan assets — beginning of measurement period | $ 1,037,654 | $ - |
| Actual return on plan assets | 96,266 | - |
| Employer contributions | 18,164 | 274 |
| Plan participant contributions | - | 250 |
| Plan settlements | (128,817) | - |
| Benefits paid | (53,296) | (524) |
| Fair value of plan assets — end of measurement period | $ 969,971 | $ - |
| Accrued benefit liability | $ 90,326 | $ 6,008 |

The actuarial cost method used to compute the Defined Benefit Pension Plans liabilities and expenses is the projected unit credit method.

The components of net periodic pension cost for the Plans were as follows:

| **Components of Net Periodic Pension Cost**<br>**Year Ended June 30, 2021** | **Defined Benefit Pension Plans**<br>**Retirement Pension Plan** | **Supplemental Pension Plan** | **Retirement Plan Pre 2015** | **Postretirement Healthcare Plan** |
|---|---|---|---|---|
| Net periodic pension cost comprised of the following: | | | | |
| Service cost | $ 27,544 | $ - | $ - | $ 228 |
| Interest cost on projected benefit obligation | 18,901 | 120 | 12,654 | 185 |
| Expected return on plan assets | (26,750) | - | (22,982) | - |
| Amortization of prior service cost and other actuarial amounts | (665) | - | - | - |
| Recognized actuarial loss (gain) | 9,656 | 80 | 3,057 | (756) |
| Special termination benefit recognized | - | - | - | - |
| Recognized settlement loss | - | - | - | - |
| Net periodic pension cost (credit) | $ 28,686 | $ 200 | $ (7,271) | $ (343) |

# Attachment 33
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| **Components of Net Periodic Pension Cost**<br>**Year Ended June 30, 2020** | **Defined Benefit Pension Plans** | **Postretirement Healthcare Plan** |
|---|---|---|
| Net periodic pension cost comprised of the following: | | |
| Service cost | $ 23,765 | $ 221 |
| Interest cost on projected benefit obligation | 38,678 | 236 |
| Expected return on plan assets | (58,989) | - |
| Amortization of prior service cost and other actuarial amounts | (665) | - |
| Recognized actuarial loss (gain) | 10,546 | (548) |
| Special termination benefit recognized | - | - |
| Recognized settlement loss | 40,445 | - |
| Net periodic pension cost (credit) | $ 53,780 | $ (91) |

The tables below sets forth the change in the accrued benefit liability of the Plans:

| | Defined Benefit Pension Plans | | | |
|---|---|---|---|---|
| **Accrued Benefit Liability**<br>**As of June 30, 2021** | **Retirement Pension Plan** | **Supplemental Pension Plan** | **Retirement Plan Pre 2015** | **Postretirement Healthcare Plan** |
| Accrued benefit liability — beginning of measurement period | $ 136,090 | $ 4,050 | $ (49,815) | $ 6,008 |
| Fiscal year activity: | | | | |
| Net periodic pension cost | 28,686 | 201 | (7,271) | (343) |
| Employer contributions | (23,000) | - | - | (399) |
| Postretirement-related changes and other net periodic postretirement costs: | | | | |
| Actuarial gain (loss) | (47,684) | 267 | (5,551) | 123 |
| Reclassification adjustment for losses reflected in periodic expens | (8,991) | (79) | (3,057) | 756 |
| Accrued benefit liability (asset) — end of measurement period | $ 85,101 | $ 4,439 | $ (65,694) | $ 6,145 |
| Recognized in the consolidated balance sheets as follows: | | | | |
| Noncurrent assets | $ - | $ - | $ (65,694) | $ - |
| Current liabilities | - | $ 2,275 | - | $ 469 |
| Noncurrent liabilities | 85,101 | 2,164 | - | 5,676 |
| | $ 85,101 | $ 4,439 | $ (65,694) | $ 6,145 |

| **Accrued Benefit Liability**<br>**As of June 30, 2020** | **Defined Benefit Pension Plans** | **Postretirement Healthcare Plan** |
|---|---|---|
| Accrued benefit liability — beginning of measurement period | $ 41,839 | $ 6,296 |
| Fiscal year activity: | | |
| Net periodic pension cost | 53,780 | (91) |
| Employer contributions | (18,164) | (274) |
| Postretirement-related changes and other net periodic postretirement costs: | | |
| Actuarial gain (loss) | 63,196 | (471) |
| Reclassification adjustment for losses reflected in periodic expense | (50,325) | 548 |
| Accrued benefit liability — end of measurement period | $ 90,326 | $ 6,008 |
| Recognized in the consolidated balance sheets as follows: | | |
| Accrued expenses | $ - | $ - |
| Noncurrent liabilities | 90,326 | 6,008 |
| | $ 90,326 | $ 6,008 |

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In accordance with FASB guidance regarding accounting for defined benefit pension and other postretirement plans, all previously unrecognized actuarial losses and prior service costs are reflected in the consolidated balance sheets. The postretirement-related charges other than net periodic benefit cost related to the Defined Benefit Pension Plans and Postretirement Healthcare Plans are included as a separate (decrease) increase to net assets without donor restrictions and total $64,215 and $(12,794) for fiscal years 2021 and 2020, respectively. For fiscal year 2021, this amount includes actuarial gains arising during fiscal year 2020 of $52,845 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2021 of $11,371. For fiscal year 2020, this amount includes actuarial gains arising during fiscal year 2019 of $62,727 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2020 of $49,778.

The Defined Benefit Pension Plans and Postretirement Healthcare Plans items not yet recognized as a component of periodic pension and postretirement medical plan expense, but included within net assets without donor restrictions as of and for the years ended June 30, 2021 and 2020, are as follows:

| | Defined Benefit Pension Plans | | | |
|---|---|---|---|---|
| **Year ended June 30, 2021** | **Retirement Pension Plan** | **Supplemental Pension Plan** | **Retirement Plan Pre 2015** | **Postretirement Healthcare Plan** |
| Unrecognized prior service credit | $ 599 | $ - | $ - | $ - |
| Unrecognized net actuarial (loss) gain | (103,547) | (938) | (119,644) | 346 |
| Total | $ (102,948) | $ (938) | $ (119,644) | $ 346 |

| **Year ended June 30, 2020** | **Defined Benefit Pension Plans** | **Postretirement Healthcare Plan** |
|---|---|---|
| Unrecognized prior service credit | $ 1,264 | $ - |
| Unrecognized net actuarial (loss) gain | (289,890) | 1,226 |
| Total | $ (288,626) | $ 1,226 |

### Assumptions

The actuarial assumptions used to determine benefit obligations at the measurement date and net periodic benefit cost for the Plans are as follows:

| **Assumptions Used to Determine Benefit Obligations and Net Periodic Benefit Cost** | Defined Benefit Pension Plans | | | **Postretirement** |
|---|---|---|---|---|
| **As of June 30, 2021** | **Retirement Pension Plan** | **Supplemental Pension Plan** | **Retirement Plan Pre 2015** | **Postretirement Healthcare Plan** |
| Discount rate — benefit obligation | 3.10 % | 3.10 % | 2.95 % | 3.10 % |
| Discount rate — pension expense | 3.05 | 3.05 | 2.95 | 3.05 |
| Rate of increase in compensation levels | 5.57 | - | - | - |
| Expected long-term rate of return on plan assets | 5.75 | - | 4.80 | - |
| Health care cost trend rate (initial) | - | - | - | 5.80 |
| Health care cost trend rate (ultimate) | - | - | - | 4.50 |
| Year the rate reaches ultimate trend rate | - | - | - | 2037 |

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**Assumptions Used to Determine**
**Benefit Obligations and Net Periodic Benefit Cost**

| | Defined Benefit Pension Plans | | |
|---|---|---|---|
| **As of June 30, 2020** | **Retirement Pension Plans** | **Retirement Plan Pre 2015** | **Postretirement Healthcare Plan** |
| Discount rate — benefit obligation | 3.05 % | 2.95 % | 3.05 % |
| Discount rate — pension expense | 3.75 | 3.65 | 3.75 |
| Rate of increase in compensation levels | 5.57 | - | - |
| Expected long-term rate of return on plan assets | 6.75 | 5.25 | - |
| Health care cost trend rate (initial) | - | - | 6.00 |
| Health care cost trend rate (ultimate) | - | - | 4.50 |
| Year the rate reaches ultimate trend rate | - | - | 2038 |

The discount rate used is based on a spot interest rate yield curve based on a broad group of corporate bonds rated AA or better as of the Measurement Date. RUMC uses this yield curve and the estimated payouts of the Plans to develop an aggregate discount rate. The estimated payouts are the sum of the payouts under the Defined Benefit Pension Plan(s) and the Postretirement Healthcare Plans. For fiscal years 2021 and 2020, the discount rate was estimated under a bond model approach, which is based on a hypothetical bond portfolio whose cash flow from coupons and maturities match the year-by-year Plans' cash flows using bonds rated AA or better.

For the years ended June 30, 2021 and 2020, the actual rate of return on plan assets was 2.7% and 10.1%, respectively.

**Plan Assets**

RUMC's investment objective for its Defined Benefit Pension Plans is to achieve a total return on plan assets that meets or exceeds the return on the plan's liability over a full market cycle with consideration of the plan's current funded status. Investment risk is effectively managed through diversification of assets for a mix of capital growth and capital protection across various investment styles. The asset allocation policy reflects this objective with allocations to return generating assets (e.g., equity and alternative investments, consisting of hedge funds and limited partnerships) and interest rate hedging assets (e.g., fixed-income securities).

All of the plan's assets are measured at fair value. Fair value methodologies used to assign plan assets to levels of FASB's valuation hierarchy are consistent with the inputs described in Note 6. Fair value methodologies used to value interests in public equity funds and private equity limited partnerships that hold restricted securities and are not publicly traded are based on RUMC's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value. RUMC routinely monitors and assesses methodologies and assumptions used in valuing these interests.

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# Availability of Funds

The fair value of the Defined Benefit Pension Plan assets as of June 30, 2021 and 2020, is as follows:

| Fair Value Measurements as of June 30, 2021 | Level 1 | Level 2 | Level 3 | Valued @ NAV | Total Fair Value |
|---|---|---|---|---|---|
| **Marketable securities and short-term investments** | $ 12,534 | $ 283 | $ - | $ - | $ 12,817 |
| **Fixed Income Securities:** | | | | | |
| U.S. Government and Agency securities | - | 322,727 | - | - | 322,727 |
| Corporate Bonds | - | 390,886 | - | - | 390,886 |
| Asset Backed Securities and Other | - | 27,453 | - | - | 27,453 |
| **Public Equity Securities** | 98,856 | 1,080 | | | 99,936 |
| **Fund Investments (Mutual/Commingled):** | | | | | |
| Fixed Income Funds | - | 77,650 | - | - | 77,650 |
| Public Equity Funds | 10,633 | - | - | 222,241 | 232,874 |
| Multi Asset Class Funds | - | - | - | - | - |
| **Alternative Investments:** | | | | | |
| Hedge Funds | - | - | - | - | |
| Private Equity Partnerships | - | - | - | 16,405 | 16,405 |
| **Other:** | | | | | |
| Derivative Assets | - | 3,365 | - | - | 3,365 |
| Pending Transactions | - | (125,868) | - | - | (125,868) |
| **Total Plan Assets** | $ 122,023 | $ 697,576 | $ | $ 238,646 | $ 1,058,245 |
| **Liabilities** | | | | | |
| Derivative Liabilities | $ - | $ (4,055) | $ - | $ - | $ (4,055) |
| **Total Liabilities at Fair Value** | $ - | $ (4,055) | $ - | $ - | $ (4,055) |

| Fair Value Measurements as of June 30, 2020 | Level 1 | Level 2 | Level 3 | Valued @ NAV | Total Fair Value |
|---|---|---|---|---|---|
| **Marketable securities and short-term investments** | $ - | $ - | $ - | $ 16,454 | $ 16,454 |
| **Fixed Income Securities:** | | | | | |
| U.S. Government and Agency securities | - | 358,733 | - | - | 358,733 |
| Corporate Bonds | 103,611 | 387,855 | - | - | 491,466 |
| Asset Backed Securities and Other | - | 34,382 | - | - | 34,382 |
| **Public Equity Securities** | 61,915 | - | - | - | 61,915 |
| **Fund Investments (Mutual/Commingled):** | | | | | |
| Public Equity Funds | 51,559 | 1,082 | - | 98,796 | 151,437 |
| Multi Asset Class Funds | 9,480 | - | - | - | 9,480 |
| **Alternative Investments:** | | | | | |
| Private Equity Partnerships | - | - | - | 14,259 | 14,259 |
| **Other:** | | | | | |
| Derivative Assets | - | 2,866 | - | - | 2,866 |
| Pending Transactions | 432 | (164,484) | - | (23) | (164,075) |
| **Total Plan Assets** | $ 226,997 | $ 620,434 | $ - | $ 129,486 | $ 976,917 |
| **Liabilities** | | | | | |
| Derivative Liabilities | $ - | (6,946) | - | - | (6,946) |
| **Total Liabilities at Fair Value** | $ - | $ (6,946) | $ - | $ - | $ (6,946) |

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# Availability of Funds

As of June 30, 2021 and 2020, the defined benefit pension plan's commitments for additional contributions to alternative investments totaled $5,049 and $4,960, respectively.

**Cash Flows**

RUMC expects to make estimated contributions to and benefit payments from its Defined Benefit Pension Plans and Postretirement Healthcare Plans for the years ending June 30 as follows:

| | Defined Benefit Pension Plans | Postretirement Healthcare Plans |
|---|---|---|
| Expected contributions in 2022 | $ 24,775 | $ 349 |
| **Estimated Benefit Payments** | | |
| 2022 | $ 62,344 | $ 349 |
| 2023 | 59,301 | 396 |
| 2024 | 62,076 | 443 |
| 2025 | 62,095 | 468 |
| 2026 | 63,361 | 485 |
| 2027 through 2031 | 325,105 | 2,493 |
| Total | $ 634,282 | $ 4,634 |

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### Other Postretirement Benefit Plans

Both RUMC and RCMC maintain a voluntary tax-deferred retirement savings plan. Under these defined contribution plans, employees may elect to contribute a percentage of their salary, which may be matched in accordance with the provisions of the plans. Other provisions of the plans may provide for employer contributions to the plans based on eligible earnings, regardless of whether the employee elects to contribute to the plan. Maximum annual contributions are limited by federal regulations. Employer contributions to these Plans were $18,121 and $25,358 for the years ended June 30, 2021 and 2020, respectively.

RUMC also sponsors a noncontributory defined contribution plan covering selected employees ("457(b) Plan"). Contributions to the 457(b) Plan are based on a percentage of qualifying compensation up to certain limits as defined by the provisions of the 457(b) Plan. The 457(b) Plan assets and liabilities totaled $40,526 and $31,350 as of June 30, 2021 and 2020, respectively, and are included in investments—less current portion and other long-term liabilities in the accompanying consolidated balance sheets. The assets of the 457(b) Plan are subject to the claims of the general creditors of RUMC.

Both RUMC and RCMC also sponsor supplemental retirement plans for certain management employees (the "Plans"). The RUMC plans include a supplemental plan, which was frozen as of December 31, 2014, and replaced with the Executive Retirement Plan. The Plans are noncontributory and annual benefits are credited to each participant's account based on a percentage of qualifying compensation, as defined by the provisions of the plan. Assets set aside to fund the supplemental plans amounted to $9,948 and $10,154 as of June 30, 2021 and 2020, respectively, and are included in investments—less current portion in the accompanying consolidated balance sheets. These supplemental retirement plans are currently funded at 91% of benefits accrued.

RUMC also maintains a frozen nonqualified supplemental defined benefit retirement plan for certain management employees, which is unfunded. Benefits under the supplemental defined benefit plan, which were curtailed as of December 31, 2004, are paid when incurred from operating funds.

It is RUSH's policy to meet the requirement of the Employee Retirement Income Security Act of 1974 and the RUMC's policy to meet the requirements of the Pension Protection Act of 2006.

## 13. CONCENTRATION OF CREDIT RISK

RUSH grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of patient accounts receivable from patients and third-party payors as of June 30, 2021 and 2020, was as follows:

| | 2021 | 2020 |
|---|---|---|
| Medicare | 14 % | 14 % |
| Medicare Managed Care | 6 | 6 |
| Medicaid | 4 | 11 |
| Medicaid Managed Care | 16 | 17 |
| Managed Care | 23 | 23 |
| Blue Cross | 31 | 23 |
| Commercial | 3 | 3 |
| Self-pay | 3 | 3 |
| Total | 100 % | 100 % |

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## 14. COMMITMENTS AND CONTINGENCIES

### Professional Liability

RUSH maintains insurance programs, including both self-insured and purchased insurance arrangements, for certain professional liability claims. Self-insured risks are retained in varying amounts according to policy year and entity. For fiscal years from 2020 to 2021, RUMC maintained a general liability self-insurance risk of $5,000 each and every claim and a professional liability self-insurance risk of $10,000 each and every claim, with a $15,000 annual aggregate buffer, excess the $10,000. For the fiscal year ending June 30, 2021, self-insured retentions are now uniform across the RUSH, with RCMC paying its own self-insured retention as part of this overall self-insured retention. RUSH also maintains excess liability insurance coverage with combined reinsured limits of $130,000 per occurrence and in the aggregate for general liability, professional liability, and other lines of liability coverage. RUMC has an established irrevocable trust fund to pay claims and related costs, which is recorded within the self-insurance trust in the accompanying consolidated balance sheets.

Starting on January 1, 2010, RCMC implemented a self-insurance program for professional and general liability claims. RCMC self-insured risks are retained at $2,000 per claim and $10,000 annual aggregate with a $1,000 per claim and $1,000 aggregate buffer. RCMC also maintains excess liability insurance coverage utilizing the RUMC self-insurance risk of $10,000 each and every claim, with a $15,000 annual aggregate buffer, excess the $10,000. Amounts above these specified self-insured limits are insured through the RUSH excess liability insurance coverage with combined reinsured limits of $130,000 per occurrence and in the aggregate.

RUSH has employed an independent actuary to estimate the ultimate costs of claim settlements. Self-insured liabilities are based on the actuarial estimate of losses using RUSH's actual payout patterns and various other assumptions. RUSH's self-insured liabilities of $288,099 and $266,066 as of June 30, 2021 and 2020, respectively, are recorded as noncurrent and current liabilities in the accompanying consolidated balance sheets, as appropriate, and based on the estimated present value of self-insured claims that will be settled in the future. If the present value method was not used, RUSH's liability for self-insured claims would be approximately $45,184 and $22,510 higher than the amounts recorded in the consolidated balance sheets as of June 30, 2021 and 2020, respectively. The discount rates used in calculating the present value by RUSH was 4% for fiscal years ended June 30, 2021 and 2020. Insurance recoveries are presented separately within noncurrent and current assets in the accompanying consolidated balance sheets, as appropriate. As of June 30, 2021 and 2020, no insurance recoveries were recorded.

Senate Bill 72 was signed and passed into law imposing a prejudgment interest on all personal injury and wrongful death cases in Illinois, effective July 1, 2021 at a rate of 6% per year. RUSH's financial impact based on actuarial valuation is an increase in professional liability reserves by $14,510 for fiscal year ended June 30, 2021.

RUSH is subject to various other regulatory investigations, legal proceedings, and claims that are incidental to its normal business activities. In the opinion of management, the amount of ultimate liability with respect to professional liability matters and other actions will not have a material adverse effect on the consolidated financial position or results of operations of RUSH.

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## 15. UNCONDITIONAL PROMISES TO CONTRIBUTE

Included in other assets are the following unconditional promises to contribute as of June 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Unconditional promises to contribute before unamortized discount and allowance for uncollectibles | $ 42,622 | $ 50,250 |
| Less unamortized discount | (184) | (359) |
| Less allowance for uncollectibles | (4,965) | (5,987) |
| Net unconditional promises to contribute | $ 37,473 | $ 43,904 |
| Amounts due in: | | |
| Less than one year | $ 17,894 | $ 21,121 |
| One to five years | 23,793 | 28,589 |
| More than five years | 935 | 540 |
| Total unconditional promises to contribute | $ 42,622 | $ 50,250 |

## 16. NET ASSETS

Net assets without donor restrictions as of June 30, 2021 and 2020, consist of the following:

| Net Assets Without Donor Restrictions | 2021 | 2020 |
|---|---|---|
| Non-Board designated | $ 1,966,534 | $ 1,555,907 |
| Board designated | 14,073 | 12,719 |
| Total net assets without donor restrictions | $ 1,980,607 | $ 1,568,626 |

Net assets with donor restrictions as of June 30, 2021 and 2020, were available for the following purposes:

| Net Assets With Donor Restrictions | 2021 | 2020 |
|---|---|---|
| Restricted for specified purpose: | | |
| Construction and purchase of equipment | $ 17,419 | $ 54,602 |
| Health education | 17,243 | 20,453 |
| Research, charity and other | 580,861 | 391,292 |
| Unappropriated endowment appreciation available for operations | 84,709 | 58,052 |
| Total funds designated for specified purpose | $ 700,232 | $ 524,399 |
| Endowments, perpetual in nature, the income from which is expendable for the following specified purposes: | | |
| Health education | $ 192,901 | $ 182,187 |
| Research, charity and other | 79,240 | 75,350 |
| Operations | 43,085 | 39,394 |
| Total endowment net assets | 315,226 | 296,931 |
| Total net assets with donor restrictions | $ 1,015,458 | $ 821,330 |

# Attachment 33
# Availability of Funds

During fiscal years 2021 and 2020, net assets were released from donor restrictions for purchasing property and equipment of $41,385 and $2,021, respectively, and incurring expenses of $99,855 and $160,024, respectively, both of which satisfied the restricted purposes of the donors. Net assets released from restriction used in operations are included in other revenue in the accompanying consolidated statements of operations and changes in net assets.

### 17. JOINT VENTURES AND OTHER AFFILIATIONS

Investments in unconsolidated joint ventures, accounted for using the equity method, totaled $15,494 and $8,383 as of June 30, 2021 and 2020, respectively, and are included in other noncurrent assets in the accompanying consolidated balance sheets. Income recognized from these joint ventures, reported in other revenue, was $5,971 and $4,029 during the years ended June 30, 2021 and 2020, respectively.

Effective December 1, 2020, RUMC entered into a new joint venture with Select Medical Corporation to form RUSH-SELECT, LLC. RUMC contributed capital of $6,678 for a 26.5% ownership interest in the RUSH-SELECT,LLC joint venture. The investment in the joint venture is accounted for using the equity method.

Effective December 15, 2020, RUMC purchased the additional interest in the Rush Oak Brook Orthopaedic Center, LLC joint venture for $13,205 which increased our investment from 65% to 100%. In fiscal years 2021 and 2020, the joint venture was consolidated into RUSH's results given our ownership in both years.

Effective February 1, 2021, RUSH and Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") executed agreements to form a clinical affiliation to advance pediatric care for the children of the Chicago area. RUSH and Lurie Children's will jointly manage RUMC's pediatric inpatient services, which include the pediatric intensive care unit, neonatal intensive care unit and newborn services, inpatient and outpatient pediatric cardiology services, and inpatient and outpatient pediatric hematology/oncology services, as well as outpatient pediatric services at other Rush locations, excluding RCMC.

### 18. FUNCTIONAL EXPENSES

The consolidated financial statements present certain expenses that are attributed to more than one program or supporting function. Operating expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Certain expenses are attributable to more than one functional area, and are therefore allocated on a reasonable basis that is consistently applied. Employee benefits are allocated based on factors of either salary expenses or hours worked. General and administrative expenses primarily include legal, finance, and human resources activities. Overhead costs that include items such as professional services, office expenses, information technology, interest, insurance, occupancy and other similar expenses are allocated on a variety of factors, including relative costs, square footage, full-time equivalents, and direct labor costs among others.

The expenses reported in the consolidated statement of operations for the year ended June 30, 2021, supported the following programs and functions:

| | Healthcare Services | Academic & Research Activity | General & Administrative Support | Total |
|---|---|---|---|---|
| Salaries, Wages & Employee Benefits | $ 1,188,497 | $ 173,045 | $ 154,711 | $ 1,516,253 |
| Supplies, Utilities & Other | 757,347 | 91,702 | 54,539 | 903,588 |
| Insurance | 68,436 | - | 2,048 | 70,484 |
| Purchased Services | 151,474 | 17,823 | 48,608 | 217,905 |
| Depreciation and Amortization | 149,136 | - | 286 | 149,422 |
| Interest | 33,032 | - | 202 | 33,234 |
| Total | $ 2,347,922 | $ 282,570 | $ 260,394 | $ 2,890,886 |

# Attachment 33
# Availability of Funds

The expenses reported in the consolidated statement of operations for the year ended June 30, 2020, supported the following programs and functions:

| | Healthcare Services | Academic & Research Activity | General & Administrative Support | Total |
|---|---|---|---|---|
| Salaries, Wages & Employee Benefits | $ 1,123,369 | $ 163,428 | $ 138,829 | $ 1,425,626 |
| Supplies, Utilities & Other | 661,619 | 103,713 | 45,621 | 810,953 |
| Insurance | 62,828 | - | 3,335 | 66,163 |
| Purchased Services | 181,343 | 9,142 | 66,591 | 257,076 |
| Depreciation and Amortization | 156,700 | - | 162 | 156,862 |
| Interest | 28,404 | - | 33 | 28,437 |
| Total | $ 2,214,263 | $ 276,283 | $ 254,571 | $ 2,745,117 |

## 19. GOODWILL

The changes in the carrying amount of goodwill, included in other assets in the consolidated balance sheets, for the years ended June 30, 2021 and 2020, were as follows:

| | 2021 | 2020 |
|---|---|---|
| Beginning balance | $ 19,835 | $ 20,730 |
| Acquisition of goodwill | - | 605 |
| Impairment charge | - | (1,500) |
| Ending balance | $ 19,835 | $ 19,835 |

There was no goodwill impairment change during the year ended June 30, 2021. A goodwill impairment charge for $1,500 was recorded during the year ended June 30, 2020, related to deteriorating operating results caused by the pandemic.

## 20. LIQUIDITY

RUSH's financial assets available within one year of the consolidated balance sheet date for general expenditures are as follows:

| | 2021 | 2020 |
|---|---|---|
| Current Assets: | | |
| Cash and cash equivalents | $ 441,652 | $ 578,477 |
| Accounts receivable for patient services | 364,311 | 348,019 |
| Other accounts receivable | 28,769 | 33,605 |
| Other current assets | 19,147 | 20,909 |
| Total current assets | 853,879 | 981,010 |
| Investments | 855,551 | 900,170 |
| Total | $ 1,709,430 | $ 1,881,180 |

RUSH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Certain other current assets within the accompanying consolidated balance sheets have been excluded from the liquidity table above due to the inability to either liquidate those assets or use them for general

# Attachment 33
# Availability of Funds

expenditures and other obligations, such as prepaid assets, grant related receivables, and tuition loan receivables. As described in Note 7, RUSH's endowment consists of donor restricted funds established for a variety of purposes, with income from endowments being restricted for specific purposes. The Finance Committee of the Board of Trustees for RUMC and ROPH and the Finance Committee for RCMC approves the annual endowment spending rate to be used for general purposes for each entity, respectively. As described in Note 9, RUSH also has a $75,000 line of credit available for working capital.

## 21. INFORMATION USED IN DETERMINING DEPARTMENT OF EDUCATION'S FINANCIAL RESPONSIBILITY COMPOSITE SCORE

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education (ED) to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of many standards which ED utilizes to gauge the financial responsibility of an institution is a composite of three ratios derived from an institution's audited financial statements.

The financial information below provides the correspondence between certain values presented in RUSH's consolidated financial statements and the values as they are included in the determination of the ratios used by ED to gauge RUSH's financial responsibility:

| | |
|---|---|
| Land, building and equipment, net | |
| Net book value of assets in service after June 30, 2019 | **Total** |
| (Pre-implementation): | |
| Land/Bldg | $ 1,010,876 |
| Equipment | 105,579 |
| Total | $ 1,116,455 |
| Net book value of assets in service after June 30, 2020 | |
| (Post-implementation): | |
| Land/Bldg | $ 130,946 |
| Equipment | 142,823 |
| Total | $ 273,769 |
| Construction in Progress | $ 229,663 |
| Land, Building and equipment, net | $ 1,619,887 |
| Intagible Assets as of June 30, 2021 | $ 74 |
| Unsecured related party receivables as of June 30, 2021 | $ 822 |

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# Attachment 33
# Availability of Funds

SUPPLEMENTAL CONSOLIDATING SCHEDULES

# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATING BALANCE SHEET**
**AS OF JUNE 30, 2021**
**(Dollars in thousands)**

| | RUMC | RCMC | Rush System for Health Parent | Eliminations | Obligated Group Consolidated | Rush Health | Eliminations | Rush System for Health Consolidated |
|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | |
| CURRENT ASSETS: | | | | | | | | |
| Cash and cash equivalents | $ 362,538 | $ 60,377 | $ - | $ - | $ 422,915 | $ 18,737 | $ - | $ 441,652 |
| Accounts receivable for patient services | 307,747 | 56,564 | - | - | 364,311 | - | - | 364,311 |
| Other accounts receivable | 57,802 | - | 215 | (5,994) | 52,023 | 3,746 | - | 55,769 |
| Self-insurance trust - current portion | 43,670 | - | - | - | 43,670 | - | - | 43,670 |
| Other current assets | 91,409 | 12,445 | 6 | (6) | 103,854 | 1,323 | (1,323) | 103,854 |
| Total current assets | 863,166 | 129,386 | 221 | (6,000) | 986,773 | 23,806 | (1,323) | 1,009,256 |
| ASSETS LIMITED AS TO USE AND INVESTMENTS: | | | | | | | | |
| Investments | 1,343,708 | 395,213 | - | - | 1,738,921 | - | - | 1,738,921 |
| Limited as to use by donor or time restriction | 732,905 | 15,992 | - | - | 748,897 | - | - | 748,897 |
| Self-insurance trust - less current portion | 131,177 | - | - | - | 131,177 | - | - | 131,177 |
| Total assets limited as to use and investments | 2,207,790 | 411,205 | - | - | 2,618,995 | - | - | 2,618,995 |
| PROPERTY AND EQUIPMENT - NET | 1,389,122 | 229,648 | - | - | 1,618,770 | 1,117 | - | 1,619,887 |
| OPERATING LEASE RIGHT-OF-USE ASSETS | 104,216 | 27,243 | - | - | 131,459 | - | - | 131,459 |
| POSTRETIREMENT AND PENSION BENEFIT ASSETS | 65,694 | - | - | - | 65,694 | - | - | 65,694 |
| OTHER NONCURRENT ASSETS | 93,041 | 27,905 | - | (25,026) | 95,920 | 786 | (4,228) | 92,478 |
| TOTAL | $ 4,723,029 | $ 825,387 | $ 221 | $(31,026) | $ 5,517,611 | $ 25,709 | $ (5,551) | $5,537,769 |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| CURRENT LIABILITIES: | | | | | | | | |
| Accounts payable | $ 38,329 | $ 30,705 | $ 138 | $ (5,917) | $ 63,255 | $ 928 | $ - | $ 64,183 |
| Accrued expenses | 410,150 | 36,349 | - | - | 446,499 | 8,824 | - | 455,323 |
| Postretirement and pension benefit liabilities | 2,275 | - | - | - | 2,275 | - | - | 2,275 |
| Estimated third-party settlements and advances payable | 329,451 | 64,459 | - | - | 393,910 | - | - | 393,910 |
| Current portion of accrued liability under self-insurance programs | 55,072 | 4,155 | - | - | 59,227 | - | - | 59,227 |
| Current portion of long-term debt | 9,485 | 2,731 | - | - | 12,216 | - | - | 12,216 |
| Short-term operating lease liability | 18,700 | 7,327 | - | - | 26,027 | - | - | 26,027 |
| Total current liabilities | 863,462 | 145,726 | 138 | (5,917) | 1,003,409 | 9,752 | - | 1,013,161 |
| LONG-TERM LIABILITIES: | | | | | | | | |
| Accrued liability under self-insurance programs - less current portion | 224,889 | 18,086 | - | - | 242,975 | - | - | 242,975 |
| Postretirement and pension benefit liabilities | 92,941 | - | - | - | 92,941 | - | - | 92,941 |
| Long-term debt- less current portion | 797,947 | 123,855 | - | - | 921,802 | - | - | 921,802 |
| Obligations under financing leases and other financing arrangements | 3,226 | - | - | - | 3,226 | - | - | 3,226 |
| Long-term operating lease liabilities | 87,862 | 20,605 | - | - | 108,467 | - | - | 108,467 |
| Other long-term liabilities | 135,020 | 25,293 | - | (9,139) | 151,174 | 7,958 | - | 159,132 |
| Total long-term liabilities | 1,341,885 | 187,839 | - | (9,139) | 1,520,585 | 7,958 | - | 1,528,543 |
| Total liabilities | 2,205,347 | 333,565 | 138 | (15,056) | 2,523,994 | 17,710 | - | 2,541,704 |
| NET ASSETS: | | | | | | | | |
| Without donor restrictions | 1,518,607 | 475,439 | 83 | (15,970) | 1,978,159 | 7,999 | (5,551) | 1,980,607 |
| With donor restrictions | 999,075 | 16,383 | - | - | 1,015,458 | - | - | 1,015,458 |
| Total net assets | 2,517,682 | 491,822 | 83 | (15,970) | 2,993,617 | 7,999 | (5,551) | 2,996,065 |
| TOTAL | $ 4,723,029 | $ 825,387 | $ 221 | $(31,026) | $ 5,517,611 | $ 25,709 | $ (5,551) | $5,537,769 |

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# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED JUNE 30, 2021**
**(Dollars in thousands)**

| | RUMC | RCMC | Rush System for Health Parent | Eliminations | Obligated Group Consolidated | Rush Health | Eliminations | Rush System for Health Consolidated |
|---|---|---|---|---|---|---|---|---|
| REVENUE: | | | | | | | | |
| Patient service revenue | $ 2,144,499 | $ 430,091 | $ - | $ - | $ 2,574,590 | $ - | $ - | $ 2,574,590 |
| Tuition and educational programs revenue | 87,235 | - | - | - | 87,235 | - | - | 87,235 |
| Research revenue and net assets released from restriction and used for research and other operations | 155,870 | - | - | - | 155,870 | - | - | 155,870 |
| Other revenue | 152,948 | 28,165 | 9,106 | (10,470) | 179,749 | 16,170 | (14,553) | 181,366 |
| Total revenue | 2,540,552 | 458,256 | 9,106 | (10,470) | 2,997,444 | 16,170 | (14,553) | 2,999,061 |
| EXPENSES: | | | | | | | | |
| Salaries, wages and employee benefits | 1,277,027 | 228,400 | 5,427 | (5,427) | 1,505,427 | 10,826 | - | 1,516,253 |
| Supplies, utilities and other | 796,625 | 104,678 | 1,353 | (2,717) | 899,939 | 3,649 | - | 903,588 |
| Insurance | 63,352 | 7,096 | 4 | (4) | 70,448 | 36 | - | 70,484 |
| Purchased services | 172,227 | 44,412 | 2,322 | (2,322) | 216,639 | 1,266 | - | 217,905 |
| Depreciation and amortization | 114,705 | 34,431 | - | - | 149,136 | 286 | - | 149,422 |
| Interest and fees | 27,836 | 5,196 | - | - | 33,032 | 202 | - | 33,234 |
| Total expenses | 2,451,772 | 424,213 | 9,106 | (10,470) | 2,874,621 | 16,265 | - | 2,890,886 |
| OPERATING (LOSS) INCOME | 88,780 | 34,043 | - | - | 122,823 | (95) | (14,553) | 108,175 |
| NON-OPERATING (LOSS) INCOME | | | | | | | | |
| Investment income and other - net | 122,982 | 70,567 | - | - | 193,549 | 377 | - | 193,926 |
| Contributions without donor restrictions | 3,944 | - | - | - | 3,944 | - | - | 3,944 |
| Fundraising expenses | (9,926) | - | - | - | (9,926) | - | - | (9,926) |
| Change in fair value of interest rate swaps | 1,962 | 2,706 | - | - | 4,668 | - | - | 4,668 |
| Total non-operating income | 118,962 | 73,273 | - | - | 192,235 | 377 | - | 192,612 |
| EXCESS OF REVENUES OVER EXPENSES | $ 207,742 | $ 107,316 | $ - | $ - | $ 315,058 | $ 282 | $ (14,553) | $ 300,787 |

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# Attachment 33
# Availability of Funds

**RUSH SYSTEM FOR HEALTH**
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED JUNE 30, 2021**
**(Dollars in thousands)**

| | RUMC | RCMC | Rush System for Health Parent | Eliminations | Obligated Group Consolidated | Rush Health | Eliminations | Rush System for Health Consolidated |
|---|---|---|---|---|---|---|---|---|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | | | | | | | |
| Excess of revenues over expenses | $ 207,742 | $ 107,316 | $ - | $ - | $ 315,058 | $ 282 | $(14,553) | $ 300,787 |
| Net assets released from restrictions used for the purchase of property and equipment | 41,385 | - | - | - | 41,385 | - | - | 41,385 |
| Postretirement related changes other than net periodic postretirement co | 64,215 | - | - | - | 64,215 | - | - | 64,215 |
| Other | 5,415 | 104 | - | (16,021) | (10,502) | 1 | 15,560 | 5,059 |
| Increase in net assets without donor restrictions | 318,757 | 107,420 | - | (16,021) | 410,156 | 283 | 1,007 | 411,446 |
| NET ASSETS WITH DONOR RESTRICTIONS | | | | | | | | |
| Pledges, contributions and grants | 109,687 | 690 | - | - | 110,377 | - | - | 110,377 |
| Net assets released from restrictions | (140,364) | (876) | - | - | (141,240) | - | - | (141,240) |
| Net realized and unrealized gains on investments | 222,286 | 3,240 | - | - | 225,526 | - | - | 225,526 |
| Increase in net assets with donor restrictions | 191,609 | 3,054 | - | - | 194,663 | - | - | 194,663 |
| INCREASE IN NET ASSETS | 510,366 | 110,474 | - | (16,021) | 604,819 | 283 | 1,007 | 606,109 |
| NET ASSETS—Beginning of year | 2,007,316 | 381,348 | 83 | 51 | 2,388,798 | 7,716 | (6,558) | 2,389,956 |
| NET ASSETS—End of year | $ 2,517,682 | $ 491,822 | $ 83 | $(15,970) | $ 2,993,617 | $ 7,999 | $ (5,551) | $2,996,065 |

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# Attachment 34
# Financial Viability

Enclosed with this attachment are evidence that Rush University System for Health meets the financial viability waiver criteria by maintaining an “A” Bond rating or better.

# Attachment 34
# Financial Viability

MOODY'S
INVESTORS SERVICE

## Regulatory Disclosures

**Regulatory Disclosures**

### 1. The Symbol, Number, or Score in the Rating Scale and the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as required by Paragraph (a)(1)(ii)(A) of SEC Rule 17g-7

**Obligor Name:** RUSH UNIVERSITY MEDICAL CENTER OBLIGATED GROUP, IL;

**Rating:** A1

**Identifier:** CUS: 78200JAA0

**Identifier:** MDY: 906585669

**Description:** Rating Class: Underlying; Currency: USD

**Credit Rating Action Date:** 02 Mar 2020

### 2. The Version of the Procedure or Methodology Used to Determine the Credit Rating as required by Paragraph (a)(1)(ii)(B) of SEC Rule 17g-7

**Principal Methodology**

The principal methodology used in this rating was Not-For-Profit Healthcare published on 24-Dec-2018.

**Procedure**

Not Applicable

**Additional Information**

The list of the cross sector methodologies identified for this sector are used, when applicable, in the analytical process in conjunction with the primary methodology identified for this rating action, and should be considered an integral part of the analytic approach to determining the credit rating. In cases where the topic of the cross sector methodology is also addressed in the primary methodology, the primary methodology takes precedence.

Adjustments to Pension and OPEB Data Reported by GASB Issuers, Including US States and Local Governments Methodology published on 7-Oct-2019.

Assessing the Impact of Sovereign Credit Quality on Other Ratings published on 20-Jun-2019.

Financial Statement Adjustments in the Analysis of Non-Financial Corporations published on 9-Aug-2018.

General Principles for Assessing Environmental, Social and Governance Risks published on 9-Jan-2019.

Hybrid Equity Credit published on 10-Sep-2018.

Local and Foreign Currency Country Ceilings for Bonds and Other Obligations Methodology published on 25-Nov-2019.

Loss Given Default for Speculative-Grade Companies published on 4-Dec-2015.

Mapping National Scale Ratings from Global Scale Ratings published on 9-May-2016.

# Attachment 34
# Financial Viability

S&P Global Ratings

Find A Rating | About Ratings | Research & Insights | Sectors | Regulatory | Products & Benefits | Events

## US Regulatory Disclosure

### Illinois Finance Authority

**Regulatory Disclosure** | **Issue:** US$410.47 mil rev rfdg bnds (RUSH Obligated Grp) ser 2015A dtd 02/05/2015 due 06/30/2040

S&P Global Ratings' regulatory disclosures (PCRs) are published as of a point-in-time, which is current as of the date a Credit Rating Action was last published. S&P Global Ratings updates the PCR for a given Credit Rating to include any changes to PCR disclosures only when a subsequent Credit Rating Action is published. Thus, disclosure information in this PCR may not reflect changes to data within PCR disclosures that can occur over time subsequent to the publication of a PCR but that are not otherwise associated with a Credit Rating Action.

**Symbol, Number, or Score in the Rating Scale Used to Denote Credit Rating Categories and Notches Rule 17g-7 (a)(1)(ii)(A)**

Procedure or Methodology Used to Determine the Credit Rating Rule 17g-7 (a)(1)(ii)(B)

Main Assumptions and Principles Used to Construct the Rating Methodology Used to Determine the Credit Rating Rule 17g-7 (a)(1)(ii)(C)

The Potential Limitations of the Credit Rating,

| CLASS/MATURITY DATE | RATING TYPE | PUBLICATION DATE |
|---|---|---|
| 2015A/15-Nov-2021 | Local Currency LT | 03-Mar-2020 16:53 EST |

### Symbol, Number, or Score in the Rating Scale Used to Denote Credit Rating Categories and Notches as Required by Paragraph (a)(1)(ii)(A)of Rule 17g-7

#### Rating Information

| RATING | RATING DATE | CREDITWATCH / OUTLOOK | CREDITWATCH/ OUTLOOK DATE |
|---|---|---|---|
| A+ | 09-Jan-2015 | Stable | 03-Mar-2020 |

# Attachment 36
# Economic Feasibility

**Rush Copley Medical Center**
2000 Ogden Avenue
Aurora, IL 60504

Tel: 630.978.6200
Fax: 630.978.6888
www.rushcopley.com

RUSH

March 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**RE: Rush Copley Medical Center Modernization**
**Ill. Admin. Code Section 1120.120(a) Available Funds Certification**
**Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements**

Dear Chair Savage:

As representative of Rush Copley Medical Center, I, John Diederich, hereby attest that the project costs will be $21,342,286 Rush University System for Health ("RUSH"), through Rush Copley Medical Center will fund a portion of the construction of the project from internal cash resources including cash and equivalents. The facility also executed a grant agreement with the Illinois Capital Development Board for the proposed project in the amount of $7,300,000. RUSH through Rush Copley Medical Center has sufficient and readily accessible internal resources to fund obligations required by the Project, and to fully fund their other ongoing obligations.

I certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

John Diederich
President and CEO

Subscribed and sworn to before me this

31st day of March, 2022.

Peggy A Draper
Notary Public

OFFICIAL SEAL
PEGGY A DRAPER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:03/09/23

Seal

15542350 v1

# Attachment 37
# Economic Feasibility

| COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G | H | |
| Department (list below) | Cost/Square Foot New | Mod. | Gross Sq. Ft. New | Circ.* | Gross Sq. Ft. Mod. | Circ.* | Const. $ (A x C) | Mod. $ (B x E) | Total Cost (G + H) |
| Observation Beds | | $665.62 | | | 11,107 | | | $7,393,085.88 | $7,393,085.88 |
| Ultrasound Room | | $27.78 | | | 11,107 | | | $308,565.30 | $308,565.30 |
| Contingency | | $61.69 | | | 11,107 | | | $685,205.40 | $685,205.40 |
| TOTALS | | $755.10 | | | 11,107 | | | $8,386,856.58 | $8,386,856,58 |

**** Note: Given the uncertainty of supply chain issues and unpredictable costs, the ultimate bid selected included additional allowances and contingencies to address potential changes, thereby avoid an impermissible alteration under the HFSRB rules. In discussing this matter with HFSRB staff prior to submission, it was agreed all those costs should be listed under the modernization contracts, despite the fact that it would result in an abnormally high total cost per square footage. Ultimately, the priority was transparency in the Board's consideration of this project and avoiding an impermissible alteration during the construction of this project.**

# Attachment 38
# Safety Net Impact Statement

## RUSH UNIVERSITY MEDICAL CENTER

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 476 | 349 | 587 |
| Outpatient | 12,224 | 11,035 | 16,564 |
| Total | 12,700 | 11,384 | 17,111 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $7,388,724 | $8,667,696 | $8,427,871 |
| Outpatient | $10,645,902 | $11,728,611 | $11,613,380 |
| **Total** | $18,034,626 | $20,396,307 | $20,041,251 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | 8,134 | 7,665 | 7,509 |
| Outpatient | 114,735 | 120,775 | 111,222 |
| **Total** | 122,869 | 128,440 | 118,731 |
| **Medicaid (Revenue)** | | | |
| Inpatient | $112,923,000 | $125,248,000 | $106,210,677 |
| Outpatient | $30,265,000 | $40,102,000 | $57,023,218 |
| **Total** | $143,188,000 | $165,350,000 | $163,233,895 |

# Attachment 38
# Safety Net Impact Statement

## RUSH OAK PARK HOSPITAL

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 59 | 35 | 78 |
| Outpatient | 2,549 | 3,655 | 5596 |
| Total | 2,608 | 3,690 | 5,674 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $611,142 | $268,090 | $332,546 |
| Outpatient | $2,214,229 | $2,251,356 | $2,733,176 |
| **Total** | $2,825,371 | $2,519,446 | $3,065,722 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | 615 | 345 | 738 |
| Outpatient | 22,922 | 24,880 | 28,610 |
| **Total** | 23,537 | 25,225 | 29,348 |
| **Medicaid (Revenue)** | | | |
| Inpatient | $6,870,809 | $8,293,384 | $4,489,499 |
| Outpatient | $10,675,377 | $7,629,535 | $6,139,114 |
| **Total** | $17,546,186 | $15,922,919 | $10,628,613 |

# Attachment 38
# Safety Net Impact Statement

## RUSH COPLEY MEDICAL CENTER

| **Charity (# of patients)** | **2018** | **2019** | **2020** |
|---|---|---|---|
| Inpatient | 138 | 102 | 79 |
| Outpatient | 492 | 327 | 204 |
| Total | 630 | 429 | 283 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $2,129,038 | $2,882,758 | $3,692,049 |
| Outpatient | $2,293,079 | $1,227,014 | $1,624,409 |
| **Total** | $3,961,784 | $4,109,772 | $5,316,458 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | 2,183 | 2,078 | 2,316 |
| Outpatient | 48,381 | 45,265 | 38,972 |
| Total | 50,564 | 47,343 | 41,288 |
| **Medicaid (cost in dollars)** | | | |
| Inpatient | $27,963,450 | $21,765,064 | $21,221,198 |
| Outpatient | $24,927,322 | $34,153,515 | $31,687,782 |
| **Total** | $52,890,772 | $55,918,579 | $52,908,980 |

# Attachment 38
# Safety Net Impact Statement

## RUSH SURGICENTER AT THE PROFESSIONAL BLDG., LTD.

| **Charity (# of patients)** | **2018** | **2019** | **2020** |
|---|---|---|---|
| Inpatient | 0 | 0 | 0 |
| Outpatient | 1 | 0 | 0 |
| Total | 1 | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $0 | $0 | $0 |
| Outpatient | $0 | $0 | $0 |
| **Total** | $0 | $0 | $0 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | 0 | 0 | 0 |
| Outpatient | 0 | 0 | 2 |
| **Total** | 0 | 0 | 2 |
| **Medicaid (Revenue)** | | | |
| Inpatient | $0 | $0 | $0 |
| Outpatient | $0 | $0 | $1,215 |
| **Total** | $0 | $0 | $1,215 |

# Attachment 38
# Safety Net Impact Statement

## RUSH OAK BROOK SURGERY CENTER, LLC

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 0 | 0 |
| Total | N/A | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | N/A | $0 | $0 |
| Outpatient | N/A | $0 | $0 |
| **Total** | N/A | $0 | $0 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 1 | 0 |
| **Total** | N/A | 1 | 0 |
| **Medicaid (Revenue)** | | | |
| Inpatient | N/A | $0 | $0 |
| Outpatient | N/A | $0 | $0 |
| **Total** | N/A | $0 | $0 |

# Attachment 38
# Safety Net Impact Statement

## RUSH-COPLEY SURGICENTER, LLC

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 0 | 0 |
| Total | N/A | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | N/A | 0 | $0 |
| Outpatient | N/A | 0 | $0 |
| **Total** | N/A | 0 | $0 |
| **MEDICAID** | | | |
| **Medicaid (# of patients)** | **2018** | **2019** | **2020** |
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 1 | 3 |
| **Total** | N/A | 1 | 3 |
| **Medicaid (Revenue)** | | | |
| Inpatient | N/A | $0 | $0 |
| Outpatient | N/A | $15,268 | $1,527 |
| **Total** | N/A | $15,268 | $1,527 |

# Attachment 38
# Charity Care Information

## RUSH UNIVERSITY MEDICAL CENTER

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 476 | 349 | 587 |
| Outpatient | 12,224 | 11,035 | 16,564 |
| Total | 12,700 | 11,384 | 17,111 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $7,388,724 | $8,667,696 | $8,427,871 |
| Outpatient | $10,645,902 | $11,728,611 | $11,613,380 |
| **Total** | $18,034,626 | $20,396,307 | $20,041,251 |

## RUSH OAK PARK HOSPITAL

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 59 | 35 | 78 |
| Outpatient | 2,549 | 3,655 | 5596 |
| Total | 2,608 | 3,690 | 5,674 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $611,142 | $268,090 | $332,546 |
| Outpatient | $2,214,229 | $2,251,356 | $2,733,176 |
| **Total** | $2,825,371 | $2,519,446 | $3,065,722 |

## RUSH SURGICENTER AT THE PROFESSIONAL BLDG., LTD.

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 0 | 0 | 0 |
| Outpatient | 1 | 0 | 0 |
| Total | 1 | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $0 | $0 | $0 |
| Outpatient | $0 | $0 | $0 |
| **Total** | $0 | $0 | $0 |

# Attachment 38
# Charity Care Information

## RUSH COPLEY MEDICAL CENTER

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | 138 | 102 | 79 |
| Outpatient | 492 | 327 | 204 |
| Total | 630 | 429 | 283 |
| **Charity (cost in dollars)** | | | |
| Inpatient | $2,129,038 | $2,882,758 | $3,692,049 |
| Outpatient | $2,293,079 | $1,227,014 | $1,624,409 |
| **Total** | $3,961,784 | $4,109,772 | $5,316,458 |

## RUSH-COPLEY SURGICENTER, LLC

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 0 | 0 |
| Total | N/A | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | N/A | 0 | $0 |
| Outpatient | N/A | 0 | $0 |
| **Total** | N/A | 0 | $0 |

## RUSH OAK BROOK SURGERY CENTER, LLC

| Charity (# of patients) | 2018 | 2019 | 2020 |
|---|---|---|---|
| Inpatient | N/A | 0 | 0 |
| Outpatient | N/A | 0 | 0 |
| Total | N/A | 0 | 0 |
| **Charity (cost in dollars)** | | | |
| Inpatient | N/A | $0 | $0 |
| Outpatient | N/A | $0 | $0 |
| **Total** | N/A | $0 | $0 |

# Attachment 39
# Flood Plain Information

**Rush Copley Medical Center**
2000 Ogden Avenue
Aurora, IL 60504

Tel: 630.978.6200
Fax: 630.978.6888
www.rushcopley.com

RUSH

March 28, 2022

Debra Savage
Board Chair
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

**Re: Rush Copley Medical Center- Flood Plain Requirements**

Dear Chair Savage:

As representative of Rush Copley Medical Center, I, John Diederich affirm that the proposed location for the modernization of Rush Copley Medical Center complies with Illinois Executive Order #2005-5. The facility location is 2000 Ogden Avenue, Aurora, Illinois 60504 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

John Diederich
President and CEO

15513383 v1

# Attachment 39
# Flood Plain Information

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

## INDEX OF ATTACHMENTS