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**John P. Mordach**  
Rush University Medical Center  
Senior Vice President  
Chief Financial Officer

May 13, 2015

**RECEIVED**

MAY 15 2015

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney Avery  
Administrator  
Division of Health Systems Development  
525 West Jefferson St., Second Floor  
Springfield, IL 62761

Re: Permit #12-011

Dear Ms. Avery,

Pursuant to 77 Illinois Administrative Code 1130.760, this is the annual progress report for permit #12-011, Rush University Medical Center (the "Project"). The permit for the Project was issued on April 17, 2012, to Rush University Medical Center. The approved permit amount was \$46,230,784 for the modernization of the RUMC Atrium building. We provide the following information regarding the progress of the Project:

1. **Current Status of the Project** – Through March 31, 2015, the Project is 66.0% complete. There have not been any changes in scope or size of the Project as of today's date. However, we believe we will be requesting an alteration to the project to increase project costs and to note that as the project has developed we will have 10 endoscopy suites and one bronchoscopy suite (only 10 endoscopy suites were approved) and in the end we will have 35 PACUs versus 15. In addition, there will be an increase in the total modernized GSF to accommodate these changes. The alteration request will be submitted in the near future. We are currently working on finalizing the project cost increase (some increase is due to project delay which resulted in additional A&E fees and some enhanced materials costs).

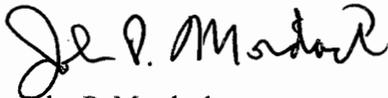
The following is complete: relocation and modernization of the obstetrical beds, newborn nursery and antepartum testing to Level 8 of the Atrium Building, modernization of the medical beds at Level 9 Atrium – South Unit and partial modernization of Level 5 Atrium. Modernization of Level 7 Atrium – South Unit is complete but occupied temporarily by the pediatric unit. The following remains to be completed: the modernization of medical/surgical beds at Level 9 Atrium - North Unit and Level 7 Atrium – North Unit, pediatric beds at Level 6 of the Kellogg Building, and remaining modernization of Level 5 of the Atrium.

2. **Costs Incurred to Date** – Project costs incurred through March 31, 2015 are \$30,531,561 as summarized in the attached CON Status Report. Please note that while net interest expense was included in prior year progress reports, this was done in error; the financing costs related to other projects. Total projected costs are expected to exceed the approved permit amount, and an alteration will be requested in the near future.
3. **Method of Financing the Project** – The Project has been financed using \$30,531,561 in cash and securities.

4. Anticipated Date of Completion – The approved completion date of the Project is June 30, 2016. We anticipate having to file a request for permit renewal due to certain delays in the modernization project. One will be filed in the near future, when we have a realistic completion date based on the current status and anticipated future work.

If you need any additional information, please contact Shaun Cooper at 312-563-3168 or [Shaun\\_Cooper@rush.edu](mailto:Shaun_Cooper@rush.edu) or Sarah Roche at 312-942-4938 or [Sarah\\_Roche@rush.edu](mailto:Sarah_Roche@rush.edu).

Sincerely,



John P. Mordach

CC: Mike Constantino, Supervisor of Project Review  
George Roate, Division of Health Systems Development  
Anne Murphy, RUMC Legal Affairs  
Clare Connor Ranalli, McDermott, Will & Emery LLP

Rush University Medical Center  
Transformation Program - Atrium  
Permit #12-011

**CERTIFICATE OF NEED STATUS REPORT**

Reported through 3/31/15	CON Permit	Projected at Completion	Projected Increase (Decrease)	Costs through 3/31/15	Percent Expended
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<b>Uses of Funds</b>					
Preplanning	\$ 20,000	\$ 20,000	\$ -	-	0.0%
Modernization	32,975,871	32,975,871	-	20,055,182	60.8%
Contingencies	4,946,380	4,946,380	-	-	0.0%
Architecture & Engineering Fees	1,040,000	1,040,000	-	2,006,900	193.0%
Consulting	1,178,083	1,178,083	-	2,507,591	212.9%
Moveable & Other Equipment	5,705,450	5,705,450	-	5,167,457	90.6%
Other Costs to be Capitalized	365,000	365,000	-	794,431	217.7%
Net Interest Expense During Construction	-	-	-	-	0.0%
<b>Total Uses of Funds</b>	<b>\$ 46,230,784</b>	<b>\$ 46,230,784</b>	<b>\$ -</b>	<b>\$ 30,531,561</b>	<b>66.0%</b>

<b>Sources of Funds</b>					
Cash & Securities	\$ 46,230,784	\$ 46,230,784	\$ -	\$ 30,531,561	66.0%
<b>Total Sources of Funds</b>	<b>\$ 46,230,784</b>	<b>\$ 46,230,784</b>	<b>\$ -</b>	<b>\$ 30,531,561</b>	<b>66.0%</b>