ORIGINAL

15-053

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
NOV 17 2015
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Rush University Medical Center – Master Design 2015 Phase I		
Street Address: 1653 W. Congress Parkway		
City and Zip Code: Chicago 60612		
County: Cook	Health Service Area 06	Health Planning Area: A02

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Rush University Medical Center
Address: 1653 W. Congress Parkway, Chicago, IL 60612
Name of Registered Agent: Anne M. Murphy
Name of Chief Executive Officer: Larry J. Goodman, M.D.
CEO Address: 1653 W. Congress Parkway, Chicago, IL 60612
Telephone Number: 312-942-5865

Type of Ownership of Applicant/Co-Applicant

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

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

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: Clare Connor Ranalli
Title: Partner
Company Name: McDermott Will & Emery
Address: 227 W. Monroe Street, Chicago, IL 60606
Telephone Number: 312-984-3365
E-mail Address: cranalli@mwe.com
Fax Number: 312-277-2964

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

Name: Anne M. Murphy
Title: General Counsel and Senior Vice President of Legal Affairs
Company Name: Rush University Medical Center
Address: 1700 W. Van Buren, Suite 301, Chicago, IL 60612
Telephone Number: 312-942-6886
E-mail Address: anne_murphy@rush.edu
Fax Number: 312-942-4233

Additional Contact

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

Name: Jack M. Axel
Title: President
Company Name: Axel & Associates, Inc.
Address: 675 North Court, Suite 210, Palatine, IL 60067
Telephone Number: 847-776-7101
E-mail Address: jacobmaxel@msn.com
Fax Number:

Post Permit Contact

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

Name: Anne M. Murphy
Title: General Counsel and Senior Vice President of Legal Affairs
Company Name: Rush University Medical Center
Address: 1700 W. Van Buren, Suite 301, Chicago, IL 60612
Telephone Number: 312-942-6886
E-mail Address: anne_murphy@rush.edu
Fax Number: 312-942-4233

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Rush University Medical Center
Address of Site Owner: 1653 W. Congress Parkway, Chicago IL 60612
Street Address or Legal Description of Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

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

Exact Legal Name:
Address:

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

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

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

Organizational Relationships

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

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

Flood Plain Requirements NOT APPLICABLE – MASTER DESIGN

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements NOT APPLICABLE – MASTER DESIGN

[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 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

☐ Substantive

☒ Non-substantive

2. Narrative Description

Provide in the space below, 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 ("RUMC") has developed a plan for campus renovation and reconfiguration ("Campus Plan"). This Campus Plan will be implemented in various phases for purposes of planning, financing and operational efficiency. This CON addresses the costs associated with the Master Design of Phase I of that plan which entails the construction of a comprehensive outpatient services building, two new parking structures, a surface parking lot and the demolition of student housing located to the East of RUMC at 1500 West Harrison Street in Chicago. The student housing and land is owned by Rush University Medical Center.

RUMC intends to construct a comprehensive outpatient services building that will combine various outpatient services that are currently dispersed inconveniently throughout the RUMC Campus in different buildings. It will drastically improve accessibility to outpatient services and facilitate coordination of primary and specialty care. The building will be located on the site of the student housing to be demolished.

These relocated services likely will include:

- Most if not all outpatient clinical and diagnostic services, such as imaging, lab, rehabilitative therapy services, interventional radiology and interventional cardiology;
- The Rush Ambulatory Surgi Center located at 1725 W. Harrison St. (if required, a separate CON will be filed pertaining to relocation of the ASC); and
- Numerous physician offices, both primary care and specialty.

The vacated space in these various building above will be used for relocation of administrative office and service functions and other ancillary and appropriate uses. The total GSF of the constructed outpatient building will be approximately 620,000 GSF (excluding the garage associated with same) and the cost will be approximately $500,000,000. It is estimated the building will be (nine) 9 floors high, and planning and design will review various options for connections between it and the RUMC inpatient building. The design cost for Phase I (A&E and related expenses) is estimated to be $32,000,000 which exceeds the current capital expenditure threshold.

RUMC plans to engage both architects/engineers and construction management firms to provide planning and advice. Additions or changes in consultants may occur over the duration of the project.

Ongoing planning will continue to define the scope and cost of the Master Design of Phase I. It is anticipated that the comprehensive outpatient services building will be open in 2020, contingent upon receipt of a CON permit, and any other required regulatory approvals for same.

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 equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	-----	-----	$
Site Survey and Soil Investigation	-----	$200,000	$200,000
Site Preparation	-----	$4,200,000	$4,200,000
Off Site Work	-----	-----	-----
New Construction Contracts	-----	-----	-----
Modernization Contracts	-----	-----	-----
Contingencies	-----	-----	-----
Architectural/Engineering Fees	$14,120,000	$7,180,000	$21,300,000
Consulting and Other Fees	$3,680,000	$920,000	$4,600,000
Movable or Other Equipment (not in construction contracts)	-----	-----	-----
Bond Issuance Expense (project related)	-----	-----	-----
Net Interest Expense During Construction (project related)	-----	-----	-----
Fair Market Value of Leased Space or Equipment	-----	-----	-----
Other Costs To Be Capitalized	$1,360,000	$340,000	$1,700,000
Acquisition of Building or Other Property (excluding land)	-----	-----	-----
TOTAL USES OF FUNDS	$19,160,000	$12,840,000	$32,000,000
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	-----	-----	$32,000,000
Pledges	-----	-----	-----
Gifts and Bequests	-----	-----	-----
Bond Issues (project related)	-----	-----	-----
Mortgages	-----	-----	-----
Leases (fair market value)	-----	-----	-----
Governmental Appropriations	-----	-----	-----
Grants	-----	-----	-----
Other Funds and Sources	-----	-----	-----
TOTAL SOURCES OF FUNDS	**$19,160,000**	**$12,840,000**	**$32,000,000**

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

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

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ N/A.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☒ None or not applicable ☐ Preliminary

☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): 12/31/2017

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
☒ Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☒ All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements N/A – MASTER DESIGN

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
			N	**/**	**A**		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

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

Facility Bed Capacity and Utilization

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

FACILITY NAME: Rush University Medical Center			**CITY: Chicago**		
REPORTING PERIOD DATES:		**From: 01/01/2014**		**to: 12/31/2014**	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days***	**Bed Changes**	**Proposed Beds**
Medical/Surgical	342	18,944	91,403	N/A	342
Obstetrics	34	2,580	8,215	N/A	34
Pediatrics	22	885	3,819	N/A	22
Intensive Care	132	7,642**	31,445**	N/A	132
Comprehensive Physical Rehabilitation	59	1,064	11,643	N/A	59
Acute/Chronic Mental Illness	70	1,739	16,164	N/A	70
Neonatal Intensive Care		550	15,464		
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	731	32,126	178,153	N/A	731

* Excludes Observation
**Excludes Transfers

NOTE: In 2014 RUMC had 382,987 outpatient and physician office visits, with an additional 63,458 emergency department visits.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) 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 for Permit is filed on the behalf of 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 for permit 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 permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Larry J. Goodman, M.D.	Anne M. Murphy
PRINTED NAME	PRINTED NAME
CEO	General Counsel and Senior Vice President for Legal Affairs
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 12th day of NOVEMBER, 2015	Notarization: Subscribed and sworn to before me this 12th day of NOVEMBER, 2015
Signature of Notary	Signature of Notary
Seal: OFFICIAL SEAL CYNTHIA L IRWIN NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:01/22/17	Seal: OFFICIAL SEAL CYNTHIA L IRWIN NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:01/22/17

*Insert 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.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

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

3. 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.**

4. 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 the information has been 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 is able to 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.

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, per the applicant's definition.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]

4. Cite the sources of the information provided as 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 age and condition and 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 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** of 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 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT: N/A – MASTER DESIGN

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**

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;

   b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;

   c. The project involves the conversion of existing space that results in excess square footage.

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

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

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

PROJECT SERVICES UTILIZATION: N/A – MASTER DESIGN

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	MET STANDARD?
YEAR 1					
YEAR 2					

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

UNFINISHED OR SHELL SPACE: N/A

Provide the following information:

1. Total gross square footage 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 are 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: N/A

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 V. - MASTER DESIGN AND RELATED PROJECTS

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;

2. How the services proposed in future projects will improve access to planning area residents;

3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and

4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) - Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and also, document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and

2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:

   a. limitation on government funded or charity patients that are expected to continue;
   b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
   c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.

3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:

   a. historical service/beds utilization levels;
   b. projected trends in utilization (include the rationale and projection assumptions used in such
   c. projections);
   d. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and
   anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;
3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and
4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT-18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

H. Non-Hospital Based Ambulatory Surgery

This section is applicable to all projects proposing to establish or modernize a non-hospital based ambulatory surgical treatment center or to the addition of surgical specialties. NOTE: AS PART OF THE CONSOLIDATION OF OUTPATIENT SERVICES, THE EXISTING RUSH AMBULATORY SURGICENTER LOCATED IN THE POB WILL MOVE TO THE NEW COMPREHENSIVE OUTPATIENT BUILDING.

1. **Criterion 1110.1540(a), Scope of Services Provided**

   Read the criterion and complete the following:

   a. Indicate which of the following types of surgery are being proposed:

__X__ Cardiovascular	__X__ Obstetrics/Gynecology	__X__ Pain Management
_____ Dermatology	__X__ Ophthalmology	__X__ Podiatry
_____ Gastroenterology	_____ Oral/Maxillofacial	_____ Thoracic
__X__ General/Other	__X__ Orthopedic	__X__ Otolaryngology
_____ Neurology	__X__ Plastic	__X__ Urology

   b. Indicate if the project will result in a _____ limited or __X__ a multi-specialty ASTC.

2. **Criterion 1110.1540(b), Target Population**

   Read the criterion and provide the following:

   a. On a map (8 ½" x 11"), outline the intended geographic services area (GSA).

   b. Indicate the population within the GSA and how this number was obtained.

   c. Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

3. **Criterion 1110.1540(c), Projected Patient Volume**

   Read the criterion and provide signed letters from physicians that contain the following:

   a. The number of referrals anticipated annually for each specialty.

   b. For the past 12 months, the name and address of health care facilities to which patients were referred, including the number of patients referred for each surgical specialty by facility.

   c. A statement that the projected patient volume will come from within the proposed GSA.

   d. A statement that the information in the referral letter is true and correct to the best of his or her belief.

4. **Criterion 1110.1540(d), Treatment Room Need Assessment**

   Read the criterion and provide:

   a. The number of procedure rooms proposed.

   b. The estimated time per procedure including clean-up and set-up time and the methodology used in arriving at this figure.

5. **Criterion 1110.1540(e), Impact on Other Facilities**

   Read the criterion and provide:

   a. A copy of the letter sent to area surgical facilities regarding the proposed project's impact on their workload. NOTE: This letter must contain: a description of the project including its size, cost, and

projected workload; the location of the proposed project; and a request that the facility administrator indicate what the impact of the proposed project will be on the existing facility.

b. A list of the facilities contacted. **NOTE**: Facilities must be contacted by a service that provides documentation of receipt such as the US. Postal Service, FedEx or UPS. The documentation must be included in the application for permit.

6. Criterion 1110.1540(f), Establishment of New Facilities

Read the criterion and provide:

a. A list of services that the proposed facility will provide that are not currently available in the GSA; or

b. Documentation that the existing facilities in the GSA have restrictive admission policies; or

c. For co-operative ventures,

a. Patient origin data that documents the existing hospital is providing outpatient surgery services to the target population of the GSA, and

b. The hospital's surgical utilization data for the latest 12 months, and

c. Certification that the existing hospital will not increase its operating room capacity until such a time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months; and

d. Certification that the proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

7. Criterion 1110.1540(g), Charge Commitment

Read the criterion and provide:

a. A complete list of the procedures to be performed at the proposed facility with the proposed charge shown for each procedure.

b. A letter from the owner and operator of the proposed facility committing to maintain the above charges for the first two years of operation.

8. Criterion 1110.1540(h), Change in Scope of Service

Read the criterion and, if applicable, document that existing programs do not currently provide the service proposed or are not accessible to the general population of the geographic area in which the facility is located.

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

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

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

VIII. - 1120.120 - Availability of Funds N/A - MEET WAIVER

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

_____	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
_____	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability N/A - MEET WAIVER

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 of the projects 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-37, 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.

Provide Data for Projects Classified as:	**Category A or Category B (last three years)**			**Category B (Projected)**
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage		**N**	**/**	**A**
Percent Debt to Total Capitalization		**MEET**	**WAIVER**	
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.

2. 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 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

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

A. Reasonableness of Financing Arrangements - N/A – Meet Waiver

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

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

B. Conditions of Debt Financing – N/A – No Financing and meet waiver

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 – Not Applicable – Master Design**

Read the criterion and provide the following:

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

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs – N/A – Master Design

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 – N/A – Master Design

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 -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

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

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

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

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

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

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

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

A table in the following format must be provided as part of Attachment 43.

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

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information MUST be furnished for ALL projects.

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 44.

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

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

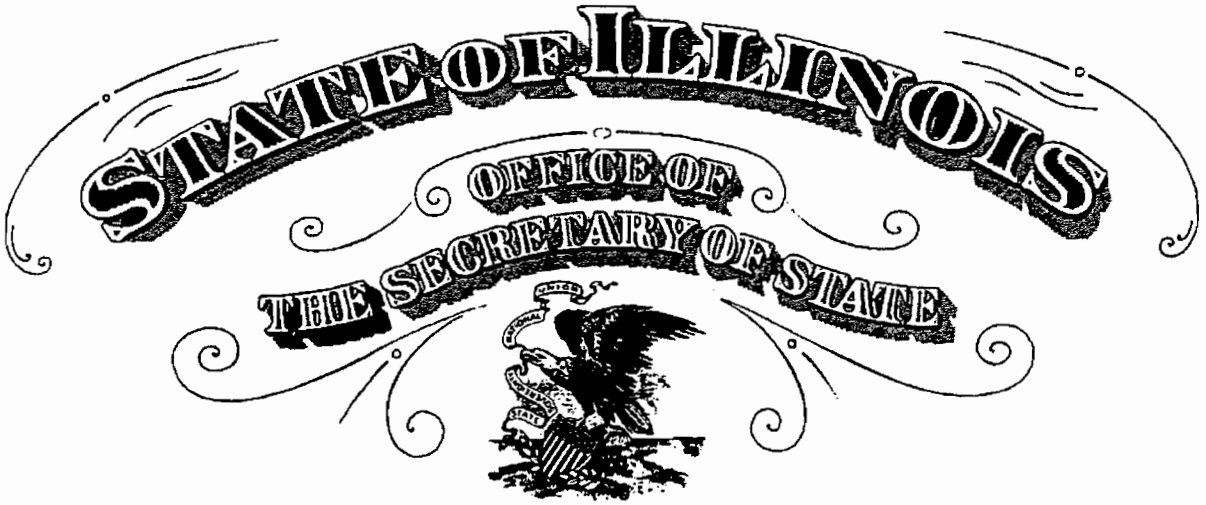
INDEX OF ATTACHMENTS

ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	25-26
2	Site Ownership	27-29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	N/A
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	30-33
5	Flood Plain Requirements	N/A
6	Historic Preservation Act Requirements	N/A
7	Project and Sources of Funds Itemization	34-35
8	Obligation Document if required	N/A
9	Cost Space Requirements	N/A
10	Discontinuation	N/A
11	Background of the Applicant	36-37
12	Purpose of the Project	38-39
13	Alternatives to the Project	40
14	Size of the Project	N/A
15	Project Service Utilization	N/A
16	Unfinished or Shell Space	N/A
17	Assurances for Unfinished/Shell Space	N/A
18	Master Design Project	41-47
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	48
28	Selected Organ Transplantation	
29	Kidney Transplantation	
30	Subacute Care Hospital Model	
31	Children's Community-Based Health Care Center	
32	Community-Based Residential Rehabilitation Center	
33	Long Term Acute Care Hospital	
34	Clinical Service Areas Other than Categories of Service	49-51
35	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
36	Availability of Funds	N/A
37	Financial Waiver	52-60
38	Financial Viability	N/A
39	Economic Feasibility	N/A
40	Safety Net Impact Statement	61-62
41	Charity Care Information	63

Certificate of Good Standing
(Applicant)

Attachment 1

File Number 0200-214-1



To all to whom these Presents Shall Come, Greeting:

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

RUSH UNIVERSITY MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JULY 21, 1883, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* SEPTEMBER *A.D.* 2015 .

Authentication #: 1527301862 verifiable until 09/30/2016
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Proof of Site Ownership

See attached for both RUMC and the site of the proposed outpatient services building.

Attachment 2

QUITCLAIM
TRUSTEE'S DEED

8 8 3 3 7 7 3 3
88337733

Form 2459 Rev. 5-77 Individual

The above space for recorders use only

THIS INDENTURE, made this 1st day of July, 19 88, between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a corporation duly organized and existing as a national banking association under the laws of the United States of America, and duly authorized to accept and execute trusts within the State of Illinois, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said national banking association in pursuance of a certain Trust Agreement, dated the 22nd day of August, 19 77, and known as Trust Number 41080, party of the first part, and Rush-Presbyterian St. Luke's Medical Center, an Illinois not-for-profit corporation, 1753 W. Congress Parkway, Chicago IL party of the second part.

WITNESSETH, that said party of the first part, in consideration of the sum of Ten & no/100 ----------$10.00----------Dollars, and other good and valuable considerations in hand paid, does hereby grant, sell and convey unto said parties of the second part, the following described real estate, situated in County, Illinois, to-wit:

See Attached Exhibit "A"

#238827

COOK COUNTY RECORDER
#0258 # A *-88-337733
T#1111 TRAN 0085 07/28/88 15:17:00
DEPT-01 $12.00

88337733

together with the tenements and appurtenances thereunto belonging.

TO HAVE AND TO HOLD the same unto said party of the second part, and to the proper use, benefit and behoof, forever, of said party of the second part.

This deed is exempt pursuant to Section 4 (b) of the Illinois Real Estate Transfer Tax Act (Para. 1004 (b), ch. 120, Ill. Rev. Stat.)

This deed is executed by the party of the first part, as Trustee, as aforesaid, pursuant to and in the exercise of the power and authority granted to and vested in it by the terms of said Deed or Deeds in Trust and the provisions of said Trust Agreement above mentioned, and of every other power and authority thereunto enabling. This deed is made subject to the liens of all trust deeds and/or mortgages upon said real estate, if any, recorded or registered in said county.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by one of its Vice Presidents or its Assistant Vice Presidents and attested by its Assistant Secretary, the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
as Trustee as aforesaid, and not personally,

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO CORPORATE SEAL

By M. MICHAEL WHITE
VICE PRESIDENT

Attest SUZANNE G. BAKER
ASSISTANT SECRETARY

STATE OF ILLINOIS, COUNTY OF COOK } SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named Vice President and Assistant Secretary of the AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, A National Banking Association, Grantor, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said National Banking Association for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that said Assistant Secretary, as custodian of the corporate seal of said National Banking Association caused the corporate seal of said National Banking Association to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said National Banking Association for the uses and purposes therein set forth.

Given under my hand and Notary Seal, Date 7/26/88

Notary Public

THIS INSTRUMENT PREPARED BY
Claire Rosati
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
33 N. LASALLE
CHICAGO, ILLINOIS

"OFFICIAL SEAL"
Rula Davidson
Notary Public, State of Illinois
My Commission Expires 12/26/90

DELIVERY INSTRUCTIONS

NAME TICOR TITLE INSURANCE
STREET 203 N. LaSalle Street - Suite 1400
CITY Chicago, IL 60601-1297
312/621-5000 N24 16487-4
ATTN: JOANNE CRAIG

OR

RECORDER'S OFFICE BOX NUMBER 128

FOR INFORMATION ONLY
INSERT STREET ADDRESS OF ABOVE DESCRIBED PROPERTY HERE

1400-1554 W. Harrison St.
Chicago IL

Exempt under Real Estate Transfer Act Sec. 4 Para. b and
Date 7/26/88 Buyer, Seller, or Representative

This space for affixing riders and revenue stamps

Exempt under provisions of Paragraph B, Section 200.1-286 or under provisions of Paragraph, Section 200.1-48 of the Chicago Transaction Tax Ordinance.

Date 7/26/88 Buyer, Seller, or Representative

Document Number 88337733

12.00

28

EXHIBIT "A"

All that part of South Laflin Street lying:

(a) East of the East lines of Lots 1, 50, 51 and 52 in Block 32;
(b) East of a line drawn from the Southeast corner of said Lot 1 to the Northeast corner of said Lot 32;
(c) East of a line drawn from the Northeast corner of said Lot 50 to the Southeast corner of said Lot 51;
(d) West of the West lines of Lots 24, 25, 26 and 27 in Block 33;
(e) West of a line drawn from the Southwest corner of said Lot 24 to the Northwest corner of said Lot 25;
(f) West of a line drawn from the Southwest corner of said Lot 26 to the Northwest corner of said Lot 27;
(g) South of a line drawn from the Northeast corner of Lot 1 in Block 32 to the Northwest corner of Lot 24 in Block 33;
and
(h) North of a line drawn from a point on the East line of Lot 50 in Block 32 which is 29.31 feet North of the Southeast corner of said Lot 50 to a point on the West line of Lot 27 in Block 33 which is 25.97 feet North of the Southwest corner of said Lot 27;

all in Laflin and Loomis' Resubdivision of Blocks 5, 18, 21, 30, 31, 32, 33 and 41 and Subdivision of Blocks 6, 9, 19 and 20 in Canal Trustees' Subdivision of the West 1/2 and the West 1/2 of the Northeast 1/4 of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

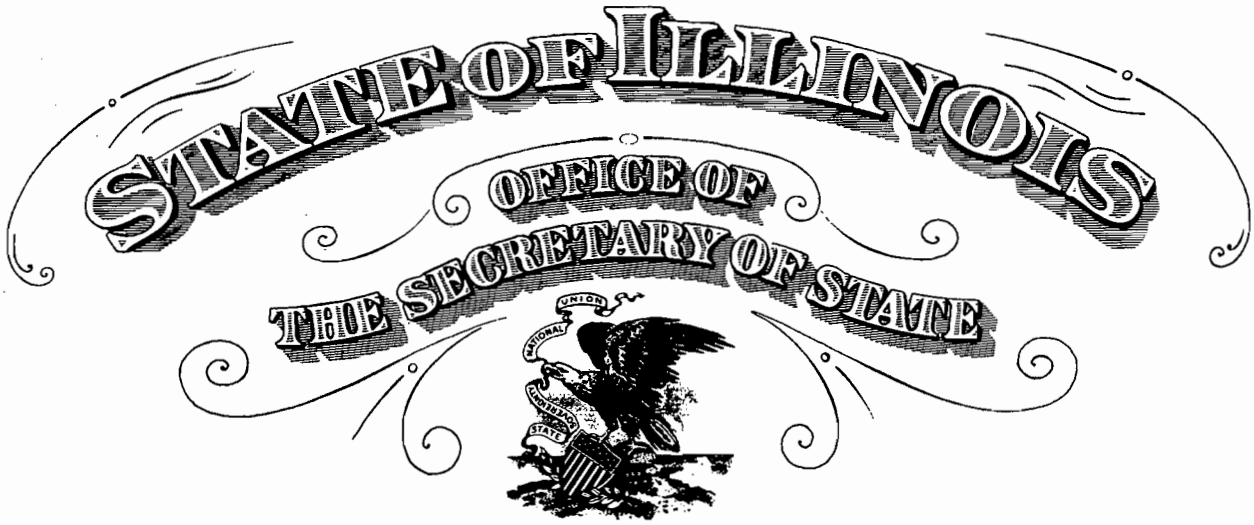
88337733

Operating Entity
Certificate of Good Standing

See attached.

Attachment 3

File Number 0200-214-1



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In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 30TH *day of* SEPTEMBER *A.D.* 2015 .

Authentication #: 1527301862 verifiable until 09/30/2016
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

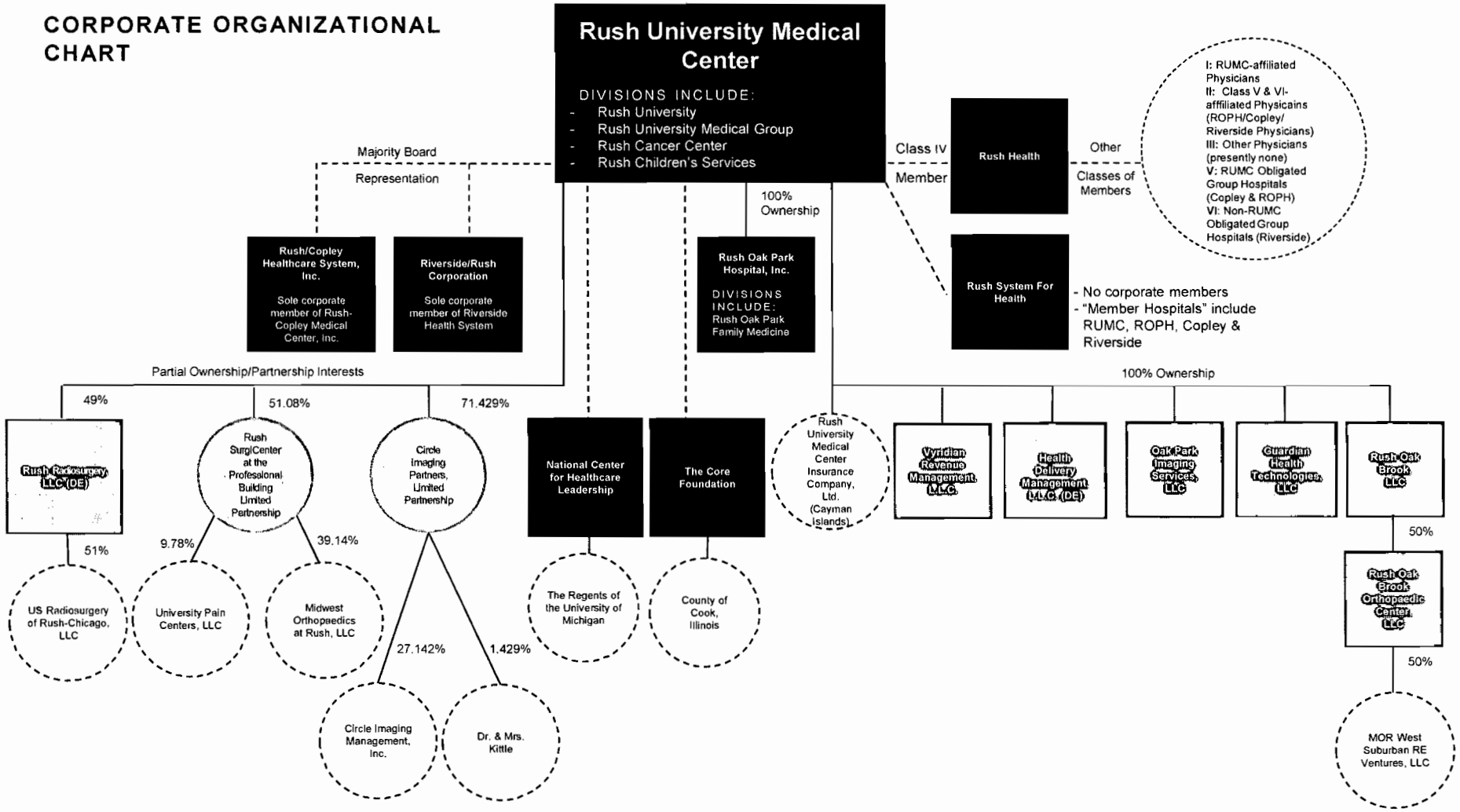
Organization Chart

RUMC is a non-member not for profit. It has no parent entity. However, attached is an organization chart showing its corporate relationship to various affiliated entities.

Attachment 4

RUSH UNIVERSITY MEDICAL CENTER

CORPORATE ORGANIZATIONAL CHART



= Not for Profit = LLC = Partnership = Other or unaffiliated entity (any type) = Non-equity-based Relationship

All Illinois entities unless otherwise noted.

9/29/2015

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Project Costs and Sources of Funds

Itemization of each line item:

Site Survey and Soil Investigation ($200,000) – this may include:

- Soil testing
- Survey work
- Environmental/archeological site assessments
- Hazardous soils materials testing

Site Prep – this includes:

- Demolition ($4,200,000)

Architectural/Engineering Fees – ($21,300,000) – this may include:

- Programming:
  - Interview work groups to facilitate Facilities Analysis Questionnaires, Data Acquisitions for operations and Programming Development.
  - Evaluate the existing space standards and apply them to the program analysis and make recommended adjustments where appropriate.
  - Develop space occupancy program with the collected data.
- Space Planning:
  - Develop Planning Concepts and Strategies with focus on location and adjacency of all elements and major ancillary and support areas adjacencies.
  - Develop space plan for all spaces and serve as a basis for all the Schematic Design Phase.
- Schematic Design:
  - Develop diagrammatic plans and documentation to describe the size and character of the space in a way that meets all programmatic and functional objectives, as well as accounting for all required site modifications and infrastructure support for the outpatient building.
  - Evaluate the capacity of the existing utility infrastructure and investigate the viability of placement and reuse of the existing site support structure.
- Design Development
  - Develop detailed drawings and documentation to describe the size and character of the space. Includes room layouts, structural, site plan, exterior envelope, mechanical, electrical, and plumbing.
  - The equipment and furniture consultants will prepare room-by-room FF&E requirements lists. The requirements lists identify room name, item description, product specification, and total quantity required. The product specifications include installation requirements that will be provided to the architect/engineer to ensure that spaces and building systems are planned to appropriately accommodate the equipment.
- Bidding and Negotiation Phase Services:
  - Revise Construction Documents as necessary in accordance with Reconciled Statement of Probable Construction Cost
- Construction Documents to 50%:
  - Provide proposed Reconciled Statement of Probably Construction Cost at 50%
  - Provide drawings and specifications at 50% completion for Owner Review

Consulting and Other Fees – ($4,600,000) – this may include:

- Charges for the services of various types of consulting and professional experts including:
  - Construction Management Pre-Construction Services including:

        - Estimating
        - Schedule Development
        - Site Logistics
    - Testing and Inspection
    - Commissioning Consultant
    - Audit Accounting Services
    - Universal Code Searches
    - Building Information Modeling (BIM) Services
    - Permit Expeditors
    - Third Party Cost Estimating
    - Traffic Consultant
    - Equipment Planning Consultant
    - Telecommunications Consultant
    - Code Consultant
    - Activation/Transition Planning Consultant
    - Functional Programming Consultant
    - Vibration Consultant
    - Materials Management Consultant
    - Retail Consultant
    - Exterior Wall Consultant

Line 14 – Other Costs To Be Capitalized – ($1,700,000) – this may include:

- In-House Staff (Contracted Project Managers)
- Permits and Fees
- Printing Costs
- Insurance (professional liability, builder's risk, excess general liability and worker's compensation)
- Project Office Build-Out Costs
- Community Requirements
- Marketing
- Legal Fees

Attachment 7

BACKGROUND OF APPLICANT

RUMC:

IDPH License: 0003251

Medicare Provider Number: 140281

Medicaid Provider Number: 37 096 0170-001

The Joint Commission Organization I.D. Number: 7267

City of Chicago Hospital License Number: 1118921

Attachment 11

As Senior VP of Legal Services and General Counsel of RUMC, I hereby certify that no adverse action has been taken against it, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize HFPB and IDPH to access any documentation which it finds necessary to verify any information submitted, including, but not limited to: official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations.

Anne M. Murphy

Subscribed and sworn to before me this 12th day of November, 2015

Notary Public

OFFICIAL SEAL
CYNTHIA L IRWIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/22/17

Attachment 11

DM_US 61768988-7.T13706.0010

Purpose of the Project

The purpose of this master design project is to plan programmatically in an efficient manner for the design and development of Phase I of RUMC's Campus Plan. The cost of retaining architects and other professionals to plan and design appropriately exceeds the current CON threshold. Phase I will address the scattered and inefficient current placement of RUMC's outpatient services. It also will address the growth in outpatient treatment and diagnostic services experienced by RUMC, and given the national shift toward outpatient care, positions RUMC to efficiently provide and sustain access to outpatient care as this growth trend continues.

Rush Medical College was chartered on March 2, 1837 and has been serving the City of Chicago for the last 178 years. 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 a 731 bed hospital. RUMC's history is one of innovation, inclusion, and excellence in healthcare. It is one of the City's and the nation's premier teaching hospitals, and continues to operate Rush University School of Medicine and School of Nursing (established is 1886). To this day, RUMC continues to be a center of excellence in healthcare that continues to serve its community and the metropolitan area including: the West Loop, West Town, and Pilsen neighborhoods. In calendar 2014 RUMC had 65,367 emergency services visits and 393,582 outpatient and physician office visits. This represents a 5% increase from 2013. In the future further growth is expected as outpatient and preventive care and screening are focuses of the Accountable Care Act.

As RUMC grew, many of its campus buildings changed focus, function and use over time to accommodate expansion of existing services and the addition of new services. Unfortunately, the campus and building footprints did not always allow for efficient utilization and location of outpatient hospital services in order to coordinate with the various hospital departments that the outpatient service might be associated with. As an example, one of our staff members is the mother of an ill, wheelchair bound child who is a patient at RUMC. Due to her child's medical needs, she has to coordinate multiple physician visits at a time. As a result, she has to navigate from the RUMC pediatrics offices, which are located in a building on W. Jackson Blvd to services at the Professional Office Building ("POB") located at 1725 W. Harrison St. This requires transiting across three busy intersections, two of which serve as on and off ramps to the Eisenhower Expressway. In addition to this, she has to decide whether to park at the main campus parking garage or at the Jackson Blvd. location, and depending on where she chooses, she then has to take her child back to the other location to pick up the vehicle. At a minimum a one-way trip from either building takes approximately 15 minutes of walking, without having to push a wheelchair.

The POB, which includes physician office and hospital outpatient services, was constructed in three phases over a 20 year period and has three main structures with three elevator banks connecting to different (or at times the same) floors. The second, third, and fifth floors are blocked off by wall separations due to a CTA Vault. If a patient has multiple physician visits on these floors her or she is unable to transition between the buildings without having to take an elevator to the ground floor, transition into the next building and then take another elevator to the

floor they originally started on. These examples reflect how the buildings and uses were developed over a significant number of years, with locations on the RUMC campus that are not intuitive, leading to poor patient way finding and access.

Parking to access hospital and outpatient services is very congested. The main parking garage is linked via 4th floor pedestrian bridges to the hospital and the two primary outpatient buildings, the POB and the Midwest Orthopedic Building located at 1611 W. Harrison St. In order to transition to either of these buildings, the patient must do so by walking through the busy parking garage from his or her car to the pedestrian walkways connecting these buildings, and then through the walkways to the correct location, which can easily take 10 or more minutes. Obviously, patients with limited mobility or in a wheel chair have even greater issues. Determining the right pedestrian walkway to get to the intended building is also difficult.

The vision for this project is to consolidate most if not all of the outpatient services and physician offices in one building dedicated to outpatient care. It would eliminate the scattered nature of the outpatient services that exists today, provide better way finding, create intuitive pathways to locate services and link them with inpatient services located in the main hospital building, allow for expansion and enhancement of space such as consolidation of the phlebotomy lab, diagnostic, radiological and MRI/CT services into one centralized location, and will provide better parking access to these locations for RUMC's patients. The planning goal is for there to be only one pedestrian walkway from the outpatient services building to the main hospital building, which will then allow outpatients to access other buildings as necessary with the main hospital being the hub, rather than transiting through the parking garage.

The consolidation of outpatient services, and resulting elimination of the current lack of coordinated access to clinical services will result in improved clinical care, efficacy in service and improved education and clinical research, physician, diagnostic and treatment services.

Additionally, the new construction will facilitate both ADA and Life Safety Code compliance, as many of the current campus buildings where outpatient services are located are older buildings and not capable of being in compliance with current standards.

The planning will also address the trend toward outpatient care by making the services offered at RUMC more convenient, better designed for modern services/standards and more accessible on every floor.

Developing a comprehensive architect/engineering master design plan for this Phase I of the Campus Plan will allow for the efficient development of an outpatient service building to compliment the relatively new main hospital building opened in 2012, which has greatly improved the overall delivery of clinical care and the patient/patient family and patient care team experience.

There are no external sources of data available to RUMC with respect to its Campus Plan. The data relied on by RUMC comes from operating in the current environment and staff, physician and patient feedback.

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Criterion 1110.230 – ALTERNATIVE NARRATIVE

The alternatives section is generally inapplicable to this Master Design application. The scope of Phase I planning called for A&E and other planning fees that would exceed the capital expenditure threshold. Although "doing nothing" is not an alternative the CON Board considers, it was the only real alternative with respect to engaging in a Master Design plan, or not. It was determined that proceeding forward with Phase I of the Campus Plan without significant design consultation and planning was not a reasonable or responsible alternative. The cost of this alternative would have been zero, as RUMC's internal resources would have been used for planning and design, until such time as RUMC was ready to retain architects for design of the actual outpatient building. However, given the scope of this project and its relationship to the overall campus plan, the investment up front in planning and design resources was considered the prudent alternative.

Attachment 13

SECTION V - MASTER DESIGN AND RELATED PROJECTS

Criterion 1110.235(a) - System Impact of Master Design

1. Availability of alternative health care facilities within the planning area and impact that the proposed project will have on the utilization of such facilities

This project will have no impact on other health care facilities. This is a master design project for design services related to consolidating most if not all outpatient services at RUMC in one location. In calendar year 2014, RUMC had 393,582 outpatient and physician office visits.

2. How proposed services will improve access to planning area residents

The principles of healthcare reform call for increasing access to care in a low-cost, high quality, and integrated manner. The RUMC Campus Plan strives to increase access to exceptional care to residents of Illinois by delivering all of the right care in one location, making access to such care more convenient and improving quality and patient outcomes. The Campus Plan is centered on the development of transformative new buildings, reinvestment in existing facilities, and removal of facilities that have outlived their useful lives. In enacting new ways to zone the campus, it becomes easier to get around, and quality and efficiency of care is improved.

RUMC's most recent health needs assessment identified many areas that this plan will help address in order to serve the community in a beneficial manner. The top eight areas are:

i. Social determinants of health, including poverty, unemployment, low levels of education, and a large population of people with Medicaid or without health insurance.

ii. Access to health care services, which is often hindered by structural, financial, and personal barriers (e.g., no nearby health providers, lack of funds to pay for care, or lack of knowledge about how and when to seek care).

iii. The need for programs related to physical activity, nutrition, and weight control to help tackle the community's high rate of obesity.

iv. Programs for Diabetes and elevated blood sugar levels, both of which are significant factors in health disparities across racial and ethnic groups.

v. Programs to address heart disease, which is the leading cause of death among area residents, many of whom suffer from risk factors such as high blood pressure and high cholesterol.

vi. Additional women's health programs to address disparities in low income populations that have higher rates of breast-cancer mortality, lower rates of mammography screening and higher rates of teenage pregnancy.

vii. Mental health programs as many community residents suffer from poor mental health, including chronic depression and substance abuse.

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viii. With Chicago's status as the city with the nation's highest asthma mortality rate, more programs that address asthmas and chronic respiratory diseases are needed. Asthma is particularly prevalent in RUMC's service area, and smoking rates (which correlate to asthma rates) are higher than the national average.

The proposed new outpatient facility, which will constitute Phase I of the Campus Plan, will meet community needs through adaptive space that is planned to anticipate growing demand for outpatient services, while also addressing the difficult way finding and disparate locations of many of the current outpatient services. Unlike the current ambulatory operations in the POB, the new site has strong visibility, easy patient access, and adjacent parking. Additionally, the proposed facility will improve access for planning area residents in the following ways:

- **Phase I will improve access to specialty care**

  RUMC continues to focus on improving access to specialty care through its Faculty and Medical group specialists who provide seamless integration between outpatient service offerings and hospital services. These specialties include:

  - Cardiovascular Services: Cardiology, Vascular Surgery, Cardiac-Thoracic Surgery, Cardiac Diagnostics, University Hypertension and Prevention Center, Pulmonary Critical Care Medicine and University Cardiologists
  - Surgical Specialties: General Surgery, Bariatric Surgery, Dermatology, Ophthalmology, Dental, Opthmology and ENT
  - Neurosciences: Neurology, Neurosurgery, University Neurologists – Movement Disorders, Psychiatry and Behavioral Psychology
  - Musculoskeletal Services: Rehabilitation, Rheumatology, Sports Medicine and Rush University Rheumatologist
  - Gastroenterology Services: Gastroenterology/Urology, Weight Management and Nutritional services
  - Women's and Children's Services: Obstetrics and Gynecology, Pediatrics and Pediatric Cardiology
  - Rush Cancer Center
  - Primary Care & Family Practices, Pulmonary Lab Services, University Consultants in Allergy & Immunology, and consultants in Endocrinology, Dermatology and Hematology.

These specialists are now available at RUMC, but are scattered across various buildings. Those who are in the POB on Harrison Street frequently hear from patients who complain about having a difficult time locating them. For example, offices located on the first, second and fifth floors of the POB are not accessible on the entire floor. Additionally, because the POB is comprised of separate towers, the floors between Towers 2 and 3 are blocked off by an electrical vault room. If a patient has a physician visit in Towers 2 and 3 on one of these blocked floors the patient is required to take the closest elevator to either the ground or fourth

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floor and walk to an elevator in the other section of the building to transition back to the same floor they had been on previously. The centralization of specialty services will avoid this unnecessary way finding and will optimize clinical services, education and clinical research.

- **Phase I continues RUMC's commitment to community service**

  Access to medical care is a vital component to the health of all communities, especially communities that have been historically underserved. When a community thrives, those who live and work there thrive as well, so RUMC invests a significant amount in the community's health. To address this need, RUMC has historically worked with community-based organizations to support efforts to reach the most medically underserved residents in Chicago and Cook County. In 2014, along with grants and donations, the cost to RUMC to provide community benefits was about $249 million to facilitate such programs as:

  - Ruth M. Rothstein CORE Center, the nation's first public/private outpatient facility dedicated to care for people with HIV/AIDS, received $200,000 in operational support from RUMC in fiscal year 2014. RUMC has been collaborating with the CORE Center since working with Cook County Health and Hospital Services to create the CORE Center in 1998.
  - Medicare/Medicaid/Charity Care. Those people with low incomes or few resources, as well as individuals over 65 or with certain disabilities, received almost $99 million in benefits via costs/charges that were dismissed. RUMC counted 160,856 Medicare patients and 90,744 Medicaid patient encounters in fiscal year 2014. RUMC provides either free or discounted care for those facing significant financial hardship. In 2014, RUMC provided close to $46 million in charity care (3.2% of net revenue) to its patients who qualified under a RUMC policy for charity care or financial assistance.
  - Rush School-Based-Health Centers are another avenue in which staff, students, and faculty volunteers provide a health safety net for young people who live in neighborhoods with high concentrations of poverty and who lack access to health care. These school clinics help address access to health care and the social determinants of health. The goal of these programs is to keep kids in school so they do not drop out because of pregnancy or sickness. The clinics offer everything from physical examinations, immunizations, and primary care to mental health services, reproductive health services, prenatal care, and health care for student's children. These centers are located in two high schools that serve students in grades 9-12, as well as the Simpson Academy for Young Women, which serves girls in grades 6-12 who are pregnant or already have children. The Simpson Academy is located about four blocks from RUMC's main campus and helps these patients have healthy pregnancies and deliveries, while also connecting them with social services and other resources that help them stay in school and care for their children.

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- Building Health Urban Communities. This is an initiative to combat health and education disparities by improving education, patient care and, ultimately, community health. This is one of RUMC's largest public/private partnerships with Malcom X City College and the Medical Home Network, and allows for sustainable models of health care delivery to bolster care for people in underserved communities on Chicago's West and South Sides. It assists with educational curricula development for training a new health care workforce, targeting health professionals like community health workers and care coordinators.
- Rush Community Service Initiative Program operates three clinics on Chicago's South and West Sides. RUMC staff, students, and faculty volunteers care for diverse populations and provide services tailored to community needs by providing physician exams, basic treatments, referrals, health education and select medications free of charge.
- The Road Home Program Center for Veterans and Their Families was launched by RUMC in 2014 as a way to help address the problems that can significantly impede veterans' reintegration into civilian life. All outreach efforts to other services both internal and external of RUMC are done for the veterans and their family members without charge. There are no co-pays or deductibles for therapy visits, counseling services, or medications, and participating veterans never receive a bill from RUMC for any service offered by The Road Home Program. The programs offered help address post-traumatic stress disorder, depression, sexual assault, traumatic brain injury, and the high suicide rate that plague the veteran community. The Road Home team works closely with the Department of Veterans Affairs and other dedicated organizations that offer social, legal, educational and vocational services for veterans and their families. The Road Home program completed its first full year of operation in 2014, having provided services to more than 500 military veterans.
- The Science and Math Excellence Network, a collaboration that aims to end the gender and racial divide among those who work in science, technology, engineering, and math fields by giving student's in RUMC's service areas the same opportunities to learn math and science as their peers in more affluent schools.

- **Phase I will improve access to primary care**

Family medicine and primary care physicians have an integral role within RUMC's healthcare system. In addition to diagnosing and training illness, they also provide preventive care, immunizations and screening, and personalized counseling on maintaining a healthy lifestyle. Nearly one in four office visits in the United States are to a primary care physicians, accounting for approximately 208 million office visits each year, which is nearly 83 million more than the next largest medical specialty. Primary care/family physicians provide more care of America's underserved and rural populations than any other medical specialty. Access to these services would be improved by consolidation of most, if not all, of these primary care

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services in a central location, rather than spread out in multiple locations as currently constituted. Areas such as blood draw/phlebotomy labs services, imagining, diagnostic and pharmacy services, all which stem from primary care visits would become more efficient and less time consuming for the patient.

3. Potential impact on planning area residents if proposed services were not replaced

In 2014, RUMC had 393,582 outpatient visits. Other facilities in the area could not absorb this volume. In addition, many of the visits relate to the tertiary and quaternary services offered by RUMC as the only academic medical center in Chicago with a four star rating from CMS, and a transplant hospital. Transplant patients require frequent outpatient services and monitoring to assure the integrity and viability of the transplanted organ. These visits must occur at RUMC if it was the hospital where the transplant surgery occurred.

4. Anticipated role of the facility in the delivery system including anticipated patterns of patient referral

There are no anticipated changes in patient referrals or RUMC's role in the delivery system as a result of this project, other than the enhanced and optimized access to outpatient clinical services, education and clinical research that will be achieved by a comprehensive outpatient services building, linked to the primary inpatient care hospital building.

Attachment 18

Criterion 1110.235(b) - Master Plan or Related Future Projects

1. **Anticipated completion date for Phase I of Campus Plan**

   The master design project should be completed by 12/31/2017. At this time, it is anticipated that construction of the outpatient building would be completed sometime in 2019 or 2020. All necessary regulatory approvals, including a CON permit (or permits if the ASC in the current POB at 1725 W. Harrison St. relocates) will be obtained.

2. **The proposed number of beds is consistent with the Part 1100 need assessment provisions**

   Not applicable.

3. **The proposed beds and services will meet Part 1100 utilization targets within two years after project completion**

   Historic utilization data and projections for Year 2021 (two years after estimated project completion) for non-hospital based ambulatory surgery and clinical services other than categories of service will be included when the CON application for construction of the outpatient services building is filed with HFSRB. However, in Attachments 27 and 34, which describes Clinical Service Areas Other than Categories of Service, we note those services that will be located in the new outpatient services building, along with proposed pieces of equipment or key rooms. This is done to better describe outpatient services to be located in the building to provide a vehicle to identify consistency between this Master Design project and the to-be-submitted construction project for HFSRB review purposes. RUMC experienced an average growth rate of 5% in outpatient visits (excluding ED) in the past three years. Outpatient service growth will increase nationally due to service and reimbursement trends. RUMC is confident the outpatient services to be relocated will meet utilization standards as applicable.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

Not Applicable - this application is for a master design Project.

Attachment 18

H. Non-Hospital Based Ambulatory Surgery

1110.1540(b)

The target population will be the same as the current surgery center population and service area.

1110.1540(c)

The projected volume will be at least the current volume of 5,635 (2014 hours) operating hours (done in the existing four operating rooms). When the CON application to discontinue and establish the existing surgery center at a new location is filed, physician referral letters will be submitted to support expanding the surgery center to 7 operating /procedure rooms.

1110.1540(d)

See above.

1110.1540(e)

See above. When the planning for the project is complete, a CON application will address the discontinuation and establishment (relocation) of the existing surgery center, and any impact on other area facilities.

1110.1540(f) and (g)

These criteria will be addressed when a CON is filed to discontinue and relocate the existing surgery center to the new comprehensive outpatient building.

Attachment 27

R. Criterion 1110.3030 – Clinical Service Areas Other than Categories of Service

Based on 2014 volume in OP only and excludes ED volume

Service	# of Existing Key Rooms	# of Proposed Key Rooms	Volume
Major Medical			
Lab	N/A	N/A	954,196
Surgery – Operating Suite*	4	4	5,054 hours
Surgery – Procedure Suite	4	4	7,778 hours
Prep/Recovery Phase I: Operating Rooms Phase II: Operating Rooms Phase II: All Other (Procedure Rooms, Non–Surgical)	16	16	N/A
Interventional Radiology			
Radiation Therapy – Accelerator	4	4	17,164
Ambulatory Care – Oncology Infusion			
Radiology – General Radiology	7	7	17,933
Radiology – Mammography	11	11	26,605
Radiology – Ultra–sound	10	10	15,202
Radiology – CT Scan	2	2	13,718
Radiology – MRI	3	3	10,652
Radiology – Bone Density	1	1	788
Ambulatory Care – Cardiac Diagnostics	7	7	10,652
Ambulatory Care – Neuro Diagnostics	3	3	876
Physical/Occupational Therapy	N/A	N/A	N/A

*Surgery Center Only

Attachment 34

Attestation

Not applicable at this time. This is a master design project. This attestation will be provided when the application to construct the comprehensive outpatient building is submitted. Generally speaking RUMC believes utilization standards will be met. The planning for the project does not, at this time, include adding any categories of service at the contemplated new outpatient services building.

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In addition to housing hospital outpatient services and the relocated Rush Surgi Center at the Professional Building, the outpatient services building will dedicate approximately 500,000 GSF to hospital based outpatient services and primary and specialty physician offices.

It will also dedicate approximately 120,000 GSF to the following non-clinical services:

- Patient Care/Special
- Gift Shop
- Coffee Shop/Café
- Lobby and general administrative space
- Use focused miscellaneous retail
- Mechanical

Attachment 34

Financial Waiver

Attachment 37

MOODY'S
INVESTORS SERVICE

New Issue: Moody's assigns A1 rating to Rush University Medical Center Obligated Group (IL) Series 2015A&B bonds; outlook stable

Global Credit Research - 09 Jan 2015

$552M rated debt to be outstanding

ILLINOIS FINANCE AUTHORITY
Hospitals & Health Service Providers
IL

Moody's Rating

ISSUE	RATING
Series 2015A Fixed Rate Revenue Bonds	A1
Sale Amount $410,470,000	
Expected Sale Date 01/14/15	
Rating Description Revenue: Other	
Series 2015B Fixed Rate Revenue Bonds	A1
Sale Amount $91,440,000	
Expected Sale Date 01/14/15	
Rating Description Revenue: Other	

Moody's Outlook STA

NEW YORK, January 09, 2015 --Moody's Investors Service has assigned an A1 rating to Rush University Medical Center Obligated Group's, IL (Rush) $410.5 million of Series 2015A and $91.4 million of Series 2015B fixed rate revenue bonds. The bonds are to be issued by the Illinois Finance Authority. At this time we have upgraded Rush's existing rated debt to A1 from A2 affecting $551 million of rated bonds outstanding (see Rated Debt section). The outlook is revised to stable from positive at the higher rating level.

SUMMARY RATING RATIONALE

The upgrade to A1 reflects Rush's track record of double-digit operating cash flow margins in recent years, improved liquidity ratios, and good pro forma debt coverage ratios. The stable outlook at the higher rating level reflects our expectation that Rush will continue to generate favorable operating margins and maintain liquidity strength, as well as our understanding that Rush does not plan to issue material new debt in the near/immediate term. Offsetting these strengths, Rush operates in a very competitive market with multiple prominent academic medical centers (AMC), somewhat challenging payer environment, and challenges presented by the State of Illinois' budget.

STRENGTHS

*Rush is anchored by a sizeable AMC with a broad array of tertiary and quaternary services and ambulatory locations throughout the Chicago area.

*Rush has a track record of profitability with six consecutive years of double digit operating cash flow margins and particularly strong results in FY 2013 and FY 2014.

*Rush is one of the few health systems in the Chicago area whose inpatient volumes are growing. We expect that, given market realities and changing industry dynamics, Rush's rate of inpatient volume growth will slow in the coming years.

*Rush's pro forma adjusted debt ratios are favorable (6.4 times maximum annual debt service (MADS) coverage).

*Rush's liquidity ratios have improved in recent years, as cash on hand measured an adequate 210 days at FYE 2014. Furthermore, Rush holds significant restricted cash, which bolsters the balance sheet.

*Rush's near-term capital spending plans are manageable and we do not anticipate additional leverage added over the near term.

CHALLENGES

*Rush operates in a very competitive healthcare market in the Chicago area, with four competing AMCs and other sizeable health systems.

*Given its academic mission, Medicaid is above average (16.9% of gross revenues in FY 2014, compared to all ratings median of 13.0%), which is of particular concern in Illinois given the state's budget challenges.

*Longer-term, Rush may consider new debt options to support capital spending plans that are being considered over a multiyear period.

DETAILED CREDIT DISCUSSION

USE OF PROCEEDS: Proceeds from the issuance of the Series 2015A&B fixed rate bonds will be used to refund Series 2009A,B,C,&D and Series 2006B fixed rate bonds and pay the costs of issuance. As part of the plan of finance, Rush expects to release the debt service reserve funds (DSRF) currently in place to support the Series 2006B and Series 2009 bonds. The Series 2015 bonds are not expected to be supported by a DSRF.

LEGAL SECURITY: The bonds are expected to be secured by a gross revenue pledge of the Rush Obligated Group, which includes 677 staffed bed Rush University Medical Center (RUMC), 210 staffed bed Rush-Copley Hospital (Rush-Copley), and 128 staffed bed Rush-Oak Park Hospital (Rush-Oak Park). Violating historical debt service coverage rate covenant of 1.1 times requires hiring of consultant in most cases. Additional debt tests include: (1) minimum pro-forma debt service coverage of 1.10 times; or (2) minimum historical debt service coverage of 1.1 times.

INTEREST RATE DERIVATIVES: Rush has two fixed payer swaps, one with Morgan Stanley Capital Services, Inc. and one with Citibank, N.A. with a combined notional amount of $92.7 million. The swaps expire in November 2035. Under the agreements, Rush pays a fixed interest rate of 3.945% and receives 68% of LIBOR. Based on management data, the total net termination value of the swaps is a negative $19.2 million to Rush. Rush's collateral posting requirement on the Citi swap is a negative $12.5 million and negative $12.5 million on the Morgan Stanley swap; no collateral currently is posted.

MARKET POSITION/COMPETITIVE STRATEGY: INCREASING SHARE OF VERY COMPETITIVE MARKET

Rush operates in a very competitive market, as the Chicago area includes four additional AMCs and multiple sizeable health systems that are embarking on various strategies to gain inpatient and outpatient market share and prepare for new payment methodologies. Competing AMCs include Northwestern Memorial HealthCare (Aa2 stable), University of Chicago Medical Center (Aa3 negative), University of Illinois Health Services Facilities System (A2 Negative), and Loyola University Medical Center (which is owned by Trinity Health Credit Group, Aa2 negative). Other prominent health systems include market share leader Advocate Health Care Network (Aa2 stable), NorthShore University HealthSystem (Aa2 stable), Presence Health (Baa2 stable), and Alexian Brothers Health System (A2 stable and owned by Ascension Health Alliance, Aa2).

Since opening its new patient tower in January 2012, RUMC has gained market share, increasing to 3.2% inpatient share of an eight-county service area (based on management data), making RUMC the third largest hospital in the broad market.

While Rush-Copley and Rush-Oak Park also operate in competitive local service areas, both are the market share leader each respective service area. Rush-Copley's service area centers around Aurora, IL in growing Kendall County. Rush-Oak Park's service area centers on Oak Park, IL, just west of the City of Chicago, directly west of downtown Chicago.

OPERATING PERFORMANCE: STRONG RESULTS IN RECENT YEARS

Favorably, Rush has recorded double-digit operating cash flow margins for six consecutive fiscal years.

Performance was particularly good in FY 2013 and FY 2014 (June 30 year end), when Rush recorded adjusted operating cash flow margins of 12.2% and 12.1%, respectively (adjusted to reclassify the portion of investment income included in operating revenue to non-operating; FY 2013 adjusted to include $10.6 million of operating expenses for a favorable FICA settlement). The A1 median operating cash flow margin is 10.4%.

Factors contributing to continued strong results in FY 2014 include: inpatient admission growth (up 0.5%; admissions were up 1.9% including observation stays), which is particularly noteworthy in the current environment where volumes at most area hospitals are down; improved labor productivity, due in part to the new RUMC patient tower; a clinical resource management program to reduce variation in clinical practices and improve operational efficiency; and supply cost savings.

Looking forward, management expects Rush's adjusted operating cash flow margin to be sustained in the 11.5% to 12.5% range. While we believe that Rush may be challenged to match the particularly good results achieved in FY 2013 and FY 2014, the stable outlook at the higher rating level reflects our belief that Rush is positioned to maintain an operating cash flow margin at least in-line with A1 medians. In addition to improvement efforts noted above, future results are expected to benefit from pension expense and interest expense savings. Through three months FY 2015, Rush's operating margins were very strong, with an adjusted operating margin of nearly 13%.

BALANCE SHEET: IMPROVED LIQUIDITY, FAVORABLE DEBT RATIOS, AND MANAGEABLE CAPITAL SPENDING PLANS

Rush's liquidity position has improved considerably in recent years. Absolute unrestricted cash and investments increased to $1.02 billion (210 days cash on hand) at FYE 2014 from $850 million at FYE 2013 (189 days) (A1 median is 227 days). At FYE 2014, Rush's unrestricted cash and investments were allocated among approximately 68% cash and fixed income securities, 19% equities, and 13% other investments, and 100% of unrestricted cash and investments could be liquidated within one month. Rush's balance sheet is bolstered further by $515 million of restricted cash and investments as of FYE 2014.

Rush's adjusted pro forma debt coverage ratios are favorable at the A1 rating level. Based on FY 2014 results and including the Series 2015A&B refunding bonds, adjusted debt-to-cash flow measures 2.4 times (A1 median is 3.0 times), MADS coverage measures 6.4 times (A1 median is 5.1 times), debt-to-total operating revenues measures 33% (A1 median is 37%), cash-to-direct debt measures 157% (A1 median is 151%), and monthly liquidity-to-demand debt measures 1,062% (A1 median is 371%). Factoring direct debt, operating leases, and Rush's cash balance defined benefit pension plan, Rush's pro forma cash-to-comprehensive debt measures 120% (A1 median is 124%).

Rush's capital spending plans in the near/immediate term are manageable. Between FY 2015 and FY 2019, Rush has approximately $670 million of capital plans, translating to an average capital spending ratio of just under 1.1 times (the all ratings median is 1.2 times). Rush does not have new money debt plans over the period, which is a factor in the stable outlook at the A1 rating level. Rush is in the process of updating its long-term master facility plan, however; capital spending plans may increase in the longer-term, which may include new money debt in the out-years.

OUTLOOK

While we do not necessarily expect Rush to match the level of margins recorded in FY 2013 and FY 2014, the stable outlook at the A1 rating level reflects our expectation that Rush will continue to generate favorable operating margins and maintain liquidity strength. Also, the stable outlook incorporates our expectation that Rush does not plan to issue material new debt in the near/immediate term.

WHAT COULD CHANGE THE RATING UP

Further upgrade of the rating may be considered if Rush demonstrates continued notable organic growth while sustaining solidly double-digit operating cash flow margins and improved debt coverage and liquidity ratios.

WHAT COULD CHANGE THE RATING DOWN

A downgrade may be considered if Rush's operating margins deteriorate materially, particularly for a sustained period. Also, a material increase in debt without commensurate increase in cash flow and liquidity could lead to a downgrade.

KEY INDICATORS

Assumptions & Adjustments:

-Based on Rush University Medical Center Obligated Group consolidated financial statements

-First number reflects audited FY 2013 for the year ended June 30, 2013

-Second number reflects pro forma on audited FY 2014 for the year ended June 30, 2014

-Pro forma assumes issuance of Series 2015A&B fixed rate revenue bonds to refund Series 2006B fixed rate bonds and Series 2009A,B,C,&D fixed rate bonds

-FY 2013 adjusted to increase operating expenses by $10.6 million to account for Rush's favorable FICA settlement

-Investment returns reclassified as non-operating and normalized at 6% unless otherwise noted

-Comprehensive debt includes direct debt, operating leases, and pension obligation, if applicable

-Monthly liquidity to demand debt ratio is not included if demand debt is de minimis

*Inpatient admissions: 49,539; 49,804

*Observation stays: 12,808; 13,716

*Medicare % of gross revenues: 34.6%; 34.6%

*Medicaid % of gross revenues: 16.9%; 16.9%

*Total operating revenues ($): $1.82 billion; $1.96 billion

*Revenue growth rate (%) (3 yr CAGR): 4.0%; 5.6%

*Operating margin (%): 2.6%; 4.4%

*Operating cash flow margin (%): 12.2%; 12.1%

*Debt to cash flow (x): 2.77 times; 2.38 times

*Days cash on hand: 189 days; 211 days

*Maximum annual debt service (MADS) ($): $56.9 million; $47.4 million

*MADS coverage with reported investment income (x): 4.51 times; 5.53 times

*Moody's-adjusted MADS Coverage with normalized investment income (x): 4.95 times; 6.38 times

*Direct debt ($): $663 million; $647 million

*Cash to direct debt (%): 128%; 157%

*Comprehensive debt: $884 million; $849 million

*Cash to comprehensive debt (%): 96%; 120%

RATED DEBT

Issued through Illinois Finance Authority (debt outstanding as of June 30, 2014):

-Series 2009C&D Fixed Rate Hospital Revenue Bonds ($200.0 million outstanding; expected to be refunded by Series 2015A&B fixed rate bonds), rated A1

-Series 2009A&B Fixed Rate Hospital Revenue Bonds ($208.6 million outstanding; expected to be refunded by Series 2015A&B fixed rate bonds), rated A1

-Series 2008A VRDO Hospital Revenue Bonds ($50.0 million outstanding), supported by a direct-pay LOC from Northern Trust Company and rated Aa2/VMIG1 reflecting Moody's approach to rating jointly supported

transactions) (the LOC expires in February 2017), A1 underlying rating

-Series 2006B Fixed Rate Hospital Revenue Bonds ($92.8 million outstanding; expected to be refunded by Series 2015A&B fixed rate bonds), insured by National Public Finance Guarantee Corp (MBIA), rated A1

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was Not-for-Profit Healthcare Rating Methodology published in March 2012. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Safety Net Impact

To the applicants knowledge the impact on safety net services will be positive in that this project is designed to improve access to these services.

The applicants do not have knowledge regarding cross subsidization of services.
Attached is a chart reflecting the prior three years charity and Medicaid care. I hereby certify it is accurate. I also certify that RUMC does not turn away any patient due to inability to pay, or any other discriminatory reason.

John Mordach
CFO, RUMC

Subscribed and sworn to before me this
12th day of November, 2015.

Notary Public

OFFICIAL SEAL
CYNTHIA L IRWIN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/22/17

Attachment 40

DM_US 61768988-7 T13706.0010

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year 2012**	**Year 2013**	**Year 2014**
Inpatient	1,581	2,146	2,562
Outpatient	15,490	24,877	31,229
Total	**17,071**	**27,023**	**33,791**
Charity (cost in dollars)	**Year 2012**	**Year 2013**	**Years 2014**
Inpatient	$1,905,310	$2,410,066	$2,635,721
Outpatient	$18,667,455	$27,938,128	$32,127,602
Total	**$20,572,765**	**$30,348,194**	**$34,763,323**
MEDICAID			
Medicaid (# of patients)	**Year 2012**	**Year 2013**	**Year 2014**
Inpatient	6,940	7,093	7,265
Outpatient	84,447	85,925	83,479
Total	**91,387**	**93,018**	**90,744**
Medicaid (revenue)	**Years 2012**	**Year 2013**	**Year 2014**
Inpatient	$97,368,090	$96,441,938	$103,031,807
Outpatient	$13,110,345	$14,283,929	$14,646,339
Total	**$110,478,435**	**$110,725,867**	**$117,678,146**

Attachment 40

CHARITY CARE – RUMC			
	Year 2012	**Year 2013**	**Year 2014**
Net Patient Revenue			
Amount of Charity Care (charges)	$83,337,645	$119,657,172	$138,355,670
Cost of Charity Care	$20,572,765	$30,348,194	$34,763,232

Attachment 41