

**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 North and Harlem Medical Office Building		
Street Address: Lot on corner of North Ave and Harlem Ave		
City and Zip Code: Chicago 60607		
County: Cook	Health Service Area: 7	Health Planning Area: A-06

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

Exact Legal Name: Rush Oak Park Hospital, Inc.
Street Address: 520 South Maple Avenue
City and Zip Code: Oak Park 60304
Name of Registered Agent: Carl Bergetz
Registered Agent Street Address: 1725 West Harrison Street, Suite 364
Registered Agent City and Zip Code: Chicago 60612
Name of Chief Executive Officer: Dino P. Rumoro, DO, MPH
CEO Street Address: 520 South Maple Avenue
CEO City and Zip Code: Oak Park 60304
CEO Telephone Number: (708) 660-6660

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> 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: Dino P. Rumoro, DO, MPH
Title: President and Chief Executive Officer
Company: Rush Oak Park Hospital, Inc.
Address: 520 South Maple, Oak Park, IL 60304
Telephone Number: (708) 660-6660
E-mail Address: Dino_Rumoro@rush.edu
Fax Number: (708) 660-6658

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

Name: Juan Morado Jr. and Mark J. Silberman
Title: Partner
Company Name: Benesch Friedlander Coplan & Aronoff LLP
Address: 71 South Wacker Drive, 16 th Floor, Chicago, IL 60606
Telephone Number: (312) 212- 4949
E-mail Address: jmorado@beneschlaw.com ; msilberman@beneschlaw.com
Fax Number: (312) 767-9192

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Exact Legal Name: Rush System for Health d/b/a Rush University System for Health
Street Address: 1725 West Harrison Street, Suite 364
City and Zip Code: Chicago 60612
Name of Registered Agent: Carl Bergetz
Registered Agent Street Address: 1725 West Harrison Street, Suite 364
Registered Agent City and Zip Code: Chicago 60612
Name of Chief Executive Officer: Omar B. Lateef, DO
CEO Street Address: 1700 West Van Buren Street, Suite 301
CEO City and Zip Code: Chicago 60612
CEO Telephone Number: (312) 942-8715

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Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Katherine B. Fishbein
Title: Assistant General Counsel
Company: 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) 942-6886

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Company Name: Benesch Friedlander Coplan & Aronoff LLP
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City and Zip Code: Chicago 60612
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Registered Agent Street Address: 1725 West Harrison Street, Suite 364
Registered Agent City and Zip Code: Chicago 60612
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CEO Telephone Number: (312) 942-8715

Type of Ownership of Applicants

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E-mail Address: jmorado@beneschlaw.com ; msilberman@beneschlaw.com
Fax: (312) 767-9192

Post Permit Contact

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

Name: Dino P. Rumoro
Title: President and Chief Executive Officer
Company Name: Rush Oak Park Hospital, Inc.
Address: 520 South Maple, Oak Park, Illinois 60304
Telephone Number: (708) 660-6660
E-mail Address: Dino_Rumoro@rush.edu
Fax Number: (708) 660-4026

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Novak Wabansia, LLC
Address of Site Owner: 3423 North Drake Avenue, Chicago, IL 60618
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- NOT APPLICABLE

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Rush Oak Park Hospital, Inc.		
Address: 520 South Maple Avenue, Oak Park, Illinois 60304		
<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o 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. o 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 Oak Park Hospital, Inc. is proposing to establish a medical office building ("MOB") with approximately sixty-one thousand (61,000) GSF of space. This building will be constructed by the owner/developer and it is new construction on what is currently an empty lot on the southeast corner of North Avenue and Harlem Avenue in Chicago, Illinois 60607.

This project is classified as non-substantive, in that it does not involve the establishment of any category of services. However, it requires an expenditure in excess of the capital expenditure threshold, thus making it reviewable by the Review Board.

The proposed MOB will consist of the following:

- 8 Imaging Rooms;
- A Laboratory;
- 82 Exam Rooms;
- Physical Therapy Gym;
- 7 Physician Offices in clinics;
- 3 Physician Offices in Breast Imaging space;
- 14 Shared/Private Physician Offices; and
- 7 Procedures Rooms.

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	19,429	59,872	79,300
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	3,424,914	10,554,328	13,979,242
Modernization Contracts	-	-	-
Contingencies	340,000	2,277,836	2,617,836
Architectural/Engineering Fees	189,716	584,634	774,350
Consulting and Other Fees	501,412	1,545,169	2,046,581
Movable or Other Equipment (not in construction contracts)	7,751,548	3,483,300	11,234,848
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	-	-	-
Fair Market Value of Leased Space or Equipment	5,876,189	18,108,256	23,984,445
Other Costs to Be Capitalized	601,438	1,853,412	2,454,850
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	18,704,646	38,466,806	57,171,452
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	12,828,457	20,358,550	33,187,007
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	-	-	-
Leases (fair market value)	5,876,189	18,108,256	23,984,445
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	18,704,646	20,358,550	57,171,452
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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Purchase Price: Not Applicable Fair Market Value: Not Applicable
The project involves the establishment of a new facility or a new category of service <div style="text-align: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>
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. Estimated start-up costs and operating deficit cost is not applicable.

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: <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary </div> <div style="display: flex; justify-content: space-around;"> <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working </div>
Anticipated project completion date (refer to Part 1130.140): July 1, 2025
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <div style="list-style-type: none; padding-left: 20px;"> <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance. </div>
APPEND DOCUMENTATION AS <u>ATTACHMENT 8</u> , 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? <div style="list-style-type: none; padding-left: 20px;"> <input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits </div> <p>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</p>

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 departments 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]

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Diagnostic Radiology (Ultrasound, MRI, CT, Stress echo, X-ray)	\$2,244,557	-	1760	1760	-	-	-
Lab	\$187,046	-	160	160	-	-	-
Immediate Care	\$935,232	-	725	725	-	-	-
Physician Clinics	\$12,345,069	-	10,030	10,030	-	-	-
Breast Imaging (2 Mammogram, Ultrasound)	\$748,185	-	540	540	-	-	-
Physical Therapy	\$2,244,557	-	1730	1730	-	-	-
Total Clinical	\$18,704,646	-	14,945	14,945	-	-	-
		-			-	-	-
NON-REVIEWABLE					-	-	-
Administrative offices, staff lounges, conference rooms	\$12,976,045	-	13,845	13,845	-	-	-
Stairs, Elevators, Shafts, Vestibules, Staff corridors, Public toilets, Data Rooms, Storage, Dock area, EVS, Mechanical and Electric Space	\$30,188,401	-	32,210	32,210	-	-	-
					-	-	-
Total Non-clinical	\$38,466,806	-	46,055	46,055	-	-	-
TOTAL	\$57,171,452	-	61,000	61,000	-	-	-
APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization – NOT APPLICABLE

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:		CITY:			
REPORTING PERIOD DATES:		From:		to:	
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:					

CERTIFICATION

CERTIFICATION

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

- o in the case of a corporation, any two of its officers or members of its Board of Directors.
- o 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).
- o 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).
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o 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 and Rush University 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.

SIGNATURE

Omar B. Lateef, DO
PRINTED NAME

President and CEO
PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 18 day of APRIL, 2023

Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SIGNATURE

Carl Bergetz, JD
PRINTED NAME

Chief Legal Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 18th day of April, 2023

Signature of Notary

Seal

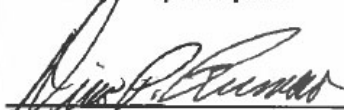


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SIGNATURE

Dino P. Rumoro, DO, MPH
PRINTED NAME

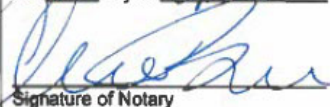
President and CEO
PRINTED TITLE


SIGNATURE

Max A. Fitzgerald, MD
PRINTED NAME

Associated Chief Medical Officer
PRINTED TITLE

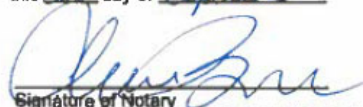
Notarization:
Subscribed and sworn to before me
this 21st day of April


Signature of Notary

Seal

CHERISE BROWN
Official Seal
Notary Public - State of Illinois
My Commission Expires May 6, 2023
*Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 21st day of April


Signature of Notary

Seal

CHERISE BROWN
Official Seal
Notary Public - State of Illinois
My Commission Expires May 6, 2023

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?
Diagnostic Radiology (Ultrasound, MRI, CT Scan, Stress Echo, X-Ray)	1,760	Total: 7,500 1,300 GSF Per Unit (General Radiology, Echo, Ultrasound); 1,800 GSF Per Unit (MRI); 1,800 Per Unit (CT Scan)	-5,740	YES
Breast Imaging	540	Total: 1,800 GSF 900 GSF Per Unit (Mammogram)	-1,260	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.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	Mammography	7,220 Visits	6,587 Visits	5,000 Visits (x2)	YES
	Ultra-Sound	10,156 Visits	2,700 Visits	3,100 Visits	
	X-Ray	28,620 Procedures	4,000 Procedures	8,000 Procedures	
	CT Scan	15,507 Procedures	7,425 Procedures	7,000 Visits	
	MRI	3,946 Procedures	3,080 Visits	2,500 Visits	
YEAR 2	Mammography	7,220 Visits	6,784 Visits	5,000 Visits (x2)	YES
	Ultra-Sound	10,156 Visits	2,700 Visits	3,100 Visits	
	X-Ray	28,620 Procedures	4,400 Procedures	8,000 Procedures	
	CT Scan	15,507 Procedures	7,425 Procedures	7,000 Visits	
	MRI	3,946 Procedures	3,080 Procedures	2,500 Visits	

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
<input checked="" type="checkbox"/> Diagnostic Imaging (MRI, CT Scan, Ultra Sound, X-Ray, Echo)	0	6
<input checked="" type="checkbox"/> Mammography	0	2

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 <u>ATTACHMENT 31</u> , 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)

SECTION VII. 1120.120 – AVAILABILITY OF FUNDS

The applicant shall document those 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**]:

\$33,187,007	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 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 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.
\$23,984,445	d) Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: <ol style="list-style-type: none"> 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. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 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. 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. 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.
_____	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.
\$57,171,452	TOTAL FUNDS AVAILABLE
APPEND DOCUMENTATION AS <u>ATTACHMENT 34</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION VIII. 1120.130 – FINANCIAL VIABILITY - WAIVER MET

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 SEQUENTIAL 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 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/Sq. Ft. New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Diagnostic Imaging	\$26.99	-	14,945	-	-	-	\$403,336	-	\$403,336
Lab	\$2.45	-	14,945	-	-	-	\$36,667	-	\$36,667
Immediate Care	\$11.18	-	14,945	-	-	-	\$166,147	-	\$166,147
Physician Clinics	\$153.80	-	14,945	-	-	-	\$2,298,553	-	\$2,298,553
Mammography	\$8.28	-	14,945	-	-	-	\$123,751	-	\$123,751
Physical Therapy	\$26.52	-	14,945	-	-	-	\$396,460	-	\$396,460
Contingency	\$49.45	-	14,945	-	-	-	\$739,165	-	\$739,165
TOTALS	\$278.61	-	14,945	-	-	-	\$4,164,080	-	\$4,164,080

* 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 each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all 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
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)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)	Year	Year	Year
Inpatient			
Outpatient			
Total			

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

SECTION XI. 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 XII. 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 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: Rush Oak Park Hospital, Inc. 520 South Maple Avenue
 (Name) (Address)
Oak Park IL 60304 (708) 660-6660
 (City) (State) (ZIP Code) (Telephone Number)

2. Project Location: Lot on corner of North Ave and Harlem Ave Chicago IL
 (Address) (City) (State)
Cook Oak Park
 (County) (Township) (Section)

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? NO

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: _____

NOTE: 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 NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		26-29
2	Site Ownership		30-35
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		36-37
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		38
5	Flood Plain Requirements		39-40
6	Historic Preservation Act Requirements		41-48
7	Project and Sources of Funds Itemization		49-50
8	Financial Commitment Document if required		51-53
9	Cost Space Requirements		54
10	Discontinuation		N/A
11	Background of the Applicant		55-75
12	Purpose of the Project		76-77
13	Alternatives to the Project		78
14	Size of the Project		79
15	Project Service Utilization		80-82
16	Unfinished or Shell Space		N/A
17	Assurances for Unfinished/Shell Space		N/A
Service Specific:			
18	Medical Surgical Pediatrics, Obstetrics, ICU		N/A
19	Comprehensive Physical Rehabilitation		N/A
20	Acute Mental Illness		N/A
21	Open Heart Surgery		N/A
22	Cardiac Catheterization		N/A
23	In-Center Hemodialysis		N/A
24	Non-Hospital Based Ambulatory Surgery		N/A
25	Selected Organ Transplantation		N/A
26	Kidney Transplantation		N/A
27	Subacute Care Hospital Model		N/A
28	Community-Based Residential Rehabilitation Center		N/A
29	Long Term Acute Care Hospital		N/A
31	Clinical Service Areas Other than Categories of Service		83-84
30	Freestanding Emergency Center Medical Services		N/A
32	Birth Center		N/A
Financial and Economic Feasibility:			
33	Availability of Funds		85-140
34	Financial Waiver		N/A
35	Financial Viability		141
36	Economic Feasibility		142
37	Safety Net Impact Statement		143
38	Charity Care Information		144
39	Flood Plain Information		145-146

Attachment 1

Type of Ownership of Applicants

Included with this attachment are:

1. The Certificate of Good Standing for Rush Oak Park Hospital, Inc.
2. The Certificate of Good Standing for Rush System for Health d/b/a University System for Health.
3. The Certificate of Good Standing for Rush University Medical Center.

**Attachment 1
Certificate of Good Standing
For Rush Oak Park Hospital, Inc.**

File Number 0987-432-1



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 OAK PARK HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED
UNDER THE LAWS OF THIS STATE ON MARCH 27, 1906, 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.



Authentication #: 2221502384 verifiable until 08/03/2023
Authenticate at: <https://www.ilsos.gov>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 3RD
day of AUGUST A.D. 2022 .***

Jesse White

SECRETARY OF STATE

Attachment 1
Certificate of Good Standing
for Rush System for Health d/b/a Rush University System for Health

File Number 5852-111-6



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.



Authentication #: 2221502920 verifiable until 08/03/2023
Authenticate at: <https://www.ilsos.gov>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 3RD
day of AUGUST A.D. 2022 .

Jesse White

SECRETARY OF STATE

**Attachment 1
Certificate of Good Standing
for Rush University Medical Center**

File Number

0200-214-1



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 UNIVERSITY MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 21, 1883, 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.



Authentication #: 2221503126 verifiable until 08/03/2023
Authenticate at: <https://www.ilsos.gov>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 3RD
day of AUGUST A.D. 2022 .***

Jesse White

SECRETARY OF STATE

Attachment 2

Site Ownership and Control

The Land in which the Medical Office Building will be located is subject to a letter of intent to lease a yet to be constructed building. The proposed lease is between Harlem and North Development, LLC and Rush University Medical Center. Upon executing the lease, the current landlord, Harlem and North Development will be changed to Novak Wabansia, LLC. Attached as evidence of control is a copy of a Letter of Intent between the parties.

Attachment 2 Letter of Intent

DocuSign Envelope ID: EB7EC189-9699-4AE4-BFE0-D90127553AC4



Mid-America Real Estate Corporation
MidAmericaGrp.com
t: 630.954.7327

Wrigley Building | 410 N. Michigan Ave., Ste.
1100
Chicago, Illinois 60611

July 28, 2022

Paul Bryant
Westin Kane
Mid-American Real Estate Corporation
410 N. Michigan Ave., Suite 1100
Chicago, IL 60611

**Re: Rush University Medical Center
NEC of Harlem and North Avenues
Chicago, IL**

Dear David:

Thank you for your interest in North and Harlem. We welcome the opportunity to provide the following proposal for your review.

Landlord:	Harlem and North Development, LLC
Developer:	Novak Development Company LLC
Tenant:	Rush University Medical Center, or its affiliate
	If the Tenant is an affiliate of Rush University Medical Center, Rush University Medical Center will guaranty the lease.
Premises:	Approximately 134,000 square feet of land and a building of 61,800 square feet: approximately 11,000 square feet on the ground level, and approximately 25,400 SF square feet on the second and third levels per attached plan in Exhibit B.
Permitted Uses:	Medical offices, medical imaging, medical laboratories including a MOHS laboratory, physical therapy, immediate / urgent care, sterilization hub, medical research, and other ancillary uses. Lease is subject to Landlord obtaining zoning approval allowing the Permitted Uses. The lease will allow the Landlord or the Tenant to terminate the lease if the landlord is unable to obtain zoning approvals for the construction of the Premises and the Tenant's Permitted Uses by January 31, 2023, or as extended by the parties based on the zoning approval process.
Initial Lease Term:	Fifteen (15) years from Rent Commencement Date.
Option Lease Term:	Three (3) five (5) year options with first year rent of each renewal term to be fair market rent and tenant improvement allowance but rent not less than the average net rent in the previous 5 years of rent payment. Option Periods to be exercised with written notice to Landlord no later

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Attachment 2

Letter of Intent

DocuSign Envelope ID: EB7EC189-9699-4AE4-BFE0-D90127553AC4



Mid-America Real Estate Corporation
MidAmericaGrp.com
t: 630.954.7327

Wrigley Building | 410 N. Michigan Ave., Ste.
1100
Chicago, Illinois 60611

than twelve (12) months prior to the expiration of the preceding term.
Option Periods personal to Tenant.

Minimum Base Rent: Year 1: \$35.50 per rentable square foot, Net
Years 2 – 15: 2.25% annual increases

Option Terms Minimum Base Rental Increases: 2.25% annual increases years 2-5

Additional Rent: Landlord shall establish a separate PIN for real estate taxes for the Premises. Tenant shall pay real estate taxes and insurance for the Premises. Tenant shall pay its equitable share of the cost to maintain and repair the main access drive. In lieu of paying CAM, Tenant shall have the right to self-manage the Premises and directly pay the expenses associated with it and self-insure the Premises.

Delivery: Landlord to deliver the Premises to Tenant upon completion of Landlord work, estimated to be Summer 2023.

Rent Commencement: The earlier of opening or two hundred and seventy (270) days after delivery of the building shell to Tenant. Landlord and Tenant to develop agreed upon timeline for all submittals and Tenant will diligently pursue all permits for opening for business including the engagement of a self-certified architect and permit expeditor.

If Novak Construction completes Tenant's Work, the Rent Commencement shall be the earlier of opening for business or ninety (90) days after delivery of the building with the Tenant's Work complete.

Tenant Allowance: Seventy dollars (\$70.00) per rentable square foot.

Landlord Work: Landlord will deliver the Premises in a warm shell condition to be further defined. Landlord will deliver approximately 294 parking spaces on the site for Tenant's exclusive use. Landlord's construction budget for the building shell is \$244.47 per gross square foot which is attached hereto as Exhibit A ("Building Shell Budget"). Tenant shall have the reasonable right to approve the architect and design plans for Landlord Work. Any vacant building pads on the site at Rent Commencement shall be landscaped to be further defined in the lease.

Cost Savings: Any actual savings realized in delivering the building shell below the Building Shell Budget shall be paid to Tenant ("Additional Tenant Allowance").

Tenant's Work: Tenant to provide plans, specifications and timing related to its leasehold improvements to the Premises.

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- Utilities:** Tenant shall be responsible for the payment of its utility consumption throughout the term of the lease. Tenant will contract directly with all utility providers.
- Signage:** Subject to Landlord's reasonable prior approval, Tenant, at its sole cost, may install signage which (i) complies with all applicable laws, including without limitation the city of Chicago code, and (ii) has received all applicable governmental approvals. Tenant's proposed signage approved by Landlord will be an exhibit to the lease, but signage shown on such exhibit shall only be installed after Tenant demonstrates compliance with all applicable laws and obtains all applicable governmental approvals.
- Landlord Maintenance:** Landlord shall be responsible for all structural and exterior maintenance of the building and shall be responsible for the roof, foundation and bearing walls.
- Certificate of Need:** Lease is subject to approval of a Certificate of Need which Tenant shall diligently pursue. If approval cannot be obtained by 12/31/22, or as extended by the parties based on CON Board scheduling, either party may terminate the Lease.
- Landlord and Tenant will split the cost of any architectural, mechanical and engineering drawings required for the approval of the Certificate of Need.
- Right of First Offer:** Tenant shall have the first right to purchase the Premises upon the same terms Landlord intends to sell, which right shall be exercised within 45 days of receiving notice and sale terms from Landlord. If Tenant declines to exercise its right and Landlord is subsequently prepared to sell the Premises for less than 95% of the price included in its final offer price to Tenant and less than Tenant's final offer to Landlord, then Tenant shall retain the right to purchase the building at such new terms.
- Upside/Equity Participation:** Tenant, which is an investment grade credit, will receive a 5% equity interest in Landlord entity for signing a fifteen (15) year master lease. Tenant will not be required to contribute any capital in return for such equity and will receive 5% of all capital distributions (from net cash flow, refinancing and/or sales proceeds) on a pari passu basis after the return of capital contributed by members/investors in Landlord.
- In addition, Tenant shall have the right to become a 20% partner on a pari passu basis with a corresponding equity contribution. To be further defined in the Lease.
- Assignment / Sublet:** Per agreed upon lease language.

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Attachment 2 Letter of Intent

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1100
Chicago, Illinois 60611

Exclusivity:

Until the earliest to occur of 1) the execution of a lease agreement or 2) 90 days after the mutual execution of this letter, Landlord and Developer agree that it and each of its agents, servants and employees shall not, without the prior written consent of Tenant, explore, meet, discuss, negotiate, directly or indirectly, or enter into an agreement with any third party for the purpose of discussing, organizing, formulating, designing, re-developing, investing in or implementing an arrangement that could lead to the leasing or development of the Premises. This Exclusivity does not apply to the portion of the site that is south of the Premises.

During the Term of the Lease & any Extensions, Tenant shall be the exclusive medical provider for the entire site which is bounded by Harlem, North, Wabansia and Neva.

Monument Signage:

Tenant to have Rights to Monument Signage installed on the site.

Operating Covenant:

Tenant shall be required to operate in the Premises for the entire term of the lease.

Lease Form:

Landlord's lease form.

Brokerage:

Per separate agreement.

Confidentiality: This letter and the transactions contemplated by this letter are confidential to the parties and their representatives. Landlord and Tenant shall be subject to the terms and conditions of that certain Confidentiality Agreement attached in Exhibit C.

This letter is not intended to be contractual in nature. It is not an offer and is to be taken only as an expression of the general lease terms presently acceptable to Ownership. In no event will there be any binding agreement between the parties, except with respect to confidentiality and exclusivity, until the parties have executed and delivered the final form of the lease document. No negotiations, actions or past practices are authorized to change this procedure. Therefore, any reliance upon this proposal, including, but not limited to, expenditure by you for plans, materials, construction or otherwise, shall be at your sole risk.

Best regards,
MID-AMERICA REAL ESTATE CORPORATION

AGREED TO AND ACCEPTED:

JA MEMBER OF CHAINLINKS RETAIL ADVISORS

Attachment 2 Letter of Intent

DocuSign Envelope ID: EB7EC189-9699-4AE4-BFE0-D90127553AC4



Mid-America Real Estate Corporation
MidAmericaGrp.com
t: 630.954.7327

Wrigley Building | 410 N. Michigan Ave., Ste.
1100
Chicago, Illinois 60611

By Landlord: Harlem Arts Center Development, LLC this 29 day of July 2022
[Signature] Authorized Signatory
 Authorized Signature Title

By Tenant: Rush University Medical Center this 3rd day of August 2022
[Signature] Authorized Signatory
 Authorized Signature Title

By Developer: Novan Development Group this 29 day of July 2022
[Signature] Authorized Signatory
 Authorized Signature Title

Exhibit A – Building Shell Budget

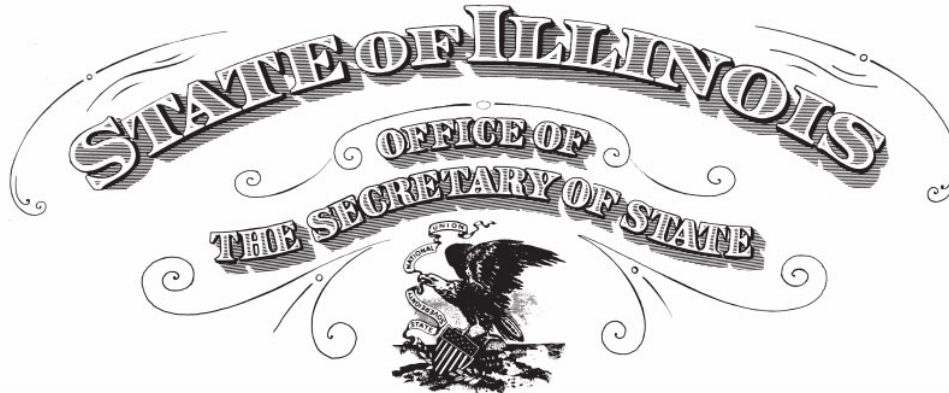
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Attachment 3 Operating Entity/Licensee

Medical Office Buildings are not licensed by the Illinois Department of Public Health. However, the applicant entity proposing the facility is Rush Oak Park Hospital, Inc. Attached as evidence of the entity's good standing is a Certificate of Good Standing issued by Illinois Secretary of State.

**Attachment 3
Operating Entity/Licensee
Certificate Of Good Standing
For Rush Oak Park Hospital, Inc.**

File Number 0987-432-1



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 OAK PARK HOSPITAL, INC., A DOMESTIC CORPORATION, INCORPORATED
UNDER THE LAWS OF THIS STATE ON MARCH 27, 1906, 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.



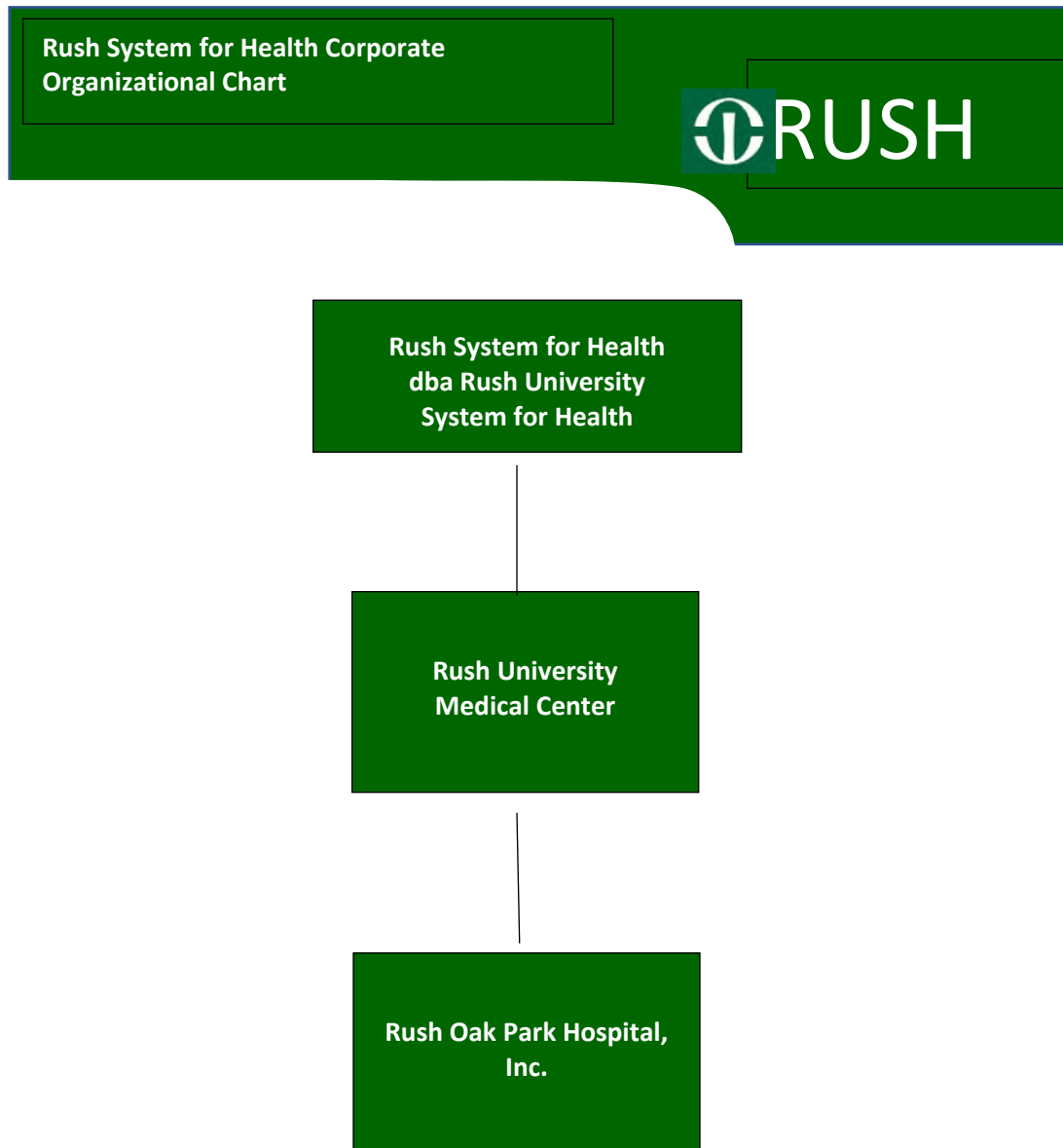
Authentication #: 2221502384 verifiable until 08/03/2023
Authenticate at: <https://www.ilsos.gov>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 3RD
day of AUGUST A.D. 2022 .***

Jesse White

SECRETARY OF STATE

Attachment 4 Organizational Chart



Attachment 5 Flood Plain Requirements

April 13, 2023

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

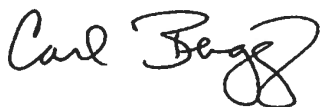
Re: Rush North and Harlem Medical Office Building - Flood Plain Requirements

Dear Mr. Kniery:

As representative of Rush Oak Park Hospital, Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center, I, Carl Bergetz, affirm that the proposed relocation for the facility complies with Illinois Executive Order #2005-5. The facility location on the corner of North Avenue and Harlem Avenue, Chicago, IL 60607 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

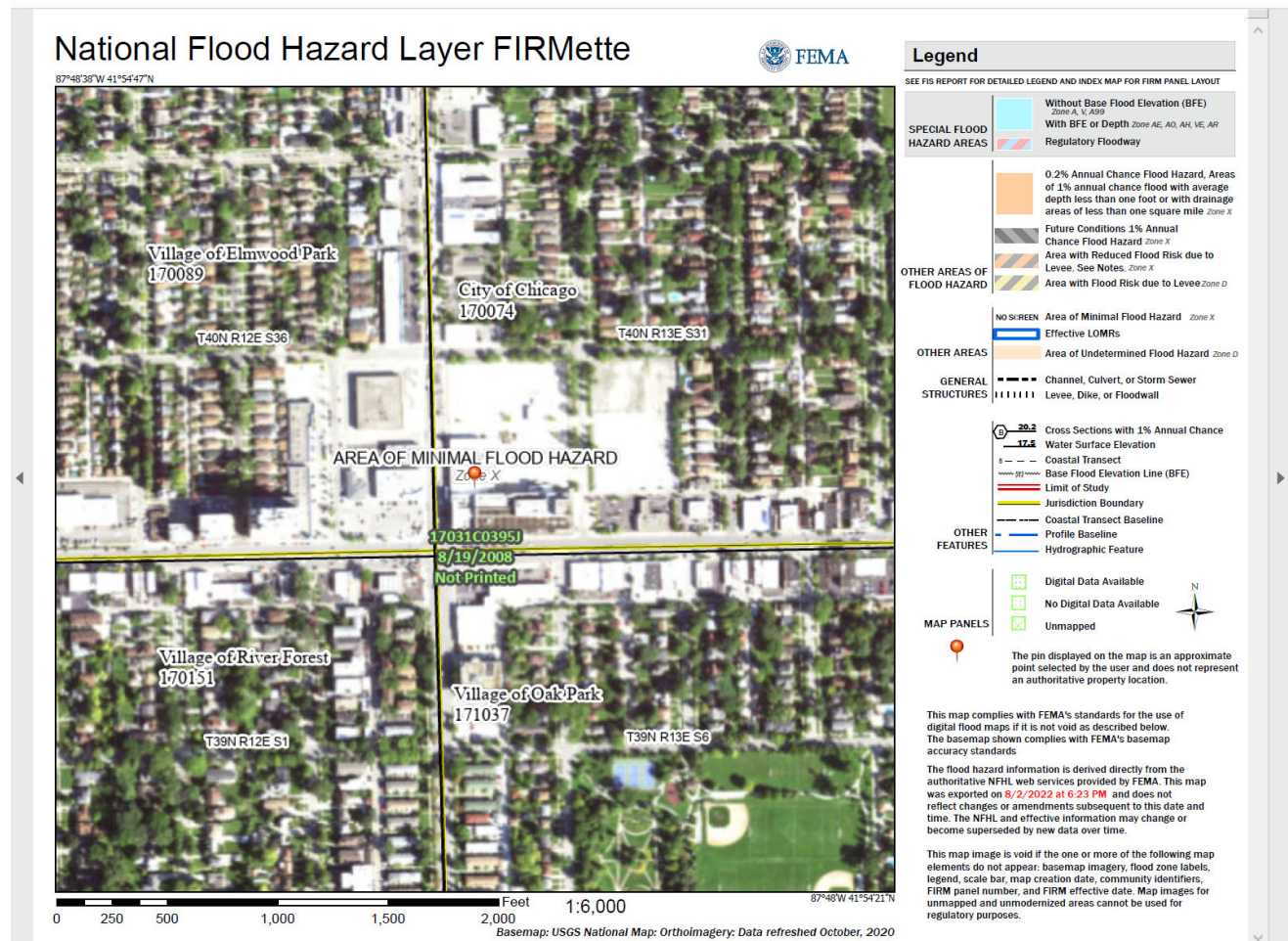
I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



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

Attachment 5 Flood Plain Requirements



Attachment 6 Historic Preservation Letter

The applicants submitted a request for determination to the Illinois Department of Natural Resources - Preservation Services Division dated November 24, 2022; a copy of which is enclosed with this attachment. A final determination was received on January 12, 2023, and is also enclosed.

Attachment 6 Historic Preservation Letter



Illinois
Department of
**Natural
Resources**

JB Pritzker, Governor • Natalie Phelps Finnie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Cook County
Chicago
NE of North Avenue & Harlem Avenue
IHFSRB
*New construction, medical office building

PLEASE REFER TO: SHPO LOG #009112822

January 12, 2023

Juan Morado
Benesch, Friedlander, Coplan and Aronoff LLP
71 S. Wacker Dr., Suite 1600
Chicago, IL 60606

Dear Mr. Morado:

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

If further assistance is needed please contact Jeff Kruchten, Chief Archaeologist at 217/785-1279 or jeffery.kruchten@illinois.gov.

Sincerely,

Carey L. Mayer, AIA
Deputy State Historic
Preservation Officer

Attachment 6 Historic Preservation Letter



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

November 24, 2022

VIA EMAIL

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

Re: Certificate of Need Application for the Establishment of a Medical Office Building- Near West Rush MOB

Dear Jeffrey:

I am writing on behalf of my clients, Rush University System for Health, Rush Oak Park Hospital, Inc., and Rush University Medical Center (collectively, "Rush") 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.). Rush is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. Rush is proposing to establish a multi-specialty Medical Office Building, to be located on the corner of North Avenue and Harlem Avenue, Chicago, IL 60607 (the "Near West Rush MOB").

The proposed Near West MOB will occupy an approximately 60,000 square feet on a vacant lot. The Near West Rush MOB will be a three-floor facility that will contain approximately one hundred and five (105) patient rooms, ten (10) procedure rooms, a laboratory, private offices, and common and administrative areas. For your reference, we have included pictures of the topographic maps, areal maps, and existing lot images (Attachments 1-3) showing the general

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20038908 v2

Attachment 6 Historic Preservation Letter

Page 2

location of the project. The proposed location for the Near West Rush MOB is the vacant lot as shown on the areal topographical maps, on which the Near West Rush MOB will be built.

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

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Juan Morado, Jr.

JM:
Enclosures

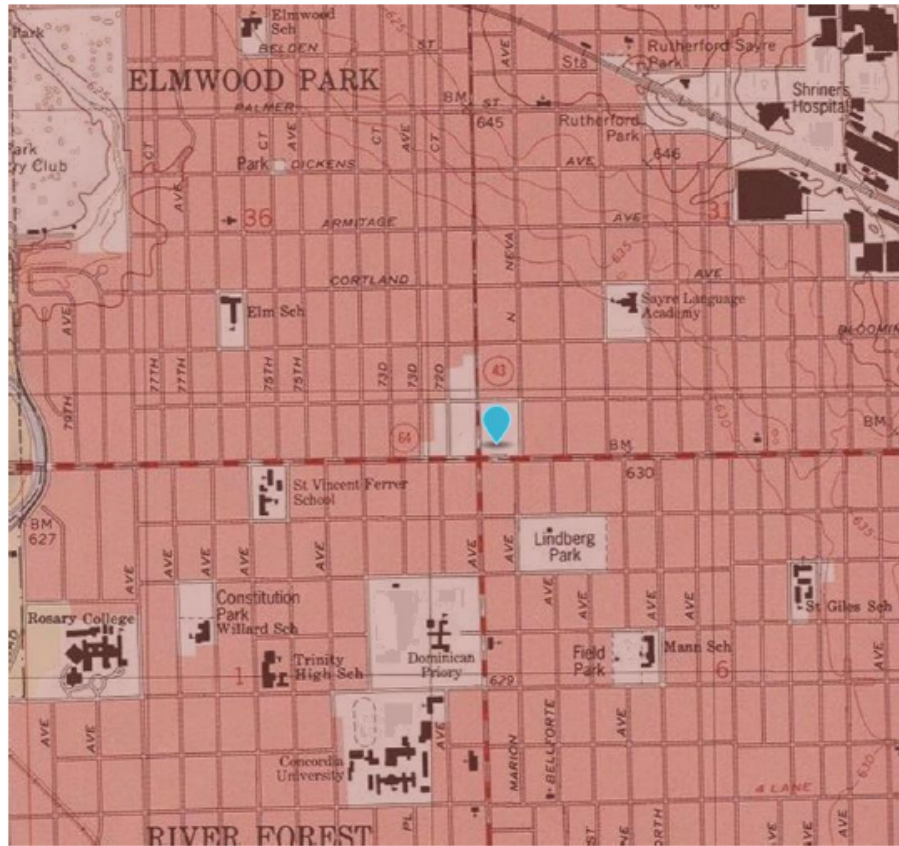
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Attachment 6 Historic Preservation Letter

Page 3

ATTACHMENT 1

Topographic Map



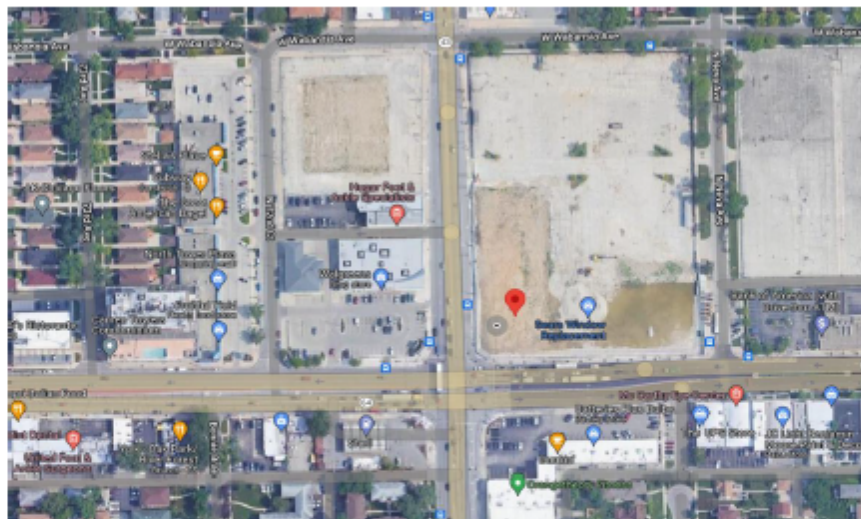
20038968 v2

Attachment 6 Historic Preservation Letter

Page 4

ATTACHMENT 2

Aerial Maps



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Attachment 6 Historic Preservation Letter

Page 5

ATTACHMENT 3

Side View of Property from North Avenue



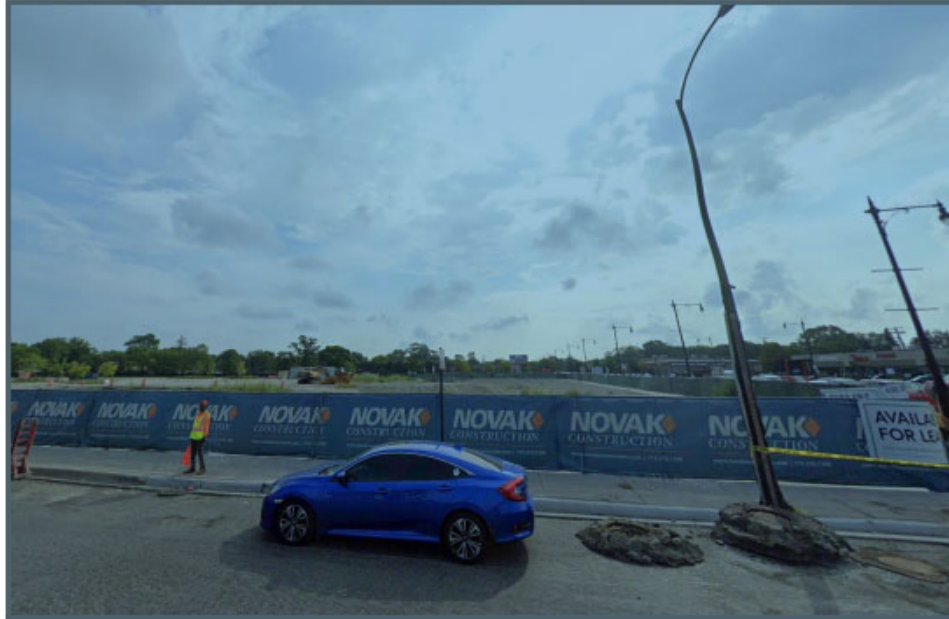
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Attachment 6 Historic Preservation Letter

Page 6

ATTACHMENT 3

Side View of Property from Harlem Avenue:



20038968 v2

Attachment 7

Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	19,429	59,872	79,300
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	3,424,914	10,554,328	13,979,242
Modernization Contracts	-	-	-
Contingencies	340,000	2,277,836	2,617,836
Architectural/Engineering Fees	189,716	584,634	774,350
Consulting and Other Fees	501,412	1,545,169	2,046,581
Movable or Other Equipment (not in construction contracts)	7,751,548	3,483,300	11,234,848
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	-	-	-
Fair Market Value of Leased Space or Equipment	5,876,189	18,108,256	23,984,445
Other Costs to Be Capitalized	601,438	1,853,412	2,454,850
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	18,704,646	38,466,806	57,171,452
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	12,828,457	20,358,550	33,187,007
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	-	-	-
Leases (fair market value)	5,876,189	18,108,256	23,984,445
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	18,704,646	20,358,550	57,171,452

Attachment 7

Project Costs and Sources of Funds

Preplanning Costs - The costs associated with preplanning relate to Commissioning Agent fees prior to the submission of this application and undertaken during the project's development. The clinical costs are estimated to be \$19,429 or .01% of the total clinical construction, contingency, and equipment costs.

New Construction Contracts - The proposed project will be constructed in an office building currently under construction by the developer/owner. The Applicant's costs are attributed to the required tenant improvements necessary for the operation of a medical office building. The projected building costs are based on national architectural and construction standards and adjusted to compensate for several factors. The clinical construction costs are estimated to be \$3,424,914 or \$229.16 per clinical square foot.

Contingencies - The Project's contingencies costs are designed to allow the construction team an amount of funding for unforeseeable events related to construction. Clinical construction costs for contingencies are estimated to be \$340,000 or 9% percent of projected clinical new construction costs.

Architectural/Engineering Fees - The clinical project cost for architectural/engineering fees are projected to be \$189,716 or 5.03% 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 MOB, and proposed physician clinic/immediate care rooms. The total clinical cost for the equipment is \$7,751,548. This equipment includes fitness equipment associated with the physical therapy space, and the following medical and non-medical equipment:

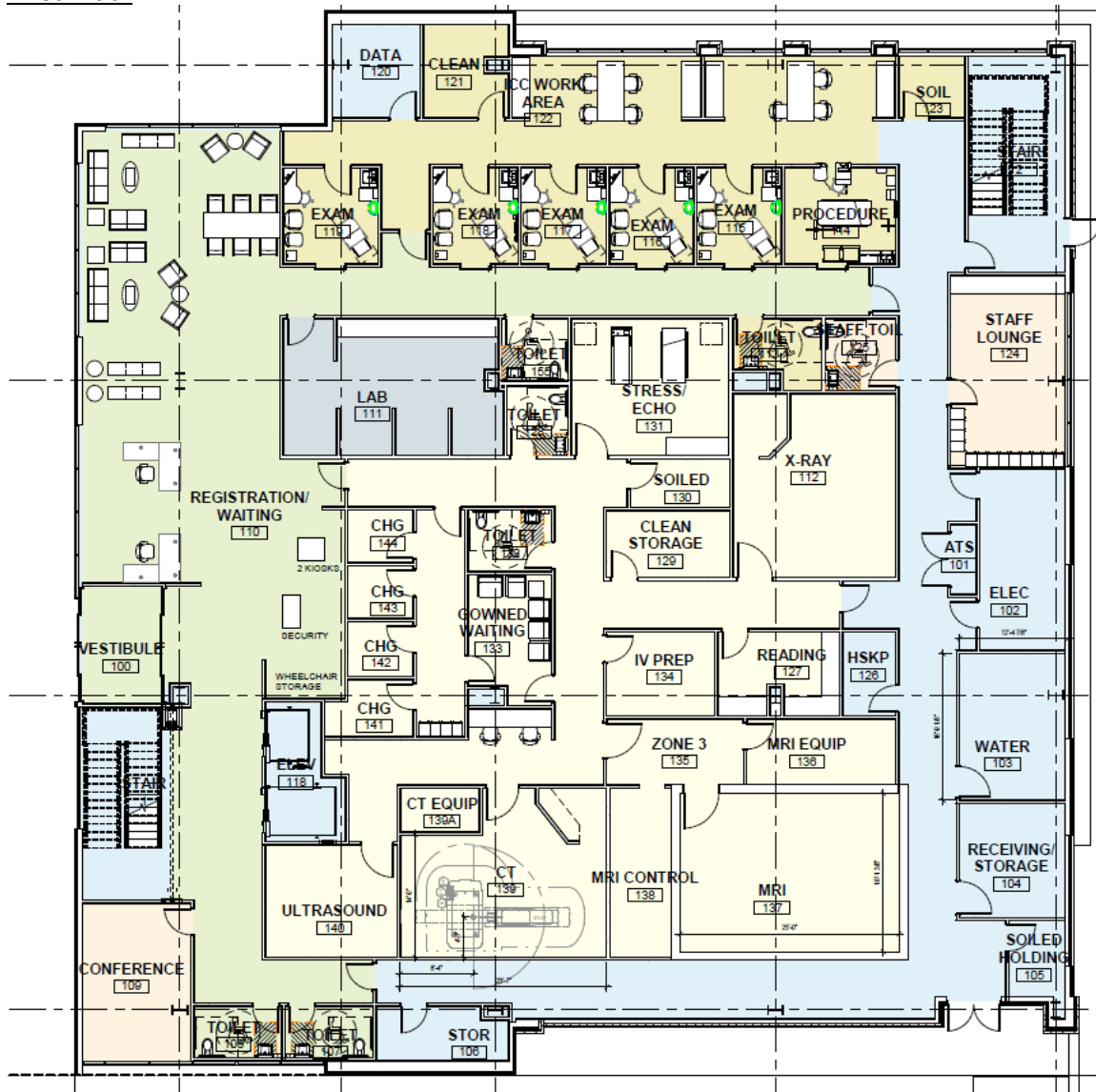
- MRI - Siemens Sola 1.5T
- CT - Siemens Naeotom Alpha
- Xray - Afga DR600
- Ultrasound - Siemens Acuson Sequoia
- Echo - Philips Epiq
- Stress - GE Case / Treadmill
- Echo table - Medical Positioning Inc (MPI)
- US Table - Stryker Gynnie Stretcher
- PACS - Pace Workstation (2)
- Screening Mammography Unit - Hologic Dimension 3D/Tomosynthesis w/ motorized table
- 3D/Tomosynthesis Mammo Unit with upright biopsy capability (including Akrus positioning chair and shielding) and 1 Biopsy assisted Brevera Device
- ABUS Unit - GE Invenia
- Gown Warmer - Pedigo Deluxe Cabinet 15.4 Cu Ft
- Immediate Care Rooms Equipment
- Lab Equipment Allowance
- Physician Clinic Rooms Equipment
- Sterile Hub
- Furniture, Furnishings, Signage, and Artwork

Other Costs to be Capitalized - These costs include miscellaneous fees, and costs associated with infrastructure of the space including necessary technology infrastructure.

Attachment 8 Project Status and Completion Schedules

The proposed project plans are still at the schematic state and the proposed project date is July 1, 2025. Financial Commitment for the project will occur following permit issuance.

First Floor



Second Floor



Third Floor



Attachment 9 Cost Space Requirements

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Diagnostic Radiology (Ultrasound, MRI, CT, Stress echo, X-ray, PACS)	\$2,244,557	-	1760	1760	-	-	-
Lab	\$187,046	-	160	160	-	-	-
Immediate Care	\$935,232	-	725	725	-	-	-
Physician Clinics	\$12,345,069	-	10,030	10,030	-	-	-
Breast Imaging (2 Mammogram, Ultrasound)	\$748,185	-	540	540	-	-	-
Physical Therapy	\$2,244,557	-	1730	1730	-	-	-
Total Clinical	\$18,704,646	-	14,945	14,945	-	-	-
		-			-	-	-
NON-REVIEWABLE					-	-	-
Administrative offices, staff lounges, conference rooms	\$12,976,045	-	13,845	13,845	-	-	-
Stairs, Elevators, Shafts, Vestibules, Staff corridors, Public toilets, Data Rooms, Storage, Dock area, EVS, Mechanical and Electric Space	\$30,188,401	-	32,210	32,210	-	-	-
					-	-	-
Total Non-clinical	\$38,466,806	-	46,055	46,055	-	-	-
TOTAL	\$57,171,452	-	61,000	61,000	-	-	-

Attachment 11

Background of the Applicants

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

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 ("ROPH"), ambulatory surgical treatment centers, its newly approved Ambulatory Care Building, and more than 30 clinical locations across the Chicago area. Rush is consistently recognized for exceptional patient care, education, research, and community partnerships.



Rush Oak Park Hospital

Background of Rush Oak Park Hospital

Serving the Community's Health Needs for More Than a Century

Rush Oak Park Hospital ("ROPH") has provided exceptional health care in Chicago's western suburbs for more than a century. ROPH was opened in Oak Park, Illinois, in 1907 by John W. Tope, MD, a Civil War veteran from New Philadelphia, Ohio, and the Sisters of Misericordia, a French-Canadian order that had successfully built and managed a number of hospitals in the U.S. and Canada. It was the first medical facility in the area. Today, while firmly rooted in the community's history, ROPH stands as a full-service health care facility with expert physicians and staff utilizing modern technology.

The Sisters of Misericordia ran the hospital until 1986, when ownership was transferred to the Wheaton Franciscan Sisters, Inc. In 1997, the hospital partnered with Rush University Medical Center, adding to its renowned services, programs, and physicians. ROPH operates the acute care hospital, located approximately eight miles west of RUMC in Oak Park, Illinois. In the past year, ROPH patients had 4,245 admissions, 43,242 emergency visits, and over 120,000 other outpatient encounters.

Attachment 11

Background of the Applicants

ROPH's campus has grown over the years to include a breast imaging center, state-of-the-art interventional radiology and surgical suites, an electrophysiology lab, and a comprehensive center for diabetes and endocrine care. The campus is also home to the 135,000-square foot Rush Medical Office Building, which houses approximately 30 medical offices, as well as an advanced magnetic resonance imaging (MRI) system operated in cooperation with Oak Park Imaging Services. The Rush Medical Office Building also houses the Rush Pain Management Center and the Rush Outpatient Pharmacy.

In September of 2019, ROPH opened a LEED (Leadership in Energy and Environmental Design) certified, state-of-the-art emergency department fully equipped with the latest in medical technological advances, including cardiac and stroke care (such as utilizing a telestroke robot, which is telemedicine technology that allows ROPH to share scan results and consult with stroke specialists on complex cases with specialists at Rush University Medical Center).

ROPH community programs help people live healthier lives. They include the Healthy Motivations program, a free community wellness program that offers educational events, health screenings, fitness classes and support groups. The Rush Oak Park Physicians' Group has practices in Oak Park, Hillside, Elmwood Park, and North Riverside.

Committed to Service in the Western Suburbs

ROPH serves as an extension of Rush's commitment to working with the communities on Chicago's West Side. Community programs include the following:

- **Project Lifestyle Change**, a free, yearlong education program for people with prediabetes; since 2010, more than 700 program graduates have learned about healthy eating and exercise habits.
- **The Rush Surplus Project**, Rush's largest food distribution initiative, which originated at Rush Oak Park Hospital. The project donates surplus food from Rush's cafeterias to local nonprofits that feed the hungry; it was such a success upon its 2015 launch in Oak Park that we expanded it to Rush University Medical Center in 2017.
- **A partnership with Top Box Foods**, a Chicago-based social business that provides affordable boxes of high-quality fresh produce to Rush's "first community" of employees. In 2017, the first year of the program, employees picked up more than 1,100 boxes of healthy food at Rush Oak Park Hospital and Rush University Medical Center.
- **Free screening mammograms** for hundreds of women who lack health insurance, supported by grants from the Chicago Department of Public Health and a private foundation.
- **Free quarterly Courage to Quit smoking cessation classes**, which combine a cognitive behavioral approach with counseling and education about medication that can help smokers quit.
- **Donations of linens and laundry services for the PADS shelter program** at Housing Forward, which provides overnight shelter and meals at nine rotating sites in Berwyn, Forest Park, and Oak Park. The program is a gateway for an array of supportive services that help people achieve housing stability.

Attachment 11

Background of the Applicants

Recognitions:

Rush Oak Park Hospital named Most Wired by Hospitals & Health Networks Magazine

For demonstrating leadership in the use of information technology, Rush Oak Park Hospital has been listed among the most wired hospitals in the nation.

Top Teaching Hospital

Rush Oak Park Hospital was recognized as a Top Teaching Hospital, one of only 55 in the country, from the LeapFrog Group.

Beacon Award

Rush Oak Park Hospital's intensive care unit was recognized with a gold-level Beacon Award for Excellence by the American Association of Critical-Care Nurses.

Healthgrades Patient Safety Award

Rush Oak Park Hospital is one of only 458 hospitals across the nation to achieve Healthgrades' Patient Safety Excellence Award, which places it among the top 10% of all short-term acute care hospitals reporting patient safety data.

CMS Hospital Consumer Assessment of Healthcare Providers and Systems Survey

Rush Oak Park Hospital received a four-star rating based on data from the CMS Hospital Consumer Assessment of Healthcare Providers and Systems Survey.

Top Surgical Hospital

The American College of Surgeons National Surgical Quality Improvement Program recognized Rush Oak Park Hospital as one of 52 participating hospitals that have achieved meritorious outcomes on surgical patient care.

Five Star Rating for Quality and Patient Experience

Rush Oak Park Hospital received five stars, the highest possible, for quality and patient experience from the Centers for Medicare and Medicaid Services.

Magnet Designation

Rush Oak Park Hospital is a Magnet designated hospital, the most prestigious honor a health care organization can achieve for nursing excellence and high-quality patient care.

Stroke Gold Plus Quality Achievement Award

Rush Oak Park Hospital received the 2020 American Heart Association/American Stroke Association's Stroke Gold Plus Quality Achievement Award. The award recognizes the hospital's commitment to ensure stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines on the latest scientific evidence.

Advanced Inpatient Diabetes Certification

Gold Seal of Approval for our dedication to providing safe, high-quality care, treatment and services to our patients diagnosed with diabetes.

LGBTQ Healthcare equity

Rush Oak Park Hospital received a score of 100 and has been designated a Leader in LGBTQ Healthcare Equality in the Human Rights Campaign's Healthcare Equity Index (HEI) 2020.

Attachment 11

Background of the Applicants

Leapfrog 'A' Grade for Safety

Rush Oak Park Hospital is regularly rated the highest possible score for patient safety -- an A grade -- by the Leapfrog Group, a nonprofit patient safety watchdog organization.

Primary Stroke Certification

Rush Oak Park Hospital's telemedicine stroke technology is certified by the Joint Commission. Primary Stroke Center Certification recognizes hospitals that meet standards to support better outcomes for stroke care.

Echocardiography accreditation

Rush Oak Park Hospital's cardiology services is accredited by the Intersocietal Accreditation Commission for its echocardiography technology.

Advanced Inpatient Diabetes Certification

Since 2007, Rush Oak Park Hospital has been awarded the Joint Commission's Gold Seal of Approval for our dedication to providing safe, high-quality care, treatment and services to patients diagnosed with diabetes.

Chest Pain-MI Registry Gold Performance Achievement Award

The Rush Oak Park Hospital is one of only 60 nationwide to receive the American College of cardiology's NCDR Chest Pain-MI registry Gold Performance Achievement Award for 2020.

Laboratory Services accreditation

Accredited by the College of American Pathology, Rush Oak Park Hospital's laboratory services are dedicated to providing high-quality and timely lab services.

Diagnostic Imaging accreditation

Rush Oak Park Hospital has been designated a breast imaging center of excellence by the American College of Radiology. A center of excellence designation is awarded to breast imaging centers that have demonstrated excellence in breast imaging by achieving accreditation in mammography, breast ultrasound and ultrasound-guided biopsy and stereotactic breast biopsy.

ADA-Recognized Education Services

For the past 20 years, the Rush Oak Park Center for Diabetes and Endocrine Care has been recognized by the American Diabetes Association for providing outstanding education and services to patients in the community who have been diagnosed with diabetes.

Project Lifestyle Change, a free, yearlong education program for people with prediabetes; since 2010, more than 700 program graduates have learned about healthy eating and exercise habits.

The Rush Surplus Project, Rush's largest food distribution initiative, which originated at Rush Oak Park Hospital. The project donates surplus food from Rush's cafeterias to local nonprofits that feed the hungry; it was such a success upon its 2015 launch in Oak Park that we expanded it to Rush University Medical Center in 2017.

A partnership with Top Box Foods, a Chicago-based social business that provides affordable boxes of high-quality fresh produce to Rush's "first community" of employees. In 2017, the first year of the program, employees picked up more than 1,100 boxes of healthy food at Rush Oak Park Hospital and Rush University Medical Center.

Attachment 11

Background of the Applicants

Free screening mammograms for hundreds of women who lack health insurance, supported by grants from the Chicago Department of Public Health and a private foundation.

Free quarterly Courage to Quit smoking cessation classes, which combine a cognitive behavioral approach with counseling and education about medication that can help smokers quit.

Donations of linens and laundry services for the PADS shelter program at Housing Forward, which provides overnight shelter and meals at nine rotating sites in Berwyn, Forest Park and Oak Park. The program is a gateway for an array of supportive services that help people achieve housing stability.



Rush University Medical Center

Background of Rush University Medical Center

Rush University Medical Center (“RUMC”) is an academic medical center that includes a 727-bed hospital serving adults and children and Rush University. For more than 180 years, RUMC has been leading the way in developing innovative and often life-saving treatments. Rush has been part of the Chicago landscape longer than any other healthcare institution in the city. The Great Chicago Fire destroyed the original Rush Medical College in 1871 and the faculty rebuilt the Medical College at its present location at the corner of Polk and Harrison in 1876.

RUMC has grown from an 80-bed teaching hospital founded in 1882 as Presbyterian Hospital to the hospital that it is today with over 700 beds, 29,189 total admissions, 22,566 surgical cases, 62,020 emergency room visits, and 686,220 outpatient visits as of CY2021. RUMC provides medical/surgical, pediatric, intensive care, obstetrics/gynecological, neonatal, AMI and Rehabilitation services across these beds. RUMC is a flourishing center for research and education. This hospital is an anchor facility in the Illinois Medical District located on the city’s near west side.

Attachment 11

Background of the Applicants



By the Numbers FY22

Financial

\$5.3 billion	Total Assets
\$3.2 billion	Total Operating Revenue
8.6%	Operating Cash Flow Margin
3%	Operating Margin
234	Days Cash on Hand
\$171 million	Annual Research Revenue



Patients

1,122	Licensed Beds
45,934	Admissions
57,323	Surgeries
174,950	ED Visits
926,053	Outpatient Visits


10

Nationally Ranked
Clinical Programs

#3 in quality.

Among the nation's best, again.

Vizient Quality Rankings for
Inpatient and Outpatient Care

People

846	Employed Physicians
12,712	Full-Time Employees



Learners

2,202	Students (Summer Semester)
--------------	-------------------------------


A1

Moody's
Rating
Stable

A+

S&P
Rating
Stable

A+

Fitch
Rating
Stable

All statistics as of and for the year ended June 30, 2022. Credit ratings as of January 2022.

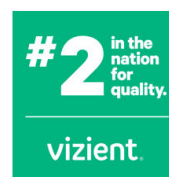
RUSH University | Today

Students train alongside the best in the nation

10 RUSH programs ranked among the nation's Top 50 by U.S. News and World Report

Cancer, Cardiology, ENT*, Gastroenterology and GI Surgery, Geriatrics, Gynecology*, Neurology and Neurosurgery*, Orthopedics*, Pulmonary and Lung Surgery, Urology

*Best in Illinois and Indiana



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.

Attachment 11

Background of the Applicants

RUSH University | Today

Academic Programs Among the Best in Nation

RUSH University College of Nursing:

#1 Acute Care DNP
 #1 Nursing Administration (Transformative Leadership: Systems) DNP
 #2 overall DNP
 #2 Pediatric Primary Care DNP
 #2 Psychiatric Mental Health DNP
 #3 Adult/Gerontological Nurse Practitioner - Primary Care DNP
 #4 Adult/Gerontological Nurse Practitioner - Acute Care DNP
 #4 Family Nurse Practitioner DNP
 #4 Online Master's Degree - CNL
 #17 Master's Degree - Generalist Entry Master's

RUSH College of Health Sciences:

#5 Health Systems Management (ranked in 2019)
 #8 Audiology — Doctorate (ranked in 2021)
 #16 Speech-Language Pathology (ranked in 2021)
 #23 Occupational Therapy (ranked in 2021)

RUSH Medical College:

RMC Faculty lead each of the 10 nationally top ranked programs in the *US News and World Report* Best Hospitals Rankings
 RMC was recognized with a special award from the AAMC in 2022 for community involvement



Rush's commitment to providing safety net services is not only limited to the patients it serves, but also to training the next generation of healthcare providers. With over 40 educational degree programs, 9 of those programs in the College of Nursing having been ranked by U.S. News and World Report's Best Graduate Schools, with four of its programs being ranked #1 Nationally.

Rush's Commitment to Health Equity

Rush maintains a strong commitment to Chicago and is a national leader in building healthier communities through the promotion of health equity and dismantling of barriers to health. RUMC named structural racism and economic deprivation as among the root causes for neighborhood-based racial health inequities and proposed an organizational anchor mission and equity strategy to begin to address the social and structural determinants of health that underpinned these racial health inequities. Like many other health systems, Rush began the shift to value-based care and population health, with the goal of improving the health of the individuals and diverse communities they serve through the integration of outstanding patient care, education, research, and community partnerships. Rush developed five pillars to guide their health equity strategy in 2016, and they include:

1. Name and eliminate racism.

Rush has stated that if structural racism, economic deprivation, and neighborhood conditions were afflictions at the root cause of health inequities, that they had an obligation as an academic health system to name these as the first step in identifying ways to address these inequities.

2. Adopt an anchor mission.

Rush launched an "anchor mission" to hire, purchase, invest and volunteer locally. Rush is focusing on hiring locally and developing talent, utilizing local labor for contracts and projects, buying and sourcing locally, investing locally and ensuring retirement readiness, and volunteering locally.

Rush is one of the largest employers on Chicago's West Side with a hearty supply chain, and this pillar guides them to focus on community health and wealth-building. The impact of the Anchor Mission initiatives has spanned a range of areas.

Attachment 11

Background of the Applicants

3. Create wealth-building opportunities for employees.

Internal listening sessions determined that many employees experienced extreme financial distress and were not saving for retirement. Many of Rush's employees lived in the low-income neighborhoods that Rush was trying to elevate. Rush initiated a pension reform program to significantly increase retirement savings, raised entry hourly wages to \$15 per hour, launched healthcare career pathways for incumbent employees, and offered financial wellness and credit training. At the same time, Rush's long-standing Diversity Leadership Council made achieving demographic parity in leadership positions a critical part of the strategy. It was not enough to support low-wage employees: the medical center leadership representation needed to better reflect the demographics of our communities.

4. Eliminate healthcare inequities.

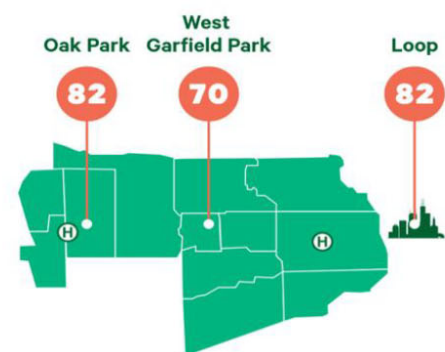
Rush established the Health Equity Governance Committee to report on performance projects that address racial, ethnic, gender and age inequities. Rush began screening patients for social determinants of health, including food, transportation, access to primary care and more. The health system launched a home visiting program for homebound patients who live with chronic illness and for postpartum mothers who live in communities with low life expectancy. With a gift from BMO Financial Group this year, the Rush BMO Institute for Health Equity will be established. This will allow Rush to maintain their most concentrated investment in health equity yet, and organize and coordinate all of their strategies for eliminating health inequities under a single umbrella.

5. Address the social and structural determinants of health.

Rush partnered with other hospitals in Chicago so they could collectively make a greater impact. Consisting of Rush and five other hospitals, West Side United is able to invest millions back into the community and hire West Side employees. The partnership will work toward cutting Chicago's 14-year life expectancy gap between wealthy and low-income communities by 50 percent by 2030.

Achieving Health Equity Is a RUSH Strategy

More than half of premature deaths on the West Side are caused by cancer, heart disease, stroke, diabetes and infant mortality.



Map shows life expectancy in Chicago neighborhoods between Rush Oak Park (left) and Rush University Medical Center (right).

Attachment 11

Background of the Applicants

Here's what the discussions of barriers to good health in the RUSH University Medical Center and RUSH Oak Park Hospital service areas looked like.



We've added five new communities to this year's CHNA:

In Chicago

Archer Heights
Belmont Cragin
Brighton Park

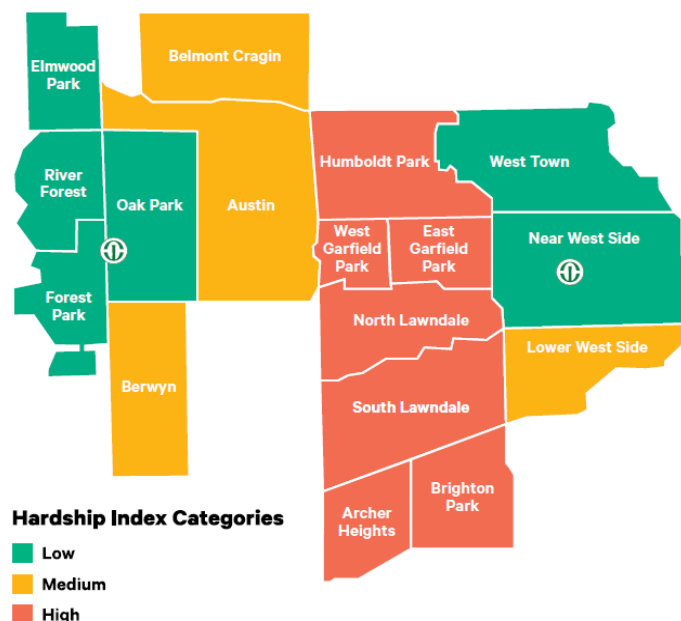
In the suburbs

Berwyn
Elmwood Park

We chose these communities after reviewing RUSH University Medical Center and RUSH Oak Park Hospital patient data and asking our partners in community-based organizations about their perception of the needs in their areas.

This map of where people experience the most hardship in the RUSH service area is based on six factors from the American Community Survey.

- The number of people under age 18 and over age 64
- The percentage of housing with more than one person per room
- Poverty
- Per capita income
- Unemployment
- No high school diploma



Attachment 11 Background of the Applicants

Community health: Connecting with underserved communities

Decades of disinvestment in many West Side neighborhoods mean that people have less access to resources and opportunities essential to good health. These disparities help explain why COVID-19 hit communities of color so hard — and why removing those obstacles is essential to achieving health equity. When the pandemic struck, we quadrupled our team of community health workers. They continue to provide screening for the social determinants of health and connect people to resources and health education; their additional duties now include contact tracing, testing and educating people about vaccines.



 **1,274**
cases of COVID-19 **contact-traced**
after being identified at Rush testing sites

2,215 people contacted
for COVID-19
vaccine education and scheduling 


293
people screened for the social
determinants of health
(outside of contact tracing and vaccine outreach calls)



20,000
people received
free, healthy food
distributed by Rush
employee volunteers



Attachment 11

Background of the Applicants

Education: Creating opportunities

The Rush Education and Career Hub (REACH) provides innovative, hands-on STEM learning for underrepresented students to increase postsecondary achievement and to build diversity in health care and STEM professions. During the pandemic, REACH continued its educational programming virtually. The team also expanded its efforts to connect with families in response to COVID-19, hosting webinars about the virus, distributing meal kits to those in need, distributing personal protective equipment and more.



4000+

students, parents, educators
and community members served

Students were:



Female



West Side
residents



Black and
Latinx



First-generation
college attendees

180+

high school and college
students interned/
apprenticed through
MedSTEM programs



45%

of MedSTEM participants
and families received **wraparound supports:**
technology, food, transportation and other resources



100%

of college students
in REACH programs persist in a
STEM or **health care** major

Committed to Community | 3

Attachment 11

Background of the Applicants

Community-Based Practices: Meeting people where they are

The Rush Community-Based Practices team brings health care to people who face barriers to accessing care. We provide primary care, reproductive health care and mental health services to young people in conveniently located clinics on the West Side, and inclusive, affirming care for the LGBTQ+ community throughout the Rush system. During the pandemic, the team provided telehealth services along with health education through webinars and workshops. They also reached out to patients and their families to connect them with resources like mental health services, food and housing.

Affirm: The Rush Center for Gender, Sexuality and Reproductive Health

Affirm: The Rush Center for Gender, Sexuality and Reproductive Health is working to close gaps in the health care system for LGBTQ+ people. Longstanding internalized stigma, trauma and socioeconomic inequities contribute to health disparities in this community, so the Affirm team helps providers across the Rush system provide affirming care and services for everyone.



55

letters of readiness
written for transgender
patients seeking surgery



221

patients connected to affirming
services at Rush and in the community



291 training hours
provided for Rush clinicians;



13 hours for
community providers

Attachment 11

Background of the Applicants



School-Based Health Centers (SBHCs) and the Adolescent Family Center (AFC)

In three public school-based health centers on the West Side, we provide a full range of clinic services for young people, including physicals and immunizations, primary care, treatment of injuries and mental health services. The Adolescent Family Center on the Rush University Medical Center campus provides confidential, age-competent health care, including prenatal and reproductive care, for those ages 12 to 25.

1,405
mental health
visits provided



Children and
adolescents served:

768



539 phone calls made to SBHC
families to **screen for social
determinants of health**



1,702
students and adults reached
through sexual health
education programming



122
teen pregnancies
prevented
through family
planning services

Committed to Community | 5

Attachment 11

Background of the Applicants

Community health and engagement: Making connections

People who live in the communities we serve are the ones who know best what would help them and their neighbors get and stay healthy. We build relationships and work closely with community members, community-based organizations, clinics and public health agencies to develop strategies for fostering healthier, more equitable communities. During the pandemic, these relationships were invaluable in guiding our work to help feed, educate, vaccinate and care for our communities.

Faith-based initiatives

Houses of worship are some of the most trusted anchor institutions on the West Side, and their leaders are authoritative voices in the community. They were close collaborators as we worked to test for COVID-19, educate people about the virus and encourage them to get the vaccine — a critical effort because COVID-19 had a disproportionate impact on Black Chicagoans, who were more likely to be hospitalized and to die from the virus than Latinx and white residents.

9 West Side and South side partner churches served as COVID-19 testing sites



1,200
community members tested




386 walkers

West Side Walk for Wellness

This summer program was designed to engage West Side residents in regular exercise and educate them about health issues that disproportionately impact their communities. Held virtually in 2021 because of COVID-19 restrictions, the program was able to expand to all of Chicagoland and beyond. Participants walked on their own and engaged with each other and health experts via Zoom. They developed such a strong sense of connectedness during the pandemic that the program was extended for an additional three weeks.



Attachment 11

Background of the Applicants



Adopt-a-Family

Through this longstanding holiday partnership with West Side churches and social service agencies, Rush employees and outside partners provide personal care items, clothing, toys and more to West Side families experiencing hardship. For more than 25 years, Adopt-a-Family has been a beloved tradition at Rush.

251 families served during the 2021 holiday season



1,167

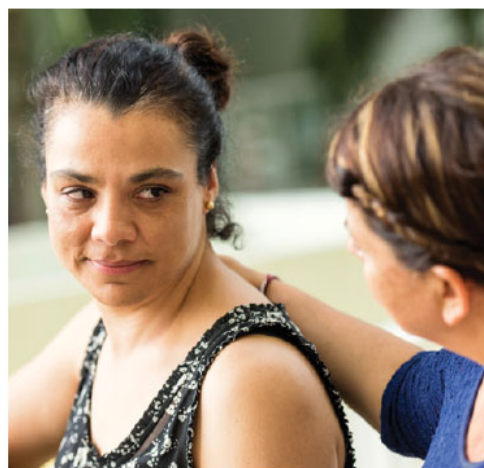
people served, including children, teens, parents and grandparents



36 community members trained

Mental Health First Aid

West Side residents consistently identify mental health resources as something their communities need. Rush's Mental Health First Aid training empowers community members to respond appropriately when someone needs help. More than that, it empowers neighbors to help neighbors without having to rely on large health care or social services institutions. Participants learn how to identify, understand and respond to signs and symptoms of mental illness and substance use disorders, reaching out and providing initial support until professionals can take over.



3

Mental Health First Aid
community trainings held

Committed to Community | 7

Attachment 11

Background of the Applicants

Anchor Mission: Building health by building community

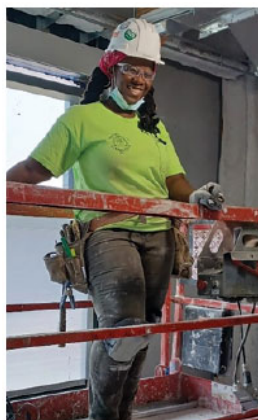
Shorter life expectancies on the West Side aren't caused by genetics or poor choices, but by the impact of social determinants of health like poverty and a lack of access to healthy food, high-quality education and family-supporting jobs. Through our Anchor Mission strategy, we commit to using our economic power to improve West Side economic vitality by hiring, purchasing, investing and volunteering locally. During the pandemic, we paid particular attention to supporting local vendors, recruiting employees from the West Side and providing food and vaccinations.

Hiring locally

We work with citywide community-based organizations to align our hiring needs with job candidates' skills and offer programs to help our entry-level employees advance their careers within Rush. Our goal is to hire people into stable jobs that offer both a living wage and growth opportunities — an "outside in and inside up" approach.



100%
of patient care technician
pathway program
participants hired by Rush



17%
of all new hires at
Rush University
Medical Center
came from
Anchor Mission
communities



Spending locally

Every dollar spent at a small business recirculates within that community 33% more than a dollar spent at a chain store or restaurant. We encourage Rush departments to purchase through local businesses; bring local restaurants onto the Medical Center campus; and hire community residents to staff the Concordance Healthcare Solutions warehouse that keeps us stocked with medical supplies.

\$8 million spent with local vendors

40% of employees at the
Concordance Healthcare Solutions warehouse
live in Anchor Mission communities



Attachment 11

Background of the Applicants

Investing locally

We invest in Rush's "first community" of employees, many of whom live on the West Side, by helping them build their own household wealth through increased 403(b) contributions and free financial education. We also take part in local impact investing projects that address the social determinants of health, and have signed a national pledge to allocate 1% of our portfolio—\$7.5 million over the next five years—to these investments. And our contracts for capital projects include goals for local hiring and spending.

\$11.4 million
loaned to West Side social impact
projects through **impact investing**
with our partners



15% more
Rush employees began
saving at least 6% of
their paychecks for
retirement

\$4 million
spent with Anchor
Mission communities
on capital projects

Volunteering locally

The Rush Employee Volunteer Program (EVP) lets employees take time during the work day to volunteer on the West Side. We address issues that improve health and well-being and reduce hardship, and work to provide volunteer opportunities that enrich and inspire employees.



22,588
people served

490 employee volunteers **distributed food**
and staffed COVID-19 vaccination clinics


Committed to Community | 9

Attachment 11
Facility Licenses

Illinois Department of PUBLIC HEALTH			HF 126531
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.			
Sameer Vohra, MD,JD,MA* Director		Issued under the authority of the Illinois Department of Public Health	
EXPIRATION DATE 12/31/2023	CATEGORY	LIC. NUMBER 0001917	
General Hospital			
Effective: 01/01/2023			
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 • PD, #19-403-001 10M Q/18			
<div>← DISPLAY THIS PART IN A CONSPICUOUS PLACE</div> <div>Exp. Date 12/31/2023 Lic Number 0001917 Date Printed 10/14/2022</div> <div>Rush University Medical Center 1653 W Congress Pkwy Chicago, IL 60612</div> <div>FEE RECEIPT NO.</div>			

Illinois Department of PUBLIC HEALTH			HF 126157
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.			
Sameer Vohra, MD,JD,MA Director		Issued under the authority of the Illinois Department of Public Health	
EXPIRATION DATE 9/30/2023	CATEGORY	LIC. NUMBER 7003207	
Ambulatory Surgery Treatment Center			
Effective: 10/01/2022			
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 • PD, #19-403-001 10M Q/18			
<div>← DISPLAY THIS PART IN A CONSPICUOUS PLACE</div> <div>Exp. Date 9/30/2023 Lic Number 7003207 Date Printed 8/25/2022</div> <div>Rush-Copley Surgicenter LLC dba Castle Surgicenter 2111 Ogden Avenue Aurora, IL 60504-7597</div> <div>FEE RECEIPT NO.</div>			

Attachment 11 Facility Licenses

 **Illinois Department of PUBLIC HEALTH** HF 126352

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.

Sameer Vohra, MD,JD,MA
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LIC NUMBER
11/17/2023		0004671

General Hospital

Effective: 11/18/2022

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. #19-483-001 10M 9/18

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE


Exp. Date 11/17/2023

Lic Number 0004671

Date Printed 9/21/2022

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

FEE RECEIPT NO.

 **Illinois Department of PUBLIC HEALTH** HF 127321

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.

Sameer Vohra, MD,JD,MA
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LIC NUMBER
2/17/2024		7001753

Ambulatory Surgery Treatment Center

Effective: 02/18/2023

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. #19-483-001 10M 9/18

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 2/17/2024

Lic Number 7001753

Date Printed 2/7/2023

Rush Surgicenter at the Professional B
1725 W Harrison St Ste 556
Chicago, IL 60612-2846

FEE RECEIPT NO.

Attachment 11 Facility Licenses

 **Illinois Department of PUBLIC HEALTH** HF 125854

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.

Amaal V.E. Tokars
Acting Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
6/30/2023		0001750

General Hospital

Effective: 07/01/2022

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 6/30/2023


Lic Number 0001750

Date Printed 6/28/2022

Rush Oak Park Hospital, Inc.

520 S Maple Ave
Oak Park, IL 60304

FEE RECEIPT NO.

 **Illinois Department of PUBLIC HEALTH** HF 127191

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.

Sameer Vohra, MD,JD,MA
Director

Issued under the authority of
The Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	LD NUMBER
1/29/2024		7003222

Ambulatory Surgery Treatment Center

Effective: 01/30/2023

Rush Oak Brook Surgery Center, LLC
2011 York Rd, Suite 3000
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 1/29/2024

Lic Number 7003222

Date Printed 1/25/2023

Rush Oak Brook Surgery Center, LLC

2011 York Rd, Suite 3000
Oak Brook, IL 60523-1914

FEE RECEIPT NO.

Attachment 11

Certification and Authorization Letter

April 13, 2023

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Certification and Authorization

Dear Mr. Kniery:

As representative of Rush Oak Park Hospital, Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center, I, Carl Bergetz, respectively, 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.

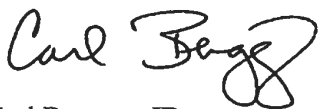
I further verify that Rush System for Health d/b/a Rush University System for Health maintains an ownership interest in the following healthcare facilities:

- Rush University Medical Center
- Rush Oak Park Hospital
- Rush Copley Medical Center
- Rush Surgienter at the Professional Building, Ltd.
- Rush Oak Brook Surgery Center, LLC
- Rush-Copley Surgicenter, LLC
- Rush Specialty Hospital (not yet completed)

None of the healthcare 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,



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

Attachment 12

Purpose of the Project

This project is designed to expand Rush's excellent multi-specialty patient care into the Oak Park / River Forest and greater Chicagoland area. Rush Oak Park Hospital ("ROPH") is a 185-bed acute care hospital that is part of the Rush University Health System ("RUSH"). The proposed project intends to introduce healthcare services that will undoubtedly improve the health care and well-being of the patients in the market area population that will be served.

ROPH is land locked and experiencing space constraints that are inhibiting it from meeting the significant demand for ambulatory care in the surrounding community. The proposed project is for a new construction, medical office building with approximately 61,000 gross square feet; estimated cost for this project is \$57,171,452. The proposed facility will be located in Planning Area A-06 and will serve patients from the surrounding Chicagoland area.

ROPH currently maintains a multi-specialty clinic and other standalone offices within the medical office building located on-campus. However, at this time all available space has been utilized and demand continues to grow. After careful review of utilization trends for ROPH, the system has determined that there are certain strategic service lines that can have a large impact on the system's patients and encourages this proposed expansion. RUSH will offer quick and convenient primary, specialty, and diagnostic services in a state-of-the-art outpatient center. The site will offer easy-to-use self-check-in kiosks and e-check-in options, same-day appointments (for certain specialties and primary care), online scheduling, extended and weekend hours, lab services, radiology, and X-rays.

There are several existing issues that this facility hopes to address. There will be a particular focus on Women's and Cardiovascular Health at the proposed facility. The facility will have next generation mammography machines available the facility, including the Hologic Dimension 3D/Tomosynthesis with a motorized table and a 3D/Tomosynthesis Mammography Unit with upright biopsy capability. These machines are designed to accelerate screening and analysis, and to allow practitioners to clearly see subtle lesions and fine calcifications to help pinpoint cancers early. This will allow for increased accuracy with greater certainty in patient diagnosis and development of treatment options. Early detection is crucial in the hopes of isolating and developing a treatment plan for patients. The RUSH system has identified breast cancer as the second most common disease site that the system's cancer patients are currently treated for. Since 2018 there has been an almost 10% increase in breast cancer patients.

The overarching goal of this project is to provide access to highly qualified, board-certified surgeons and physicians in the community. As more services shift to ambulatory models, it's important to create flexible workspace to maximize efficiencies for program growth. One example of maximizing efficiency and streamlining the patient experience is by shifting breast imaging screenings to the community. In this scenario, it increases the likelihood of receiving an annual mammogram If the patient can go after their annual exam with a primary care physician. Additionally, it shifts the lower complexity visits to the community, allowing for more complex work to be performed on ROPH's campus.

The proposed facility intends to offer patients over 15 sub-specialties including primary care, medicine, and surgical sub-specialties. In addition to the Women's Health initiatives at the facility there will be a significant focus on cardiovascular services and neurology. Located in the facility will be a Siemens Naeotom Alpha CT Scan machine which will offer intrinsic spectral imaging independent of scan speed and of temporal or spatial resolution. The Naeotom Alpha CT Scan machine redefines which patient populations can be addressed with cardiac CT. It even allows patients with heavy calcification or stents to have procedures performed, a patient population that old machines could not accommodate so well. This is accomplished by bringing spectral imaging to the coronary vessels which will aid doctors with impressive details for small structures.

Attachment 12

Purpose of the Project

Additionally, the facility will also offer a new state of the art MRI machine. The Magnetom Sola is the first 1.5T MRI system that automatically adjusts to patient biovariability to overcome unwarranted variations in MRI examinations. Practically speaking this means that patients will require fewer rescans, predictable scheduling and consistent, high-quality personalized exams with increased productivity. The new equipment and the efficiencies gained will provide doctors with better and more information to develop specialized treatment plans for patients based on their individual circumstances. Importantly, there will be no procedures that require anesthesia at within this multispecialty clinic.

The proposed facility will allow for both the consolidation of off-site primary care offices and expansion from the current on-campus medical office building. Some programs will remain on campus due to the proximity of other services, with the shift of other services to the off-campus setting to allow for more convenient access to a full range of primary care and specialty services. The visit growth projections for on-campus were 39,000 visits in FY22 (excluding private groups) and were expected to expand to 54,000 visits by FY32, with 20% of visits being infusions and 65% growth in need for medical and surgical sub-specialties. Based on data from FY2020-2022 there are strong indications that the total visit growth projections (primary/immediate care and specialty care) for off-campus services would be estimated at 62,158 in FY23 with a likely expansion to 114,515 by year 5 of operation.

The Rush Oak Park Primary Service Area is projected to grow 7.8% in the next 10 years for all outpatient activity. Office/Clinic visits are projected to grow at an even higher rate of 8.3%. With the population projected to decrease in the service area, the increase in outpatient activity is primarily due to the aging population. The proposed new facility will include but are not limited to the following specialties in the new building:

- Primary Care
- Family Medicine
- Women's Health
- Dermatology
- Cardiology
- Neurology
- Pulmonary
- Vascular Surgery
- Allergy
- Rheumatology
- Thoracic
- Hepatology
- Physical Medicine and Rehabilitation

The specialties that will remain on campus at ROPH include some Primary care, Cancer care, Urology, Gastroenterology, and Otolaryngology. A physical therapy program is also proposed for this site to provide convenient access for patients seeking care at the primary care and various subspecialty clinics. Additionally, RUSH continues to explore telehealth and immediate care programs that can potentially expand the programs and visits in this area. The proposed facility will also offer immediate care that provides a lower cost alternative to emergency room care, right in the community.

Attachment 13 Alternatives

Alternative #1: Maintain the Status Quo. (No Additional CON costs / Healthcare Delivery Costs)

This alternative has no capital costs associated with it, but also yields no benefit to the community. The existing multi-specialty clinic on Rush Oak Park Hospital's campus is not able to expand its services at its current site. The new medical office building will include both consolidation of off-site primary care offices and expansion from the current on-campus medical office building, as well as the ability to offer an additional 15 sub-specialties planned to practice in the proposed off-campus medical office building, including primary care, medicine, and surgical sub-specialties. There will be a significant focus on cardiovascular services, mammography, and neurology services. Taking no action now will result in the existing facility being unable to accommodate the anticipated visit growth and needs of the Oak Park and surrounding communities. It also will result in a notable gap in available care and would reflect poor healthcare planning. For these reasons, this alternative was not selected.

Alternative #2: Construct another Medical Office Building at another location. (Similar CON costs to Proposed Project)

Other locations in the health service area were considered. The overall cost and ultimate benefit did not support the selection of any of those sites. The opportunity to lease a building at this site was reflective of other sites considered in the market. The construction costs would not have been substantially more or less than the proposed project's cost. For these reasons, this alternative was not selected.

Alternative #3: Construct a smaller Medical Office Building at the same location. (Lower CON costs than Proposed Project / Smaller Healthcare Delivery Impact)

While a smaller Medical Office Building could be built on the site identified for this proposed project, this would fail to meet the demands of the growing demands for primary and specialty care services in the west side of Chicago and Wester suburbs. The construction costs for this alternative would likely have been less than the proposed project's cost. The inability of this alternative to meet the needs of the community would be poor healthcare planning. For these reasons, this alternative was not selected.

Alternative #4: Project as Proposed.

The project, as proposed, is the most responsible from a health planning perspective as well as from a patient care delivery perspective. Accordingly, this project enables the applicant to fulfil the CON principle of pursuing the most effective increase in access to care at the lowest appropriate cost. More importantly, it will ensure those patients reliant upon the exceptional care providers in the Oak Park community will continue to have access to the providers for multi-specialty care, and allow those patients expanded access to greater multi-disciplinary services. For those reasons, and given the deficiencies of the alternatives identified above, this is the alternative that was selected and is being presented to the Board for consideration and approval.

Attachment 14 Size of the Project

The square footage identified in this application for the proposed projects, includes 61,000 gross square feet of which 14,945 is clinical space, and the remaining 46,055 is non-clinical space. This gross square footage 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?
Diagnostic Radiology (Ultrasound, MRI, CT Scan, Stress Echo, X-Ray)	1,760	Total: 7,500 1,300 GSF Per Unit (General Radiology, Echo, Ultrasound); 1,800 GSF Per Unit (MRI); 1,800 Per Unit (CT Scan)	-5,740	YES
Breast Imaging	540	Total: 1,800 GSF 900 GSF Per Unit (Mammogram)	-1,260	YES

Attachment 15

Project Services Utilization

The proposed medical office building is designed with the primary purpose of increasing access to primary and specialty care for the residents of the planning area where the facility will be located. It is expected that the facility will also provide services to RUSH patients in secondary service areas. The existing medical office building on Rush Oak Park Hospital's campus is at capacity and the need to expand services warrants the proposed project.

The facility will provide access to state-of-the-art medical equipment for their patient base. The Applicant previously described that the facility will place an emphasis on Women's Health and will have multiple 3D/Tomosynthesis Mammography units. Based on appointments scheduled through the first quarter of 2023 and extrapolated through the end of the year it is expected that the proposed facility would receive nearly 7,750 appointment requests and if only 85% of those appointments were filled, that would lead to 6,587 visits for use of the mammography machines. In year 1 of operation, one machine would meet the state's target utilization standard of 5,000 visits and would justify a second machine in the building.



(3D/Tomosynthesis Mammography Unit with upright biopsy capability)

There will be one X-Ray machine and one Ultrasound machine utilized at the proposed facility. Rush Oak Park Hospital saw significant outpatient volume according to the 2019 Annual Hospital Profile submitted to Board and the volume has generally remained consistent. The hospital performed 28,620 outpatient X-Rays in 2022, and after reviewing data gathered from other RUSH medical office buildings it was found that the facility in the South Loop expects to perform 3,213 X-Rays and there will be 1,071 performed at their River North facility in 2023. Considering the shift of certain service lines from Rush Oak Park Hospital to the proposed facility it is projected that in year one at least 4,000 X-Rays will be performed. Using the same methodology, Rush Oak Park Hospital had 10,156 outpatient Ultrasound visits, and after reviewing data gathered from other RUSH medical office buildings it was found that the facility in the South Loop expects to have 2,652 Ultrasound visits and there will be 1,632 Ultrasound visits at their River North facility. The proposed facility is projected to have at 2,700 Ultrasound visits. The projected X-Ray procedure and Ultrasound visits justifies the one X-Ray machine and one Ultrasound machine at the proposed facility.

Attachment 15

Project Services Utilization

There will also be one CT Scan machine at the proposed facility. Rush Oak Park Hospital has performed 15,507 CT Scans in 2022. The Applicants also reviewed data gathered from the RUSH South Loop medical office building and it was found that the facility expects to perform 2,805 CT Scans this year. It is projected that in year one at least 7,425 procedures would be performed at the proposed facility. The projected CT scans to be performed justifies the one machine at the proposed facility.



(Siemens Naeotom Alpha CT Scan)

Attachment 15

Project Services Utilization

There will also be one MRI machine at the facility. Rush Oak Park Hospital had 3,946 outpatient MRI visits in 2022. The Applicants reviewed data gathered from the RUSH South Loop medical office building and it was found that the facility expects to perform 2,550 MRI procedures this year. It is projected that in year one at least 3,080 procedures would be performed at the proposed facility. The projected MRI visits justify the one machine that will be at the proposed facility.



(Siemens Magnetom Sola MRI)

Attachment 31

Need Determination Necessary Expansion

The proposed medical office building is designed with the primary purpose of increasing access to primary and specialty care for the residents of the planning area where the facility will be located. The services are not hospital-based services but will be performed by physicians affiliated with RUSH. It is expected that the facility will also provide services to RUSH patients in secondary service areas. The existing medical office building on Rush Oak Park Hospital's campus is at capacity and the need to expand services warrants the proposed project. This project will address a necessary expansion of services resulting from these capacity issues.

There will be ample demand for services from RUSH's existing patient base as evidenced by patient visit volume historically. The chart below reflects that since FY2020 patient visit volume has grown at ROPH and other RUSH physician office locations in the community. With approval of this project, it is expected that many of these patients will be able to seek treatment and utilize the various diagnostic equipment at the proposed facility. This will have little impact on other area providers and will allow the RUSH system to better serve its existing patient base.

DEPARTMENT	FY 2020	FY 2021	FY 2022	FY 2023 Projected	Future Location	Volume Projections YR1	Volume Projections YR5
Rush Oak Park Hospital Primary Care Visits (Multiple Sites)	24,172	28,046	31,088	31,686	North & Harlem MOB	39,131	52,389
Rush Oak Park Hospital Immediate Care Visits	-	-	-	-	North & Harlem MOB	3,119	11,000
Rush Oak Park Hospital Specialty Care Visits (Multiple Specialties)	22,024	26,533	28,154	30,472	North & Harlem MOB	38,288	51,126
TOTAL RUSH NORTH & HARLEM: HISTORICAL & PROJECTED	46,196	54,579	59,242	62,158		80,538	114,515

Attachment 31

Need Determination Necessary Expansion

UTILIZATION					
	DEPT. / SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1	Mammography Ultra-Sound X-Ray CT Scan MRI	7,220 Visits 10,156 Visits 28,620 Procedures 15,507 Procedures 3,946 Procedures	6,587 Visits 2,700 Visits 4,000 Procedures 7,425 Procedures 3,080 Visits	5,000 Visits (x2) 3,100 Visits 8,000 Procedures 7,000 Visits 2,500 Visits	YES
YEAR 2	Mammography Ultra-Sound X-Ray CT Scan MRI	7,220 Visits 10,156 Visits 28,620 Procedures 15,507 Procedures 3,946 Procedures	6,784 Visits 2,700 Visits 4,400 Procedures 7,425 Procedures 3,080 Procedures	5,000 Visits 3,100 Visits 8,000 Procedures 7,000 Visits 2,500 Procedures	YES

Attachment 33 Availability of Funds

The total estimated project cost is \$57,171,452. The Applicants will fund the Project's construction costs with cash and cash equivalents/method of funding, while \$23,984,445 of the total project cost will be paid through the lease associated with leasing space in the building. Rush University System for Health has sufficient internal resources to fund its necessary working capital as demonstrated in its letter of proof of funding and its most recent audited financial statements which are enclosed with this attached.

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

**Attachment 33
Audited Financial Statement**



Rush University System for Health

**Annual Report
For the Fiscal Year Ended June 30, 2022
Audited**

Rush Copley Medical Center
Rush Oak Park Hospital
Rush University Medical Center
Rush University

Attachment 33

Audited Financial Statement

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION IN THIS ANNUAL REPORT

Certain statements included or incorporated by reference in this Annual Report constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE OBLIGATED GROUP DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

VOLUNTARY INFORMATION REGARDING THE IMPACT OF COVID-19 ON OPERATIONS AND FINANCIAL CONDITION

In March 2020, the World Health Organization declared the novel coronavirus disease 2019 (“COVID-19”) outbreak a global pandemic. Throughout fiscal year 2022, the COVID-19 surge continued to materially impact RUSH and has impacted the business and financial condition of the RUSH Obligated Group. 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.

As of October 13, 2022, the Johns Hopkins University Corona Virus Resource Center Tracker reported the United States to have the second largest number of 28-day confirmed cases at approximately 1.3 million. Of the United States counties, Cook County, Illinois has the fourth largest number of confirmed cases at approximately 1.4 million. As a result of the ongoing COVID-19 impact, RUSH and other systems nationally are facing workforce challenges. RUSH has made its labor force a priority and implemented crisis pay, retention and signing bonuses, and other labor initiatives. These workforce strategies will continue to impact operating expenses. RUSH continues its efforts to mitigate the financial impacts as it works to maintain elective surgical cases and manage non-COVID related expenses.

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 and the American Rescue Plan Act (“ARPA”). These various payments of \$84.5 and \$61.2 were recorded as other revenue in the consolidated statements of operations and changes in net assets during the years ended June 30, 2022 and 2021, respectively. In fiscal year 2020, RUSH also received advanced payments from Medicare of \$231.7 which were recorded within estimated third-party settlements and advances payable in the consolidated balance sheets. During fiscal year 2021, RUSH paid back \$39.2 of advanced payments from Medicare and \$192.5 remained outstanding as of June 30, 2021. Throughout fiscal year 2022, RUSH has paid back an additional \$158.6 of advanced payments from Medicare and \$33.9 remains outstanding as of June 30, 2022. The remaining amount will be repaid in fiscal year 2023 and is recorded within estimated third party settlements and advances payable in the consolidated balance sheet.

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.

Attachment 33

Audited Financial Statement

PURPOSE OF THE ANNUAL REPORT

The purpose of this Annual Report is to present certain financial and operating information for the RUSH Obligated Group as defined below, for fiscal years ended June 30, 2022 and 2021 and management's discussion and analysis of the RUSH Obligated Group's financial condition and results of operations for the fiscal year ended June 30, 2022. This report also provides insights on the quality of earnings reported, significant balance sheet assumptions used and any changes in assumptions used, risks to the balance sheet and statement of operations, and the impact of anticipated future events.

Effective March 1, 2017, Rush University Medical Center ("RUMC") and Rush Copley Medical Center ("RCMC") reorganized their operations under a common corporate parent, Rush System for Health, d/b/a Rush University System for Health (the "System Parent"). The System Parent, together with its various wholly-owned or ultimately controlled subsidiaries, collectively comprise the integrated academic health system referred to herein as "RUSH". RUSH is led by a 13-member board of trustees (the "System Parent Board"), responsible for overseeing the vision and strategy of RUSH. The System Parent, RUMC, RCMC, Rush Oak Park Hospital ("ROPH") and Copley Memorial Hospital ("CMH"), Rush Copley Foundation ("Copley Foundation"), Copley Ventures and Rush Copley Medical Group ("RCMG") comprise 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 RUSH Obligated Group ("the Master Trust Indenture").

The financial and operating data in this Annual Report continues to be presented on a consolidated basis for this report. Consolidating schedules for RUSH are included on pages 38 - 40 of this report. For fiscal year ended June 30, 2022, the Obligated Group members constituted approximately 99.1% of the total revenue of RUSH. See "INTRODUCTION OF RUSH - PRESENTATION OF FINANCIAL INFORMATION" below for additional information.

This report includes the consolidated activities and results of the Obligated Group. The primary activities and consolidated results of this report includes the three hospitals, Rush University education and research activities, Rush University Medical Group ("RUMG"), RUMC's faculty practice plans, and other physician practice activity as well as other operating activities.

Attachment 33

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OFFICER'S CERTIFICATE

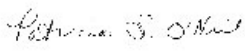
The undersigned duly appointed and Senior Vice President and Chief Financial Officer of Rush University Medical Center and Rush University System for Health, as the Group Representative pursuant to the Master Continuing Disclosure Agreement dated as of February 1, 2015 between the Group Representative, on behalf of itself and the other members of the Obligated Group, and Digital Assurance Certification, L.L.C., as Dissemination Agent (Dissemination Agent), hereby certifies as follows:

1. **Definitions.** Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Master Continuing Disclosure Agreement.
2. **Annual Report.** Accompanying this Annual Report Certificate is the Annual Report for fiscal year ended June 30, 2022.
3. **Compliance with Master Continuing Disclosure Agreement.** The Annual Report is being delivered to the Dissemination Agent herewith not later than the one-hundred twentieth (120th) day following the end of such fiscal year which is the applicable Annual Report Date for purposes of such Annual Report. The Annual Report contains, or includes by reference, the Financial Information and Operating Data required by the Master Continuing Disclosure Agreement. The Financial Information and Operating Data include information with respect to the Obligated Persons identified in Schedule 1 hereto, and such Obligated Persons constitute all of the Obligated Persons with respect to the Related Bonds for the fiscal year covered by the Annual Report. To the extent any information is included in the Quarterly Report by reference, any document so referred to has been previously provided to the Repositories or filed with the SEC or, in the case of a reference to a Final Official Statement, has been filed with the MSRB.

Such Financial Information and Operating Data have been prepared on the same basis as the most recently prepared Audited Financial Statements.

IN WITNESS WHEREOF the undersigned has executed and delivered this Annual Report Certificate to the Dissemination Agent, which has received such certificate and the Annual Report, all as of the 27th day of October 2022.

RUSH UNIVERSITY MEDICAL CENTER
As Group Representative


By: _____

Patricia S. O'Neil

Its: Senior Vice President and Chief Financial Officer

Acknowledgment of Receipt:

Digital Assurance Certification (DAC)
As Dissemination Agent

By: 
Shana Blanchard

Its: Client Service Manager, Deputy Director

Attachment 33

Audited Financial Statement

OBLIGATED PERSONS

1. Rush University Medical Center (“RUMC”)
2. Rush Oak Park Hospital (“ROPH”)
3. Copley Memorial Hospital, Inc. (“CMH”)
4. Rush Copley Medical Center (“RCMC”)
5. Rush Copley Foundation (“Copley Foundation”)
6. Copley Ventures, Inc. (“Copley Ventures”)
7. Rush Copley Medical Group NFP (“RCMG”)
8. Rush University System for Health (“System Parent”)

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Audited Financial Statement

Selected Financial Results and Other Information

The selected financial data for the fiscal year ended June 30, 2022 and 2021 are derived from audited consolidated financial statements of the Obligated Group. The audited consolidated financial statements include all adjustments, including normal recurring accruals, which the Obligated Group considers necessary for a fair presentation of the financial position and the results of operations for these periods. See below for various highlights of the annual Obligated Group results:

(Dollars in thousands)

Financial Results for the Obligated Group (with Stimulus)	Fiscal Year Ended Jun 30, 2022	Fiscal Year Ended Jun 30, 2021	Impact	
Total operating revenue	\$ 3,166,887	\$ 2,997,444	\$ 169,443	5.7%
Total operating expenses (1)	3,056,389	2,874,621	(181,768)	-6.3%
Operating income (2)	110,498	122,823	(12,325)	10.0%
Non-operating (expense) income	(137,205)	192,235	(329,440)	171.4%
Excess of (loss) revenue over expenses	(26,707)	315,058	(341,765)	108.5%
Operating CashFlow Margin	288,854	304,991	(16,137)	-5.3%
Financial Results for the Obligated Group (without Stimulus)	Fiscal Year Ended Jun 30, 2022	Fiscal Year Ended Jun 30, 2021	Impact	
Total operating revenue	\$ 3,082,390	\$ 2,936,244	\$ 146,146	5.0%
Total operating expenses (1)	3,056,389	2,874,621	(181,768)	-6.3%
Operating income	26,001	61,623	(35,622)	57.8%
Non-operating (expense) income	(137,205)	192,235	(329,440)	171.4%
Excess of (loss) revenue over expenses	(111,204)	253,858	(365,062)	143.8%
Operating CashFlow Margin	204,357	243,791	(39,434)	-16.2%
Selected Obligated Group Cash Flow Information for the	Fiscal Year Ended Jun 30, 2022	Fiscal Year Ended Jun 30, 2021	Impact	
Net cash provided by operating activities	\$ 50,593	\$ 425,261	\$ (374,668)	-88.1%
Changes in operating assets and liabilities	(231,242)	176,722	(407,964)	230.9%
Capital expenditures	(211,670)	(172,554)	(39,116)	-22.7%
Selected Obligated Group Balance Sheet Information as of	Jun 30, 2022	June 30, 2021	Impact	
Unrestricted cash and investments	\$ 1,855,516	\$ 2,161,836	\$ (306,320)	-14.2%
Restricted cash and investments	868,333	923,744	(55,411)	-6.0%
Accounts receivable for patient services	370,352	364,311	6,041	-1.7%
Net property and equipment	1,692,178	1,618,770	73,408	4.5%
Obligated Group indebtedness	920,625	937,510	16,885	1.8%
Postretirement and pension benefits assets	45,582	65,694	20,112	30.6%
Postretirement and pension benefits liabilities	98,760	95,216	(3,544)	-3.7%
Net assets without donor restrictions	1,923,342	1,978,159	(54,816)	-2.8%

Note 1: Refer to 'Significant Nonrecurring Items' on page 21 of this Annual Report for a listing of items impacting the Obligated Group's reported operating income for the fiscal year ended June 30, 2022 and 2021.

Note 2: Operating income includes Stimulus Funding of \$84.5 and \$61.2 million through fiscal year ended June 30, 2022 and 2021, respectively.

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Audited Financial Statement

Financial Ratios – Obligated Group

	AUDITED FISCAL YEAR				TARGET
	2022 Actual	2021 Actual	2020 Actual	2019 Actual	Moody's "A" Median 2021 (2)
Operating Performance:					
Adjusted Operating Margin - Excluding pension settlement expense (4)	N/A	N/A	N/A	2.2%	3.1%
Operating Margin	3.5%	4.1%	-2.9%	1.3%	3.1%
Operating Margin without Stimulus Funding (5)	0.8%	2.1%	-6.3%	N/A	3.1%
Excess Margin (1) (4)	5.0%	5.6%	-1.7%	3.3%	6.7%
Operating Cash Flow Margin (4)	9.1%	10.2%	4.1%	8.0%	8.8%
Liquidity:					
Days Cash on Hand (4)	232.8	289.5	255.9	195.5	268.4
Days in Patient Accounts Receivable	50.0	51.6	57.0	61.9	48.3
Financial Position / Debt Capacity:					
Debt to Capitalization	32.4%	32.2%	39.6%	28.5%	29.1%
Debt to Cash Flow (1) (4)	3.0	2.9	9.4	3.2	2.6
Cash to Debt	201.5%	230.6%	175.1%	188.8%	220.4%
Maximum Annual Debt Service Coverage (1) (3) (4)	5.4x	5.6x	2.1x	5.2x	5.5x
Annual Debt Service Coverage (1) (3) (4)	7.7x	7.5x	3.1x	5.7x	6.0x
Average Age of Plant in Years	13.0	12.5	11.1	12.6	12.4
Capital Spending Ratio	1.4	1.2	1.4	1.5	1.1

Note 1: Net income excludes unrealized gains and losses on unrestricted investments, change in fair value of interest rate swaps still outstanding, nonoperating loss on impairment of assets, loss on early extinguishment of debt, and pension settlement expense.

Note 2: As published by Moody's Investor Services, Fiscal Year 2021 Not-for-Profit Health care Medians for Freestanding Hospitals, Single-State and Multi-State Healthcare Systems, September 2022.

Note 3: Net revenue available for debt service excludes unrealized gain and losses on trading securities, net gains and losses on sales, a component of nonoperating income, which is consistent with the Obligated Group debt covenant calculation.

Note 4: In fiscal year 2019, RUMC and ROPH offered an early retirement opportunity ("ERO") to certain eligible employees. The ERO created a \$23.2 million pension settlement expense, which is excluded from total operating expenses above. RUMC and ROPH also paid \$13.1 million in severance to ERO participants, which is included in total operating expenses within salaries and benefits.

Note 5: Operating income excludes Stimulus Funding of \$84.5, \$61.2 and \$86.0 million through fiscal years ended June 30, 2022, 2021 and 2020, respectively.

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INTRODUCTION

This Annual Report contains information concerning the RUSH Obligated Group, which comprises Rush System for Health d/b/a Rush University System for Health (the “System Parent”) and its various wholly owned or ultimately controlled subsidiaries (together with the System Parent, collectively, “RUSH”). RUSH shares a common mission across entities to improve the health of the individuals and diverse communities it serves through the integration of outstanding patient care, education, research and community partnerships.

RUSH

Effective March 1, 2017, after 30 years of collaboration as members of the same Obligated Group, Rush University Medical Center (“RUMC”) and Rush Copley Medical Center (“RCMC”) entered into a reorganization agreement to fully integrate their operations under the System Parent, forming RUSH. RUSH comprises: (i) RUMC, RCMC and Rush Oak Park Hospital (“ROPH”), each of which owns and operates a hospital (the “Hospitals”), (ii) numerous outpatient care facilities throughout the Chicagoland area, (iii) Rush University, a health sciences university with more than 2,800 students comprised of Rush Medical College, the College of Nursing, the College of Health Sciences and the Graduate College and (iv) Rush Health, RUSH’s physician hospital organization and clinically integrated network, which includes the Hospitals, Riverside Health System in Kankakee and more than 2,400 affiliated providers. As of June 30, 2022, RUSH included three hospitals, 967 staffed beds, and 846 employed physicians.

The Obligated Group

The System Parent and certain of its affiliates are members of the RUSH Obligated Group created under the Master Trust Indenture, as described herein. The entities listed as “Obligated Persons” on page 4 of this Report are the only members of the RUSH Obligated Group and are the only entities that have any liability or obligation under the Master Trust Indenture.

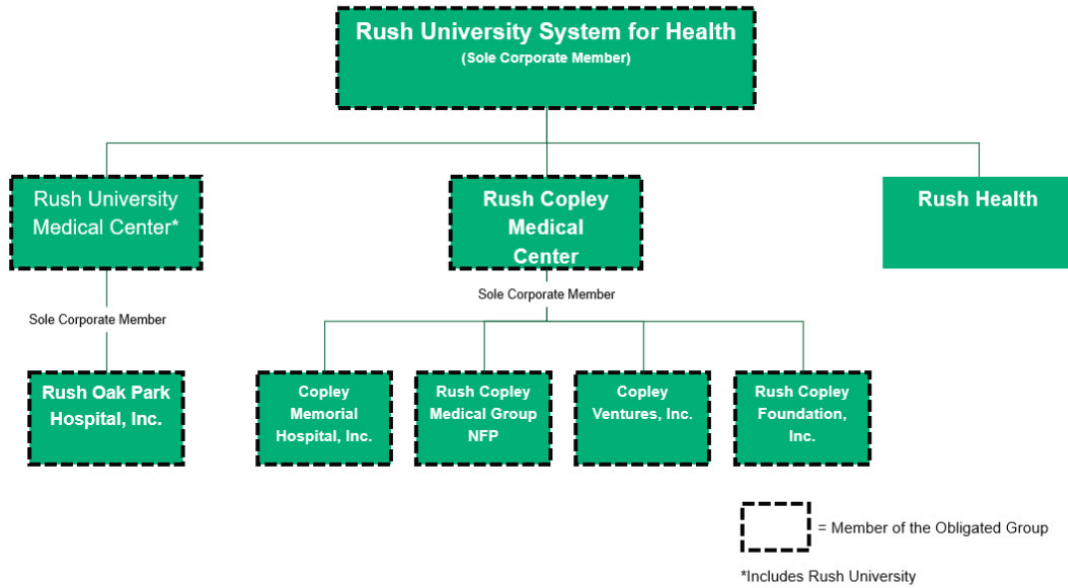
Rush Health and Riverside Health System are not members of the RUSH Obligated Group and do not have any liability with respect to the Master Trust Indenture. The Obligated Group members have other affiliates, joint ventures and investments in other organizations which are not members of the RUSH Obligated Group and which do not have any liability with respect to the Master Trust Indenture. These organizations primarily operate inpatient and outpatient health and related services that support the operations of the RUSH Hospitals and the mission of RUSH. In addition, joint ventures and investments, although not members of the Obligated Group, are accounted for in the RUSH financial statements using the equity method or are consolidated depending upon the control exercised by the RUSH Obligated Group.

Organizational Chart

The chart on the following page reflects the corporate organizational structure of RUSH, excluding joint ventures and other affiliated for-profit companies which are disregarded from a federal tax accounting perspective. The entities shown are all members of the Obligated Group other than Rush Health.

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Vision, Mission and Imperatives

RUSH's vision is to be the leading academic health system in the region and nationally recognized for transforming health care. The mission of RUSH is to improve the health of the individuals and diverse communities it serves through the integration of outstanding patient care, education, research and community partnerships. RUSH's core "I CARE" values — Innovation, Collaboration, Accountability, Respect and Excellence — are the roadmap to its mission and vision.

Excellence at RUSH comes from its singular focus to improve health for all. Across its three hospitals, integrated health sciences university and more than 30 care locations, everything at RUSH is built around this commitment.

RUSH is a learning health care system with research, education, training and excellent clinical care rooted in its values. With this foundation, RUSH is building cutting-edge capacity and an outstanding, best-in-class workforce trained to provide the right care, in the right place, at the right time. Fully leveraging these resources will deliver what matters most to patients: the best value and the best outcomes for the best life.

Presentation of Financial Information

Although the System Parent and the other Obligated Persons listed on page 4 of this report are currently the only members of the RUSH Obligated Group under the Master Trust Indenture, the System Parent controls directly or indirectly, a number of other non-member entities whose revenues and expenses and results of operations are included in RUSH consolidated financial statements included in appendix hereto. Such non-member joint ventures and investment entities are accounted for in RUSH audited consolidated financial statements using the equity method of accounting or are consolidated depending upon the control exercised by the applicable Obligated Group member. Further, the information describing the financial condition of RUSH contained in this Annual Report includes information with respect to these entities which are not Obligated Group members. For the fiscal year ended June 30, 2022, these non-member entities constituted approximately 0.9% of total revenue of RUSH.

Obligated Group Members

Rush University System for Health – The System Parent is the sole corporate member (with reserved powers over the operations) of RUMC, RCMC and Rush Health and oversees all entities that comprise RUSH.

Rush University Medical Center – RUMC owns and operates an academic medical center located in Chicago, Illinois. Major operations of RUMC include Rush University Hospital ("RUH"), Rush University and Rush University Medical Group ("RUMG"). The hospital operations of RUMC are licensed by the State of Illinois to operate 727 beds and includes the Johnston R. Bowman Health Center, which provides medical and rehabilitative care to older adults and people with short- and long-term disabilities, and Rush University Children's Hospital. According to COMpdata, RUMC is the fourth largest hospital provider in the eight county Chicago metropolitan area as measured by market share. RUMC is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Rush Oak Park Hospital, Inc. – ROPH owns and operates a 165 licensed bed acute care facility located approximately eight miles west of RUMC in Oak Park, Illinois. Effective June 30, 2014, ROPH became a member of the Obligated Group. ROPH is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code.

Rush Copley Medical Center – RCMC is the sole corporate member (with reserved powers over the operations) of the other Copley members of the Obligated Group (a description of each as follows). RCMC supports the other Copley members by providing administrative, management and related services. RCMC is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code.

Copley Memorial Hospital, Inc. – Copley owns and operates an acute care hospital located approximately 35 miles west of RUMC in Aurora, Illinois. Copley is licensed by the State of Illinois to operate 210 beds, all of which are currently staffed. Copley is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code.

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Rush Copley Foundation – Copley Foundation solicits contributions to support health care activities in RCMC's service area, including, but not limited to, those of RCMC. Copley Foundation is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code.

Copley Ventures, Inc. – Copley Ventures holds title to property for rental purposes. Copley Ventures is an Illinois not for profit corporation, which is exempt from federal income taxes under Section 501(c)(3) of the Code.

Rush Copley Medical Group NFP – The Medical Group owns, operates, controls and otherwise coordinates the activities of physician practice health and medical services and provides certain physician billing and administrative services. The Medical Group is an Illinois not for profit taxable corporation.

Non-Obligated Group Members

Rush Health, an Illinois not for profit corporation, was established in 1994 for the purpose of contracting and administering various contracts with certain managed care organizations, marketing and improving clinical processes and outcomes through the integration and coordination of high-quality, patient-focused, cost-effective health care products and services meeting the needs of the patient, employer, community and the provider. Rush Health has evolved into RUSH's physician hospital organization and clinically integrated network. Members currently include RUMC, ROPH, RCMC, Riverside Health System and more than 2,400 affiliated providers (1,377 affiliated physicians and 1,044 Advance Practice Providers). Rush Health manages more than \$2.9 billion in net patient services revenues and has approximately 146,847 lives covered under a variety of commercial and governmental value-based care arrangements.

Rush Health also operates a subsidiary company, Rush Health ACO, which holds an Medicare Shared Savings Program ("MSSP") contract. All Rush Health providers are participants in the Rush Health ACO.

RUSH Service Area

RUSH serves the greater eight-county Chicago metro area, which has an estimated population of almost nine million people. This market area encompasses Cook, DuPage, Kane, Kankakee, Kendall, McHenry, Lake and Will counties.

Governance

On March 1, 2017, RUMC and RCMC reorganized their operations under a newly constituted System Parent Board of Trustees (the "System Parent Board" or the "Board"). The Board, established to facilitate nimble, centralized and shared governance over key strategic and threshold matters, is comprised of 13 Trustees ("Trustees"), 10 of which are members of the board of RUMC and three of which are members of the board of RCMC. The System Parent Board has certain reserved powers aimed to ensure RUSH meets the commitments of its mission and supports the continued pursuit of the RUSH vision. Local subsidiary boards at RUMC, RCMC and ROPH have been maintained to support community-focused, patient prioritized governance of Hospital and ambulatory care initiatives. RUSH deems these subsidiary boards critical to system-wide success, as the local leadership and local board of each Hospital best know their communities and understand their unique needs. RUSH's governance structure and management style rely on, support and respect this expertise.

Medical Staff

Each Hospital has a separate medical staff. The members of each medical staff are appointed by the board of each Hospital in accordance with the appointment and reappointment procedures in the respective medical staff bylaws and according to the respective Hospital's governance procedures. The categories of membership for each Hospital's medical staff are determined by each Hospital's medical staff bylaws. As of June 30, 2022, RUSH's medical staff consists of 846 employed physicians.

Recognition

All three RUSH hospitals have achieved Magnet status, the highest recognition a hospital can receive for nursing excellence, with Rush University Medical Center receiving its fifth consecutive designation in 2020, Rush Oak Park Hospital receiving its second designation in 2021 and Rush Copley Medical Center receiving their designation in 2020. The Medical Center is the only hospital in Illinois

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providing care to both adults and children to have achieved Magnet status five times and was the first hospital for adults and children in the state to achieve Magnet status.

As of September 2022, RUMC was recognized as being among the top academic medical centers nationwide in the annual ranking by Vizient. RUMC ranked number 3 out of 107 comprehensive US academic medical centers assessed by Vizient for excellence in delivering high-quality care. Vizient also ranked RUMC number 3 among 55 participating ambulatory (i.e., outpatient clinic) care practices in its Ambulatory Care Quality and Accountability Ranking.

In July 2022, for the third year in a row, Rush University Medical Center has earned a place on U.S. News & World Report's annual Best Hospitals Honor Roll. Of the more than 4,500 U.S. hospitals evaluated, Rush University Medical Center ranked No. 20 in the nation, with ten of Rush specialties rated among the country's very best and four ranked best in Illinois. To put this achievement in perspective, only about 5.0% of evaluated hospitals receive high enough scores to rank nationally in even one specialty.

In July 2022, all three RUSH hospitals received high marks for quality and patient experience from the Centers for Medicare & Medicaid Services, with Rush University Medical Center and Rush Oak Park Hospital earning five-star ratings, the highest designation, and Rush Copley Medical Center earning four stars.

In May 2022, RUSH achieved Cum Laude in Epic's Honor Roll Program. The Honor Roll Program is a recognition program based on use of strategies, lessons learned, and best practices distilled from Epic's experience serving well-respected healthcare organizations.

In April 2022, for the third consecutive time, all three RUSH hospitals have received 'A' grades, the highest possible, in the latest grades awarded by The Leapfrog Group, a nonprofit watchdog organization. The grades are an assessment of hospitals' success in protecting patients from harm and medical errors.

In January 2022, RUSH System received its ninth Beacon Award. The Beacon award honors excellence in intensive care nursing and is regarded as the top honor in the field. The medical intensive care unit at RUMC, received a silver-level Beacon award in January while being one of the primary units for providing care for patients with COVID-19. ROPH has earned a gold-level designation for its ICU. RCMC also has received a gold-level designation for its ICU, and Rush Copley's intermediate care unit earned a silver-level designation.

THE HOSPITALS AND UNIVERSITY

Rush University Medical Center

History and Background

Major operations of RUMC include RUH, RUMG and Rush University, a graduate health sciences university that educates students in health related fields and houses Rush Medical College, the College of Nursing, the College of Health Sciences and the Graduate College.

Location

RUMC is located on the west side of Chicago, Illinois. RUMC operates in the eight county area which includes the City of Chicago and surrounding counties. The clinical and academic facilities of RUMC are primarily located on approximately 33 acres in the northeast portion of the Illinois Medical District ("IMD"), which consists of 560 acres on the near west side of Chicago.

Service Area and Competition

RUMC considers its service area to be the eight counties surrounding and including the City of Chicago. The eight county market area encompasses Cook, DuPage, Kane, Kankakee, Kendall, McHenry, Lake and Will counties. RUMC is the fourth largest inpatient hospital

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provider in this market area, with a market share of 3.4% for the twelve months ended June 30, 2022, down from 3.6% in June 30, 2021. RUMC was the first in Bone and Joint, second in Cancer, second in Neuroscience and fifth in the market in transplant.

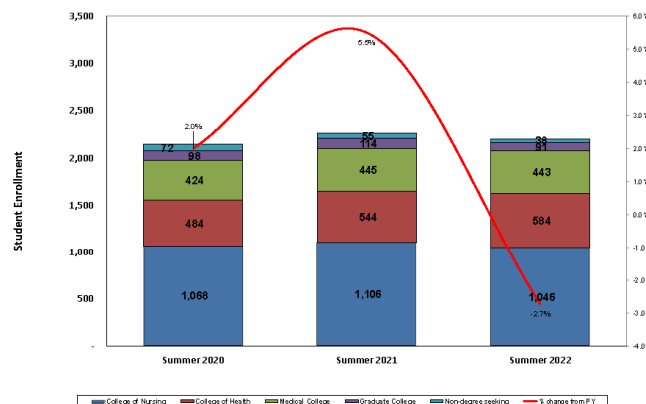
RUMC's primary service area ("PSA") consists of 61 ZIP codes that surround the RUMC main campus. These ZIP codes were responsible for 58.0% and 56.9% of RUMC's total discharges in fiscal year 2021 and 2020, respectively.

RUMC considers its principal, but not exclusive, competition to be the four other academic medical centers in the Chicago metropolitan area. In addition, there are several large institutions in the area that provide certain tertiary levels of care which are also provided by RUMC and numerous community hospitals that provide primary and secondary levels of care which are also provided by RUMC. The four academic medical centers are Northwestern Memorial Hospital, University of Chicago Hospitals & Health System, Loyola University Medical Center and the University of Illinois at Chicago Medical Center.

Rush University

Rush University, which includes Rush Medical College, the College of Nursing, the College of Health Sciences and the Graduate College, was established in 1972 as the higher education component of RUMC. The antecedent to Rush University dates from 1837 when Rush Medical College was founded, two days before the city of Chicago was chartered. Rush Medical College graduated 10,976 physicians before suspending operations in 1942. It was reactivated in 1969. Rush University's reputation for excellence is reinforced by U.S. News & World Report 2023 Best Graduate Schools rankings. The College of Nursing is ranked first in the Nursing Administration and Pediatric Acute Care DNP categories. In addition, the College of Nursing ranked in the top five in seven other categories.

Revenue consists mainly of tuition revenue. Expenses are those instructional expenses required to educate the students. Enrollment continues to grow with total enrollment in the four colleges of 2,202 students in the summer of 2022. Total summer enrollment for 2020, 2021 and 2022 in Rush University is shown on the following table.



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Rush Copley Medical Center

History and Background

Copley Memorial Hospital, which operates as Rush Copley Medical Center, has served the health care needs of the greater Aurora community since 1886 when it began operations as the Aurora City Hospital. In 1995, Copley opened a new acute care hospital and closed its previously existing facility. RCMC is a full service community hospital offering a comprehensive range of inpatient and outpatient services. In addition to traditional community hospital services, RCMC also provides more sophisticated services including an inpatient rehabilitation unit, cardiovascular surgery, a cancer center with two linear accelerators and stereotactic radiosurgery, gynecologic oncology, neurosurgical services, a movement disorders program, a neuro intensive care unit, and a neonatal intensive care unit.

Location

RCMC is located approximately 35 miles west of RUMC in Aurora, Illinois. The clinical facilities are located primarily on a 98-acre campus serving Aurora and the greater Aurora community, including most of southern Kane County and Kendall County.

Service Area and Competition

RCMC's PSA is located almost wholly in southern Kane County and Kendall County, as well as parts of DuPage, DeKalb, LaSalle, Grundy, and Will counties and is comprised of Aurora and communities to the west of Aurora including Montgomery, Oswego, Sugar Grove, Yorkville and a number of other rural communities in Kendall County. RCMC is the largest inpatient hospital provider in this market area, with a market share of 37.5% for the twelve months ended June 30, 2022.

Rush Oak Park Hospital

History and Background

Opened in 1907 by the Sisters of Misericordia, ROPH was the first hospital in the area. ROPH historically was affiliated with Wheaton Franciscan Services, Inc. In 1997, RUMC assumed full management of hospital operations, bringing its comprehensive services, programs and physicians to ROPH and in 2014 RUMC became the sole corporate member of ROPH. The ROPH campus includes the Breast Center, a state-of-the-art Interventional Radiology and Surgical suites, a comprehensive Center for Diabetes and Endocrine Care with an American Diabetes Association-Recognized Education Program and board-certified endocrinologists, a new emergency department, and a busy Multispecialty Clinic with providers from Rush University Medical Group.

Location

ROPH is located approximately eight miles west of RUMC in Oak Park, Illinois. Oak Park is a village adjacent to the west side of the city of Chicago in Cook County, Illinois.

Service Area and Competition

ROPH has been a key health care provider in the Oak Park and River Forest community for more than 100 years. As a foundational location within RUSH, ROPH combines the convenience and personal touch of a community hospital with the technology and expertise of a major academic health system.

ROPH is a full service community hospital offering a comprehensive range of inpatient and outpatient services. In addition to traditional community hospital services, ROPH also provides comprehensive diabetes care, orthopaedics and a Rush Radiation Therapy Center.

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SUMMARY OF HISTORICAL UTILIZATION AND FINANCIAL INFORMATION

Historical Utilization of Services

The following tables summarize certain consolidated historical utilization statistics for the Obligated Group for the fiscal years ended June 30, 2022 and 2021:

Historical Utilization of Services

	Fiscal Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
Beds:		
Licensed	1,102	1,122
Staffed	967	1,043
Utilization Statistics:		
Admissions	45,934	49,717
Patient Days	250,442	253,373
Average length of stay	5.45	5.10
Adjusted Discharges	112,885	113,362
Occupancy:		
RUMC	71.2%	71.6%
ROPH	62.6%	31.4%
RCMC	<u>73.4%</u>	<u>78.1%</u>
Obligated Group	71.0%	66.6%
Emergency Room Visits:	174,950	165,614
Surgical Procedures:		
Inpatient	13,744	15,907
Outpatient	<u>43,579</u>	<u>41,301</u>
Total	57,323	57,208
Volumes:		
Provider Visits	1,139,279	1,074,800
Outpatient Visits	<u>926,053</u>	<u>1,009,607</u>
Total	2,065,332	2,084,407

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Summary of Revenues and Expenses

The selected financial data for the fiscal years ended June 30, 2022 and 2021 are derived from audited consolidated financial statements of RUSH. The audited consolidated financial statements include all adjustments, including normal recurring accruals, which RUSH considers necessary for a fair presentation of the financial position and the results of operations for these periods. See below for various highlights of quarterly results:

RUSH currently files annual reports and certain other disclosures on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

Operating Results

The operating results of the Obligated Group for the fiscal years ended June 30, 2022 and 2021 were as follows:

Inpatient / Outpatient percentage breakdown was 42.2% / 57.8% and 45.4% / 54.6% for the fiscal years ended June 30, 2022 and 2021.

Summary of Statement of Operations - Obligated Group

<i>(In thousands)</i>	Fiscal Year Ended	
	June 30,	
	<u>2022</u>	<u>2021</u>
Patient service revenue (1)	\$ 2,702,767	\$ 2,574,590
Other operating revenue	464,120	422,854
Total operating revenue	<u>3,166,887</u>	<u>2,997,444</u>
Salaries, wages and employee benefits	1,592,629	1,505,427
Supplies, utilities and other	970,180	899,939
Professional liability and other insurance	57,607	70,448
Purchased services	257,616	216,639
Depreciation and amortization	147,748	149,136
Interest	30,609	33,032
Total operating expenses	<u>3,056,389</u>	<u>2,874,621</u>
Operating income	110,498	122,823
Non-operating (expense) income	(137,205)	192,235
Excess of revenue over expenses	<u>\$ (26,707)</u>	<u>\$ 315,058</u>

⁽¹⁾ Net patient service revenue is net of implicit and explicit price concessions for the fiscal years ended June 30, 2022 and 2021.

Liquidity

The following table sets forth the Obligated Group's liquidity, namely unrestricted cash and cash equivalents and marketable securities, which include investments designated for capital purposes and includes Medicare Advance and Accelerated Payments of \$33.9 and \$192.5 million for the fiscal years ended June 30, 2022 and 2021. Excluded from liquidity are investments limited as to use for donor purposes, interest in collateral pools, trust assets limited for use to the self-insurance program and debt service reserve funds.

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Obligated Group Liquidity

<i>(In thousands)</i>	Fiscal Year Ended	
	June 30,	
	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 498,247	\$ 422,915
Unrestricted marketable securities	<u>1,357,270</u>	<u>1,738,921</u>
Total unrestricted cash and marketable securities	1,855,517	2,161,836
Total operating expenses	3,056,389	2,874,621
Depreciation and amortization	<u>147,748</u>	<u>149,136</u>
Total operating expenses less depreciation, amortization and pension settlement	\$ 2,908,641	\$ 2,725,485
Days cash on hand	232.8	289.5

Capitalization

The following table reflects the Obligated Group's historical long-term indebtedness as a percentage of total capitalization for the fiscal years ended June 30, 2022 and 2021:

Historical Long-Term Capitalization

<i>(In thousands)</i>	Fiscal Year Ended	
	June 30,	
	<u>2022</u>	<u>2021</u>
Long-term debt	\$ 918,262	\$ 934,018
Capital leases and other financing arrangements	<u>2,363</u>	<u>3,492</u>
Total debt	920,625	937,510
Net assets without donor restrictions	<u>1,923,342</u>	<u>1,978,159</u>
Total Capitalization	\$ 2,843,967	\$ 2,915,669
Capitalization Ratio	32.4%	32.2%

Sources of Revenue

The majority of revenue received by RUSH is attributable to billed services provided to its patients. The payments made on behalf of these patients are from government programs such as Medicare and Medicaid, from managed care companies under negotiated contracts, from commercial insurance carriers with no negotiated contract and directly from patients.

The following is a summary of gross patient service revenue payor mix for the fiscal years ended June 30, 2022 and 2021:

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Sources of Gross Patient Service Revenue - Obligated Group

	Fiscal Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
Medicare	28.6 %	29.7 %
Medicare Managed Care	12.1	9.4
Medicaid	2.7	2.8
Medicaid Managed Care	18.9	18.3
Blue Cross	22.1	23.9
Managed Care	12.8	12.7
Commercial & Self-Pay	2.8	3.2
Total	<u>100.0 %</u>	<u>100.0 %</u>

In October 2013, CMS approved the Enhanced Illinois Hospital Assessment Program which provides for additional Medicaid payments and a tax assessment for Illinois hospitals based on outpatient gross revenues, collectively referred to along with the existing program as the "Hospital Assessment Program," which was retroactive to June 2012. Effective July 1, 2018, the State of Illinois and CMS approved a redesign of the Hospital Assessment Program, but has not had a material impact on RUSH from the previous program. The combined Hospital Assessment Program's impact on the Consolidated Statements of Operations during the fiscal years ended June 30, 2022 and 2021:

Illinois Hospital Assessment Program Impact

	Fiscal Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>		
Patient service revenue	\$ 156,292	\$ 123,248
Supplies, utilities and other expense	66,378	72,019
Operating income*	<u>\$ 89,914</u>	<u>\$ 51,229</u>

*Hospital Assessment Program announced an estimate of \$240.0 million in tax relief. RUSH received \$8.5 million of relief for May and June 2022.

Debt Service Coverage

The following tables sets forth the actual maximum annual debt service coverage on the Indebtedness of the Obligated Group for the fiscal years ended June 30, 2022 and 2021:

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Debt Service Coverage

(In thousands)	Fiscal Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
Excess of revenues over expenses	\$ (26,707)	\$ 315,058
Exclude certain special items:		
Change in fair value of interest rate swaps	7,228	4,668
Loss on extinguishment of debt	-	-
Unrealized gain / (loss) on trading securities	(189,363)	141,604
Net loss on sales	(4,506)	(1,553)
Net Income, excluding special items	159,934	170,340
Depreciation and amortization	147,748	149,136
Interest	30,609	33,032
Income available for debt service	\$ 338,291	\$ 352,508
Maximum Annual Debt Service Requirement	62,797	62,797
Maximum Annual Debt Service Coverage Ratio	5.4	5.6

Recent Financial Performance – Fiscal Years Ended June 30, 2022 and 2021

Drivers of Performance – Operating Revenue – Operating revenue for RUSH increased by \$169.4 million or 5.6% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022. The largest contributor to operating revenue is patient service revenue in the hospitals contributing 71.7% of operating revenue for the fiscal year ended June 30, 2022.

RUSH Revenue Sources

	Fiscal Year Ended June 30,			
	<u>2022</u>			<u>2021</u>
	<u>Operating Revenue</u>	<u>% of Total</u>	<u>Operating Revenue</u>	<u>% of Total</u>
Patient Service Revenue:				
Hospitals	\$ 2,272,688	71.7%	\$ 2,162,339	72.1%
Physician Practice Plans	430,079	13.6%	412,249	13.7%
University Services:				
Research	170,304	5.4%	155,870	5.2%
Education (*)	91,240	2.9%	87,235	2.9%
Other Operating Activities	204,121	6.4%	181,368	6.0%
Total	<u>\$ 3,168,432</u>	<u>100.0%</u>	<u>\$ 2,999,061</u>	<u>100.0%</u>

* Includes the Rush Medical College, the College of Nursing, the College of Health Sciences and the Graduate College.

Patient service revenue for the hospitals and physician practice plans combined increased by \$128.2 million or 5.0% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022.

Reimbursement Environment and Payer Mix – Revenue for the hospitals includes payments from government programs such as Medicare and Medicaid, from managed care companies under negotiated contracts, from commercial insurance companies with no negotiated contract, and directly from patients. Governmental payers accounted for 62.3% and 60.2% of the Obligated Group's gross

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patient service revenues for the fiscal years ended June 30, 2022 and 2021, respectively. There have been modest increases in Medicare reimbursement in the last several years. Effective July 1, 2014, Medicaid reformed and updated its payment system. While the Obligated Group was among several Illinois facilities which would have seen reimbursement decreases due to this change, Medicaid committed to making transitional payments to hold hospitals harmless through June 2018. The State of Illinois and the Centers for Medicare and Medicaid Services (CMS) approved a redesign of the Hospital Assessment Program effective July 1, 2018. The redesign has not had a material impact on the Obligated Group from the previous program.

The Obligated Group is currently seeing a shift in its traditional payer mix of patients. In an effort to reduce the number of uninsured patients, the ACA provided for the creation of Health Insurance Exchanges (“HIX”) and the expansion of Medicaid coverage for adults. This has resulted in increased hospital volume under new Blue Cross HIX plans as well as an increase in the overall Medicaid patient mix. Additionally, the number of self-pay patients has decreased slightly. The State of Illinois has moved a significant portion of its Medicaid population to Managed Care plans. Consequently, the Obligated Group has seen a marked increase in Medicaid Managed Care mix with a concurrent drop in traditional Medicaid.

The mix of patient service revenue, recognized during the years ended June 30, 2022 and 2021, by major payor source and by lines of business was as follows:

June 30, 2022					
	Clinical Joint			TOTAL	%
	Hospitals	Physician Groups	Ventures & Other		
Medicare	458,213	57,407	17,540	533,160	19.7%
Medicare Managed Care	173,271	24,980	-	198,251	7.3%
Medicaid	54,379	3,431	1,539	59,349	2.2%
Medicaid Managed Care	325,905	36,624	25,186	387,715	14.4%
Managed care	357,723	61,926	43,192	462,840	17.1%
Blue Cross	680,460	94,444	16,368	791,272	29.3%
Commercial, self-pay, and other	230,816	31,192	8,171	270,179	10.0%
Total	<u>\$ 2,280,767</u>	<u>\$ 310,004</u>	<u>\$ 111,996</u>	<u>\$ 2,702,767</u>	100.0%

June 30, 2021					
	Clinical Joint			TOTAL	%
	Hospitals	Physician Groups	Ventures & Other		
Medicare	459,920	57,389	17,514	534,823	20.8%
Medicare Managed Care	131,046	11,734	-	142,780	5.6%
Medicaid	53,418	10,854	3,698	67,970	2.6%
Medicaid Managed Care	283,508	34,851	17,127	335,486	13.0%
Managed care	339,464	76,818	27,677	443,959	17.2%
Blue Cross	696,441	81,539	19,272	797,252	31.0%
Commercial, self-pay, and other	221,162	19,147	12,010	252,319	9.8%
Total	<u>\$ 2,184,960</u>	<u>\$ 292,332</u>	<u>\$ 97,298</u>	<u>\$ 2,574,590</u>	100.0%

Physician Practice Plans – Total patient service revenue from the physician practice plans increased \$17.8 million or 4.3% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022 mainly due to increased volumes.

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Other Operating Revenue – Other operating revenue represented 14.7% of total operating revenue for the fiscal year ended June 30, 2022 and increased \$41.2 million or 9.7% from the fiscal year ended June 30, 2021. Other operating revenue consists primarily of external funding for research and internal fund support to research (37%), tuition and educational grants (20%) and other non-patient care service activities including stimulus funds (43%).

Drivers of Performance – Operating Expense – Operating expenses increased by \$181.9 million or 6.3% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022. Operating costs as a percentage of operating revenue for the fiscal years ended June 30, 2022 and 2021:

RUSH Operating Costs as a Percentage of Operating Revenue

	Fiscal Year Ended June 30,	
	2022	2021
Salaries, wages and employee benefits	50.6%	50.6%
Supplies, utilities and other (including purchased services)	38.9%	37.4%
Depreciation and amortization	4.7%	5.0%
Professional liability and other insurance	1.8%	2.4%
Interest	1.0%	1.1%

Salaries, Wages and Employee Benefits – Salaries, wages and employee benefits increased by \$87.1 million or 5.7% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022. RUSH, like many health systems nationally, faced labor challenges including vacancies and higher turnover. As a result, RUSH implemented initiatives including special crisis pay, market adjustments, and retention bonuses. These initiatives were critical to remain competitive and continue to provide outstanding patient care.

The table below shows the employed FTEs and employed physicians for RUSH at June 30, 2022 and 2021:

FTE and Employed Physicians Statistics

	As of Jun 30,		Percent Change
	2022	2021	
Number of Full-time Equivalents	12,809	12,723	0.7%
Number of Employed Physicians	846	858	-1.4%

Note: Of the 12,809, FTEs, approximately 7.0% of non-clinical employees are represented by a union.

Supplies, utilities and other expense, including purchased services – Supplies, utilities and other expense, including purchased services increased \$111.5 million or 9.9% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022. The primary increase was driven by inflation and higher drug costs.

Depreciation and amortization expense – Depreciation and amortization expense decreased by \$1.2 million or 0.8% from fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022.

Professional liability and other insurance – Professional liability and other insurance expense decreased by \$12.8 million or 18.1% from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022.

Interest expense – Interest expense was \$30.6 million for the fiscal year ended June 30, 2022, a decrease of \$2.6 million or 7.9% from the fiscal year ended June 30, 2021.

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Significant Nonrecurring Items – During the fiscal years ended June 30, 2022 and 2021, significant nonrecurring items impacted RUSH's reported operating income as follows:

<i>(In millions)</i>	Jun 30, 2022	Jun 30, 2022 Operating Margin	Jun 30, 2021	Jun 30, 2021 Operating Margin
Operating income reported	\$95.6	3.0%	\$108.2	3.6%
Items impacting operating revenue	(102.3)	(3.2)	(59.5)	(2.0)
Items impacting operating expenses	29.1	0.9	37.6	1.3
Total adjustments	(73.2)	(2.3)	(21.9)	(0.7)
Operating income	\$22.4	0.7%	\$86.3	2.9%

Nonrecurring items for fiscal year ended June 30, 2022 includes stimulus funding impacting operating revenue and special pay bonuses impacting operating expenses.

Non-operating Income/Expense – Total non-operating income decreased by \$329.8 million from the fiscal year ended June 30, 2021 to the fiscal year ended June 30, 2022. Non-operating income consists of investment income, unrestricted contributions, and interest rate swaps. The decrease is due to unfavorable market returns.

Liquidity and Capital Resources – The Obligated Group's unrestricted cash and investments at market value decreased by \$306.2 million or 14.2% from June 30, 2021. The days cash on hand decreased 56.7 days to 232.8 days as of June 30, 2022 from 289.5 as of June 30, 2021. Included in unrestricted cash and investments was \$168.1 million and \$146.2 million of Specific Purpose Fund balances as of June 30, 2022 and June 30, 2021, respectively, and \$75.4 million and \$84.9 million of appreciation on the unrestricted portion of RUMC's endowment as of June 30, 2022 and June 30, 2021, respectively.

Excluded from unrestricted cash and investments is the appreciation on the restricted portion of RUMC's endowment fund of \$367.9 million and \$422.6 million as of June 30, 2022 and June 30, 2021, respectively. These temporarily restricted funds are used to support specific purposes such as research and education.

RUSH hospitals, as well as other Illinois hospitals, have experienced significant delays in payments by the State of Illinois for amounts due under Medicaid, Medicaid Managed Care, and the Aetna State of Illinois insurance programs over the last several years. As of June 30, 2022, the State of Illinois receivables has decreased by 6.4% compared to June 30, 2021 and amounts outstanding over 90 days have increased by 4.1%. RUSH will continue to closely monitor the outstanding receivables from the state and evaluate any impact of possible future delays in collections.

The Obligated Groups' indebtedness, including capital leases, deferred financing obligations and guarantees, was \$920.6 million and \$937.5 million at June 30, 2022 and June 30, 2021, respectively. The Obligated Group's ratio of the sum of unrestricted cash and investments and debt service reserve funds to indebtedness was 201.5% at June 30, 2022 a decrease from 230.6% at June 30, 2021.

Capital Expenditures

Total capital expenditures for RUSH amounted to \$211.6 million for the fiscal year ended June 30, 2022. Some of largest initiatives during fiscal year 2022 was the continued build out of the Joan and Paul Rubschlager Building that will enhance cancer and neuroscience care at RUMC. It is expected to open its doors February 2023. Other initiatives include 4 Tower PR-8 Biplane Replacement of \$1.8 million, RADC Buildout of \$2.0 million, 5 Atrium Renovation of \$1.7 million and Information Technology solutions (refer to page 30 for Information Technology). The Obligated Group's construction commitments outstanding as of June 30, 2022 and June 30, 2021 were \$186.4 and \$186.6 million, respectively.

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MISCELLANEOUS

New Accounting Pronouncements

In March 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Updates (“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. ASU No. 2021-03 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

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 which requires contributed nonfinancial assets to be presented as a separate line item in the statements of operations and changes in net assets. 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 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

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. ASU No. 2018-14 was effective for RUSH beginning on July 1, 2021. The ASU did not have a material impact on the consolidated financial statements.

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. ASU No. 2017-04 was effective for RUSH beginning on July 1, 2021. The ASU did not 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 (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 on the consolidated financial statements.

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Ratings

Moody's, S&P and Fitch have assigned municipal bond ratings of "A1", "A+" and "AA-," respectively, to the long-term debt of the Obligated Group. As of September 23, 2021, S&P affirmed the Obligated Group's A+ rating and affirmed the outlook to "Stable". As of February 17, 2022, Fitch reaffirmed the Obligated Group's rating to AA- and reaffirmed the outlook to "Stable". As of April 27, 2022, Moody's affirmed the Obligated Group's A1 rating and "Stable" outlook.

Any explanation of the significance of such ratings may only be obtained from Moody's, S&P and Fitch. Certain information and materials not included in this Quarterly Report may have been furnished to Moody's, S&P and Fitch concerning the Obligated Group. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. Such ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agencies furnishing the same. There is no assurance that such ratings will remain in effect for any given period of time or that such ratings will not be revised downward or upward or withdrawn entirely by any of such rating agencies if, in the judgment of such rating agency, circumstances warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Obligated Group's outstanding bonds.

Licenses, Accreditations and Memberships

Members of RUSH, including RUMC, CMH and ROPH have been approved and accredited by many governmental and not for profit organizations including The Joint Commission. Additionally, RUMC, CMH and ROPH are members of numerous associations, consortiums and councils dedicated to the various medical specialties offered by each facility.

Community Benefits

RUSH is committed to improving the health of the diverse communities it serves. This commitment is evidenced through the provision of care to patients as charity care, financial support to community partners, the development of health improvement programs and serving through volunteer efforts in RUSH's communities.

Charity care, as it is currently defined, is limited to very specific services carried out in the nation's non-profit medical centers. It does not take into account the work that a hospital carries out to improve the wellness of a community, through which costly medical procedures can be avoided.

In fiscal years ended June 30, 2021 and 2020, RUSH's total community benefit was \$515.8 million and \$550.9 million, respectively. Charity care amounted to \$23.7 and \$33.0 million during fiscal years ended June 30, 2021 and 2020, respectively. The decrease in Charity Care is primarily due to an increase in patients qualifying for Health Resources & Services Administration COVID-19 Uninsured Program ("HRSA COVID-19 Uninsured Program"), which reduced Charity Care write-offs.

Focusing on these efforts while also delivering on its obligations to provide charity care is something RUSH considers to be central to its mission.

By creating jobs, investing in the community, offering critical health and wellness programs at no cost, as well as a host of other initiatives aimed at reducing mortality rates across the west side of Chicago, RUSH strives to improve the lives of one of Chicago's most vulnerable communities.

In doing so, RUSH has been recognized as a national leader in addressing the social determinants of health. As a founding member and fiscal agent of West Side United, RUSH established a coalition of health systems, residents and community groups with the shared goal of reducing mortality rates across the west side of Chicago.

Pension Plans

RUSH actively manages defined benefit retirement plans and has established a formal pension risk strategy plan for employees of RUMC and ROPH. This plan is reviewed annually by the Investment Committee of the RUMC Board. Risk management planning is comprehensive and incorporates plan design, funding, investment policy and risk transfer assessments.

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- **Funded Status** – RUSH regularly measures its plans' funded status on a PPA Funded Ratio, FAS Funded Ratio and Economic Funded Ratio. These measurements utilize different time periods and discount rates to measure the liability and different smoothing methods for the assets held in the Master Retirement Trust. The FAS Funded Ratio found in the footnotes to the financial statements as of June 30, 2022, reflects a funded ratio of 94%.
- **Funding** – For the past ten consecutive calendar years, RUMC contributed more than the minimum required by Employee Retirement Income Security Act and the Code funding rules. During the fiscal years ended June 30, 2022 and 2021, RUMC contributed \$28.5 and \$23.0 million, respectively, to the plan.
- **Investment Policy** – The portfolio's investment objective is to achieve a total return that meets or exceeds the plan's obligations over a full market cycle. This cycle is generally defined as rolling five year periods.

Effective January 1, 2015, a new defined benefit plan was established. This new plan (the "Pre-2015 Separations Plan" or the "Pre-2015 Plan"), is a spinoff 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.

In addition to the pension programs, RUMC also provides postretirement health care benefits for certain employees. Further benefits under the Postretirement Healthcare Plans have been curtailed.

Investment Policies

RUSH's investment program consists of unrestricted cash and investments, an endowment at RUMC and RCMC and investment trusts maintained for the specific purpose of funding RUMC's self-insured general and professional liability claims, and RUMC's defined benefit plan. The Investment Committee of the Board of Trustees at RUMC has the primary purpose of assisting the Board of Trustees in the oversight of RUMC's asset pools, and specifically, assets in the operating reserves, self-insurance trust, endowment fund, and Master Retirement Trust and investment offerings in the defined contribution plans. The Finance Committee of the Board of Directors at RCMC is responsible for determining and implementing all investment policies, selecting and terminating investment managers and reviewing investment performance.

The objective of the RUMC self-insurance trust is to fund the self-insurance obligations of RUMC. As of June 30, 2022, the self-insurance trust assets had a market value of \$168.1 million versus a market value of \$174.8 million as of June 30, 2021. The following table shows the current asset allocation targets and ranges as well as the asset allocation as of June 30, 2022 and June 30, 2021 for the self-insurance trust:

Asset Class	Target Allocation and Range	Percentage Trust Assets as of	
		<u>Jun 30, 2022</u>	<u>Jun 30, 2021</u>
Public Equity	40% (+/-10%)	39.5%	47.3%
Fixed Income	35% (+/-10%)	26.1%	27.8%
U.S. Treasuries	25% (+/-10%)	26.6%	23.9%
Cash/Money Market	0% -	7.8%	1.0%
Total		100%	100%

Fair Value Measurements

As of June 30, 2022 and 2021, 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, trustee and other investments, derivative instruments, and beneficial interests in trusts.

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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.

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 and 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.

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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 on a recurring basis as of June 30, 2022 and 2021:

Fair Value Measurements as of June 30, 2022	Level 1	Level 2	Level 3	Valued @ NAV	Total Fair Value
Marketable securities and short-term investments	\$ 127,568	\$ 33,214	\$ -	\$ -	\$ 160,782
Fixed Income Securities:					
U.S. Government and Agency securities	-	349,772	-	-	349,772
Corporate Bonds	-	86,448	-	-	86,448
Asset Backed Securities and Other	-	17,743	-	-	17,743
Public Equity Securities	406,401	-	-	-	406,401
Fund Investments (Mutual/Commingled):					
Fixed Income Funds	262,231	-	-	-	262,231
Public Equity Funds	221,303	-	-	322,072	543,375
Multi Asset Class Funds	44,614	-	-	37,711	82,325
Alternative Investments:					
Hedge Funds	-	-	-	68,910	68,910
Private Equity Partnerships	-	-	6,022	288,903	294,925
Other:					
Derivative Assets	-	(387)	-	-	(387)
Trustee-held Investments	-	-	30,974	-	30,974
Pending Transactions	-	(91,885)	-	-	(91,885)
Total investments	<u>\$ 1,062,117</u>	<u>\$ 394,905</u>	<u>\$ 36,996</u>	<u>\$ 717,596</u>	<u>\$ 2,211,614</u>
Obligations under interest rate swap agreements	<u>\$ -</u>	<u>\$ (6,782)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,782)</u>
Total liabilities at fair value	<u>\$ -</u>	<u>\$ (6,782)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,782)</u>

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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	<u>\$ 792,047</u>	<u>\$ 1,056,772</u>	<u>\$ 36,985</u>	<u>\$ 761,492</u>	<u>\$ 2,647,296</u>
Obligations under interest rate swap agreements	\$ -	\$ (14,009)	\$ -	\$ -	\$ (14,009)
Other derivative liabilities	-	(253)	-	-	(253)
Total liabilities at fair value	<u>\$ -</u>	<u>\$ (14,262)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,262)</u>

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, 2020	\$ 29,685
Actual return on investments — Realized and unrealized gains and (losses)	7,300
Purchases	-
Sales	-
	<u>36,985</u>
Fair value — June 30, 2021	36,985
Actual return on investments — Realized and unrealized gains and (losses)	(6,011)
Purchases	-
Sales	-
	<u>-</u>
Fair value — June 30, 2022	<u>\$ 30,974</u>

During the fiscal year 2022 and 2021, there were no transfers in Level 3 investments.

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 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:

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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 net asset value. 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. Effective July 1, 2012, RUSH elected to measure all new private equity partnerships entered into on or after July 1, 2012, at 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, 2022:

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	\$ 44,267	Not currently redeemable	N/A
Private Debt	<u>51,778</u>	Not currently redeemable	N/A
Total	<u>\$ 96,045</u>		

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% of RUSH's endowment is available for general purposes for the years ended June 30, 2022 and 2021.

RUMC has an Investment Committee with the authority discharged from the RUMC Board of Trustees to oversee their investment portfolio and approve the investment policy for RUMC and ROPH. RCMC has a Finance Committee with the authority to oversee their investment portfolio and approve their 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.

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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, 2022 and 2021, are as follows:

Asset Class	Target Allocation and Range	Percentage of Endowment Assets	
		2022	2021
Public Equity	60% (+/- 10%)	56 %	65 %
Fixed Income	15% (+/- 10%)	7	8
U.S. Treasuries	10% (+/- 10%)	8	8
Private Equity	15% (+/- 10%)	21	19
Cash	--	8	0

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 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, 2022 and 2021 and income from the endowment fund provided \$23.9 and \$22.0 million of support for RUSH's programs during the fiscal years ended June 30, 2022 and 2021, respectively.

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 (1.215% and 0.0631% as of June 30, 2022 and 2021, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements. As of June 30, 2022 and 2021, the Swap Agreements had a notional amount of \$63.2 and \$67.4 million, respectively, (\$31.6 and \$33.7 million in notional amount with each counterparty, respectively). 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, 2022, the Obligated Group had no collateral posted under Swap Agreements.

The fair value of the Swap Agreements reported in RUSH's consolidated balance sheets as of June 30, 2022 and 2021, 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.

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Audited Financial Statement

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, 2022 and 2021:

Swap Disclosures

		Fiscal Years Ended	
		June 30	
Reported As		2022	2021
Change in fair value of interest rate swaps	Non-operating income (loss)	\$ 7,228	\$ (4,668)
Net cash payments on interest rate swaps	Interest expense	2,405	2,843

Affiliations, Merger, Acquisition and Divestiture

Management of RUSH is actively considering and evaluating potential affiliation candidates as part of the overall strategic planning and development process. As part of its ongoing planning and property management functions, management reviews the use, compatibility and business viability of many of the operations of RUSH, and from time to time RUSH may pursue changes in the use of, or disposition of, their facilities. RUSH receives offers from and/or conducts discussions with third-parties about potential affiliations and joint venture opportunities. As a result, it is possible that the current organization, assets, operations and financial condition of RUSH may change from time to time as a result of such affiliations, mergers, acquisitions and divestitures.

In addition to relationships with other hospitals and physicians, RUSH may consider investments, ventures, affiliations, development and acquisition of other health care-related entities. These may include home health care, long-term care entities or operations, infusion providers, pharmaceutical providers, and other health care enterprises that support the overall operations of RUSH. In addition, RUSH may pursue transactions with health insurers, HMOs, preferred provider organizations, third-party administrators and other health insurance-related businesses. Because of the integration occurring throughout the health care field, management will consider these arrangements if there is a perceived strategic or operational benefit for RUSH. Any such investment, venture, affiliate, development or acquisition may involve significant capital commitments and/or capital or operating risk (including, potentially, insurance risk) in a business in which RUSH may have less expertise than in hospital operations. There can be no assurance that these projects, if pursued, will not lead to material adverse consequences to RUSH.

Information Technology

The Obligated Group strives to be a national leader for the innovative use of informatics and technology to support safe, effective and efficient patient-centered quality health care, empowering customers and partners by advancing technology solutions that enable the Obligated Group to achieve its mission, vision and values. Initiatives include desktop modernization of \$7.7 million, network segmentation of \$3.0 million, EPIC server refresh of \$1.1 million and clinical network upgrade of \$1.0 million. During the fiscal years ended June 30, 2022 and 2021, the Obligated Group has spent \$115.8 and \$102.6 million, respectively, on IT expenditures, which represents 3.7% and 3.4% of its operating revenue.

Recent Transactions and Other Matters

In January 2022, an ERISA putative class action was filed against RUMC and other defendants alleging breaches of fiduciary duty with respect to the fees and investments associated with RUMC's 403(b) plan. The parties reached a class-wide resolution which is subject to court approval. The approval process is anticipated to take several months.

There were no other significant or material transactions outside the ordinary course of business during the fiscal year ended June 30, 2022.

Attachment 33

Audited Financial Statement

Subsequent Events

RUSH has evaluated events occurring subsequent to the consolidated balance sheet date through October 28, 2022, the date the consolidated financial statements were available to be issued. There were no significant subsequent events through this date other than those noted below:

Effective July 1, 2022, Dr. Omar Lateef became the President and CEO of Rush University System for Health, while continuing to serve as President and CEO of Rush University Medical Center. The former CEO, Dr. Ranga Krishnan, will serve as Senior Advisor to the CEO. Also, effective July 1, 2022, upon the retirement of current Rush University President Dr. Sherine Gabriel, Larry Goodman, MD, former CEO of RUSH and Rush University Medical Center, became interim President of Rush University.

Effective July 20, 2022, Rush Real Estate Holdings, LLC ("RUSH") and Select Illinois Holdings, Inc ("Select Medical") established a new joint venture, RSH Property Ventures, LLC. The purpose is to develop and construct a new hospital facility subject to long term leases to RUSH-Select Hospital joint venture.

Attachment 33 Audited Financial Statement

CONSOLIDATED FINANCIAL STATEMENTS

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH

Consolidated Balance Sheet

(Dollars in thousands)

	Note 1 Audited	
	Jun 30 2022	Jun 30 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 519,998	\$ 441,652
Accounts receivable for patient services	370,352	364,311
Other accounts receivable	60,906	55,769
Self-insurance trust— current portion	41,257	43,670
Other current assets	129,500	103,854
Total current assets	1,122,013	1,009,256
ASSETS LIMITED AS TO USE AND INVESTMENTS:		
Investments	1,357,270	1,738,921
Limited as to use by donor or time restriction or other	700,219	748,897
Self-insurance trust— less current portion	126,857	131,177
Total assets limited as to use and investments	2,184,346	2,618,995
PROPERTY AND EQUIPMENT—NET	1,692,868	1,619,887
OPERATING LEASE RIGHT-OF-USE ASSETS	106,929	131,459
POSTRETIREMENT AND PENSION BENEFIT ASSETS	45,582	65,694
OTHER NONCURRENT ASSETS	92,978	92,478
TOTAL ASSETS	\$ 5,244,716	\$ 5,537,769
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 75,470	\$ 64,183
Accrued expenses	437,689	455,323
Postretirement and pension benefit liabilities	2,044	2,275
Estimated third-party settlements payable and advances payable	285,026	393,910
Current portion of accrued liability under self-insurance programs	58,941	59,227
Current portion of long-term debt	12,703	12,216
Short-term operating lease liability	24,630	26,027
Total current liabilities	896,503	1,013,161
LONG-TERM LIABILITIES:		
Accrued liability under self-insurance programs— less current portion	272,616	242,975
Postretirement and pension benefit liabilities	96,716	92,941
Long-term debt— less current portion	905,559	921,802
Obligations under financing leases and other financing arrangements	1,509	3,226
Long-term operating lease liabilities	86,025	108,467
Other long-term liabilities	75,858	159,132
Total long-term liabilities	1,438,283	1,528,543
Total liabilities	2,334,786	2,541,704
NET ASSETS:		
Without donor restrictions	1,930,783	1,980,607
With donor restrictions	979,147	1,015,458
Total net assets	2,909,930	2,996,065
TOTAL LIABILITIES AND NET ASSETS	\$ 5,244,716	\$ 5,537,769

Note 1: The June 30, 2022 financial statement information was derived from and should be read in conjunction with the Rush System for Health 2022 Audited Consolidated Financial Statements.

See accompanying notes to consolidated financial statements.

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH
Consolidated Statements of Operations
(Dollars in thousands)

	Note 1	
	Audited	
	For the Years Ended June 30,	
	2022	2021
REVENUE:		
Patient service revenue	2,702,767	2,574,590
Tuition and educational programs revenue	91,240	87,235
Research revenue and net assets released from restriction and used for research and other operations	170,304	155,870
Other revenue	204,121	181,366
Total revenue	3,168,432	2,999,061
EXPENSES:		
Salaries, wages and employee benefits	1,603,325	1,516,253
Supplies, utilities and other	974,480	903,588
Insurance	57,703	70,484
Purchased services	258,523	217,905
Depreciation and amortization	148,188	149,422
Interest and fees	30,609	33,234
Total expenses	3,072,828	2,890,886
OPERATING INCOME	95,604	108,175
NON-OPERATING (LOSS) INCOME		
Investment (loss) income and other - net	(138,592)	193,926
Contributions without donor restrictions	3,533	3,944
Fundraising expenses	(9,343)	(9,926)
Change in fair value of interest rate swaps	7,228	4,668
Total non-operating (loss) income	(137,174)	192,612
(DEFICIT) EXCESS OF REVENUES OVER EXPENSES	\$ (41,570)	\$ 300,787

Note 1: The June 30, 2022 financial statement information was derived from and should be read in conjunction with the Rush System for Health 2022 Audited Consolidated Financial Statements.

See accompanying notes to consolidated financial statements.

(Continued)

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH
Consolidated Statements of Changes in Net Assets
(Dollars in thousands)

	Note 1	
	Audited	
	For the Years Ended June 30,	
	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
(Deficit) excess of revenues over expenses	\$ (41,570)	\$ 300,787
Net assets released from restrictions used for the purchase of property and equipment	14,141	41,385
Postretirement related changes other than net periodic postretirement cost	(40,342)	64,215
Other	17,947	5,059
(Decrease) / Increase in net assets without donor restrictions	(49,824)	411,446
NET ASSETS WITH DONOR RESTRICTIONS		
Pledges, contributions and grants	187,570	110,377
Net assets released from restrictions	(176,675)	(141,240)
Net realized and unrealized (losses) gains on investments	(47,206)	225,526
(Decrease) / increase in net assets with donor restrictions	(36,311)	194,663
(Decrease) / increase in Net Assets	(86,135)	606,109
NET ASSETS—Beginning of period	2,996,065	2,389,956
NET ASSETS—End of period	\$ 2,909,930	\$ 2,996,065

Note 1: The June 30, 2022 financial statement information was derived from and should be read in conjunction with the Rush System for Health 2022 Audited Consolidated Financial Statements.

See accompanying notes to consolidated financial statements.

(Concluded)

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH

Consolidated Statements of Cash Flows

(Dollars in thousands)

	For the Years Ended June 30,	
	2022	2021
OPERATING ACTIVITIES:		
(Decrease) Increase in net assets	\$ (86,135)	\$ 606,108
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	148,188	149,422
Non-cash operating lease expense	618	1,316
Postretirement related changes other than net periodic postretirement cost	40,342	(64,215)
Change in fair value of interest rate swaps	(7,228)	(4,668)
Net unrealized and realized losses (gains) on investments	207,695	(407,123)
Restricted contributions and investment income received	(27,137)	(26,544)
Investment losses (gains) on trustee held investments	6,010	(7,299)
Loss on sale of property and equipment	5,533	4,434
Changes in operating assets and liabilities:		
Accounts receivable for patient services	(6,041)	(16,292)
Accounts payable and accrued expenses	(12,234)	91,023
Estimated third-party settlements payable	(108,884)	(21,796)
Pension and postretirement costs	(16,686)	(2,187)
Accrued liability under self-insurance programs	29,355	35,788
Other changes in assets and liabilities	(119,775)	88,281
Net cash provided by operating activities	<u>53,621</u>	<u>426,248</u>
INVESTING ACTIVITIES:		
Additions to property and equipment	(211,682)	(173,502)
Acquisition of Rush Oak Brook Orthopaedic Center	-	(13,205)
Investment in Joint Venture	-	(6,678)
Purchase of investments	(2,834,598)	(3,238,677)
Sale of investments	<u>3,057,953</u>	<u>2,928,398</u>
Net cash provided by (used in) investing activities	<u>11,673</u>	<u>(503,664)</u>
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and investment income	27,137	26,544
Payment on line of credit	-	(75,000)
Payment of long-term debt	(12,181)	(12,768)
Payment of obligations on finance lease liabilities	(862)	(896)
Payment on other financing arrangements	<u>(1,042)</u>	<u>2,710</u>
Net cash provided by (used in) provided by financing activities	<u>13,052</u>	<u>(59,410)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,346	(136,826)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>441,652</u>	<u>578,478</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 519,998</u>	<u>\$ 441,652</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	\$ 2,760	\$ 2,319
Cash paid for interest	<u>\$ 33,371</u>	<u>\$ 38,794</u>
Noncash additions to property and equipment	<u>\$ 6,998</u>	<u>\$ 18,471</u>

Note 1: The June 30, 2022 financial statement information was derived from and should be read in conjunction with the Rush System for Health 2022 Audited Consolidated Financial Statements. See accompanying notes to consolidated financial statements.

Attachment 33

Audited Financial Statement

APPENDICES

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH
Consolidating Balance Sheet Information
As of June 30, 2022
(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	\$ 467,669	\$ 30,578	\$ -	\$ -	\$ 498,247	\$ 21,751	\$ -	\$ 519,998
Accounts receivable for patient services	310,024	60,328	-	-	370,352	-	-	370,352
Other accounts receivable	60,759	-	(343)	(1,519)	58,897	2,139	(130)	60,906
Self-insurance trust — current portion	41,257	-	-	-	41,257	-	-	41,257
Other current assets	115,286	12,366	504	-	128,156	1,344	-	129,500
Total current assets	994,995	103,272	161	(1,519)	1,096,909	25,234	(130)	1,122,013
ASSETS LIMITED AS TO USE AND INVESTMENTS								
Investments	1,017,405	339,865	-	-	1,357,270	-	-	1,357,270
Limited as to use by donor or time restriction	685,167	15,952	-	-	700,219	-	-	700,219
Self-insurance trust — less current portion	126,857	-	-	-	126,857	-	-	126,857
Total assets limited as to use and investments	1,829,429	354,917	-	-	2,184,346	-	-	2,184,346
PROPERTY AND EQUIPMENT—NET								
	1,466,461	225,697	-	-	1,692,178	690	-	1,692,868
OPERATING LEASE RIGHT-OF-USE ASSETS								
	86,355	20,574	-	-	106,929	-	-	106,929
POSTRETIREMENT AND PENSION BENEFIT ASSETS								
	45,582	-	-	-	45,582	-	-	45,582
OTHER NONCURRENT ASSETS								
	93,200	27,178	-	(23,957)	96,420	786	(4,228)	92,978
TOTAL	\$ 4,516,041	\$ 731,638	\$ 161	\$ (25,476)	\$ 5,222,364	\$ 26,710	\$ (4,358)	\$ 5,244,716
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	\$ 45,833	\$ 29,605	\$ -	\$ -	\$ 75,438	\$ 32	\$ -	\$ 75,470
Accrued expenses	391,726	32,669	78	(1,519)	422,954	14,735	-	437,689
Postretirement and pension benefit liabilities	2,044	-	-	-	2,044	-	-	2,044
Estimated third-party settlements and advances payable	235,751	49,275	-	-	285,026	-	-	285,026
Current portion of accrued liability under self-insurance programs	54,724	4,217	-	-	58,941	-	-	58,941
Current portion of long-term debt	9,940	2,763	-	-	12,703	-	-	12,703
Short-term operating lease liability	19,159	5,471	-	-	24,630	-	-	24,630
Total current liabilities	799,178	124,000	78	(1,519)	881,736	14,767	-	896,503
LONG-TERM LIABILITIES								
Accrued liability under self-insurance programs— less current portion	251,214	21,402	-	-	272,616	-	-	272,616
Postretirement and pension benefit liabilities	96,716	-	-	-	96,716	-	-	96,716
Long-term debt— less current portion	785,256	120,303	-	-	905,559	-	-	905,559
Obligations under financing leases and other financing arrangements	1,509	-	-	-	1,509	-	-	1,509
Long-term operating lease liabilities	70,173	15,852	-	-	86,025	-	-	86,025
Other long-term liabilities	74,345	6,159	-	(4,790)	75,714	144	-	75,858
Total long-term liabilities	1,279,213	163,716	-	(4,790)	1,438,139	-	-	1,438,283
Total liabilities	2,038,390	287,716	78	(6,309)	2,319,875	14,911	-	2,334,786
NET ASSETS								
Without donor restrictions	1,514,249	428,177	83	(19,167)	1,923,342	11,799	(4,358)	1,930,783
With donor restrictions	963,402	15,745	-	-	979,147	-	-	979,147
Total net assets	2,477,651	443,923	83	(19,167)	2,902,489	11,799	(4,358)	2,909,930
TOTAL	\$ 4,516,041	\$ 731,638	\$ 161	\$ (25,476)	\$ 5,222,364	\$ 26,710	\$ (4,358)	\$ 5,244,716

(Continued)
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Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH
Consolidating Statement of Operations
For twelve months ended June 30, 2022
(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	2,271,577	431,190	-	-	2,702,767	-	-	2,702,767
Tuition and educational programs revenue	91,240	-	-	-	91,240	-	-	91,240
Research revenue and net assets released from restriction and used for research and other operations	170,304	-	-	-	170,304	-	-	170,304
Other revenue	193,788	14,188	12,522	(17,922)	202,576	20,207	(18,662)	204,121
Total revenue	2,726,909	445,378	12,522	(17,922)	3,166,887	20,207	(18,662)	3,168,432
EXPENSES:								
Salaries, wages and employee benefits	1,356,483	236,146	7,085	(7,085)	1,592,629	10,696	-	1,603,325
Supplies, utilities and other	869,369	103,587	1,872	(4,648)	970,180	4,300	-	974,480
Insurance	51,371	6,236	3	(3)	57,607	96	-	57,703
Purchased services	207,206	53,034	3,562	(6,186)	257,616	907	-	258,523
Depreciation and amortization	113,816	33,932	-	-	147,748	440	-	148,188
Interest and fees	25,747	4,862	-	-	30,609	-	-	30,609
Total expenses	2,623,992	437,797	12,522	(17,922)	3,056,389	16,439	-	3,072,828
OPERATING (LOSS) INCOME	102,917	7,581	0	(0)	110,498	3,768	(18,662)	95,604
NON-OPERATING (LOSS) INCOME								
Investment loss and other - net	(79,430)	(59,193)	-	-	(138,623)	31	-	(138,592)
Contributions without donor restrictions	3,533	-	-	-	3,533	-	-	3,533
Fundraising expenses	(9,343)	-	-	-	(9,343)	-	-	(9,343)
Change in fair value of interest rate swaps	2,879	4,349	-	-	7,228	-	-	7,228
Total non-operating loss	(82,361)	(54,844)	-	-	(137,205)	31	-	(137,174)
EXCESS OF REVENUES OVER EXPENSES	\$ 20,556	\$ (47,263)	\$ 0	\$ (0)	\$ (26,707)	\$ 3,799	\$ (18,662)	\$ (41,570)

(Continued)

Attachment 33

Audited Financial Statement

RUSH UNIVERSITY SYSTEM FOR HEALTH
Consolidating Statement of Changes in Net Assets Information
For twelve months ended June 30, 2022
(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	\$ 20,556	\$ (47,263)	\$ 0	\$ (0)	\$ (26,707)	\$ 3,799	\$ (18,662)	\$ (41,570)
Net assets released from restrictions used for the purchase of property and equipment	14,141	-	-	-	14,141	-	-	14,141
Postretirement related changes other than net periodic postretirement cost	(40,342)	-	-	-	(40,342)	-	-	(40,342)
Other	1,287	1	-	(3,197)	(1,909)	1	19,855	17,947
Increase in net assets without donor restrictions	(4,358)	(47,262)	0	(3,197)	(54,817)	3,800	1,193	(49,824)
NET ASSETS WITH DONOR RESTRICTIONS								
Pledges, contributions and grants	184,842	2,728	-	-	187,570	-	-	187,570
Net assets released from restrictions	(174,944)	(1,731)	-	-	(176,675)	-	-	(176,675)
Net realized and unrealized gains on investments	(45,571)	(1,635)	-	-	(47,206)	-	-	(47,206)
Decrease in net assets with donor restrictions	(35,673)	(638)	-	-	(36,211)	-	-	(36,211)
DECREASE IN NET ASSETS	(40,031)	(47,900)	0	(3,197)	(91,128)	3,800	1,193	(86,135)
NET ASSETS—Beginning of year	2,517,682	491,822	83	(15,970)	2,993,617	7,999	(5,551)	2,996,065
NET ASSETS—End of year	\$ 2,477,651	\$ 443,922	\$ 83	\$ (19,167)	\$ 2,902,489	\$ 11,799	\$ (4,358)	\$ 2,909,930

(Concluded)

Attachment 33

Audited Financial Statement

Financial Results Compared to Budget for the Fiscal Year Ended June 30, 2022

The RUSH Parent Board is required to set the RUSH strategic plan and annual budget as well as approve the strategic plans, annual operating budgets, and the financial and capital priorities for RUMC and RCMC. The budget remains in effect the entire fiscal year. An actual to budget comparison and analysis is presented monthly in the financial statements, and the information for the fiscal year ended June 30, 2022 is presented below for the Obligated Group.

Summary of Statement of Operations - Obligated Group

<i>(In thousands)</i>	Fiscal Year Ended Jun 30, 2022	
	<u>Actual</u>	<u>Budget</u>
Patient service revenue	\$ 2,702,767	\$ 2,675,310
Other operating revenue	464,120	363,355
Total operating revenue	<u>3,166,887</u>	<u>3,038,665</u>
Salaries, wages and employee benefits	1,592,629	1,552,236
Supplies, utilities and other	970,180	917,691
Professional liability and other insurance	57,607	84,228
Purchased services	257,616	229,791
Depreciation and amortization	147,748	157,892
Interest	30,609	32,243
Total operating expenses	<u>3,056,389</u>	<u>2,974,081</u>
Operating income	110,498	64,584
Non-operating (expense) income	(137,205)	57,234
Excess of revenue over expenses	<u>\$ (26,707)</u>	<u>\$ 121,818</u>

Attachment 33

Audited Financial Statement

Covenant Compliance Certificate

The following calculations are pursuant to the financial covenants expressed in the Amended and Restated Master Trust Indenture dated February 1, 2015 for the Rush University Medical Center Obligated Group.

(Dollars in Thousands)

I. MAXIMUM ANNUAL DEBT SERVICE COVERAGE RATIO:

Net income, excluding net gains and losses on sales [1]	\$	159,934
Add: Depreciation expense		147,748
Add: Interest expense		<u>30,609</u>
Revenues available for debt service	\$	338,291
 Maximum annual debt service	 \$	 62,797
 Revenues available for debt service	 \$	 338,291
Maximum annual debt service	\$	<u>62,797</u>
 Ratio exceeds 1.20	 (please check)	 <u>X</u>

II. DAYS CASH ON HAND:

Unrestricted cash and cash equivalents	\$	498,247
Add: Unrestricted marketable securities		<u>1,357,270</u>
Unrestricted cash and marketable securities	\$	1,855,516
Number of days in period		<u>365</u>
Unrestricted cash and marketable securities x 365	\$	677,263,485
 Total operating expenses		 3,056,389
Less: Depreciation expense		<u>(147,748)</u>
Total operating expenses - depreciation expense	\$	2,908,641
 Unrestricted cash and marketable securities x 365	 \$	 677,263,485
Total operating expenses - depreciation expense	\$	<u>2,908,641</u>
 Days exceed 65	 (please check)	 <u>X</u>

[1] Maximum annual and historical debt service coverage ratios are calculated based on revenues available for debt service of the Obligated Group and exclude the change in fair value of interest rate swaps and unrealized gains and losses on unrestricted investments. Revenues available for debt service also excludes net gains and losses on sales, a component of nonoperating income.

Attachment 33

Audited Financial Statement

Covenant Compliance Certificate – Continued

(Dollars in Thousands)

III. HISTORICAL DEBT SERVICE COVERAGE RATIO:

Net income, excluding net gains and losses on sales [1]	\$	159,934
Add: Depreciation expense		147,748
Add: Interest expense		<u>30,609</u>
Revenues available for debt service	\$	338,291
 Payments of debt	 \$	 13,043
Add: Interest expense		<u>30,609</u>
Annual debt service	\$	43,652
 Revenues available for debt service	 \$	 338,291
Annual debt service	\$	<u>43,652</u>
 Ratio exceeds 1.10	 (please check)	 <u>X</u>

[1] Maximum annual and historical debt service coverage ratios are calculated based on revenues available for debt service of the Obligated Group and exclude the change in fair value of interest rate swaps and unrealized gains and losses on unrestricted investments. Revenues available for debt service also excludes net gains and losses on sales, a component of nonoperating income.

Attachment 33

Audited Financial Statement

The following is a list of the Rush System for Health Board Members:

<u>Name</u>	<u>Professional Affiliation</u>	<u>Years of Service</u>
Peter C. B. Bynoe	Senior Advisor, DLA Piper LLP (US)	5
E. David Coolidge	Vice Chairman, William Blair & Company, LLC	5
Catherine Cederoth	Director, Huron Consulting Group	5
Susan Crown	Chairman and CEO, SCE	5
Bruce W. Dienst	President and CEO, Simpson Technologies Corporation	5
William A. Downe	Retired Chief Executive Officer, BMO Financial Group	5
Christine A. Edwards	Retired Partner, Winston Strawn	5
William M. Goodyear	Retired Executive Chairman, Navigant Consulting	5
Sandra P. Guthman	Chairman, Polk Bros. Foundation	5
Jay L. Henderson	Retired Vice Chairman, Client Service, PricewaterhouseCoopers LLP	5
Mark C. Metzger	Founder and Principal, Law Offices of Mark C. Metzger	5
Stephen N. Potter	Retired Vice Chairman, Northern Trust Corporation	2
Robert A. Wislow	Co-Founder, Parkside Realty	1

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush University Medical Center as of June 30, 2022:

<u>Specialty</u>	<u>Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Addiction Medicine	1	100%	61
Adult Congenital Heart Disease	1	100%	58
Advanced Heart Failure and Transplant Cardio	9	100%	40
Allergy & Immunology	10	100%	52
Anesthesiology	50	86%	48
Cardiology	1	100%	89
Cardiovascular Disease	27	93%	52
Child and Adolescent Psychiatry	5	100%	55
Clinical Cardiac Electrophysiology	10	100%	49
Clinical Genetics and Genomics	2	100%	50
Colon and Rectal Surgery	4	100%	48
Complex General Surgical Oncology	1	100%	42
Complex Pediatrics Otolaryngology	1	100%	40
Congenital Cardiac Surgery	3	100%	53
Critical Care Medicine	5	60%	42
Dermatology	14	100%	52
Developmental-Behavioral Pediatrics	4	75%	50
Diagnostic Radiology	33	94%	49
Emergency Medicine	50	84%	41
Endocrinology, Diabetes and Metabolism	11	100%	46
Epilepsy	2	100%	41
Family Medicine	3	100%	43
Family Medicine (PCP)	29	100%	51
Female Pelvic Medicine and Recons Surgery	5	80%	43
Foot and Ankle Surgery	7	71%	54
Foot Surgery	1	100%	49
Gastroenterology	21	95%	49
Geriatric Medicine	1	100%	51
Geriatric Medicine (PCP)	6	100%	47
Geriatric Psychiatry	1	100%	42
Gynecologic Oncology	4	100%	45
Gynecology	2	100%	61
Hematology	14	86%	51
Hospice and Palliative Medicine	17	94%	43
Infectious Disease	22	95%	50
Internal Medicine	68	79%	39

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush University Medical Center as of June 30, 2022 (continued):

<u>Specialty</u>	<u>Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Internal Medicine (PCP)	81	95%	54
Internal Medicine/Pediatrics	4	100%	42
Interventional Cardiology	23	100%	51
Interventional Radiology and Diagnostic Radio	6	100%	44
Maternal-Fetal Medicine	10	100%	53
Medical Oncology	19	100%	54
Neonatal-Perinatal Medicine	19	95%	46
Nephrology	10	90%	54
Neurological Surgery	18	100%	54
Neurology	59	98%	48
Neurology with Special Qualifications in Child	6	100%	55
Neuropathology	2	100%	57
Neuroradiology	8	100%	46
Nuclear Medicine	1	100%	41
Obstetrics and Gynecology	44	89%	44
Occupational Medicine	4	100%	64
Ophthalmology	53	94%	52
Oral and Maxillofacial Surgery	3	100%	46
Orthodontics	1	100%	39
Orthopaedic Sports Medicine	16	63%	41
Orthopaedic Surgery	50	48%	43
Otolaryngology - Head and Neck Surgery	17	88%	44
Pain Medicine	12	17%	33
Pathology	20	100%	53
Pediatric Cardiology	14	93%	48
Pediatric Gastroenterology	3	100%	50
Pediatric Critical Care Medicine	9	100%	41
Pediatric Endocrinology	4	100%	49
Pediatric Hematology-Oncology	7	100%	53
Pediatric Hospital Medicine	2	100%	41
Pediatric Infectious Diseases	5	100%	52
Pediatric Nephrology	6	100%	42
Pediatric Otolaryngology	1	100%	35
Pediatric Pulmonology	2	100%	55
Pediatric Rehabilitation Medicine	1	100%	42
Pediatric Surgery	4	100%	46

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush University Medical Center as of June 30, 2022 (continued):

<u>Specialty</u>	<u>Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Pediatric Urology	1	100%	62
Pediatrics	32	88%	45
Physical Medicine and Rehabilitation	19	95%	46
Plastic Surgery	13	92%	49
Podiatric Medicine	1	100%	69
Psychiatry	39	97%	52
Pulmonary Disease	21	100%	44
Radiation Oncology	7	86%	47
Reproductive Endocrinology/Infertility	2	100%	74
Rheumatology	21	100%	54
Sleep Medicine	5	80%	45
Sports Medicine	7	100%	41
Surgery	28	86%	50
Surgery of the Hand	5	80%	47
Surgical Critical Care	5	100%	49
Thoracic and Cardiac Surgery	24	92%	52
Transplant Hepatology	7	100%	54
Urology	10	90%	53
Vascular Neurology	2	100%	40
Vascular Surgery	5	100%	53
Total/Average	1,243	90%	48

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush Copley Medical Center as of June 30, 2022:

<u>Specialty</u>	<u>Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Allergy/Immunology	5	100%	52
Anesthesia	16	100%	47
Cardio-Electrophysiology	2	100%	47
Cardiology	2	100%	36
Cardiology, Interventional	3	100%	52
Cardiovascular Disease	9	100%	46
Critical Care Medicine	6	100%	45
Dentistry	1	0%	48
Dermatology	4	75%	53
Emergency Medicine	31	77%	43
Endocrinology, Diabetes, & Metabolism	3	100%	49
Family Practice	43	90%	47
Gastroenterology	11	100%	48
Gynecologic Oncology	3	100%	46
Gynecology	3	100%	60
Hematology	1	100%	57
Hematology/Oncology	8	100%	56
Hospitalist	5	100%	40
Infectious Disease	3	100%	54
Internal Medicine	40	95%	47
Internal Medicine-Hepatology	1	100%	43
Maternal/Fetal Medicine	8	100%	49
Neonatology	9	100%	42
Nephrology	9	100%	56
Neurological Surgery	4	100%	49
Neurology	11	100%	50
OB/Gyn	27	89%	50
Oncology	1	100%	45
Ophthalmology	6	100%	59
Otolaryngology	8	100%	46
Pathology	5	100%	62
Pediatric Anesthesiology	2	100%	46
Pediatric Cardiology	3	100%	44
Pediatric Endocrinology	1	100%	51
Pediatric Gastroenterology	1	100%	39
Pediatric Genetics	1	100%	61
Pediatric Hematology/Oncology	1	100%	59

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush Copley Medical Center as of June 30, 2022 (continued):

<u>Specialty</u>	<u>Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Pediatric Neurology	5	100%	57
Pediatric Ophthalmology	1	100%	27
Pediatric Otolaryngology	1	0%	34
Pediatric Pulmonology	2	100%	40
Pediatric Radiology	30	100%	47
Pediatric Surgery	2	100%	49
Pediatric Urology	1	100%	62
Pediatrics	19	94.70%	46
Physical Medicine & Rehabilitation	10	90%	43
Psychiatry	2	100%	51
Pulmonary Medicine	9	100%	51
Radiation Oncology	3	100%	42
Radiology	48	98%	44
Radiology, Diagnostic	14	93%	42
Radiology, Vascular & Interventional	1	100%	52
Reproductive Endocrinology	3	66.70%	47
Spine surgery	1	100%	57
Sports Medicine	1	100%	44
Surgery, Bariatric	4	75%	42
Surgery, Breast	1	100%	62
Surgery, Cardiothoracic	13	84.60%	49
Surgery, General	13	100%	57
Surgery, General Vascular	4	100%	50
Surgery, Hand	1	100%	41
Surgery, Orthopedic	13	77%	48
Surgery, Pediatric	2	100%	48
Surgery, Plastic	2	100%	43
Surgery, Podiatric	16	94%	49
Surgery, Thoracic	4	75%	45
Teleneurology	8	100%	48
Urology gynecology	3	100%	52
Urology	4	75%	42
Total/Average	538	94%	48

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush Oak Park Hospital as of June 30, 2022:

<u>Specialty</u>	<u>Total Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Advanced Heart Failure and Transplant Cardiology	2	100%	41
Allergy & Immunology	8	100%	49
Anesthesiology	17	94%	52
Cardiovascular Disease	17	100%	49
Clinical Cardiac Electrophysiology	6	100%	46
Colon and Rectal Surgery	3	100%	50
Complex General Surgical Oncology	1	100%	42
Critical Care Medicine	1	100%	51
Dentistry	1	0%	67
Dermatology	5	100%	52
Diagnostic Radiology	31	97%	49
Emergency Medicine	35	83%	42
Endocrinology, Diabetes and Metabolism	6	100%	46
Epilepsy	2	100%	41
Family Medicine	31	90%	50
Female Pelvic Medicine and Reconstructive Surgery	4	100%	50
Foot and Ankle Surgery	9	44%	60
Foot Surgery	8	75%	43
Gastroenterology	16	88%	50
Geriatric Medicine	3	100%	49
Gynecologic Oncology	3	100%	45
Hematology	8	75%	53
Infectious Disease	17	94%	51
Internal Medicine	29	86%	50
Interventional Radiology and Diagnostic Radiology	8	88%	45
Interventional Cardiology	11	100%	53
Medical Oncology	11	100%	51
Nephrology	10	100%	55
Neurology	18	100%	47
Neurology with Special Qualifications in Child			
Neurology	1	100%	56
Neuropathology	1	100%	53
Neuroradiology	8	100%	46
Obstetrics and Gynecology	18	89%	40
Occupational Medicine	1	0%	79
Ophthalmology	13	100%	57
Oral and Maxillofacial Surgery	1	100%	52
Orthopaedic Sports Medicine	8	75%	46
Orthopaedic Surgery	12	83%	50
Otolaryngology - Head and Neck Surgery	5	100%	48

50

Attachment 33

Audited Financial Statement

Medical Staff

The following table represents information relating to the composition of the Medical Staff of Rush Oak Park Hospital as of June 30, 2022 (continued):

<u>Specialty</u>	<u>Total Medical Staff</u>	<u>% Board Certified</u>	<u>Average Age</u>
Pathology	13	100%	49
Pediatric Cardiology	2	100%	46
Pediatrics	1	100%	65
Physical Medicine and Rehabilitation	11	100%	42
Plastic Surgery	9	89%	45
Psychiatry	9	100%	46
Pulmonary Disease	12	100%	46
Radiation Oncology	6	83%	47
Rheumatology	4	100%	43
Sleep Medicine	3	67%	47
Sports Medicine	4	100%	44
Surgery	24	92%	51
Surgery of the Hand	4	75%	50
Surgical Critical Care	3	100%	43
Thoracic and Cardiac Surgery	5	80%	44
Transplant Hepatology	7	71%	54
Urology	11	91%	50
Vascular Neurology	2	100%	40
Vascular Surgery	5	80%	53
Total/Average	524	91%	49

Attachment 35 Financial Viability

Rush System for Health d/b/a Rush University System for Health was recently rated by Fitch Ratings in February of 2023 and was affirmed to have an AA- credit rating. As a result, the Applicants qualify for the financial viability waiver.



PEOPLE PRODUCT INSIGHTS

CREDIT SUMMARY

Rush System for Health (IL)

US Public Finance / Healthcare and Pharma/Global / North America/United States

EU Endorsed, UK Endorsed; Solicited by or on behalf of the issuer (sell side)



01 Ratings

RATING	ACTION	DATE	TYPE
AA-	Affirmed	13-Feb-2023	Long Term Issuer Default Ra

KEY RATING FACTORS

Revenue Defensibility
Operating Risk
Financial Profile

Attachment 36 Economic Feasibility

April 13, 2023

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

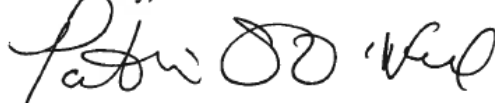
Re: Rush North and Harlem Medical Office Building
III. Admin. Code Section 1120.120(a) Available Funds Certification
III. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

Dear Mr. Kniery:

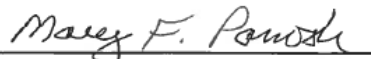
As a representative of Rush Oak Park Hospital, Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center, I, Patricia O'Neil, hereby attest that the project costs will be \$57,171,452. Rush University System for Health will fund the entirety of the construction portion of the project with cash and existing securities. The remainder of the project will be paid with cash and existing securities through the lease for the space in the building. The Applicant has sufficient and readily accessible internal resources to fund the obligation required by the project, and to fully fund other ongoing obligations.

I further 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,



Patricia O'Neil
Senior Vice President and Chief Financial Officer
Rush University System for Health

 (Notary Signature)



(Notary Stamp)

Attachment 37 Safety Net Information

RUSH OAK PARK HOSPITAL

Charity (# of patients)	2018	2019	2020
Inpatient	45	35	78
Outpatient	3,602	3,655	5596
Total	3,647	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

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 Charity Care Information

RUSH OAK PARK HOSPITAL

Charity (# of patients)	2018	2019	2020
Inpatient	45	35	78
Outpatient	3,602	3,655	5596
Total	3,647	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 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

Attachment 39

Flood Plain Requirements Letter

April 13, 2023

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Rush North and Harlem Medical Office Building - Flood Plain Requirements

Dear Mr. Kniery:

As representative of Rush Oak Park Hospital, Rush System for Health d/b/a Rush University System for Health, and Rush University Medical Center, I, Carl Bergetz, affirm that the proposed relocation for the facility complies with Illinois Executive Order #2005-5. The facility location on the corner of North Avenue and Harlem Avenue, Chicago, IL 60607 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

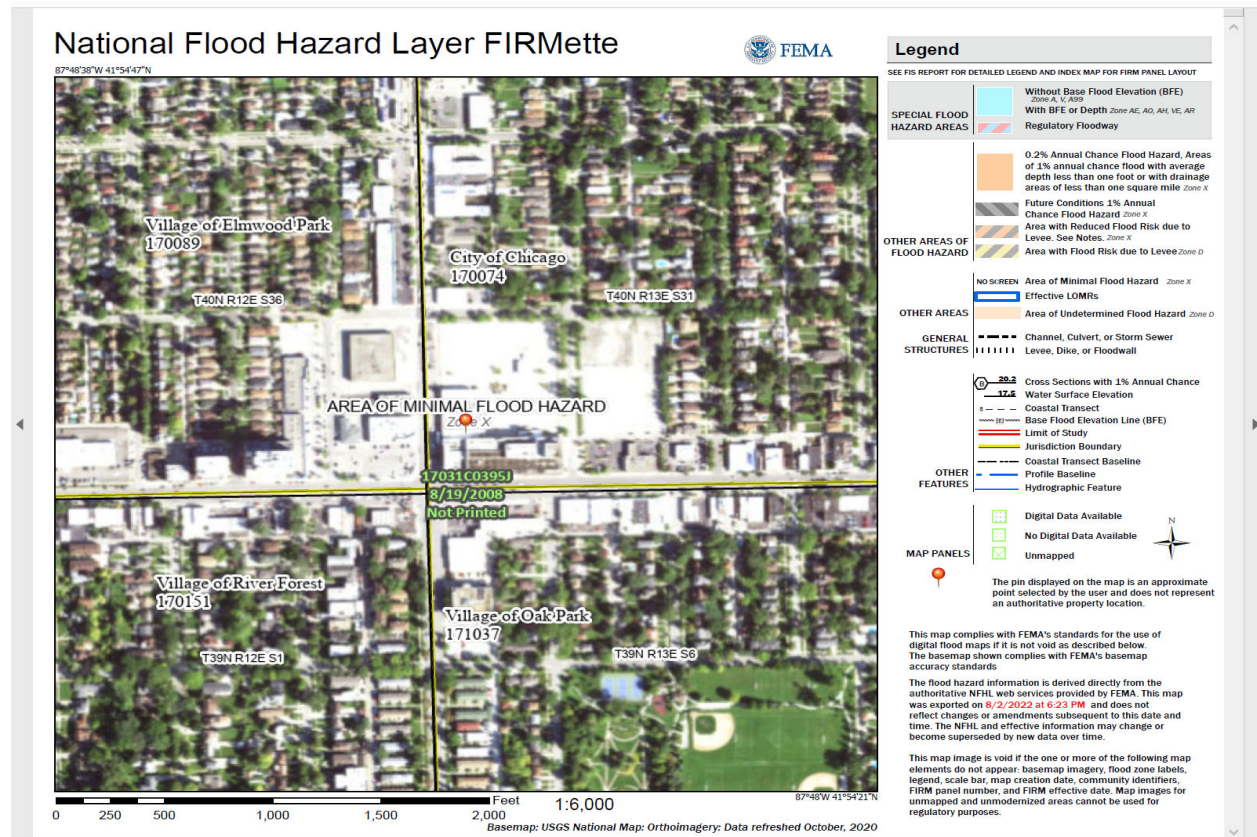
I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,



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

Attachment 39



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

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		26-29
2	Site Ownership		30-35
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		36-37
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		38
5	Flood Plain Requirements		39-40
6	Historic Preservation Act Requirements		41-48
7	Project and Sources of Funds Itemization		49-50
8	Financial Commitment Document if required		51-53
9	Cost Space Requirements		54
10	Discontinuation		N/A
11	Background of the Applicant		55-75
12	Purpose of the Project		76-77
13	Alternatives to the Project		78
14	Size of the Project		79
15	Project Service Utilization		80-82
16	Unfinished or Shell Space		N/A
17	Assurances for Unfinished/Shell Space		N/A
Service Specific:			
18	Medical Surgical Pediatrics, Obstetrics, ICU		N/A
19	Comprehensive Physical Rehabilitation		N/A
20	Acute Mental Illness		N/A
21	Open Heart Surgery		N/A
22	Cardiac Catheterization		N/A
23	In-Center Hemodialysis		N/A
24	Non-Hospital Based Ambulatory Surgery		N/A
25	Selected Organ Transplantation		N/A
26	Kidney Transplantation		N/A
27	Subacute Care Hospital Model		N/A
28	Community-Based Residential Rehabilitation Center		N/A
29	Long Term Acute Care Hospital		N/A
31	Clinical Service Areas Other than Categories of Service		83-84
30	Freestanding Emergency Center Medical Services		N/A
32	Birth Center		N/A
Financial and Economic Feasibility:			
33	Availability of Funds		85-140
34	Financial Waiver		N/A
35	Financial Viability		141
36	Economic Feasibility		142
37	Safety Net Impact Statement		143
38	Charity Care Information		144
39	Flood Plain Information		145-146