

Axel & Associates, Inc.

MANAGEMENT CONSULTANTS

by FedEx

November 2, 2016

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mr. Mike Constantino
Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Project 16-043
Rush Oak Park Hospital

Dear Mike:

Please accept this letter in response to your information requests relating to the above-referenced project.

Your letter of October 31, 2016 included five questions, and the responses to those questions are provided below:

1. Emergency Department ("ED") visits, for Illinois Department of Public Health ("IDPH") reporting purposes, equates to patients registered at the ED. During the first nine months of 2016, 98.35% of individuals registering at the Rush Oak Park Hospital ("ROPH") ED received care.
2. The ROPH ED operates as a comprehensive emergency department, meeting all of the requirements of that classification, and will continue to do so. Errors in properly designating the ED as being a comprehensive ED have been made on past IDPH *Annual Hospital Questionnaire* filings; and with this letter the hospital requests that the correction be made to future classifications made by IDPH.
3. The proposed project consists of 19,791 DGSF of "reviewable" space and 19,265 DGSF of "non-reviewable" space. Because of the similar magnitude of the two amounts, Preplanning Costs, Site Survey and Soil Investigation Costs, and Site Preparation Costs were allocated equally between the "reviewable" and "non-reviewable" project components. Construction and Modernization costs were identified on a department/function-specific basis, as identified in ATTACHMENT 39C of the application. Contingency amounts were allocated at the rate of \$20/DGSF for all new construction and \$10/DGSF for all modernization/renovation. Because of the technical nature of the design of the clinical areas, 65% of the Architectural and Engineering Fees were allocated to the "reviewable" areas. Similarly, 70% of the Consulting and Other

Fees were allocated to the "reviewable" areas. Moveable Equipment costs were identified on a department/function-specific basis. Last, Demolition Costs were identified as "non-reviewable" because no clinical services are located in the building to be demolished.

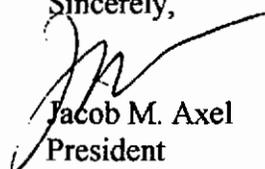
4. A DGSF:BGSF conversion factor of .41 was used, primarily to address 16,000+ square feet of "unusable" space. The existing structure to be demolished has three below-grade levels, including a swimming pool. Placing the replacement structure on pillars, rather than filling in the below grade levels with imported dirt, results in an estimated project cost savings of \$2.0M. The development of the building on pillars, leaves the below ground area open, as essentially crawl space.
5. ROPH has experienced steady growth in ED utilization in recent years, with utilization (visits) increasing by 17% from 2011 to 2013 and by an additional 12.4% between 2013 and 2015. In total, during that four-year period, utilization increased by 32%. That growth is primarily attributable to two factors. The first contributing factor was the assumption of sole ownership of the hospital by Rush University Medical Center, and the resulting reputation recognition and operational support. The second contributing factor is the impact of the Affordable Care Act, which has provided access to area residents not previously available or recognized.

In response to an earlier inquiry, ROPH's ED is located in a 106 year-old building, and the area housing the ED has not undergone a major renovation since 1969. As a result, the ED has numerous facility-related limitations, including minimally-sized exam rooms, compromises in patient privacy, inadequate supply and equipment storage space and family space, toilets that are not ADA accessible, and dated heating and cooling systems. Each of these deficiencies will be rectified with the replacement ED.

Last, attached please find an attestation, as required by review criterion 1110.234.e)1.

Should any additional information be required, please do not hesitate to contact me.

Sincerely,



Jacob M. Axel
President

cc R. Spadoni
J. Johnson

attachment

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Bruce M. Elegant
President and Chief Executive Officer

November 1, 2016

**Illinois Health Facilities and
Services Review Board**
Springfield, IL

**RE: Rush Oak Park Hospital Emergency Department
Replacement Project**

To Whom It May Concern:

Rush Oak Park Hospital intends to and anticipates operating all clinical services included in the above-referenced project and having utilization standards specified in Appendix B of Part 1110 consistent with or exceeding those utilization standards by the end of the second year of the replacement Emergency Department's operation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce M. Elegant', written over a white background.

Bruce M. Elegant
President and CEO

ATTACHMENT 17