

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 Lakeview Medical Office Building
Street Address: 2928 N. Ashland Ave.
City and Zip Code: Chicago 60657
County: Cook Health Service Area: 006 Health Planning Area: A-01

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

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, D.O.
CEO Street Address: 1700 West Van Buren Street, Suite 301
CEO City and Zip Code: Chicago 60612
CEO Telephone Number: (312) 942-8715

Type of Ownership of Applicants

Form with checkboxes for ownership types: Non-profit Corporation, For-profit Corporation, Limited Liability Company, Partnership, Governmental, Sole Proprietorship, Other. Includes instructions for corporations and partnerships.

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

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 S. Wacker Drive, Suite 1600
Telephone Number: (312) 212-4949
E-mail Address: JMorado@Beneschlaw.com and MSilberman@Beneschlaw.com
Fax Number: (312) 767-9192

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Fax Number: (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: Katherine B. Fishbein  |
| Title: Assistant General Counsel   |
| Company Name: Rush University Medical Center   |
| Address: 1700 West Van Buren Street, Suite 301, Chicago, IL 60612                            |
| Telephone Number: (312) 942-6886   |
| E-mail Address: <a href="mailto:Katherine.Fishbein@rush.edu">Katherine.Fishbein@rush.edu</a> |
| Name: Katherine B. Fishbein  |

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

|   |
|---|
| Exact Legal Name of Site Owner: OLP Chicago, LLC  |
| Address of Site Owner: 60 Cutter Mill Road, Suite 303 Great Neck, NY 11021  |
| Street Address or Legal Description of the Site:<br><b>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.</b> |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>   |

**Operating Identity/Licensee – NOT APPLICABLE** [Provide this information for each applicable facility and insert after this page.]

|  |
|--|
| Exact Legal Name: Rush System for Health d/b/a Rush University System for Health   |
| Address: 1725 West Harrison Street, Suite 364, Chicago, IL 60612   |
| <input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership<br><input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental<br><input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other   |
| <ul style="list-style-type: none"> <li>o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.</li> <li>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.</li> <li>o <b>Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.</b></li> </ul> |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>  |

**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. |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>   |

**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](http://www.FEMA.gov) or [www.illinoisfloodmaps.org](http://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 :          |                 |
| <input type="checkbox"/>            | Substantive     |
| <input checked="" type="checkbox"/> | 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 University Medical Center ("Applicant") proposes the establishment of a Medical Office Building ("Rush Lakeview MOB"). The Rush Lakeview MOB will consist of 23,969 gross square feet in an existing building located at 2928 N. Ashland Ave in Chicago, Illinois 60657.

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 Rush Lakeview MOB will have the following services and spaces available to patients:

- Imaging room offering MRI, CT, Ultrasound, Echo, and General X-Ray;
- Specialized Women's Imaging Center offering ABUS and Mammography;
- 29 Exam rooms;
- 2 Procedure rooms;
- Laboratory with 2 lab draw stations;
- Staff locker rooms;
- Lactation room;
- Private physician offices offering the services in the following specialties:
  - Primary Care
  - Breast Oncology
  - Obstetrics/Gynecology
  - Cardiology
  - Endocrinology
  - Dermatology
  - Neurology
  - Otolaryngology
  - Urology
  - Plastic Surgery
  - Gastroenterology
  - Medical Weight Loss
  - Rheumatology
- Administrative; and
- Mechanical space.

**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.

| <b>Project Costs and Sources of Funds</b>   |                     |                    |                     |
|---|---------------------|--------------------|---------------------|
| <b>USE OF FUNDS</b>   | <b>CLINICAL</b>     | <b>NONCLINICAL</b> | <b>TOTAL</b>        |
| Preplanning Costs   | 42,026              | 11,974             | 54,000              |
| Site Survey and Soil Investigation  | -                   | -                  | -                   |
| Site Preparation  | 122,866             | 35,008             | 157,874             |
| Off Site Work   | -                   | -                  | -                   |
| New Construction Contracts  | 6,897,693           | 2,956,154          | 9,853,847           |
| Modernization Contracts   | -                   | -                  | -                   |
| Contingencies   | 675,000             | 675,000            | 1,350,000           |
| Architectural/Engineering Fees  | 354,301             | 100,949            | 455,250             |
| Consulting and Other Fees   | 991,808             | 282,591            | 1,274,399           |
| Movable or Other Equipment (not in construction contracts)  | 6,309,530           | 751,000            | 7,060,530           |
| Bond Issuance Expense (project related)   | -                   | -                  | -                   |
| Net Interest Expense During Construction (project related)  | -                   | -                  | -                   |
| Fair Market Value of Leased Space or Equipment  | 3,965,800           | 1,129,957          | 5,095,757           |
| Other Costs to Be Capitalized   | 1,021,818           | 291,142            | 1,312,960           |
| Acquisition of Building or Other Property (excluding land)  | -                   | -                  | -                   |
| <b>TOTAL USES OF FUNDS</b>  | <b>20,380,841</b>   | <b>6,233,776</b>   | <b>26,614,617</b>   |
| <b>SOURCE OF FUNDS</b>  | <b>CLINICAL</b>     | <b>NONCLINICAL</b> | <b>TOTAL</b>        |
| Cash and Securities   | \$16,560,859        | \$4,718,611        | \$21,279,470        |
| Pledges   | -                   | -                  | -                   |
| Gifts and Bequests  | -                   | -                  | -                   |
| Bond Issues (project related)   | -                   | -                  | -                   |
| Mortgages   | -                   | -                  | -                   |
| Leases (fair market value)  | \$3,633,675         | \$1,462,082        | \$5,095,757         |
| Governmental Appropriations   | -                   | -                  | -                   |
| Grants  | -                   | -                  | -                   |
| Other Funds and Sources   | \$186,307           | \$53,083           | \$239,390           |
| <b>TOTAL SOURCES OF FUNDS</b>   | <b>\$20,380,841</b> | <b>\$6,233,776</b> | <b>\$26,614,617</b> |
| <b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b> |                     |                    |                     |

**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 checked="" type="checkbox"/> Yes | <input 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  |   |  |
|  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| If yes, provide the dollar amount of all <b>non-capitalized</b> 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**

|  |
|--|
| <b>For facilities in which prior permits have been issued please provide the permit numbers.</b>   |
| Indicate the stage of the project’s architectural drawings:  |
| <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary<br><input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working  |
| Anticipated project completion date (refer to Part 1130.140): July 1, 2026   |
| Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):  |
| <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.<br><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<br><input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance. |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>  |

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

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

**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]

| Dept. / Area  | Cost                | Gross Square Feet |               | Amount of Proposed Total Gross Square Feet That Is: |            |       |               |
|---|---------------------|-------------------|---------------|---|------------|-------|---------------|
|   |                     | Existing          | Proposed      | New Const.  | Modernized | As Is | Vacated Space |
| <b>REVIEWABLE</b>   |                     |                   |               |   |            |       |               |
| Diagnostic Radiology (Ultrasound, MRI, CT, Stress Echo, X-Ray)  | \$6,294,308         | -                 | 5,761         | 5,761   | -          | -     | -             |
| Breast Imaging (Mammogram, ABUS)  | \$1,718,616         | -                 | 1,573         | 1,573   | -          | -     | -             |
| Specialty Care (2 Procedure Rooms, 29 Exam Rooms, Physician Offices, Clean Storage)                                   | \$12,367,917        | -                 | 11,320        | 11,320  | -          | -     | -             |
| Total Clinical  | \$20,380,841        | -                 | 18,654        | 18,654  | -          | -     | -             |
| <b>NON-REVIEWABLE</b>   |                     |                   |               |   |            |       |               |
| Waiting Rooms, Lounges, Mechanical, Reception   | \$6,233,776         | -                 | 5,315         | 5,315   | -          | -     | -             |
| Total Non-clinical  | \$6,233,776         | -                 | 5,315         | 5,315   | -          | -     | -             |
| <b>TOTAL</b>  | <b>\$26,614,617</b> | -                 | <b>23,969</b> | <b>23,969</b>                                       | -          | -     | -             |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b> |                     |                   |               |   |            |       |               |



**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**.

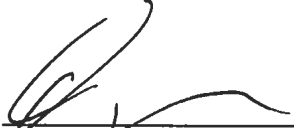
| <b>FACILITY NAME:</b>                 |                        | <b>CITY:</b>      |                     |                    |                      |
|---------------------------------------|------------------------|-------------------|---------------------|--------------------|----------------------|
| <b>REPORTING PERIOD DATES:</b>        |                        | <b>From:</b>      | <b>to:</b>          |                    |                      |
| <b>Category of Service</b>            | <b>Authorized Beds</b> | <b>Admissions</b> | <b>Patient Days</b> | <b>Bed Changes</b> | <b>Proposed Beds</b> |
| 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)                      |                        |                   |                     |                    |                      |
| <b>TOTALS:</b>                        |                        |                   |                     |                    |                      |

**CERTIFICATION**

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

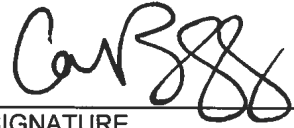
- in the case of a corporation, any two of its officers or members of its Board of Directors.
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist).
- in the case of a partnership, two of its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

**This Application is filed on the behalf of 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

  
SIGNATURE

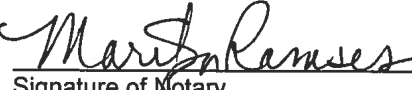
Carl Bergetz, JD  
PRINTED NAME

Chief Legal Officer  
PRINTED TITLE

Notarization:  
Subscribed and sworn to before me  
this 20<sup>th</sup> day of November, 2023

Notarization:  
Subscribed and sworn to before me  
this 20<sup>th</sup> day of November, 2023

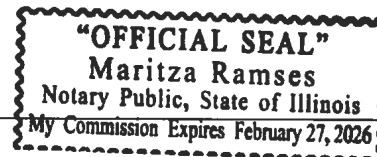
  
Signature of Notary

  
Signature of Notary

Seal



Seal



\*Insert the EXACT legal name of the applicant

**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  |                    |   |            |               |
|--|--------------------|---|------------|---------------|
| DEPT/SERVICE   | PROPOSED BGSF/DGSF | STATE STANDARD  | DIFFERENCE | MET STANDARD? |
| Diagnostic Radiology<br>(Ultrasound, MRI, CT Scan, Stress Echo, X-Ray) | 5,761              | Total 7,500 GSF<br>1,300 GSF Per Unit (General Radiology, Echo, Ultrasound);<br>1,800 GSF Per Unit (MRI);<br>1,800 Per Unit (CT Scan) | -1,739     | Yes           |
| Breast Imaging- Mammogram, Automated Whole Breast Ultrasound (ABUS)    | 1,573              | Total 2,200 GSF<br>900 GSF Per Unit (Mammogram),<br>1,300 GSF Per Unit (Ultrasound)   | -627       | 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  | 49,570 Visits   | 4,060 Visits          | 5,000 Visits     | Yes            |
|             | Ultrasound   | 34,591 Visits   | 2,160 Visits          | 3,100 Visits     |                |
|             | ABUS         | Not Available   | 168 Visits            | 3,100 Visits     |                |
|             | X-Ray        | 64,919 Procedures                                       | 6,400 Procedures      | 6,500 Procedures |                |
|             | CT Scan      | 45,844 Visits   | 4,455 Visits          | 7,000 Visits     |                |
|             | MRI          | 21,667 Visits   | 2,464 Visits          | 2,500 Visits     |                |
| YEAR 2      | Mammography  | 49,570 Visits   | 4,182 Visits          | 5,000 Visits     | Yes            |
|             | Ultrasound   | 34,591 Visits   | 2,430 Visits          | 3,100 Visits     |                |
|             | ABUS         | Not Available   | 173 Visits            | 3,100 Visits     |                |
|             | X-Ray        | 64,919 Procedures                                       | 7,200 Procedures      | 8,000 Procedures |                |
|             | CT Scan      | 45,844 Visits   | 5,012 Visits          | 7,000 Visits     |                |
|             | MRI          | 21,667 Visits   | 2,772 Visits          | 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.**

**SECTION IV. SERVICE SPECIFIC REVIEW CRITERIA**

This Section is applicable to all projects proposing the establishment, expansion, or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria, and provide the required information **APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:**

**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"/> Ultra-Sound, X-Ray, CT Scan, MRI, ABUS | <b>0</b>             | <b>5</b>             |
| <input checked="" type="checkbox"/> Mammography                            | <b>0</b>             | <b>1</b>             |

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     |
| <b>APPEND DOCUMENTATION AS ATTACHMENT 31, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b> |   |



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**]:

|  |  |
|--|--|
| <p><b>\$21,279,470</b></p> <p>_____</p> <p>_____</p> <p><b>\$5,095,757</b></p> <p>_____</p> <p>_____</p> <p><b>\$239,390</b></p> | <p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> <p>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.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts.</p> <p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate.</li> <li>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.</li> <li>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.</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol> <p>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.</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p> |
| <p><b>\$26,614,617</b></p>   | <p><b>TOTAL FUNDS AVAILABLE</b></p>  |
| <p><b>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b></p>    |  |

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

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

Variance

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

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

**SECTION IX. 1120.140 - ECONOMIC FEASIBILITY**

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

**A. Reasonableness of Financing Arrangements**

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

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
  - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts 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).

| <b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b> |                             |          |                                |          |                       |          |                      |                    |                       |
|--|-----------------------------|----------|--------------------------------|----------|-----------------------|----------|----------------------|--------------------|-----------------------|
| Department<br>(List below)                                 | A                           | B        | C                              | D        | E                     | F        | G                    | H                  | Total Cost<br>(G + H) |
|  | Cost/Sq. Ft.<br>New<br>Mod. |          | Gross Sq. Ft.<br>New<br>Circ.* |          | Gross Sq. Ft.<br>Mod. | Circ.*   | Const. \$<br>(A x C) | Mod. \$<br>(B x E) |                       |
| Breast Imaging Center                                      | \$31.18                     | -        | 18,654                         | -        | -                     | -        | \$581,648            | -                  | \$581,648             |
| Diagnostic Imaging   | \$114.19                    | -        | 18,654                         | -        | -                     | -        | \$2,130,246          | -                  | \$2,130,246           |
| Exam Rooms, Procedure Rooms, General Clinical Space        | \$224.39                    | -        | 18,654                         | -        | -                     | -        | \$4,185,798          | -                  | \$4,185,798           |
| Contingency  | \$36.18                     | -        | 18,654                         | -        | -                     | -        | \$675,000            | -                  |                       |
| <b>TOTALS</b>  | <b>\$405.94</b>             | <b>-</b> | <b>18,654</b>                  | <b>-</b> | <b>-</b>              | <b>-</b> | <b>\$7,572,693</b>   | <b>-</b>           | <b>\$7,572,693</b>    |

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

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

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

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

**SECTION X. CHARITY CARE INFORMATION**

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

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

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

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

| CHARITY CARE                     |      |      |      |
|----------------------------------|------|------|------|
|                                  | Year | Year | Year |
| <b>Net Patient Revenue</b>       |      |      |      |
| Amount of Charity Care (charges) |      |      |      |
| Cost of Charity Care             |      |      |      |

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

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

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is 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 Lakeview Medical Office Building, Inc. 2928 N. Ashland Ave. Chicago IL 60657 (312) 942-8715

2. Project Location: 2928 N. Ashland Ave. Chicago Illinois Cook Lakeview

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:

| <b>INDEX OF ATTACHMENTS</b> |  |              |
|-----------------------------|--|--------------|
| <b>ATTACHMENT NO.</b>       |  | <b>PAGES</b> |
| 1                           | Applicant Identification including Certificate of Good Standing  | 25-27        |
| 2                           | Site Ownership   | 28-32        |
| 3                           | Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | 33-34        |
| 4                           | Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.                  | 35           |
| 5                           | Flood Plain Requirements   | 36-37        |
| 6                           | Historic Preservation Act Requirements   | 38-43        |
| 7                           | Project and Sources of Funds Itemization   | 44-47        |
| 8                           | Financial Commitment Document if required  | 48           |
| 9                           | Cost Space Requirements  | 49           |
| 10                          | Discontinuation  | n/a          |
| 11                          | Background of the Applicant  | 50-70        |
| 12                          | Purpose of the Project   | 71-73        |
| 13                          | Alternatives to the Project  | 74           |
| 14                          | Size of the Project  | 75           |
| 15                          | Project Service Utilization  | 76-81        |
| 16                          | Unfinished or Shell Space  | n/a          |
| 17                          | Assurances for Unfinished/Shell Space  | n/a          |
|                             |  |              |
|                             | <b>Service Specific:</b>   |              |
| 18                          | Master Design and Related Projects   | n/a          |
| 19                          | Medical Surgical Pediatrics, Obstetrics, ICU   | n/a          |
| 20                          | Comprehensive Physical Rehabilitation  | n/a          |
| 21                          | Acute Mental Illness   | n/a          |
| 22                          | Open Heart Surgery   | n/a          |
| 23                          | Cardiac Catheterization  | n/a          |
| 24                          | In-Center Hemodialysis   | n/a          |
| 25                          | Non-Hospital Based Ambulatory Surgery  | n/a          |
| 26                          | Selected Organ Transplantation   | n/a          |
| 27                          | Kidney Transplantation   | n/a          |
| 28                          | Subacute Care Hospital Model   | n/a          |
| 29                          | Community-Based Residential Rehabilitation Center  | n/a          |
| 30                          | Long Term Acute Care Hospital  | n/a          |
| 31                          | Clinical Service Areas Other than Categories of Service  | 82-83        |
| 32                          | Freestanding Emergency Center Medical Services   | n/a          |
| 33                          | Birth Center   | n/a          |
|                             |  |              |
|                             | <b>Financial and Economic Feasibility:</b>   |              |
| 34                          | Availability of Funds  | 84-138       |
| 35                          | Financial Waiver   | n/a          |
| 36                          | Financial Viability  | 139-140      |
| 37                          | Economic Feasibility   | 141-142      |
| 38                          | Safety Net Impact Statement  | 143          |
| 39                          | Charity Care Information   | 144          |
| 40                          | Flood Plain Information  | 145-146      |



**ATTACHMENT 1**  
**Certificate of Good Standing**

Included with this attachment are:

1. The Certificate of Good Standing for Rush System for Health d/b/a Rush University System for Health
2. The Certificate of Good Standing for Rush University Medical System

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

*File Number*                      5852-111-6



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

*I, Alexi Giannoulis, 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, 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 #: 2324902434 verifiable until 09/06/2024  
 Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 6TH day of SEPTEMBER A.D. 2023 .***

*Alexi Giannoulis*  
 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, Alexi Giannoulis, 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 #: 2331600958 verifiable until 11/12/2024  
 Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 12TH day of NOVEMBER A.D. 2023 .***

*Alexi Giannoulis*  
 SECRETARY OF STATE

**ATTACHMENT 2**  
**Site Ownership**

The existing building where the RUSH Lakeview Medical Office Building will be located is subject to a letter of intent to lease between RUSH and OLP Chicago, LLC the building owner. Attached as evidence of control is a copy of a letter of intent between the parties.

**ATTACHMENT 2**  
**Site Ownership**

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ONE LIBERTY PROPERTIES, INC.

**LETTER OF INTENT**

March 16, 2023

Ms. Patricia O'Neil  
 Chief Financial Officer  
 Rush University System for Health  
 1725 W. Harrison, Suite 364  
 Chicago, Illinois 60612

Subject: Former Office Depot-2928 N. Ashland Ave Chicago

Dear Ms. O'Neil:

This letter of intent ("LOI") is being delivered to you to outline the business terms of the proposed lease ("Lease") between OLP Chicago, LLC and Rush University System for Health.

|                          |  |
|--------------------------|--|
| <b>LANDLORD:</b>         | OLP Chicago, LLC a wholly owned subsidiary of One Liberty Properties, Inc. (NYSE: OLP)   |
| <b>TENANT/GUARANTOR:</b> | Rush University System for Health  |
| <b>PREMISES:</b>         | Approximately 23,939 of rentable square feet. Tenant shall be entitled to the non-exclusive use of the greater of 115 parking spaces or the number of parking spaces required by municipal code throughout the Lease Term, including any such Extended Term (both as defined below), which parking spaces will be located adjacent to the Premises and will be provided by recorded REA with such adjacent property. |
| <b>USE:</b>              | The Premises shall be used for the operation of medical uses and subspecialties associated with outpatient care ("Medical Use").   |
| <b>LEASE TERM:</b>       | Ten (10) years; plus two (2), five (5) year extension option ("Extended Term") commencing following Rent Commencement.   |

80 Cutter Mill Road, Suite 303 • Great Neck, NY 11021 516-466-3100 • Fax 516-773-2770 NYSE: OLP

1

**ATTACHMENT 2  
Site Ownership**

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**RENT:** Annual Base Rent equal to Nineteen Dollars (\$19) per square foot based on the net rentable square footage of approximately 23,939 square feet.

Extended Term Base Rent shall be the then fair market rent. Exercise of the extension option shall be by written notice, no later than twelve (12) months prior to the expiration of the initial Lease Term and continue with agreed escalations of Primary Term.

**POSSESSION DATE:** To be mutually agreed upon by Landlord and Tenant.

**RENT COMMENCEMENT:** The Base Rent and the Triple Net Charges (as defined below) shall commence upon the earlier to occur of: (i) the opening of the Premises; (ii) two hundred and seventy (270) days after the Possession Date;

**ESCALATIONS:** During the initial Term, the Base Rent will increase 2 ½% annually

**NNN LEASE:** Tenant shall pay for Real Estate Taxes as tax bills are received by Landlord and monthly for Insurance, and Common Area Maintenance (the "CAM Charges"). Property taxes are approximately \$6.94 psf. CAM Charges are approximately \$2.00 psf.

**SIGNS:** Tenant and Landlord shall agree, in accordance to all municipal code, on all of Tenant's exterior signage and the Ashland Pylon Sign per a separate exhibit to the Lease. All signage on behalf of Tenant shall be at Tenant's expense and shall comply with all laws.

**TENANT IMPROVEMENT** Landlord shall provide a Tenant Improvement Allowance of \$10 per square foot payable upon completion of work, Rent Commencement, and receipt of all applicable waivers.

**PREMISES CONDITION:** Landlord shall provide Premises to Tenants long-term occupancy in "as-is, where-is" condition with exception of a newly installed roof and a water tight shell as a Medical Use ("Premises Condition").

During the Due Diligence Period the Tenant shall assess the adequacy and condition of the Premises including hot and cold water and gas and electrical utility services, sewer lines, roof systems, fire protection, exterior wall and foundation support, electrical panels and the HVAC units and HVAC distribution.

**ATTACHMENT 2  
Site Ownership**

DocuSign Envelope ID: 9E634E63-1276-44C1-84AB-C4FDC7471F9A

**DUE DILIGENCE PERIOD:** Tenant shall have 60 days from and after the Effective Date (as defined below) for initial due diligence in which: (i) to inspect the Premises; (ii) to complete initial design and engineering plans for Tenant's intended Premises build-out; and (iv) to make and conduct its review of the Premises Condition and other tests and studies as are deemed necessary or desirable by Tenant (the "Initial Due Diligence Period"). The Initial Due Diligence Period may be extended by Tenant for an additional 30 days upon prior written notice to Landlord in order for Tenant to complete any due diligence that could not be completed or conducted during the Initial Due Diligence Period (the "Extended Due Diligence Period" and together with the Initial Due Diligence Period, collectively, the "Due Diligence Period").

**CON AND BUILDING PERMIT CONDITIONS:** Tenant's lease of the Premises shall be conditioned upon Tenant obtaining a Certificate of Need approval (the "CON Condition") from the Illinois Health Facilities and Services Review Board (the "CON Review Board") and a permit for its tenant improvement build-out. Tenant shall promptly and diligently pursue approval of the CON and its build-out permits upon execution of this LOI.

**EXCLUSIVITY:** Until the earliest to occur of: i) the execution of the Lease Agreement ; or ii) the expiration of the Due Diligence Period, (A) Landlord agrees 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, including but not limited to a term sheet, letter of intent, or lease with any third party for the purpose of discussing, organizing, formulating, designing, developing, investing in or implementing an arrangement that could lead to the lease of the Premises to a third party.

**LOI TERM/EFFECTIVE DATE:** The term of this LOI shall commence upon the last date written below (the "Effective Date") and continue in full force and effect until the earliest to occur of: i) the execution of the Lease; or ii) the expiration of the Due Diligence Period.

**BROKER FEES:** Tenant's broker Johnson Healthcare Real Estate shall receive a market standard Brokerage Commission pursuant to a separate agreement with Landlord's broker Mid America Real Estate.

**ATTACHMENT 2  
Site Ownership**

DocuSign Envelope ID: 9E634E63-1276-44C1-84AB-C4FDC7471F9A

This LOI is submitted for your review and is subject to modification by either party. This LOI is not intended to be contractual in nature and is non-binding (except for the provisions concerning exclusivity which shall be binding upon the Effective Date and pursuant to the terms and conditions herein); it is only an expression on the basis of which Landlord and Tenant will consider entering into the Lease. Except for the provisions concerning "Exclusivity", neither party will be legally bound by the terms and conditions referenced in this LOI until a mutually acceptable Lease has been fully executed by both parties.

Sincerely,

*Justin Clair*

By: Justin Clair, Senior Vice President of One Liberty Properties, Inc.  
OLP Chicago, LLC

**AGREED AND ACCEPTED:**

**Rush University System for Health:**

DocuSigned by:  
*Patricia S. O'Neil*  
By: Patricia S. O'Neil  
Its: Senior Vice President & System Chief Financial Office  
Date: 3/17/2023



**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 University Medical Center. Attached as evidence of the entity's good standing is a Certificate of Good Standing issued by the Illinois Secretary of State.

**ATTACHMENT 3**  
**Certificate of Good Standing**  
**for Rush University Medical Center**

*File Number*                      0200-214-1



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

*I, Alexi Giannoulis, 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.

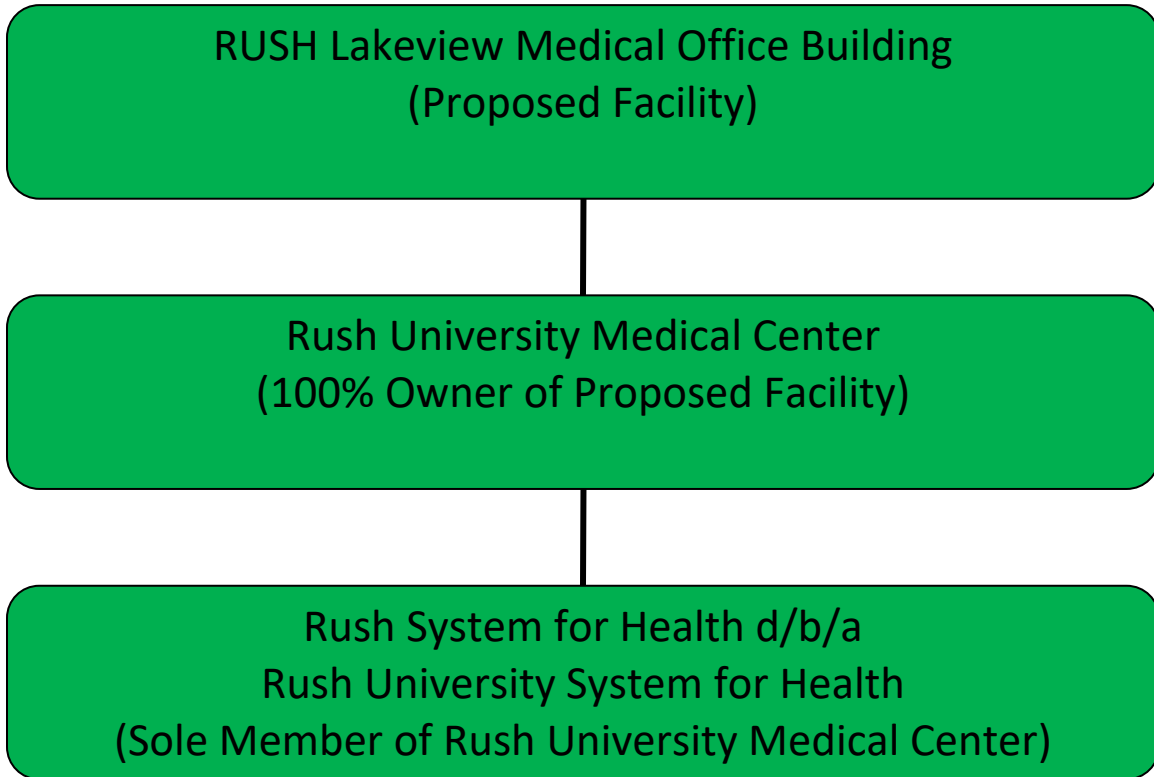


Authentication #: 2331600958 verifiable until 11/12/2024  
 Authenticate at: <https://www.isos.gov>

***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 12TH day of NOVEMBER A.D. 2023 .***

*Alexi Giannoulis*  
 SECRETARY OF STATE

**ATTACHMENT 4**  
**Organizational Chart**



**ATTACHMENT 5**  
**Flood Plain Requirements**

Rush University System for Health  
1653 West Congress Parkway  
Chicago, IL 60612  
www.rush.edu



November 17, 2023

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

**Re: RUSH Lakeview Medical Office Building- Flood Plain Letter**

Dear Mr. Kniery:

As representative of Rush University Medical Center and Rush System for Health d/b/a Rush University System of Health, I, Carl Bergetz, affirm that the proposed relocation for the facility complies with the Illinois Executive Order #2005-5. The facility location at 2928 N. Ashland Ave., Chicago, IL 60657 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

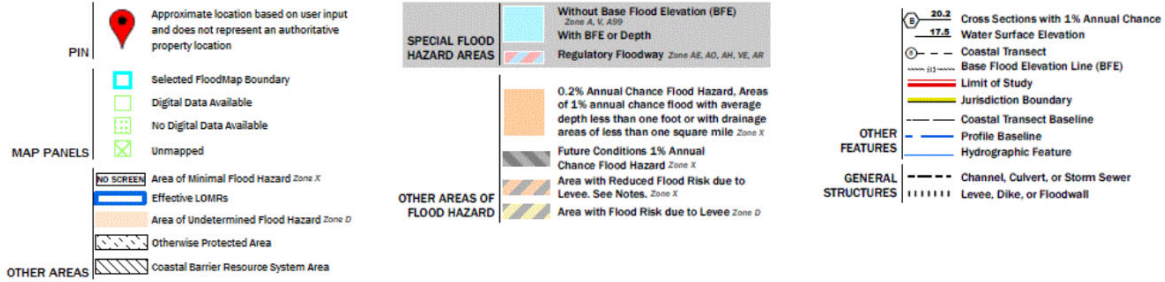
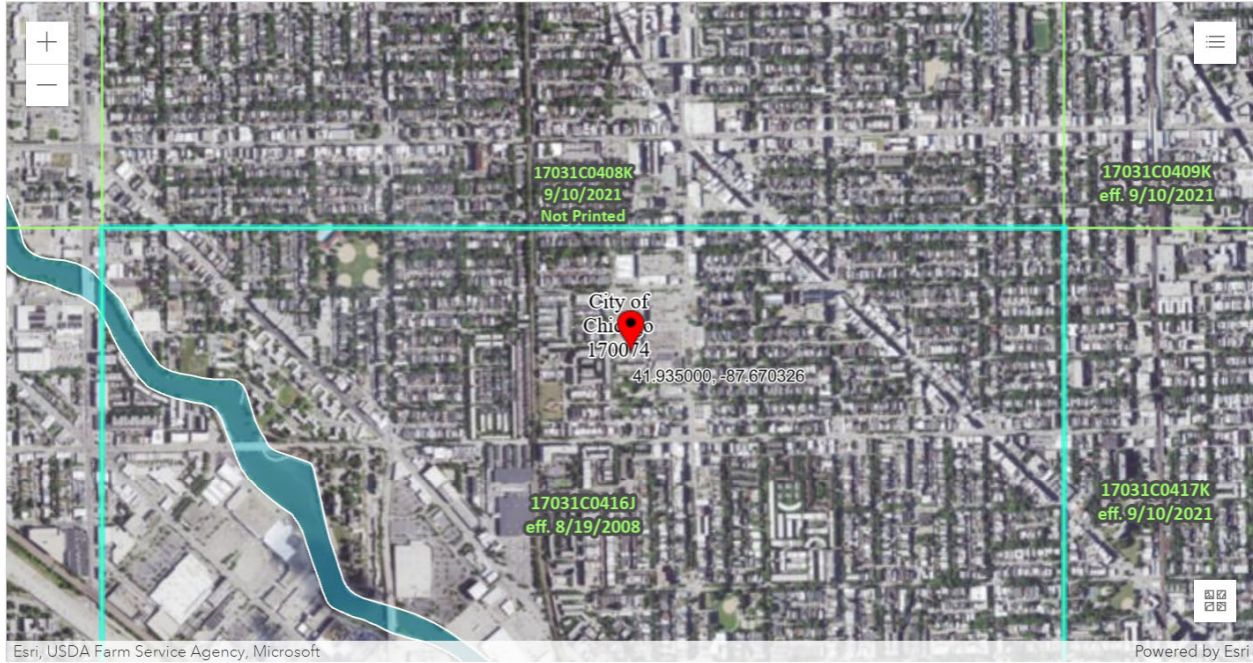
I hereby certify this is true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Bergetz'.

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 date October 27, 2023; a copy of which is enclosed with this attachment. A final determination has not been received as of the time of this filing. However, with the certification made with this application, the Applicants certify that either a determination from the Department will be provided to the HFSRB staff prior to Board review of this CON application or if the HFSRB approves this application, the project will not be obligated until the determination is made by DNR.

**ATTACHMENT 6**  
**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

October 27, 2023

**VIA EMAIL**

Tina Blankenship  
Archaeology Division  
Review and Compliance  
State Historic Preservation Office  
Illinois Department of Natural Resources  
1 Old State Capitol Plaza  
Springfield, IL 62701  
SHPO.Review@illinois.gov

**Re: Certificate of Need Application for the Establishment of a Medical Office  
Building - Rush Lakeview Medical Office Building**

Dear Jeffrey:

I am writing on behalf of my client, Rush Lakeview Medical Office Building ("Rush Lakeview MOB") 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 Lakeview MOB is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. Rush Lakeview MOB is proposing to establish a medical office building, to be located at 2928 N. Ashland Avenue, Chicago, IL 60657 (the "MOB") in an existing office park.

The proposed MOB will occupy approximately 23,969 square feet in an existing building. The MOB will house physician office space, exam rooms, and will provide primary care services and have an onsite a laboratory along with administrative and mechanical space. For your reference, we have included pictures of the topographic maps, areal maps, and existing lot images (Attachments 1-3) showing the general location of the project.

[www.beneschlaw.com](http://www.beneschlaw.com)

**ATTACHMENT 6**  
**Historic Preservation Letter**

Page 2

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.

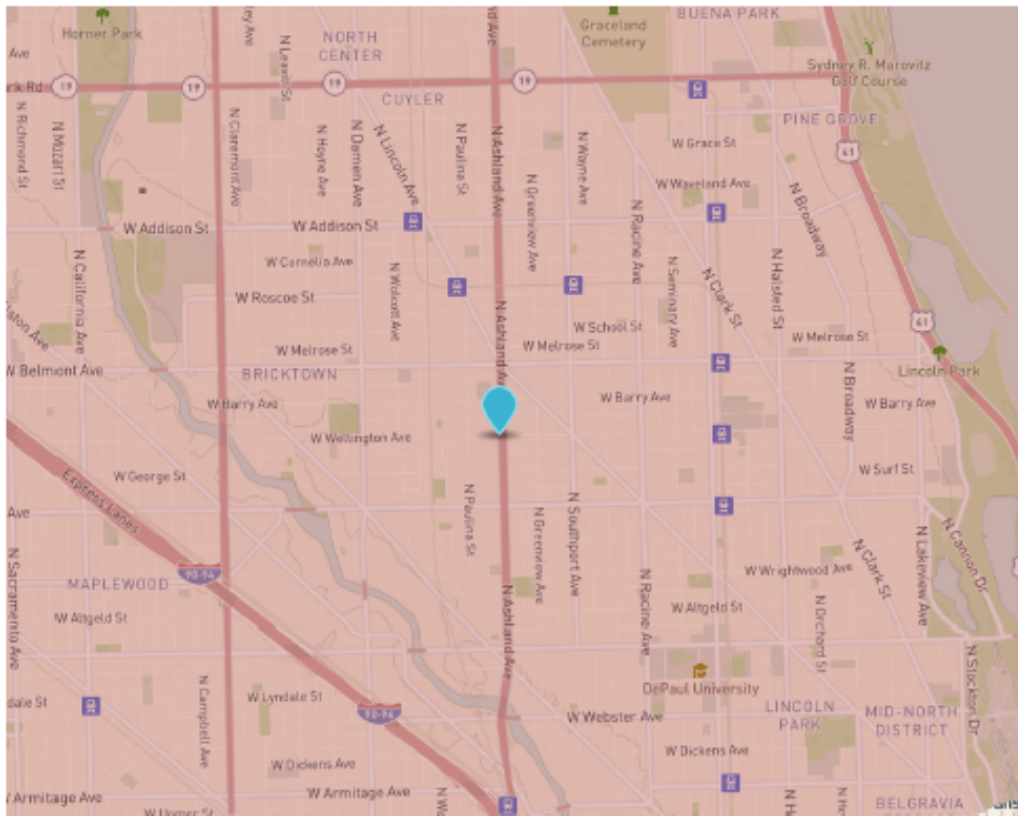
JM:  
Enclosures



**ATTACHMENT 6**  
**Historic Preservation Letter**

Page 3

**ATTACHMENT 1**  
**Topographic Map**

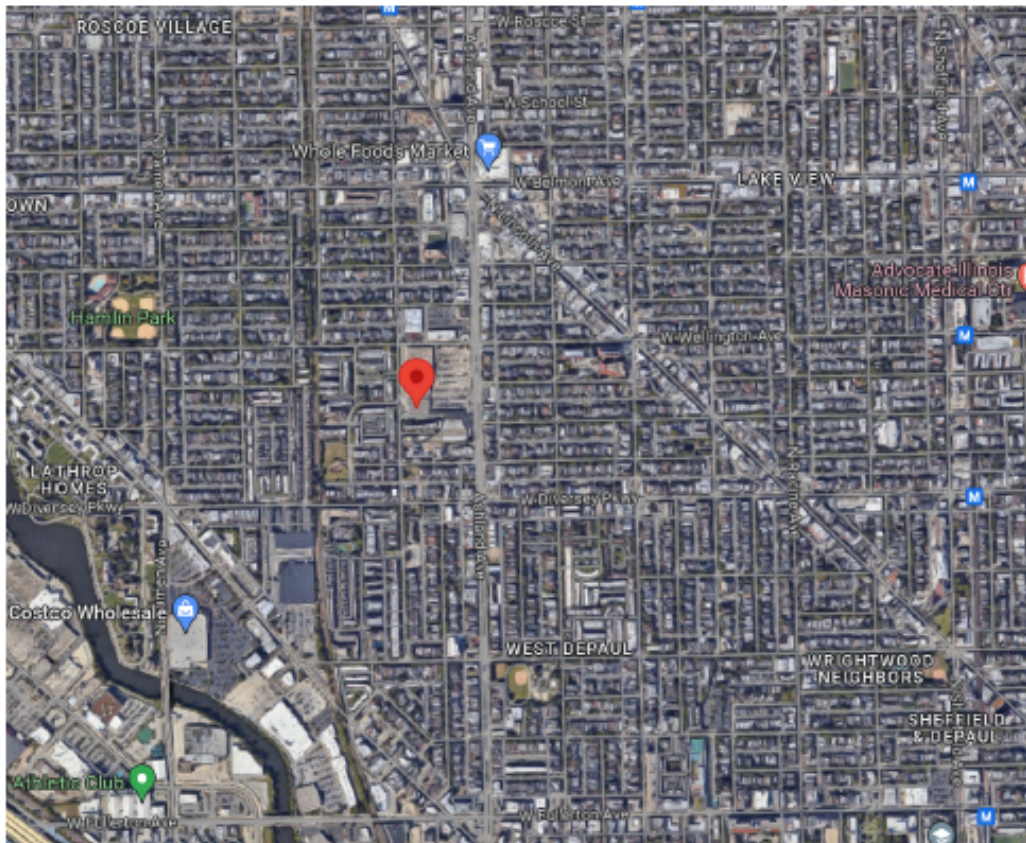


**ATTACHMENT 6**  
**Historic Preservation Letter**

Page 4

**ATTACHMENT 2**

**Aerial Map**



**ATTACHMENT 6**  
**Historic Preservation Letter**

Page 5

**ATTACHMENT 3**  
**Street View of Property**



**ATTACHMENT 7**  
**Project Costs and Sources of Funds**

| <b>Project Costs and Sources of Funds</b>                  |                     |                    |                     |
|--|---------------------|--------------------|---------------------|
| <b>USE OF FUNDS</b>  | <b>CLINICAL</b>     | <b>NONCLINICAL</b> | <b>TOTAL</b>        |
| Preplanning Costs  | 42,026              | 11,974             | 54,000              |
| Site Survey and Soil Investigation                         | -                   | -                  | -                   |
| Site Preparation   | 122,866             | 35,008             | 157,874             |
| Off Site Work  | -                   | -                  | -                   |
| New Construction Contracts                                 | 6,897,693           | 2,956,154          | 9,853,847           |
| Modernization Contracts                                    | -                   | -                  | -                   |
| Contingencies  | 675,000             | 675,000            | 1,350,000           |
| Architectural/Engineering Fees                             | 354,301             | 100,949            | 455,250             |
| Consulting and Other Fees                                  | 991,808             | 282,591            | 1,274,399           |
| Movable or Other Equipment (not in construction contracts) | 6,309,530           | 751,000            | 7,060,530           |
| Bond Issuance Expense (project related)                    | -                   | -                  | -                   |
| Net Interest Expense During Construction (project related) | -                   | -                  | -                   |
| Fair Market Value of Leased Space or Equipment             | 3,965,800           | 1,129,957          | 5,095,757           |
| Other Costs to Be Capitalized                              | 1,021,818           | 291,142            | 1,312,960           |
| Acquisition of Building or Other Property (excluding land) | -                   | -                  | -                   |
| <b>TOTAL USES OF FUNDS</b>                                 | <b>20,380,841</b>   | <b>6,233,776</b>   | <b>26,614,617</b>   |
| <b>SOURCE OF FUNDS</b>                                     | <b>CLINICAL</b>     | <b>NONCLINICAL</b> | <b>TOTAL</b>        |
| Cash and Securities  | \$16,560,859        | \$4,718,611        | \$21,279,470        |
| Pledges  | -                   | -                  | -                   |
| Gifts and Bequests   | -                   | -                  | -                   |
| Bond Issues (project related)                              | -                   | -                  | -                   |
| Mortgages  | -                   | -                  | -                   |
| Leases (fair market value)                                 | \$3,633,675         | \$1,462,082        | \$5,095,757         |
| Governmental Appropriations                                | -                   | -                  | -                   |
| Grants   | -                   | -                  | -                   |
| Other Funds and Sources                                    | \$186,307           | \$53,083           | \$239,390           |
| <b>TOTAL SOURCES OF FUNDS</b>                              | <b>\$20,380,841</b> | <b>\$6,233,776</b> | <b>\$26,614,617</b> |

## ATTACHMENT 7

### Project Costs and Sources of Funds

**Preplanning Costs** - The costs associated with preplanning relate to costs undertaken prior to the submission of this application and undertaken during the project's development. The clinical costs are estimated to be \$42,026 or .030% of the total clinical construction, contingency, and equipment costs.

|                                       |          |
|---------------------------------------|----------|
| Environmental Site Assessment Phase I | \$2,800  |
| Physicist Test Report                 | \$20,000 |
| Commissioning Agent                   | \$31,200 |

**Site Preparation-** The Costs associated with site preparation include costs required to prepare the site of the proposed facility for construction related to a medical office building. The clinical costs are estimated to be \$122,866 or 1.62% of the total clinical construction and contingency costs.

|                                   |          |
|-----------------------------------|----------|
| Moving Expense and Warehousing    | \$10,000 |
| Owner's Cleaning of Existing Site | \$50,000 |
| Concrete                          | \$97,874 |

**New Construction Contracts** - The proposed project will be constructed in an existing building that formerly operated as a retail store. 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 \$6,897,693 or \$376.86 per clinical square foot.

|   |                    |
|---|--------------------|
| <b>Total Costs (Clinical and Non-Clinical)</b>  |                    |
| General Conditions  | \$234,111          |
| Metals (Structural Steel, Other Metals)   | \$147,500          |
| Rought Carpentry  | \$212,353          |
| Architectural Millwork and Woodworking  | \$517,130          |
| Membrane Roofing  | \$43,500           |
| Caulking and Sealants   | \$10,000           |
| EIFS and Façade Repair  | \$58,000           |
| Metal Siding  | \$139,500          |
| Doors and Windows   | \$389,000          |
| Metal Stud and Drywall  | \$1,657,482        |
| Ceramic and Hard Tile   | \$93,090           |
| Acoustical Ceilings   | \$149,500          |
| Waiting Room Floor  | \$104,020          |
| Carpet, Flooring, Bas   | \$166,356          |
| Floor Preparation   | \$62,706           |
| Painting and Wallcovering   | \$148,913          |
| Wall Corner Guards  | \$35,350           |
| Building Exterior Signage   | \$45,000           |
| Lockers and Benches   | \$32,750           |
| Fire Extinguishers and Cabinets   | \$2,400            |
| Awnings and Canopies  | \$7,500            |
| Toilet Accessories  | \$13,500           |
| Residential Appliances  | \$7,200            |
| RF Shielding/ Radiation Protection  | \$155,500          |
| Mechanical (Fire Protection, Plumbing, HVAC, VDC Coordination)  | \$1,974,156        |
| Electrical (Electrical Work, Generators, Site Lighting, Communication, Security Systems, Nurse Call System, AV, Sounding Masking)   | \$1,728,398        |
| Subcontractor Default Insurance, Permits Fees Allowance, Performance Bonds, Builder's Risk Insurance, Escalation, Contractor's Fee) | \$1,718,931        |
| <b>Total</b>  | <b>\$9,853,847</b> |

## ATTACHMENT 7

### Project Costs and Sources of Funds

**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 \$675,000 or 9.79% percent of projected clinical new construction costs.

**Architectural/Engineering Fees** - The clinical project cost for architectural/engineering fees are projected to be \$354,301 or 4.68% of the new construction and contingencies costs.

|  |           |
|--|-----------|
| Architectural Services- Plan Preparation and Edits | \$405,250 |
| Additional Architectural Services                  | \$50,000  |

**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.

|  |           |
|--|-----------|
| CON Legal  | \$185,000 |
| CON Filing Fees                                    | \$100,000 |
| General Legal                                      | \$175,000 |
| Excess Facilities Charges (Water, Electric, Sewer) | \$50,000  |
| Code Consultants                                   | \$5,000   |
| Builder's Risk                                     | \$131,399 |
| Construction Pollution Liability (CPL)             | \$5,000   |
| Construction Escrow (Pay Application Processing)   | \$4,500   |
| Program Management                                 | \$443,000 |
| Permit Expeditor                                   | \$10,000  |
| Parking Consultant                                 | \$7,500   |
| Equipment Consulting (Planning & Procurement)      | \$80,000  |
| Property Condition Assessment                      | \$3,000   |
| Activation / Transition Planning Consultant        | \$65,000  |
| Other Consultants (Exterior Envelope Consultant)   | \$10,000  |

**Moveable Equipment Costs** - The moveable equipment costs are necessary for the operation of the medical office building, and proposed physician clinic/immediate care rooms. The total clinical cost for the equipment is \$6,309,530.

| <b>Clinical Costs</b>  |                    |
|--|--------------------|
| MRI- Siemens Sola 1.5T   | \$1,500,000        |
| CT- Siemens SOMATOM Drive                                      | \$1,450,000        |
| Xray - Afga DR600  | \$245,000          |
| Ultrasound - Siemens Acuson Sequoia                            | \$308,037          |
| Echo - Philips Epiq  | \$151,000          |
| Stress - GE Case / Treadmill                                   | \$34,000           |
| Echo table - Medical Positioning Inc (MPI)                     | \$8,300            |
| US Table - Stryker Gynnie Stretcher                            | \$6,500            |
| PACS - Pace Workstation (2)                                    | \$110,000          |
| Mammography Unit & Brevera (1)                                 | \$823,117          |
| ABUS (1)   | \$290,547          |
| Reading Station (1)  | \$42,575           |
| Physician Clinic Exam Rooms (29 rooms @ \$15K/room allowance)  | \$435,000          |
| Physician Clinic Procedure Rooms (2 rms @ \$50K /rm allowance) | \$100,000          |
| Sterile Hub Allowance  | \$230,000          |
| Escalation @ 5%  | 300,454            |
| <b>Total Medical Equipment</b>                                 | <b>\$6,309,530</b> |

**ATTACHMENT 7  
Project Costs and Sources of Funds**

|   |                  |
|---|------------------|
| <b>Non-Clinical Costs</b>   |                  |
| Furniture   | \$600,000        |
| Furnishings (Non-Medical Trash Cans, Shower Curtains, Cubicle Curtains, etc.) | \$15,000         |
| Artwork   | \$36,000         |
| Other - Receiving Area Equipment Allowance                                    | \$100,000        |
| <b>Total</b>  | <b>\$751,000</b> |

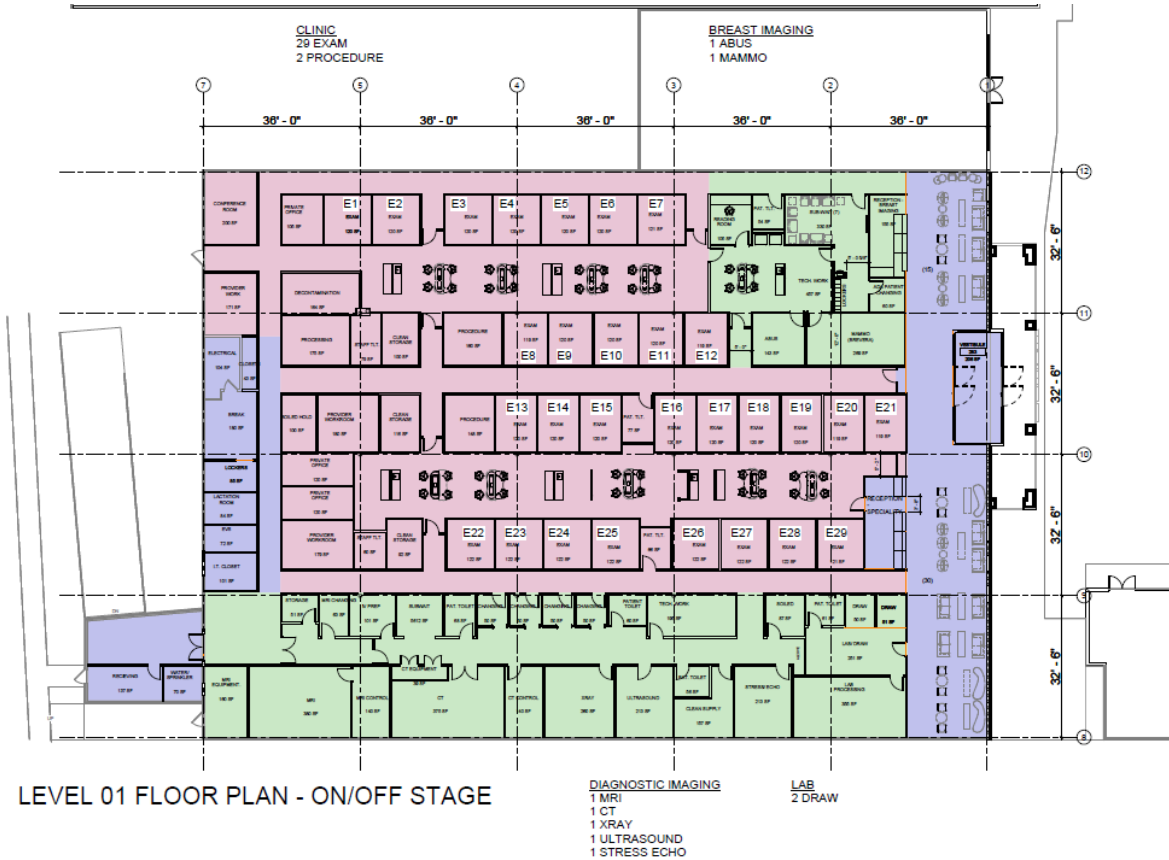
**Fair Market Value of Lease Space**-These costs include the leasing of the physical structure where the facility will be located. The lease was a arm’s length negotiation that was based on \$19 per GSF with 2.5% escalator each year for 10 years. The total value of the lease is \$5,095,757.

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

|  |             |
|--|-------------|
| Network Electronics (Desktop devices, software applications, special IT systems, Installation) | \$1,312,960 |
|--|-------------|

### ATTACHMENT 8 Project Status and Completion Schedule

The proposed project plans are still at the schematic stage and the proposed project date is July 1, 2026. Financial commitment for the project will occur following permit issuance. Below is a schematic design of the proposed facility.



LEVEL 01 FLOOR PLAN - ON/OFF STAGE

**DIAGNOSTIC IMAGING**  
1 MRI  
1 CT  
1 XRAY  
1 ULTRASOUND  
1 STRESS ECHO

**LAB**  
2 DRAW



**ATTACHMENT 9**  
**Cost Space Requirements**

| Dept. / Area  | Cost                | Gross Square Feet |               | Amount of Proposed Total Gross Square Feet That Is: |            |       |               |
|---|---------------------|-------------------|---------------|---|------------|-------|---------------|
|   |                     | Existing          | Proposed      | New Const.  | Modernized | As Is | Vacated Space |
| <b>REVIEWABLE</b>   |                     |                   |               |   |            |       |               |
| Diagnostic Radiology (Ultrasound, MRI, CT, Stress Echo, X-Ray)                      | \$6,294,308         | -                 | 5,761         | 5,761   | -          | -     | -             |
| Breast Imaging (Mammogram, ABUS)  | \$1,718,616         | -                 | 1,573         | 1,573   | -          | -     | -             |
| Specialty Care (2 Procedure Rooms, 29 Exam Rooms, Physician Offices, Clean Storage) | \$12,367,917        | -                 | 11,320        | 11,320  | -          | -     | -             |
| Total Clinical  | \$20,380,841        | -                 | 18,654        | 18,654  | -          | -     | -             |
| <b>NON-REVIEWABLE</b>   |                     |                   |               |   |            |       |               |
| Waiting Rooms, Lounges, Mechanical, Reception                                       | \$6,233,776         | -                 | 5,315         | 5,315   | -          | -     | -             |
| Total Non-clinical  | \$6,233,776         | -                 | 5,315         | 5,315   | -          | -     | -             |
| <b>TOTAL</b>  | <b>\$26,614,617</b> | -                 | <b>23,969</b> | <b>23,969</b>                                       | -          | -     | -             |

## 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, a new Ambulatory Care Building, an under construction Rush Specialty Hospital (“RSH”) and more than 30 clinical locations across the Chicago area. RUSH is consistently recognized for exceptional patient care, education, research, and community partnerships.



*Rush University Medical Center*

#### **Background of Rush University Medical Center**




Rush University Medical Center (“RUMC”) is an academic medical center that includes a 737-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, 28,367 total admissions, 22,438 surgical cases, 57,619 emergency room visits, and 594,835 outpatient visits as of CY2022. 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. During the COVID-19, RUMC was a key partner to the City of Chicago as they began to administer vaccinations and the organization continues to invest in the surrounding communities where their patients reside.

**ATTACHMENT 11**  
**Background of the Applicants**

RUMC also maintains strong affiliations and partnerships with other area medical facilities, federally qualified health centers (“FQHC”), and independent physician practice groups. In 2022, RUMC also continued to demonstrate a commitment to providing services to all patients regardless of their insurance type or ability to pay. Last year, over 16% of RUMC’s patients utilized Medicaid as their insurance and RUMC provided over \$28 Million in charitable care to other patients who were either under or uninsured. Through their affiliations with FQHC’s, RUMC has accepted transfers and treated over 10,000 patients in 2022.

**ATTACHMENT 11**  
**Background of the Applicants**

**RUSH by the Numbers**

| Financial Results                       |                  | Credit Ratings   |                             |
|---|------------------|--|-----------------------------|
| <i>(with Stimulus – in millions)</i>    |                  |  |                             |
|   | <b>June 2023</b> |    |                             |
|   | <b>YTD</b>       | <b>Moody's</b> <b>Fitch</b> <b>S&amp;P</b><br><i>Reaffirmed as of:</i>   |                             |
| Total Assets                            | \$5,475          | Moody's:<br>April 27, 2022   | Fitch:<br>February 13, 2023 |
| Total Operating Revenue                 | \$3,355          | S&P:<br>February 7, 2023   |                             |
| Operating Margin                        | 0.6%             |  |                             |
| Operating Cash Flow Margin              | 5.9%             |  |                             |
| Labor Expense as % of Operating Revenue | 51.5%            |  |                             |
| Days Cash on Hand                       | 208.5            |  |                             |

| People   |                  | Patient Statistics |                  | University: Education & Research |                  |
|--|------------------|--------------------|------------------|----------------------------------|------------------|
|  | <b>June 2023</b> |                    | <b>June 2023</b> |                                  | <b>June 2023</b> |
|  | <b>YTD</b>       |                    | <b>YTD</b>       |                                  | <b>YTD</b>       |
| Full-time Employees                            | 14,010           | Admissions         | 46,868           | Enrollment                       | 2,208            |
| Employed Physicians<br><i>(as of March 31)</i> | 939              | Surgeries          | 59,090           | <i>(Spring 2023 &amp; 2022)</i>  |                  |
|  |                  | OP Visits          | 963,044          | Research Revenue                 | \$200.2          |
|  |                  | ER Visits          | 180,479          | <i>(In millions)</i>             |                  |
|  |                  | CMI                | 1.89             | Scholarships                     | \$978,599        |
|  |                  |                    |                  | <i>(FY24 Total Incremental)</i>  |                  |

RUSH University colleges and programs are recognized in *U.S. News & World Report's* 2023-2024 Best Graduate Schools rankings.

- ★ The College of Nursing is recognized as one of the top nursing schools in the country, earning rankings in the top five across all programs;
- ★ Five College of Health Sciences programs hold strong rankings, including two in the top ten;
- ★ RUSH Medical College ranks 68th in *U.S. News & World Report's* Research category, 67th in Primary Care and 58th in Diversity.

For the fourth year in a row, RUSH is among the nation's best on *U.S. News & World Report's* 2023-2024 Best Hospitals Honor Roll. Eleven specialty programs at RUSH are ranked among the top 50 in the nation this year by *U.S. News & World Report*, with eight in the top 25.

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 have been ranked by U.S. News and World Report's Best Graduate Schools.

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.

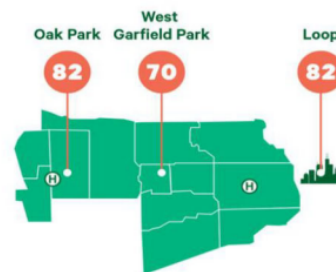
Rush established the Health Equity Governance Committee to report on performance projects that address racial, ethnic, gender and age inequities. Rush began screening patients for social determinants of health, including food, transportation, access to primary care and more. The health system launched 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

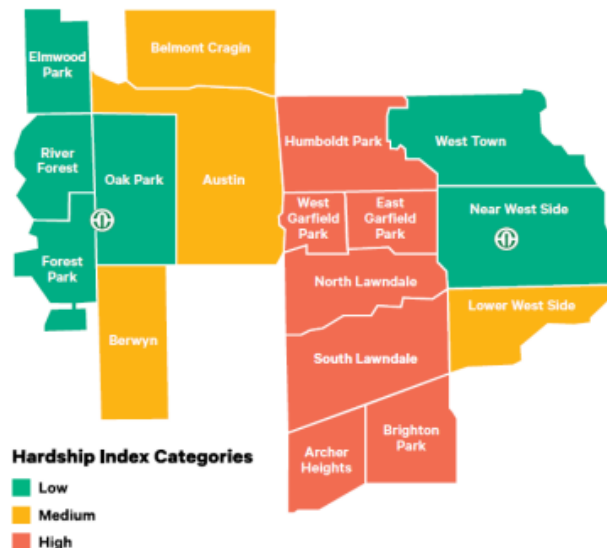
**In the suburbs**

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.

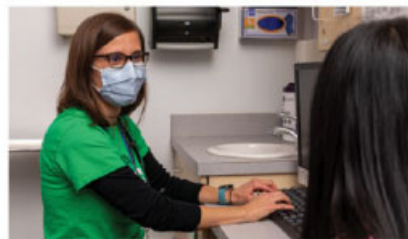


 **1,274**  
cases of COVID-19 **contact-traced**  
after being identified at Rush testing sites

**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

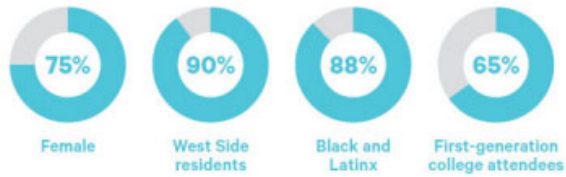
### Education: Creating opportunities

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:



**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



#### 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

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**ATTACHMENT 11**  
**Background of the Applicants**

**Anchor Mission**

RUSH is the largest employer on Chicago's West Side and spends millions of dollars each year on goods and services. We put that spending power to work in ways that improve the economic vitality of communities near RUSH University Medical Center and RUSH Oak Park Hospital through our Anchor Mission strategy. We're committed to hiring locally and developing more local talent; buying and sourcing with local vendors; investing locally; and volunteering locally, all with the assistance of partners that include community-based organizations, community development finance institutions and other health care organizations in the West Side United collaborative.

**\$2.25 million**  
in community investments on the West Side brought RUSH's total investments to more than **\$6.23 million** since 2018

**400**  
new RUSH employees (nearly **18%** of total hires) live in anchor mission communities

**\$9.18 million**  
was spent with West Side businesses on everything from printing to catering



**421** RUSH volunteers served 21,380 West Siders through the Employee Volunteer Program (EVP)

“ Anytime there's a need and I have availability to volunteer, I dive in. When we're doing food distribution to the community on weekends, I include my 13-year-old daughter, too; it's a way to give back and learn some life lessons at the same time.

It's really motivating to see the work that RUSH is willing to put into the community and to see that leadership is there to support the efforts. We get a lot of people who are in great need and express a lot of gratitude for us being there. And when we see someone at an event who has a need, we don't leave it at the event: We'll follow up with them with ways to close the gaps, like helping them apply for SNAP benefits or Medicaid.

**Ebony Henderson, RUSH lead community health worker**

## 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**  
**Background of the Applicants**

**Community Health Needs Assessment (CHNA) and  
Community Health Implementation Plan (CHIP)**

Our work is driven by what we learn from the community. Every three years, we conduct a community health needs assessment (CHNA) and use it to create a community health implementation plan (CHIP).

This combined document gives us a road map for improving access to resources and removing barriers to good health. We developed our CHNA and CHIP in close collaboration with community residents, nonprofit organizations, other health systems, government agencies and faith communities.

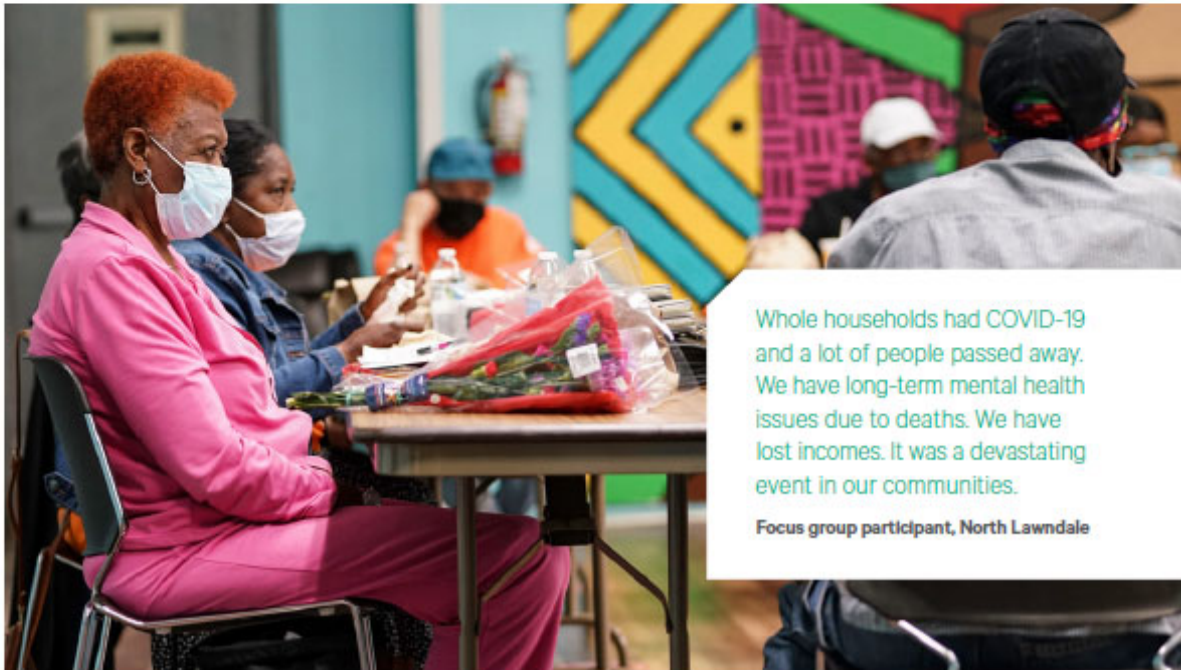
Based on this community input, we're working with our partners to implement initiatives that will help:

- Prevent and/or manage chronic conditions and risk factors
- Increase access to mental and behavioral health services
- Reduce inequities caused by the social, economic and structural determinants of health
- Increase access to quality health care
- Improve maternal and child health outcomes

**100+**  
community-based organizations helped us reach residents to ask their opinions

**400+**  
West Side residents shared their thoughts with us in 23 focus groups

**5,300+**  
community members answered a survey about their neighborhoods' needs



Whole households had COVID-19 and a lot of people passed away. We have long-term mental health issues due to deaths. We have lost incomes. It was a devastating event in our communities.

Focus group participant, North Lawndale



## ATTACHMENT 11 Background of the Applicants

### Community Health and Engagement

Our team works to reduce barriers, increase access to health care and provide resources to improve the health of our West Side community. With our partners, which include houses of worship and community-based organizations, we focus on reducing risk factors; helping people who live with chronic conditions like heart disease and diabetes manage their health; and providing mental health resources in community settings, healthy food options and heart health information.

“ Nobody wants to say that they don't have food. You'll hear them say, "oh, I'm behind on some things," and then you know. We have canned vegetables and beans, cereal, tortillas, bread. They also get a big bag of fresh fruit and vegetables. A box might have bananas, apples, oranges, broccoli, sweet potatoes, cucumbers, lettuce, cabbage. We give them recipes that RUSH nutrition students put together, and we talk about healthy eating and making better food choices.

We also ask if they have a way to get back and forth to the doctor, if they have a home, if they've been worried about paying utility bills. Then we can connect them with local resources. Not long ago I had one person who was worried about getting their lights cut off, and I connected them with assistance that cleared it up that day. Resources like that are essential, but they're not always available —and the need is far greater than the resources.

I tell everybody: if you need the help, take the help. We're all doing the best we can.

Nykesha Jones, RUSH community health worker

128

patients enrolled in Food is Medicine prescription program for free food, healthy recipes, home delivery and help signing up for SNAP benefits



5,345 community residents connected with healthy food through the RUSH Food is Medicine program

### ATTACHMENT 11 Background of the Applicants

## Community Health Worker Hub

The RUSH Community Health Worker (CHW) Hub is home to a team of frontline public health workers who partner with Rush's clinical social workers and community health nurses to help people get the care and services they need. The team grew quickly during the first part of the COVID-19 pandemic and has since added resource navigation and support in our partner schools, emergency department and cancer center.

**3,716**  
people were screened for the social determinants of health

**951**  
referrals connected people to medical and mental health care in the community

I screen people in person in the emergency department and also on the phone post-discharge. The screening identifies the needs they have, and then our NowPow tool generates a list of personalized resources for them. I've had a lot of people who were excited to talk to me because they didn't know there were people in the hospital doing this kind of work.

Top of the list of the needs I see is definitely housing. Transportation is another, and utility assistance. A lot of people need mental health services as well. Because we're community members, we can relate to a lot of issues in the neighborhoods like barriers to care and health. It's rewarding to be able to help people get the information and resources they need to live healthier and better lives.

Delilah Harris, RUSH community health worker





If someone comes through the RUSH emergency department and needs a primary care provider or a specialist, we can help. Many of the patients I work with get frustrated with technology issues, language barriers or long waits on hold with insurance providers — and if they don't have a family member to help, they just won't follow through. Being persistent when answers aren't easy to come by is a big part of the job.

One person I worked with recently is an asylum seeker who's staying in a hostel and hasn't been on medication to control his diabetes. It took me some time to get a hold of him, but when I did I was able to get a translator involved so we could have a four-way call with Medicaid and get him set up with a specialist near where he's staying. So many of our patients thank us for our help and tell us that they wouldn't have known what to do to take care of their health.

Daniel Hong, RUSH community health worker

ATTACHMENT 11  
Facility Licenses

|   |   |   |  |
|---|---|---|--|
|  <b>Illinois Department of PUBLIC HEALTH</b> <span style="float: right; color: red;">HF 126531</span>  |   |   | <p>← DISPLAY THIS PART IN A CONSPICUOUS PLACE</p>                                    |
| <p><b>LICENSE, PERMIT, CERTIFICATION, REGISTRATION</b></p> <p><small>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.</small></p> |   |   |  |
| <p><b>Sameer Vohra, MD,JD,MA*</b><br/>Director</p> <p><small>Issued under the authority of the Illinois Department of Public Health</small></p>   |   |   | <p>Exp. Date 12/31/2023<br/>Lic Number 0001917<br/>Date Printed 10/14/2022</p>       |
| <p><small>EXPIRATION DATE</small><br/>12/31/2023</p>  | <p><small>CATEGORY</small><br/>General Hospital</p> | <p><small>LD NUMBER</small><br/>0001917</p> |  |
| <p>Effective: 01/01/2023</p>  |   |   | <p>Rush University Medical Center<br/>1653 W Congress Pkwy<br/>Chicago, IL 60612</p> |
| <p>Rush University Medical Center<br/>1653 W Congress Pkwy<br/>Chicago, IL 60612</p>  |   |   |  |
| <p><small>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</small></p>  |   |   | <p>FEE RECEIPT NO.</p>   |

|   |  |   |  |
|---|--|---|--|
|  <b>Illinois Department of PUBLIC HEALTH</b> <span style="float: right; color: red;">HF 127191</span>  |  |   | <p>← DISPLAY THIS PART IN A CONSPICUOUS PLACE</p>  |
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| <p><b>Sameer Vohra, MD,JD,MA</b><br/>Director</p> <p><small>Issued under the authority of the Illinois Department of Public Health</small></p>  |  |   | <p>Exp. Date 1/29/2024<br/>Lic Number 7003222<br/>Date Printed 1/25/2023</p>                   |
| <p><small>EXPIRATION DATE</small><br/>1/29/2024</p>   | <p><small>CATEGORY</small><br/>Ambulatory Surgery Treatment Center</p> | <p><small>LD NUMBER</small><br/>7003222</p> |  |
| <p>Effective: 01/30/2023</p>  |  |   | <p>Rush Oak Brook Surgery Center, LLC<br/>2011 York Rd, Suite 3000<br/>Oak Brook, IL 60523</p> |
| <p>Rush Oak Brook Surgery Center, LLC<br/>2011 York Rd, Suite 3000<br/>Oak Brook, IL 60523</p>  |  |   |  |
| <p><small>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</small></p>  |  |   | <p>FEE RECEIPT NO.</p>   |

ATTACHMENT 11  
Facility Licenses



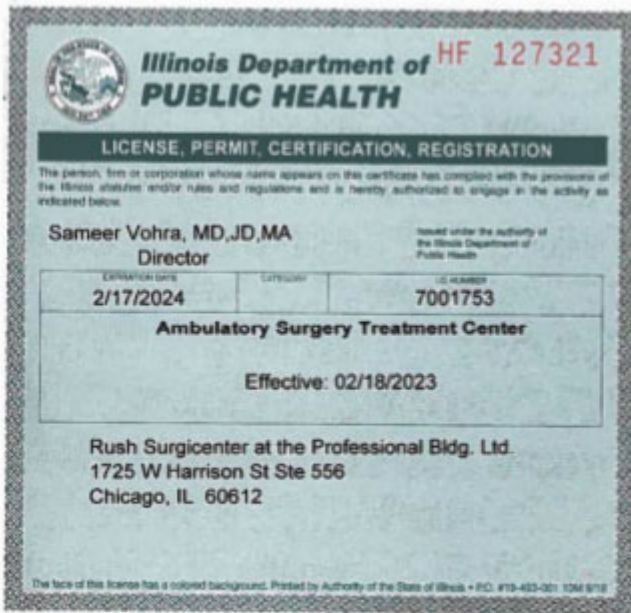
← DISPLAY THIS PART IN A CONSPICUOUS PLACE

Exp. Date 6/30/2024  
Lic Number 0001750

Date Printed 4/18/2023

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

FEE RECEIPT NO.



← 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** **HF128973**

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<br><b>11/17/2024</b> | CATEGORY | I.D. NUMBER<br><b>0004671</b> |
| <b>General Hospital</b>              |          |                               |
| Effective: 11/18/2023                |          |                               |

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

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Exp. Date 11/17/2024  
Lic Number 0004671  
Date Printed 09/21/2023

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

FEE RECEIPT NO.

**ILLINOIS DEPARTMENT OF PUBLIC HEALTH** **HF128971**

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<br><b>09/30/2024</b>       | CATEGORY | I.D. NUMBER<br><b>7003207</b> |
| <b>Ambulatory Surgery Treatment Center</b> |          |                               |
| Effective: 10/01/2023                      |          |                               |

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

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Exp. Date 09/30/2024  
Lic Number 7003207  
Date Printed 09/21/2023

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

FEE RECEIPT NO.

**ATTACHMENT 11**  
**Certification and Authorization Letter**

Rush University System for Health  
1653 West Congress Parkway  
Chicago, IL 60612  
www.rush.edu



November 13, 2023

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

**Re: RUSH Lakeview Medical Office Building- Certification and Authorization**

Dear Mr. Kniery:

As representative of 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 Surgicenter at the Professional Building, Ltd.
- Rush Oak Brook Surgery Center, LLC
- Rush-Copley Surgicenter, LLC
- Rush Specialty Hospital (not yet licensed)

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,

A handwritten signature in black ink that reads 'Carl Bergetz'.

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

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

**ATTACHMENT 12  
Purpose of the Project**

This project is designed to expand Rush’s excellent multi-specialty patient care into the northside of Chicago and to support two growing Rush University Medical Group (“RUMG”) practices in the surrounding community. Rush University Medical Center Park Hospital (“RUMC”) is a 737-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.

In the surrounding community RUMG operates two different practices commonly known as Rush Lakeview and Rush Lincoln Park. RUMG Lakeview practice, located at 1300 West Belmont Avenue (.56 miles away from proposed RUSH Lakeview MOB) specializes in women’s unique healthcare needs. The practice had over 10,000 patient visits in FY 2023 an almost 9% increase from the 9,239 patient visits in FY 2022. Some of the services they offer include the following:

- Preventative care for maintaining good overall health;
- Care for acute health problems;
- Gynecologic services, including pelvic exams and PAP tests;
- Birth control counseling and planning for pregnancy;
- Management of chronic conditions, such as diabetes, asthma, and high blood pressure;
- Basic Health screen tests; and
- On-site lab services.

The RUMG Lincoln Park practice located at 2835 N Sheffield (.85 miles away from proposed RUSH Lakeview MOB) is a primary care site that offers RUSH patients access to family medicine, internal medicine, obstetrics and gynecological services, cardiology and rehab therapy. The practice site had over 12,900 patient visits in FY 2023 an increase over 35% from the 9,482 patient visits in FY 2022.

Clearly the RUMG physician practices in the immediate community are rapidly growing and with that growth comes a need for additional capacity and ability to provide specialty services that are proposed at the RUSH Lake MOB. The proposed project is for a medical office building with approximately 23,969 gross square feet with an estimated cost for this project is \$26,614,617. The proposed facility will be located in Planning Area A-06 and will serve patients from the surrounding community and Chicagoland area in general.

After careful review of utilization trends for RUMC patients and the community based RUMG physician practices, the system has determined that there are certain strategic service lines that can have a large impact on the system’s patients and expand access to care.

| <b>Visit Volumes for RUSH Practices</b> |             |             |             |
|---|-------------|-------------|-------------|
|   | <b>FY21</b> | <b>FY22</b> | <b>FY23</b> |
| RUSH Lakeview                           | 9,288       | 9,418       | 10,068      |
| RUSH Lincoln Park                       | 10,052      | 9,538       | 12,906      |

RUSH Lakeview MOB 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. The proposed facility will also offer immediate care that provides a lower cost alternative to emergency room care, right in the community.

## ATTACHMENT 12

### Purpose of the Project

There are several existing issues that this facility hopes to address. As discussed, the local RUMG physician practices are rapidly growing and patients seen at those facilities who require an ultrasound, CT scan, x-ray, MRI, or mammogram are required to visit a RUSH site outside of their community and seek out appointments at the closest available site. In many cases, that site would be RUMC where the hospital is already managing significant patient volumes. The proposed facility will solve those issues for patients not only in the surrounding community but also throughout the northside of the City of Chicago.

Consistent with the services at the RUMG Lakeview practice, the RUSH Lakeview MOB will continue to offer specialty services focused on Women's Health at the proposed facility. The facility will have next generation mammography machines available at the facility, including the Hologic Dimension 3D/Tomosynthesis with a motorized table and an Automated Whole-Breast Ultrasound. 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. Supplemental screening with an ABUS transforms breast care from reactive to proactive. When used in addition to mammography, an ABUS scan can improve breast cancer detection by 35.7 percent over mammography alone<sup>1</sup>. Women whose breast cancer is detected at an early stage have a 90% or higher survival rate.<sup>2</sup>

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 treated within the system. By offering these services in the community from RUSH physicians that these patients have a relationship with, it anticipated that there will be an increase in efficiency and streamlining the patient experience. By shifting breast imaging screenings to the community 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 RUSH's various hospital campuses.

The proposed facility intends to offer patients specific cardiovascular and neurology care services. Located in the facility will be a Siemens SOMATOM Drive CT Scan machine which will accommodate patients of all ages, sizes, and conditions. The Dual Source CT technology will allow RUSH to achieve precise CT imaging at unprecedented acquisition speed and temporal resolution. The Adaptive 4D Spiral achieves whole-brain and whole-organ coverage for perfusion imaging and enables low-dose CT angiography and dynamic CT diagnostic confidence with 4D imaging that exceeds the detector width and will allow RUSH physicians to act faster and be more confident in their treatment decisions. The new Adaptive 4D Spiral also permits for the visualization of vascular flow or anatomical motion with up to 48 cm dynamic coverage.

Additionally, the facility will also offer scans on the Siemens Magnetom Sola, the first 1.5T MRI system that automatically adjusts to patient biovariability to overcome unwarranted variations in MRI examinations. The new machine grants patients access to MRI that previously had to be excluded because of certain medical conditions or due to the exam's complexity. Free-breathing and compressed sensing applications help improve the patient experience, while extending a range of services. Practically speaking this means that patients will require fewer rescans, predictable scheduling and consistent, high-quality personalized exams with increased productivity.

---

<sup>1</sup> FDA PMA P110006 summary of safety and effectiveness.

<sup>2</sup> <https://www.who.int/news-room/fact-sheets/detail/breast-cancer>



## ATTACHMENT 12

### Purpose of the Project

The proposed facility will also serve as a site for partners outside of RUMG to send their patients for additional services. For example, there are several FQHCs in the area which could benefit from the RUSH Lakeview MOB including:

- Erie Family Health Center;
- Lawndale Family Christian Health Center;
- PCC Community Wellness Center;
- Heartland Alliance;
- Howard Brown Health;
- Near North Health Services Corporation;
- Primecare Community Health Inc.; and
- Tapestry 360 Health.

Based on data from FY2020-2022 from the RUMG physician practices and RUMC patients in general there are strong indications that the total visit growth projections (primary/immediate care and specialty care) for off-campus services would be estimated at 31,625 in FY27 (second year of operation) with a likely expansion to 39,791 by year 5 of operation.

The proposed new facility will include but are not limited to the following specialties in the new building:

- Primary Care;
- Breast Oncology;
- Obstetrics/Gynecology;
- Cardiology;
- Endocrinology;
- Dermatology;
- Neurology;
- Otolaryngology;
- Urology;
- Plastic Surgery;
- Gastroenterology;
- Medical Weight Loss; and
- Rheumatology.

## 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 RUMG physician practices in the community are near capacity and not able to expand at their current locations. The new medical office building will allow for additional off-site primary care and expansion of services currently offered at area RUMG physician offices. The RUSH Lakeview MOB will offer access to additional subspecialties including Breast Oncology, Obstetrics/Gynecology, Cardiology, Endocrinology, Dermatology, Neurology, Otolaryngology, Urology, Gastroenterology, and Rheumatology. Consistent with services already utilized in the area and determined from evaluating system-wide utilization, there will be a focus on women's health, cardiovascular services, mammography, and neurology services. Maintaining the status quo will result in the existing physician offices being unable to accommodate the anticipated visit growth and needs surrounding community. 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. The proximity to existing RUMG practice sites that are experiencing rapid growth also drove the Applicants to find a site central to these two physician offices. Other sites were either not suitable for the facility or not centrally located enough. 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)**

Given that the proposed facility is being constructed in an existing physical structure, it was not feasible to construct a smaller Medical Office Building on the site identified for this proposed project. Additionally, a small site would fail to meet the growing demands for primary and specialty care services in the north side of Chicago. In theory the construction costs for this alternative would likely have been less than the proposed project's cost. However, it was simply not possible given the proposed site. 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 fulfill 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 from RUSH and RUMG 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 23,969 gross square feet of which 18,654 is clinical space, and the remaining 5,315 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.

| <b>SIZE OF PROJECT</b>   |                           |   |                   |                      |
|--|---------------------------|---|-------------------|----------------------|
| <b>DEPARTMENT/SERVICE</b>  | <b>PROPOSED BGSF/DGSF</b> | <b>STATE STANDARD</b>   | <b>DIFFERENCE</b> | <b>MET STANDARD?</b> |
| <b>Diagnostic Radiology<br/>(Ultrasound, MRI, CT Scan, Stress Echo, X-Ray)</b>             | <b>5,761</b>              | <b>Total 7,500 GSF</b><br><br><b>1,300 GSF Per Unit (General Radiology, Echo, Ultrasound); 1,800 GSF Per Unit (MRI); 1,800 Per Unit (CT Scan)</b> | <b>-1,739</b>     | <b>YES</b>           |
| <b>Breast Imaging-<br/>Mammogram,<br/>Automated Whole<br/>Breast Ultrasound<br/>(ABUS)</b> | <b>1,573</b>              | <b>Total 2,200 GSF</b><br><br><b>900 GSF Per Unit (Mammogram), 1,300 GSF Per Unit (Ultrasound)</b>  | <b>-627</b>       | <b>YES</b>           |

## 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 physician offices in the community are near capacity and with a rapidly growing patient base 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 facility will have two imaging areas in the facility, one general and one dedicated to women's health and specifically breast care. The Applicant previously described that the facility will place an emphasis on Women's Health and will have a 3D/Tomosynthesis Mammography unit and Brevera system for performing breast biopsies. The Brevera system streamlines the entire breast biopsy process with real-time imaging for instant verification and automated post-biopsy specimen handling. The machine manufacturer states that this has the potential to save an average of 12 minutes per procedure and can transform the patient experience and boost productivity. Based on referrals from the local RUMG physician practices and RUMC it is expected that the proposed facility would perform 105 breast biopsies in year 1 of operation.



*(Brevera Biopsy Machine)*

## ATTACHMENT 15

### Project Services Utilization

RUSH Lakeview MOB's mammography unit will also be highly utilized at the facility. Based on referrals from the local RUMG physician practices and RUMC it is expected that the proposed facility would perform 4,060 breast scans/mamograms in year 1 of operation. In year 1 of operation, the machine would meet the state's need standard for the machine.



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

The women's imaging center will also contain an Automated Whole-Breast Ultrasound ("ABUS"). 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. Approximately 40% of women have dense breasts<sup>3</sup>, one of the strongest common risk factors for developing breast cancer<sup>4</sup>. Clinical evidence is growing about the effectiveness of ultrasound for finding small, node-negative, invasive cancers missed by mammography<sup>5</sup>. An ABUS supplemental screening can improve breast cancer detection. It is expected that in year 1 of operation that the facility would perform 168 ABUS scans, thereby justifying the need for the one machine at the facility under the Board's standards.

<sup>3</sup> Pisano et al. NEJM 2005; 353: 1773.

<sup>4</sup> Engmann NJ, et al, JAMA Oncol. 2017;3(9):1228-1236

<sup>5</sup> Mandelson et al. J Natl Cancer Inst 2000; 92:1081-1087.

**ATTACHMENT 15**  
**Project Services Utilization**



***(ABUS- Automated Whole Breast Ultrasound)***

There will be one X-Ray machine and one Ultrasound machine utilized in the general imaging section of the proposed facility. Rush University Medical Center saw significant outpatient volume according to the 2022 Annual Hospital Profile submitted to Board and the volume has generally remained consistent. The hospital performed 64,919 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.

**ATTACHMENT 15**  
**Project Services Utilization**

Considering the proposed referrals from the community RUMG practices and RUMC patients who reside in the community, it is projected that in year 1 that at least 6,400 X-Rays will be performed. Using the same methodology, Rush University Medical Center had 34,591 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 projects to have at 2,160 Ultrasound visits. The projected X-Ray procedures and Ultrasound visits justifies the one X-Ray machine and one general Ultrasound machine at the proposed facility.



*(Siemens Acuson Sequoia Ultrasound)*

**ATTACHMENT 15**  
**Project Services Utilization**

There will also be one CT Scan machine at the proposed facility. Rush University Medical Center performed 45,844 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 4,455 procedures would be performed at the proposed facility. The projected CT scans to be performed justifies the one machine at the proposed facility.



*(Siemens SOMATOM Drive CT Scan)*



### ATTACHMENT 15 Project Services Utilization

There will also be one MRI machine at the facility. Rush University Medical Center had 21,667 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 2,464 procedures would be performed at the proposed facility. The projected MRI visits justify the one machine that will be at the proposed facility.



*(Siemens Sola 1.5T MRI)*

**ATTACHMENT 31  
Need Determination Necessary Expansion**

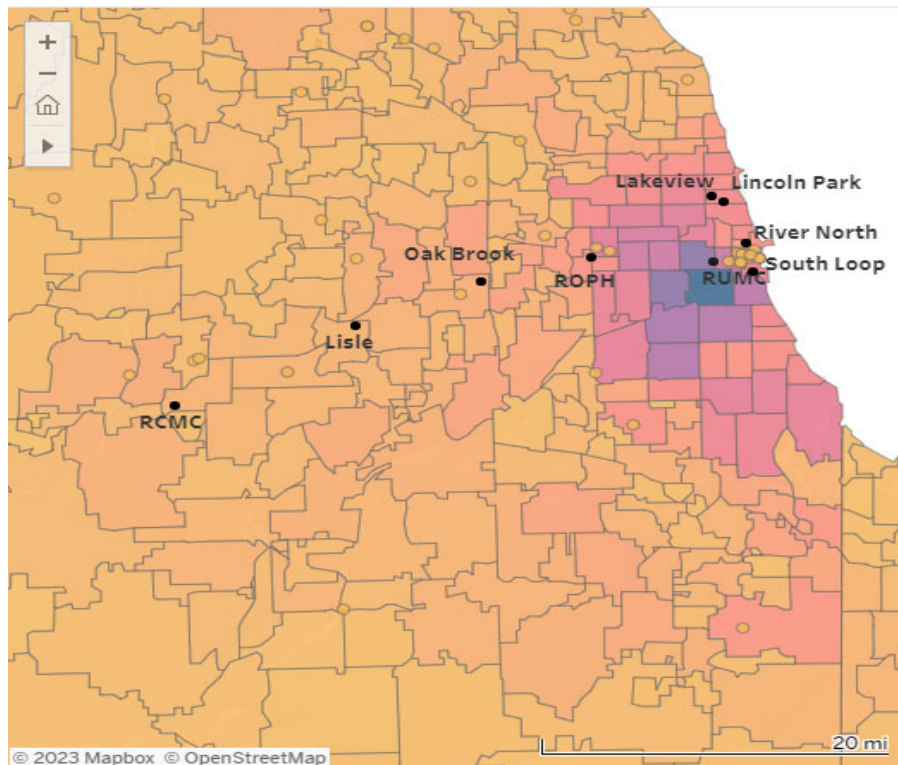
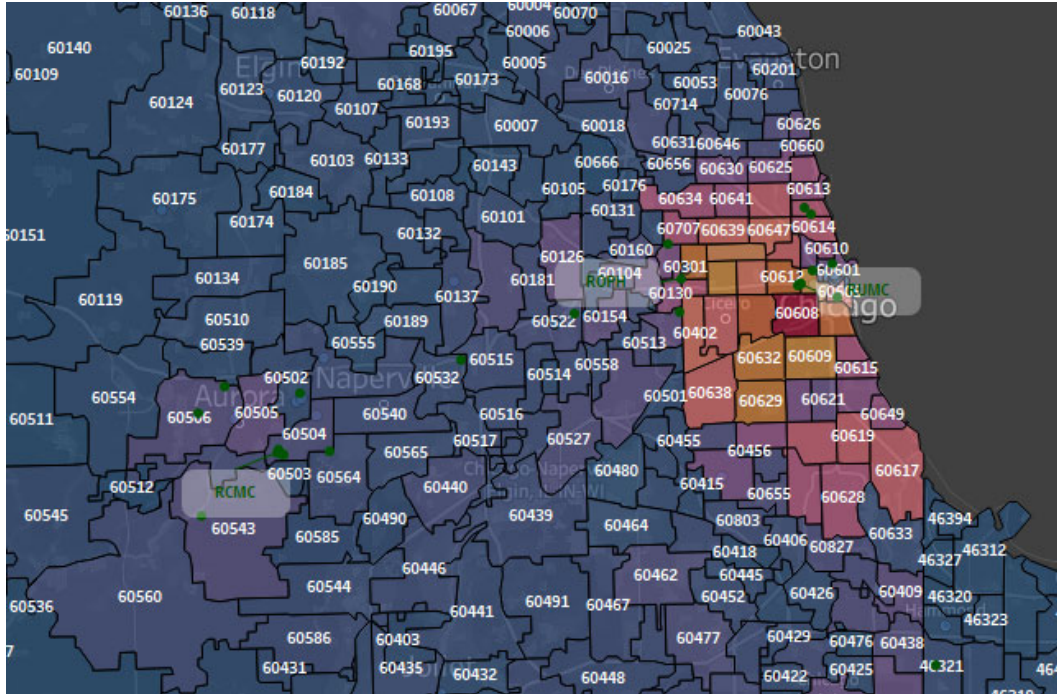
The proposed medical office building is designed with the primary purpose of increasing access to primary and specialty care for the residents of the planning area where the facility will be located. The services are not hospital-based services but will be performed by physicians affiliated with RUSH. It is expected that the facility will also provide services to RUSH patients in secondary service areas.

This project will address a necessary expansion of services resulting from capacity issues at community based RUMG physician offices and at RUMC in general. There will be ample demand for services from RUSH's existing patient base as evidenced by patient visit volume. The chart below reflects the projected visit volume at the proposed facility and is based on historical patient data at ROPH and other RUSH physician office locations in the community. 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.

|                       | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Volume:</b>        |               |               |               |               |               |
| Primary Care Visits   | 6,682         | 9,372         | 10,147        | 10,332        | 10,332        |
| Specialty Care Visits | 15,658        | 22,253        | 29,459        | 29,459        | 29,459        |
| Total Visits          | 22,340        | 31,625        | 39,605        | 39,791        | 39,791        |

### ATTACHMENT 31 Need Determination Necessary Expansion

The following heat maps reflect the growing number of RUSH patients in the geographic service area where the proposed facility will be located. Importantly the heat maps reflect a strong patient base in zip codes 60614 and 60613 where the two existing RUMG physician practices are located.



**ATTACHMENT 34  
Availability of Funds**

The total estimated project cost is \$26,614,617. The Applicants will fund the Project's construction costs with cash and cash equivalents/method of funding, while \$239,390 of the total project cost will be paid through the tenant improvement budget provided by the building owner through the lease for the facility. 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 34**  
**Audited Financial Statement**



# Rush University System for Health

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

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

**ATTACHMENT 34**  
**Audited Financial Statement**

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**Audited Financial Statement**

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## ATTACHMENT 34

### Audited Financial Statement

#### 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 34

### 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.

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Audited Financial Statement**

**OFFICER'S CERTIFICATE**

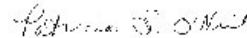
The undersigned duly appointed and Senior Vice President and Chief Financial Officer of Rush University Medical Center and Rush University System for Health, as the Group Representative pursuant to the Master Continuing Disclosure Agreement dated as of February 1, 2015 between the Group Representative, 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 (120<sup>th</sup>) 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 27<sup>th</sup> 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

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**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”)

## ATTACHMENT 34 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)*

| <b>Financial Results for the Obligated Group (with Stimulus)</b>    | <b>Fiscal Year Ended<br/>Jun 30, 2022</b> | <b>Fiscal Year Ended<br/>Jun 30, 2021</b> | <b>Impact</b> |        |
|---|---|---|---------------|--------|
| 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 Cash Flow Margin  | 288,854                                   | 304,991                                   | (16,137)      | -5.3%  |
|   |   |   |               |        |
| <b>Financial Results for the Obligated Group (without Stimulus)</b> | <b>Fiscal Year Ended<br/>Jun 30, 2022</b> | <b>Fiscal Year Ended<br/>Jun 30, 2021</b> | <b>Impact</b> |        |
| 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 Cash Flow Margin  | 204,357                                   | 243,791                                   | (39,434)      | -16.2% |
|   |   |   |               |        |
| <b>Selected Obligated Group Cash Flow Information for the</b>       | <b>Fiscal Year Ended<br/>Jun 30, 2022</b> | <b>Fiscal Year Ended<br/>Jun 30, 2021</b> | <b>Impact</b> |        |
| 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% |
|   |   |   |               |        |
| <b>Selected Obligated Group Balance Sheet Information as of</b>     | <b>Jun 30, 2022</b>                       | <b>June 30, 2021</b>                      | <b>Impact</b> |        |
| 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<br>Actual      | 2021<br>Actual | 2020<br>Actual | 2019<br>Actual | Moody's "A"<br>Median 2021 (2) |
| <b>Operating Performance:</b>  |                     |                |                |                |                                |
| 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%                           |
| <b>Liquidity:</b>  |                     |                |                |                |                                |
| 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                           |
| <b>Financial Position / Debt Capacity:</b>                           |                     |                |                |                |                                |
| 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

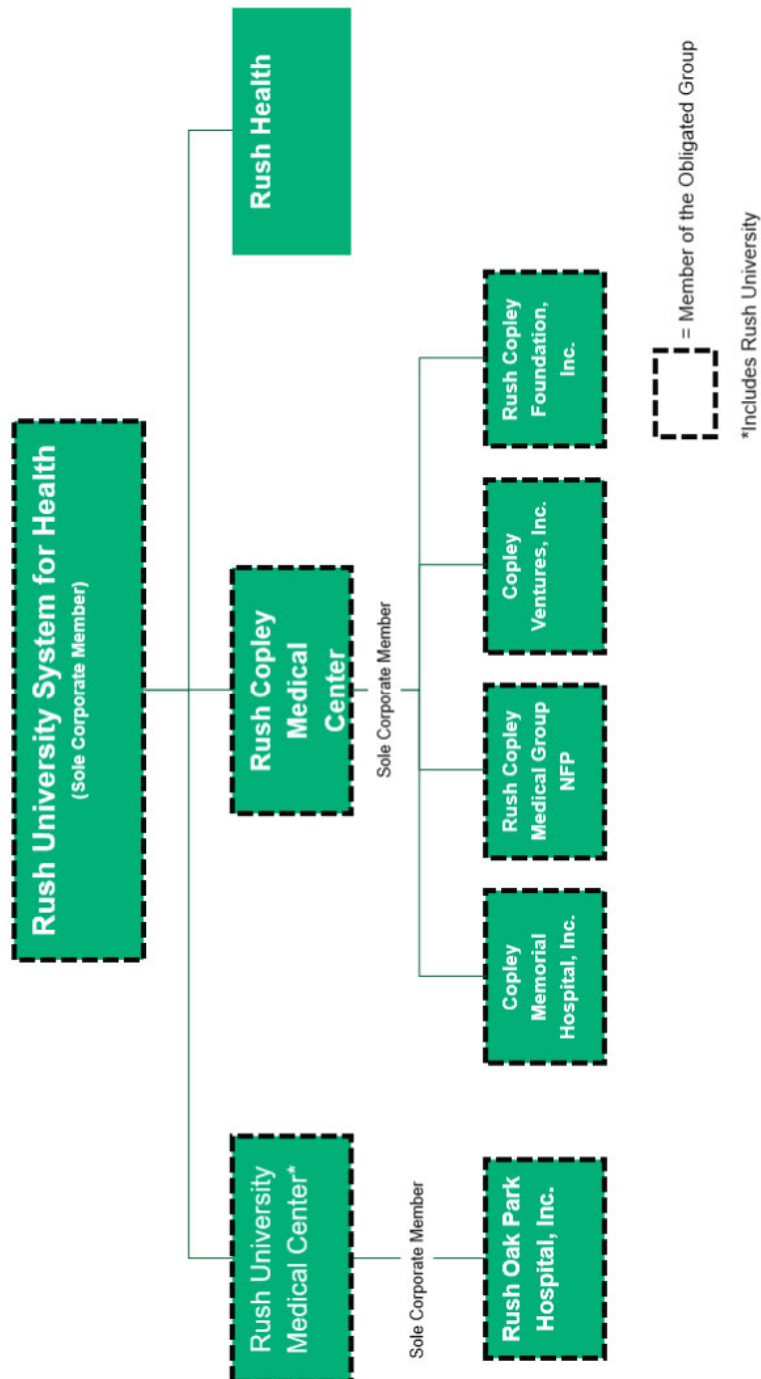
The System Parent and certain of its affiliates are members of the RUSH Obligated Group created under the Master Trust Indenture, as described herein. The entities listed as "Obligated Persons" on page 4 of this Report are the only members of the RUSH Obligated Group and are the only entities that have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

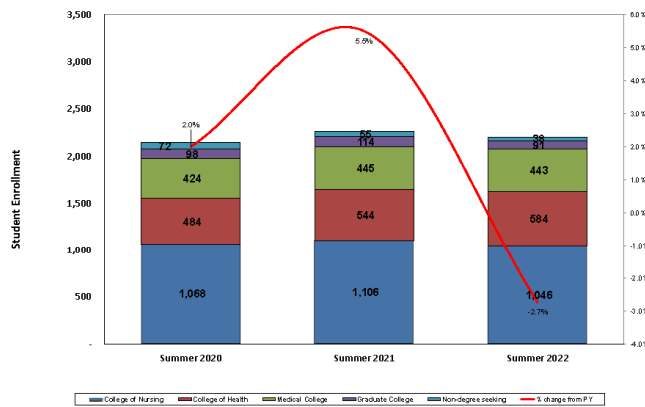
RUMC’s primary service area (“PSA”) consists of 61 ZIP codes that surround the RUMC main campus. These ZIP codes were responsible for 58.0% and 56.9% of RUMC’s total discharges in fiscal year 2021 and 2020, respectively.

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**

|                         | <b>Fiscal Year Ended</b> |                    |
|-------------------------|--------------------------|--------------------|
|                         | <b>June 30,</b>          |                    |
|                         | <u><b>2022</b></u>       | <u><b>2021</b></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                    | 73.4%                    | 78.1%              |
| Obligated Group         | 71.0%                    | 66.6%              |
| Emergency Room Visits:  | 174,950                  | 165,614            |
| Surgical Procedures:    |                          |                    |
| Inpatient               | 13,744                   | 15,907             |
| Outpatient              | 43,579                   | 41,301             |
| Total                   | 57,323                   | 57,208             |
| Volumes:                |                          |                    |
| Provider Visits         | 1,139,279                | 1,074,800          |
| Outpatient Visits       | 926,053                  | 1,009,607          |
| 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>                      | <b>Fiscal Year Ended</b> |                   |
|--|--------------------------|-------------------|
|  | <b>June 30,</b>          |                   |
|  | <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> |

<sup>(1)</sup> 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>   | <b>Fiscal Year Ended</b> |                    |
|---|--------------------------|--------------------|
|   | <b>June 30,</b>          |                    |
|   | <b><u>2022</u></b>       | <b><u>2021</u></b> |
| Unrestricted cash and cash equivalents  | \$ 498,247               | \$ 422,915         |
| Unrestricted marketable securities  | 1,357,270                | 1,738,921          |
| Total unrestricted cash and marketable securities                               | 1,855,517                | 2,161,836          |
| Total operating expenses  | 3,056,389                | 2,874,621          |
| Depreciation and amortization   | 147,748                  | 149,136            |
| 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>                           | <b>Fiscal Year Ended</b> |                    |
|---|--------------------------|--------------------|
|   | <b>June 30,</b>          |                    |
|   | <b><u>2022</u></b>       | <b><u>2021</u></b> |
| Long-term debt                                  | \$ 918,262               | \$ 934,018         |
| Capital leases and other financing arrangements | 2,363                    | 3,492              |
| Total debt                                      | 920,625                  | 937,510            |
| Net assets without donor restrictions           | 1,923,342                | 1,978,159          |
| 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

| <i>(In thousands)</i>                 | Fiscal Year Ended |                  |
|---------------------------------------|-------------------|------------------|
|                                       | June 30,          |                  |
|                                       | <u>2022</u>       | <u>2021</u>      |
| 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,          |            |
|  | 2022              | 2021       |
| 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, |            |                   |            |
|----------------------------|----------------------------|------------|-------------------|------------|
|                            | 2022                       |            | 2021              |            |
|                            | Operating Revenue          | % of Total | Operating Revenue | % of Total |
| 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                      | \$ 3,168,432               | 100.0%     | \$ 2,999,061      | 100.0%     |

\* 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:

|                                 | <b>June 30, 2022</b>  |                             |                                 |                     |          |
|---------------------------------|-----------------------|-----------------------------|---------------------------------|---------------------|----------|
|                                 | <b>Clinical Joint</b> |                             |                                 | <b>TOTAL</b>        | <b>%</b> |
|                                 | <b>Hospitals</b>      | <b>Physician<br/>Groups</b> | <b>Ventures &amp;<br/>Other</b> |                     |          |
| 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%   |
|                                 | <b>June 30, 2021</b>  |                             |                                 |                     |          |
|                                 | <b>Clinical Joint</b> |                             |                                 |                     |          |
|                                 | <b>Hospitals</b>      | <b>Physician<br/>Groups</b> | <b>Ventures &amp;<br/>Other</b> | <b>TOTAL</b>        | <b>%</b> |
| 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<br>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<br>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<br>Operating<br>Margin | Jun 30, 2021   | Jun 30, 2021<br>Operating<br>Margin |
|------------------------------------|---------------|-------------------------------------|----------------|-------------------------------------|
| <b>Operating income reported</b>   | <b>\$95.6</b> | <b>3.0%</b>                         | <b>\$108.2</b> | <b>3.6%</b>                         |
| Items impacting operating revenue  | (102.3)       | (3.2)                               | (59.5)         | (2.0)                               |
| Items impacting operating expenses | 29.1          | 0.9                                 | 37.6           | 1.3                                 |
| <b>Total adjustments</b>           | <b>(73.2)</b> | <b>(2.3)</b>                        | <b>(21.9)</b>  | <b>(0.7)</b>                        |
| <b>Operating income</b>            | <b>\$22.4</b> | <b>0.7%</b>                         | <b>\$86.3</b>  | <b>2.9%</b>                         |

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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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 |              |
|-------------------|-----------------------------|----------|-------------------------------|--------------|
|                   |                             |          | Jun 30, 2022                  | Jun 30, 2021 |
| 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:

| <b>Fair Value Measurements<br/>as of June 30, 2022</b>  | <b>Level 1</b>      | <b>Level 2</b>    | <b>Level 3</b>   | <b>Valued @<br/>NAV</b> | <b>Total<br/>Fair Value</b> |
|---|---------------------|-------------------|------------------|-------------------------|-----------------------------|
| <b>Marketable securities and short-term investments</b> | \$ 127,568          | \$ 33,214         | \$ -             | \$ -                    | \$ 160,782                  |
| <b>Fixed Income Securities:</b>                         |                     |                   |                  |                         |                             |
| 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                      |
| <b>Public Equity Securities</b>                         | 406,401             | -                 | -                | -                       | 406,401                     |
| <b>Fund Investments (Mutual/Commingled):</b>            |                     |                   |                  |                         |                             |
| 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                      |
| <b>Alternative Investments:</b>                         |                     |                   |                  |                         |                             |
| Hedge Funds   | -                   | -                 | -                | 68,910                  | 68,910                      |
| Private Equity Partnerships                             | -                   | -                 | 6,022            | 288,903                 | 294,925                     |
| <b>Other:</b>   |                     |                   |                  |                         |                             |
| Derivative Assets                                       | -                   | (387)             | -                | -                       | (387)                       |
| Trustee-held Investments                                | -                   | -                 | 30,974           | -                       | 30,974                      |
| Pending Transactions                                    | -                   | (91,885)          | -                | -                       | (91,885)                    |
| <b>Total investments</b>                                | <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         | \$ -                | \$ (6,782)        | \$ -             | \$ -                    | \$ (6,782)                  |
| 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<br>as of June 30, 2021          | Level 1           | Level 2             | Level 3          | Valued @<br>NAV   | Total<br>Fair Value |
|---|-------------------|---------------------|------------------|-------------------|---------------------|
| <b>Marketable securities and short-term investments</b> | \$ 64,597         | \$ 224,145          | \$ -             | \$ -              | \$ 288,742          |
| <b>Fixed Income Securities:</b>                         |                   |                     |                  |                   |                     |
| 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              |
| <b>Public Equity Securities</b>                         | 359,729           | -                   | -                | -                 | 359,729             |
| <b>Fund Investments (Mutual/Commingled):</b>            |                   |                     |                  |                   |                     |
| 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              |
| <b>Alternative Investments:</b>                         |                   |                     |                  |                   |                     |
| Hedge Funds   | -                 | -                   | -                | -                 | -                   |
| Private Equity Partnerships                             | -                 | -                   | -                | 153,308           | 153,308             |
| Private Debt  | -                 | -                   | -                | 118,711           | 118,711             |
| <b>Other:</b>   |                   |                     |                  |                   |                     |
| Derivative Assets                                       | 156               | 1,315               | -                | -                 | 1,471               |
| Trustee-held Investments                                | -                 | -                   | 36,985           | -                 | 36,985              |
| Pending Transactions                                    | -                 | (10,777)            | -                | -                 | (10,777)            |
| <b>Total investments</b>                                | <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<br>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<br>Fair Value Using NAV | Unfunded<br>Commitments<br>(In Thousands) | Redemption<br>Frequency (If<br>Currently Eligible) | Redemption<br>Notice<br>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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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

| Reported As                                 |                             | Fiscal Years Ended |            |
|---|-----------------------------|--------------------|------------|
|   |                             | June 30            |            |
|   |                             | 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.

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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.

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**CONSOLIDATED FINANCIAL STATEMENTS**

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#### RUSH UNIVERSITY SYSTEM FOR HEALTH

#### Consolidated Balance Sheet

(Dollars in thousands)

|   | Note 1<br>Audited   |                     |
|---|---------------------|---------------------|
|   | Jun 30<br>2022      | Jun 30<br>2021      |
| <b>ASSETS</b>   |                     |                     |
| 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              |
| <b>TOTAL ASSETS</b>   | <b>\$ 5,244,716</b> | <b>\$ 5,537,769</b> |
| <b>LIABILITIES AND NET ASSETS</b>                                     |                     |                     |
| 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           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                               | <b>\$ 5,244,716</b> | <b>\$ 5,537,769</b> |

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 34**  
**Audited Financial Statement**

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

|   | <b>Note 1</b>                       |                   |
|---|-------------------------------------|-------------------|
|   | <b>Audited</b>                      |                   |
|   | <b>For the Years Ended June 30,</b> |                   |
|   | <b>2022</b>                         | <b>2021</b>       |
| <b>REVENUE:</b>   |                                     |                   |
| 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<br>and used for research and other operations | 170,304                             | 155,870           |
| Other revenue   | 204,121                             | 181,366           |
| Total revenue   | <u>3,168,432</u>                    | <u>2,999,061</u>  |
| <b>EXPENSES:</b>  |                                     |                   |
| 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  | <u>3,072,828</u>                    | <u>2,890,886</u>  |
| OPERATING INCOME  | <u>95,604</u>                       | <u>108,175</u>    |
| <b>NON-OPERATING (LOSS) INCOME</b>  |                                     |                   |
| 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   | <u>(137,174)</u>                    | <u>192,612</u>    |
| (DEFICIT) EXCESS OF REVENUES OVER EXPENSES  | <u>\$ (41,570)</u>                  | <u>\$ 300,787</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.*

(Continued)

**ATTACHMENT 34**  
**Audited Financial Statement**

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

|   | <b>Note 1</b>                       |                     |
|---|-------------------------------------|---------------------|
|   | <b>Audited</b>                      |                     |
|   | <b>For the Years Ended June 30,</b> |                     |
|   | <b>2022</b>                         | <b>2021</b>         |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>  |                                     |                     |
| (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                        | <u>(49,824)</u>                     | <u>411,446</u>      |
| <b>NET ASSETS WITH DONOR RESTRICTIONS</b>   |                                     |                     |
| 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                           | <u>(36,311)</u>                     | <u>194,663</u>      |
| (Decrease) / increase in Net Assets   | (86,135)                            | 606,109             |
| NET ASSETS—Beginning of period  | <u>2,996,065</u>                    | <u>2,389,956</u>    |
| NET ASSETS—End of period  | <u>\$ 2,909,930</u>                 | <u>\$ 2,996,065</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.*

**(Concluded)**

## ATTACHMENT 34

### Audited Financial Statement

#### RUSH UNIVERSITY SYSTEM FOR HEALTH

#### Consolidated Statements of Cash Flows

(Dollars in thousands)

|   | <u>For the Years Ended June 30,</u> |                   |
|---|-------------------------------------|-------------------|
|   | <u>2022</u>                         | <u>2021</u>       |
| <b>OPERATING ACTIVITIES:</b>  |                                     |                   |
| (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>    |
| <b>INVESTING ACTIVITIES:</b>  |                                     |                   |
| 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>  |
| <b>FINANCING ACTIVITIES:</b>  |                                     |                   |
| 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   | (1,042)                             | 2,710             |
| 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> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                                    |                                     |                   |
| Right of use assets obtained in exchange for new operating lease liabilities                | <u>\$ 2,760</u>                     | <u>\$ 2,319</u>   |
| 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 34**  
**Audited Financial Statement**

**APPENDICES**

ATTACHMENT 34  
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 |
|--|--------------|------------|-------------------------------|--------------|------------------------------|-------------|--------------|-------------------------------------|
| <b>ASSETS</b>  |              |            |                               |              |                              |             |              |                                     |
| <b>CURRENT ASSETS:</b>   |              |            |                               |              |                              |             |              |                                     |
| Cash and cash equivalents  | \$ 467,669   | \$ 30,578  | \$ -                          | \$ -         | \$ 498,247                   | \$ 21,751   | \$ -         | \$ 519,998                          |
| Accounts receivable for patient services                             | 310,024      | 60,228     | -                             | -            | 370,252                      | -           | -            | 370,252                             |
| Other accounts receivable  | 60,729       | -          | (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      | 12,266     | 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                           |
| <b>ASSETS LIMITED AS TO USE AND INVESTMENTS:</b>                     |              |            |                               |              |                              |             |              |                                     |
| Investments  | 1,017,405    | 339,865    | -                             | -            | 1,357,270                    | -           | -            | 1,357,270                           |
| Limited as to use by donor or time restriction                       | 682,167      | 15,052     | -                             | -            | 700,219                      | -           | -            | 700,219                             |
| Self-insurance trust - less current portion                          | 126,857      | -          | -                             | -            | 126,857                      | -           | -            | 126,857                             |
| Total assets limited as to use and investments                       | 1,826,429    | 354,917    | -                             | -            | 2,181,346                    | -           | -            | 2,181,346                           |
| <b>PROPERTY AND EQUIPMENT—NET</b>                                    | 1,466,481    | 225,897    | -                             | -            | 1,692,178                    | 690         | -            | 1,692,868                           |
| <b>OPERATING LEASE RIGHT-OF-USE ASSETS</b>                           | 86,355       | 20,574     | -                             | -            | 106,929                      | -           | -            | 106,929                             |
| <b>POSTRETIREMENT AND PENSION BENEFIT ASSETS</b>                     | 45,582       | -          | -                             | -            | 45,582                       | -           | -            | 45,582                              |
| <b>OTHER NONCURRENT ASSETS</b>                                       | 93,200       | 27,178     | -                             | (23,957)     | 96,420                       | 786         | (4,228)      | 92,978                              |
| <b>TOTAL</b>   | \$ 4,516,041 | \$ 731,638 | \$ 161                        | \$ (625,476) | \$ 5,222,364                 | \$ 26,710   | \$ (4,358)   | \$ 5,244,716                        |
| <b>LIABILITIES AND NET ASSETS</b>                                    |              |            |                               |              |                              |             |              |                                     |
| <b>CURRENT LIABILITIES:</b>  |              |            |                               |              |                              |             |              |                                     |
| 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  | 759,178      | 124,000    | 78                            | (1,519)      | 881,736                      | 14,767      | -            | 896,503                             |
| <b>LONG-TERM LIABILITIES:</b>  |              |            |                               |              |                              |             |              |                                     |
| 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         | -            | 76,838                              |
| Total long-term liabilities  | 1,279,213    | 153,716    | -                             | (4,790)      | 1,438,139                    | 144         | -            | 1,438,283                           |
| Total liabilities  | 2,038,390    | 287,716    | 78                            | (6,309)      | 2,319,875                    | 14,911      | -            | 2,334,786                           |
| <b>NET ASSETS:</b>   |              |            |                               |              |                              |             |              |                                     |
| Without donor restrictions   | 1,514,249    | 482,177    | 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                           |
| <b>TOTAL</b>   | \$ 4,516,041 | \$ 731,638 | \$ 161                        | \$ (625,476) | \$ 5,222,364                 | \$ 26,710   | \$ (4,358)   | \$ 5,244,716                        |

(Continued)  
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**ATTACHMENT 34**  
**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 |
|--|------------------|--------------------|-------------------------------|-----------------|------------------------------|-----------------|--------------------|-------------------------------------|
| <b>REVENUE:</b>  |                  |                    |                               |                 |                              |                 |                    |                                     |
| Patient service revenue  | 2,271,577        | 431,190            | -                             | -               | 2,702,767                    | -               | -                  | 2,702,767                           |
| Tuition and educational programs revenue   | 912,440          | -                  | -                             | -               | 912,440                      | -               | -                  | 912,440                             |
| 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                             |
| <b>Total revenue</b>   | <b>2,726,909</b> | <b>445,378</b>     | <b>12,522</b>                 | <b>(17,922)</b> | <b>3,166,887</b>             | <b>20,207</b>   | <b>(18,662)</b>    | <b>3,168,432</b>                    |
| <b>EXPENSES:</b>   |                  |                    |                               |                 |                              |                 |                    |                                     |
| 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  | 809,369          | 103,387            | 1,872                         | (4,648)         | 970,180                      | 4,300           | -                  | 974,480                             |
| Insurance  | 513,771          | 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                              |
| <b>Total expenses</b>  | <b>2,623,992</b> | <b>437,797</b>     | <b>12,522</b>                 | <b>(17,922)</b> | <b>3,056,389</b>             | <b>16,439</b>   | <b>-</b>           | <b>3,072,828</b>                    |
| <b>OPERATING (LOSS) INCOME</b>   | <b>102,917</b>   | <b>7,581</b>       | <b>0</b>                      | <b>(0)</b>      | <b>110,498</b>               | <b>3,768</b>    | <b>(18,662)</b>    | <b>95,604</b>                       |
| <b>NON-OPERATING (LOSS) INCOME</b>   |                  |                    |                               |                 |                              |                 |                    |                                     |
| 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                               |
| <b>Total non-operating loss</b>  | <b>(82,361)</b>  | <b>(54,844)</b>    | <b>-</b>                      | <b>-</b>        | <b>(137,205)</b>             | <b>31</b>       | <b>-</b>           | <b>(137,174)</b>                    |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>  | <b>\$ 20,556</b> | <b>\$ (47,263)</b> | <b>\$ 0</b>                   | <b>\$ (0)</b>   | <b>\$ (26,707)</b>           | <b>\$ 3,799</b> | <b>\$ (18,662)</b> | <b>\$ (41,570)</b>                  |

(Continued)

**ATTACHMENT 34**  
**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 |
|---|--------------|-------------|-------------------------------|--------------|------------------------------|-------------|--------------|-------------------------------------|
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>  |              |             |                               |              |                              |             |              |                                     |
| 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                              |
|   | (4,358)      | (47,262)    | 0                             | (3,197)      | (54,817)                     | 3,800       | 1,193        | (49,824)                            |
| Increase in net assets without donor restrictions                                     |              |             |                               |              |                              |             |              |                                     |
| <b>NET ASSETS WITH DONOR RESTRICTIONS</b>   |              |             |                               |              |                              |             |              |                                     |
| 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)                            |
|   | (35,673)     | (638)       | -                             | -            | (36,311)                     | -           | -            | (36,311)                            |
| Decrease in net assets with donor restrictions  |              |             |                               |              |                              |             |              |                                     |
| <b>DECREASE IN NET ASSETS</b>   | (40,031)     | (47,900)    | 0                             | (3,197)      | (91,128)                     | 3,800       | 1,193        | (86,135)                            |
| <b>NET ASSETS—Beginning of year</b>   | 2,517,682    | 491,822     | 83                            | (15,970)     | 2,993,617                    | 7,999       | (5,551)      | 2,996,065                           |
| <b>NET ASSETS—End of year</b>   | \$ 2,477,651 | \$ 443,922  | \$ 83                         | \$ (19,167)  | \$ 2,902,489                 | \$ 11,799   | \$ (4,358)   | \$ 2,909,930                        |

(Concluded)

**ATTACHMENT 34**  
**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>                      | <b>Fiscal Year Ended</b> |                      |
|--|--------------------------|----------------------|
|  | <b>Jun 30, 2022</b>      |                      |
|  | <u><b>Actual</b></u>     | <u><b>Budget</b></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 34**  
**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                                   |                | 30,609         |             |
| Revenues available for debt service                     | \$             | <u>338,291</u> |             |
| Maximum annual debt service                             | \$             | 62,797         |             |
| <u>Revenues available for debt service</u>              | <u>\$</u>      | <u>338,291</u> | <u>5.39</u> |
| <u>Maximum annual debt service</u>                      | <u>\$</u>      | <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                  |                | 1,357,270          |              |
| Unrestricted cash and marketable securities              | \$             | <u>1,855,516</u>   |              |
| Number of days in period                                 |                | 365                |              |
| Unrestricted cash and marketable securities x 365        | \$             | <u>677,263,485</u> |              |
| Total operating expenses                                 |                | 3,056,389          |              |
| Less: Depreciation expense                               |                | (147,748)          |              |
| Total operating expenses - depreciation expense          | \$             | <u>2,908,641</u>   |              |
| <u>Unrestricted cash and marketable securities x 365</u> | <u>\$</u>      | <u>677,263,485</u> | <u>232.8</u> |
| <u>Total operating expenses - depreciation expense</u>   | <u>\$</u>      | <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 34**  
**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        |
| <br>  |                |                |
| Payments of debt  | \$             | 13,043         |
| Add: Interest expense                                   |                | <u>30,609</u>  |
| Annual debt service                                     | \$             | 43,652         |
| <br>  |                |                |
| Revenues available for debt service                     | <u>\$</u>      | <u>338,291</u> |
| Annual debt service                                     | <u>\$</u>      | <u>43,652</u>  |
| <br>  |                |                |
| 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 34**  
**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 Cederroth  | 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 34 Audited Financial Statement

#### Medical Staff

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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 34 Audited Financial Statement

#### Medical Staff

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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 34**  
**Audited Financial Statement**

**Medical Staff**

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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                 |
| <b>Total/Average</b>                   | <b>1,243</b>         | <b>90%</b>               | <b>48</b>          |

### ATTACHMENT 34 Audited Financial Statement

#### Medical Staff

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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 34 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                 |
| <b>Total/Average</b>                 | <b>538</b>           | <b>94%</b>               | <b>48</b>          |



## ATTACHMENT 34 Audited Financial Statement

### Medical Staff

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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                 |

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**ATTACHMENT 34**  
**Audited Financial Statement**

**Medical Staff**

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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                 |
| <b>Total/Average</b>                 | <b>524</b>                 | <b>91%</b>               | <b>49</b>          |

**ATTACHMENT 36**  
**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, additionally Standard and Poor's affirmed RUSH's rating at A+. As a result, the Applicants qualify for the financial viability waiver.

**RATING ACTION COMMENTARY**

# **Fitch Affirms Rush System for Health (IL) at 'AA-'; Outlook Stable**

Mon 13 Feb, 2023 - 2:55 PM ET

Fitch Ratings - Chicago - 13 Feb 2023: Fitch Ratings has affirmed Rush System for Health's (RUSH) Issuer Default Rating (IDR) at 'AA-'. Fitch has also affirmed at 'AA-' the ratings on tax-exempt revenue bonds issued by the Illinois Finance Authority on behalf of RUSH and taxable revenue bonds issued directly by RUSH.

The Rating Outlook is Stable.

**Analytical Conclusion**

The 'AA-' IDR reflects RUSH's strong financial profile despite ongoing macro labor and inflationary pressures, as RUSH has maintained generally sound operating metrics and strong capital-related ratios. While operating in a competitive metropolitan area, RUSH has a broad reach for high-acuity services as a leading academic medical center (AMC).

The Stable Outlook considers Fitch's anticipation that notwithstanding the ongoing macro pressures, RUSH's operations will remain profitable over time, although recognize that metrics will likely be more modest in fiscal 2023. Capital-related ratios should remain strong in the forward-looking scenario analysis, including in a stress case.

**ATTACHMENT 36  
Financial Viability**

## Illinois Finance Authority RUSH Obligated Group; System

| Credit Profile   |           |         |
|--|-----------|---------|
| RUSH Obligated Grp taxable rev bnds (RUSH Obligated Grp) ser 2020 due 06/30/2050 |           |         |
| <i>Long Term Rating</i>  | A+/Stable | Current |
| <b>Illinois Finance Authority, Illinois</b>                                      |           |         |
| RUSH Obligated Grp, Illinois   |           |         |
| Illinois Fin Auth (RUSH Obligated Grp) SYSTEM                                    |           |         |
| <i>Long Term Rating</i>  | A+/Stable | Current |

### Credit Highlights

- S&P Global Ratings' long-term rating on the Illinois Finance Authority's series 2015A and 2015B fixed-rate tax-exempt hospital revenue bonds, issued for the Rush Obligated Group, and its series 2020 fixed-rate taxable bonds is 'A+'.
- The outlook is stable.
- Rush University Medical Center (RUMC), located in Chicago, is the largest entity of the obligated group. Rush System for Health (RUSH) is the parent organization.

### Security

The obligated group's gross revenue secures the bonds.

### Credit overview

The 'A+' rating reflects our view of RUSH's continued solid operating performance over the last two years and stable market presence, despite its location in an extremely competitive market with several large academic medical centers (AMCs) and systems. While RUSH is a less geographically diverse system, it has a niche position as an AMC with an integrated university and research enterprise. This, along with expansion of key clinical service lines, as well as a focus on alignment and partnerships, has expanded and diversified RUSH's position in the broader Chicagoland region. In addition, RUSH uses Rush Health, a clinically integrated network, to further expand its presence by working with its employed and independent physicians and its partner providers. RUSH continues to embrace partnerships and plans to use existing networks, physician relationships, and other health care participants to implement its strategies. Management continues to systemize and garner strategic and operating benefits to prepare for increased value-based payments. The recent agreement with CVS Health based on the ACO REACH model is an example, whereby RUSH expects to see several strategic benefits. For instance, RUSH has the opportunity to continue its success in governmental shared savings programs, with CVS as a partner. RUSH has also agreed to prioritize CVS referrals for minute clinic patients who need follow-up care, which will further strengthen RUSH's competitive position through volume growth and improvements in the payer mix.

RUSH has successfully navigated the headwinds from the COVID-19 pandemic, generating operating profits over the

**ATTACHMENT 37**  
**Economic Feasibility**

Rush University System for Health  
1653 West Congress Parkway  
Chicago, IL 60612  
www.rush.edu



November 17, 2023

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

**Re: RUSH Lakeview 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 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 \$26,614,617. Rush University Medical Center will fund the entirety of the construction of the project with cash and existing securities minus the tenant improvement allowance provided for in the lease for the facility. Rush University Medical Center 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,

A handwritten signature in cursive script that reads "Patricia O'Neil".

Patricia O'Neil  
Senior Vice President and Chief Financial Officer

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

**ATTACHMENT 37**  
**Economic Feasibility**

| <b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b> |                 |          |               |          |               |          |                    |          |                    |
|--|-----------------|----------|---------------|----------|---------------|----------|--------------------|----------|--------------------|
| Department<br>(List below)                                 | A               | B        | C             | D        | E             | F        | G                  | H        |                    |
|  | Cost/Sq. Ft.    |          | Gross Sq. Ft. |          | Gross Sq. Ft. |          | Const. \$          | Mod. \$  | Total Cost         |
|  | New             | Mod.     | New           | Circ.*   | Mod.          | Circ.*   | (A x C)            | (B x E)  | (G + H)            |
| Breast Imaging Center                                      | \$31.18         | -        | 18,654        | -        | -             | -        | \$581,648          | -        | \$581,648          |
| Diagnostic Imaging   | \$114.19        | -        | 18,654        | -        | -             | -        | \$2,130,246        | -        | \$2,130,246        |
| Exam Rooms, Procedure Rooms, General Clinical Space        | \$224.39        | -        | 18,654        | -        | -             | -        | \$4,185,798        | -        | \$4,185,798        |
| Contingency  | \$36.18         | -        | 18,654        | -        | -             | -        | \$675,000          | -        | \$675,000          |
| <b>TOTALS</b>  | <b>\$405.94</b> | <b>-</b> | <b>18,654</b> | <b>-</b> | <b>-</b>      | <b>-</b> | <b>\$7,572,693</b> | <b>-</b> | <b>\$7,572,693</b> |

**ATTACHMENT 38  
Safety Net Information**

**RUSH UNIVERSITY MEDICAL CENTER**

| <b>Charity (# of patients)</b>   | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
|----------------------------------|----------------------|----------------------|----------------------|
| Inpatient                        | 587                  | 313                  | 243                  |
| Outpatient                       | 16,564               | 8,636                | 7,449                |
| <b>Total</b>                     | <b>17,111</b>        | <b>8,949</b>         | <b>7,692</b>         |
| <b>Charity (cost in dollars)</b> |                      |                      |                      |
| Inpatient                        | \$8,427,871          | \$5,300,949          | \$9,594,764          |
| Outpatient                       | \$11,613,380         | \$9,066,337          | \$18,849,670         |
| <b>Total</b>                     | <b>\$20,041,251</b>  | <b>\$14,367,286</b>  | <b>\$28,444,434</b>  |
| <b>MEDICAID</b>                  |                      |                      |                      |
| <b>Medicaid (# of patients)</b>  | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
| Inpatient                        | 7,509                | 8,183                | 8,093                |
| Outpatient                       | 111,222              | 145,170              | 140,139              |
| <b>Total</b>                     | <b>118,731</b>       | <b>153,353</b>       | <b>148,232</b>       |
| <b>Medicaid (Revenue)</b>        |                      |                      |                      |
| Inpatient                        | \$106,210,677        | \$112,827,750        | \$115,032,599        |
| Outpatient                       | \$57,023,218         | \$73,516,171         | \$72,985,956         |
| <b>Total</b>                     | <b>\$163,233,895</b> | <b>\$186,343,921</b> | <b>\$188,018,555</b> |

**ATTACHMENT 39**  
**Charity Care Information****RUSH UNIVERSITY MEDICAL CENTER**

| <b>Charity (# of patients)</b>   | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         |
|----------------------------------|---------------------|---------------------|---------------------|
| Inpatient                        | 587                 | 313                 | 243                 |
| Outpatient                       | 16,564              | 8,636               | 7,449               |
| Total                            | 17,111              | 8,949               | 7,692               |
| <b>Charity (cost in dollars)</b> |                     |                     |                     |
| Inpatient                        | \$8,427,871         | \$5,300,949         | \$9,594,764         |
| Outpatient                       | \$11,613,380        | \$9,066,337         | \$18,849,670        |
| <b>Total</b>                     | <b>\$20,041,251</b> | <b>\$14,367,286</b> | <b>\$28,444,434</b> |



**ATTACHMENT 40**  
**Flood Plain Requirements Letter**

Rush University System for Health  
1653 West Congress Parkway  
Chicago, IL 60612  
www.rush.edu



November 17, 2023

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

**Re: RUSH Lakeview Medical Office Building- Flood Plain Letter**

Dear Mr. Kniery:

As representative of Rush University Medical Center and Rush System for Health d/b/a Rush University System of Health, I, Carl Bergetz, affirm that the proposed relocation for the facility complies with the Illinois Executive Order #2005-5. The facility location at 2928 N. Ashland Ave., Chicago, IL 60657 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

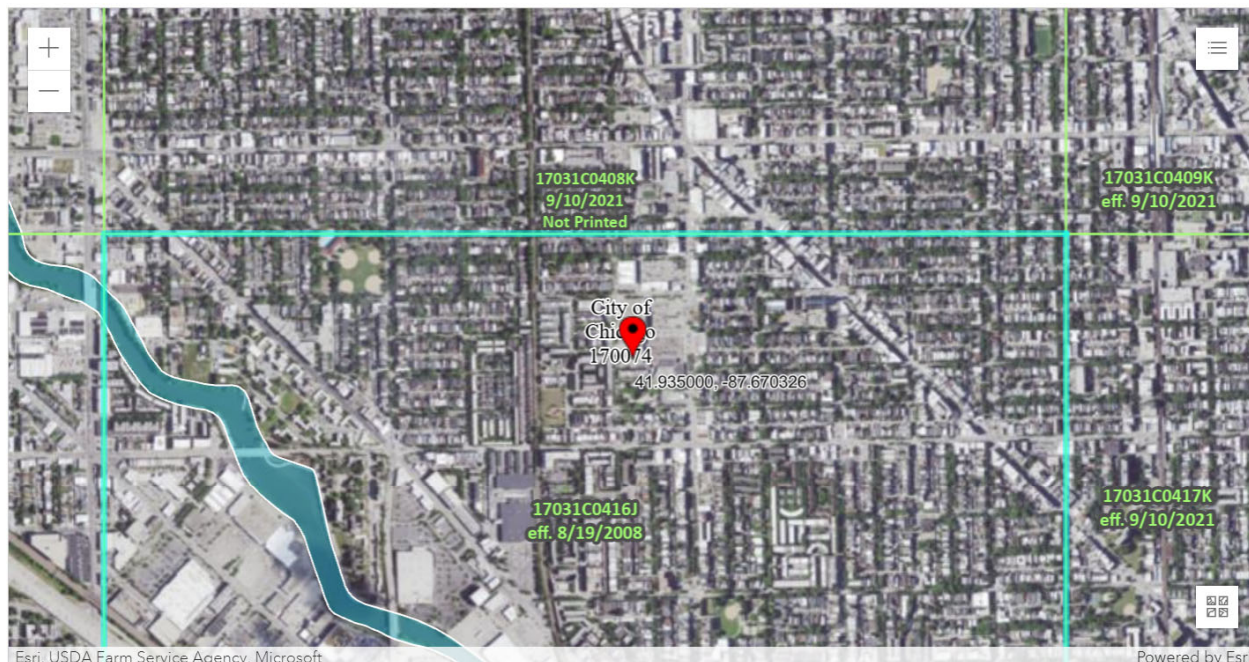
I hereby certify this is true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Bergetz'.

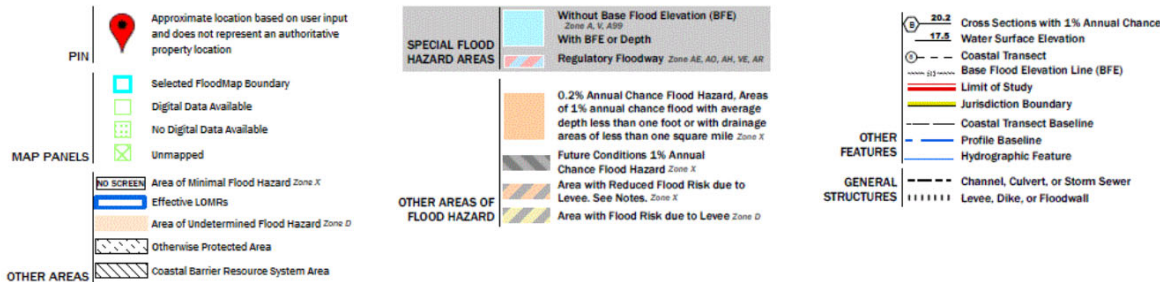
Carl Bergetz, JD  
Chief Legal Officer  
Rush University System for Health

**ATTACHMENT 40**  
**Flood Plain Requirements Letter**



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

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| 18                          | Master Design and Related Projects   | n/a          |
| 19                          | Medical Surgical Pediatrics, Obstetrics, ICU   | n/a          |
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| 21                          | Acute Mental Illness   | n/a          |
| 22                          | Open Heart Surgery   | n/a          |
| 23                          | Cardiac Catheterization  | n/a          |
| 24                          | In-Center Hemodialysis   | n/a          |
| 25                          | Non-Hospital Based Ambulatory Surgery  | n/a          |
| 26                          | Selected Organ Transplantation   | n/a          |
| 27                          | Kidney Transplantation   | n/a          |
| 28                          | Subacute Care Hospital Model   | n/a          |
| 29                          | Community-Based Residential Rehabilitation Center  | n/a          |
| 30                          | Long Term Acute Care Hospital  | n/a          |
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