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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
Rush University Medical Center

Doing Business As
Same

Number and street (or P O box if mail is not delivered to street address) Room/suite
1700 West Van Buren Street Room 153

City or town, state or country, and ZIP + 4
Chicago, IL 60612

D Employer identification number
36-2174823

E Telephone number
(312) 942-8054

G Gross receipts $ 3,329,482,073

F Name and address of principal officer
John Mordach
1700 W Van Buren St
Chicago, IL 60612

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www rush edu

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

M State of legal domicile IL

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Rush provides the very best medical services to our community, regardless of their ability to pay Rush is committed to educating the health care workforce of the future and conducting ground breaking basic and clinical research

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	94
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	69
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	10,443
6	Total number of volunteers (estimate if necessary)	6	750
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,824,543
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	118,292,492	100,750,347
	9	Program service revenue (Part VIII, line 2g)	1,318,403,808	1,364,221,118
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	41,048,090	99,941,432
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,353,808	18,930,608
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,490,098,198	1,583,843,505
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	8,436,918	8,214,077
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	764,338,538	776,024,110
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶5,791,858		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	634,620,267	674,726,818
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,407,395,723	1,458,965,005
	19	Revenue less expenses Subtract line 18 from line 12	82,702,475	124,878,500

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	2,657,718,464	2,726,934,263
	21	Total liabilities (Part X, line 26)	1,342,293,982	1,225,091,174
	22	Net assets or fund balances Subtract line 21 from line 20	1,315,424,482	1,501,843,089

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

****** 2014-05-06
Signature of officer Date

John P Mordach Senior V P and CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Laura Gillespie		2014-04-20		

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶

Firm's address ▶ 111 S Wacker Drive
Chicago, IL 606064301 — Phone no (312) 486-1000

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 1,057,635,343 including grants of $) (Revenue $ 1,177,366,068)

Health Care Rush University Medical Center Rush is an academic medical center that brings together excellence in clinical care and research to address major health problems Rushs new 376-bed hospital building, known as the Tower, is part of the Medical Centers major renovation of its campus and is the largest new construction health care project in the world to be LEED Gold certified In FY13, patient care was provided to nearly 31,300 inpatients, and the emergency room had over 61,000 visits Rush offers various financial assistance programs to thousands of patients A unique combination of research and patient care in FY13 has earned Rush national rankings in 9 of 16 specialty areas This accomplishment is presented in U S News World Reports 2013-14 Americas Best Hospitals issue Our nurses are at the forefront of our efforts to provide quality care, receiving the four-year Magnet status the highest honor in nursing three times, most recently in 2010

4b (Code) (Expenses $ 55,698,738 including grants of $ 8,053,677) (Revenue $ 62,529,865)

Education Rush University is home to one of the first medical colleges in the Midwest and one of the nations top-ranked nursing colleges, as well as graduate programs in allied health, health systems management and biomedical research The Medical Center also offers many highly selective residency and fellowship programs in medical and surgical specialties and subspecialties Rushs unique practitioner-teacher model for health sciences education and research gives its students the opportunity to learn from world-renowned instructors who practice what they teach With more than 30 degree and certificate options, Rush educated nearly 2,000 students in FY13 The state-of-the-art new hospital building features nursing stations in clear view of the patient rooms and a spacious area for students to confer with practitioner-teachers and other medical staff about current cases

4c (Code) (Expenses $ 109,462,964 including grants of $) (Revenue $ 100,712,934)

Research Because Rush is an academic medical center, research and clinical care come together in innovative and inspiring ways that have the power to transform lives Even if research work starts in a lab, it wont stay there Discoveries in the labs lead to advances in patient care, while observations in clinical settings inspire research studies designed to improve the way we treat patients This approach, known as translational research, has led to breakthroughs in patient care at Rush throughout the years Investigators at Rush are involved in more than 1,700 projects, including hundreds of clinical studies to test the effectiveness and safety of new therapies and medical devices, as well as to expand scientific and medical knowledge Total research awards in FY13 topped 75 million In June 2013, the Association for the Accreditation of Human Research Protection Programs, Inc awarded Rush full accreditation with distinction in community programs

4d Other program services (Describe in Schedule O)

(Expenses $ 166,650,180 including grants of $ 160,400) (Revenue $ 23,612,251)

4e **Total program service expenses** ▶ 1,389,447,225

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	Yes	
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	1,080			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	6			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a**	10,443			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a**	Yes	
b	If "Yes," enter the name of the foreign country ▶CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			**14b**		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	94		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	69		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	Yes	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	Yes	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶IL

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☑ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶Richard Casey 1700 West Van Buren Street Suite 15 Chicago, IL (312) 942-8054

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	25,730,019		2,798,173

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶1,104

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
BULLY & ANDREWS LLC 1755 W ARMITAGE AVENUE CHICAGO IL 60622	CONSTRUCTION	5,737,797
GURTZ ELECTRIC COMPANY 77 W SEEGERS ROAD ARLINGTON HEIGHTS IL 60005	ELECTRICAL CONTRACTORS	4,717,979
DIRECT ENERGY PO BOX 70220 PITTSBURGH PA 19176	ENERGY CONTRACTORS	3,717,507
HLS-WHEELING LLC 45 W HINTZ ROAD WHEELING IL 60090	LAUNDRY SERVICES	3,283,009
WESTSIDE REALTY 300 S ASHLAND AVENUE 105 CHICAGO IL 60607	REAL ESTATE SERVICES	3,025,641

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶111

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . **1a**					
	b	Membership dues **1b**					
	c	Fundraising events **1c**	2,029,551				
	d	Related organizations . . . **1d**					
	e	Government grants (contributions) **1e**	59,939,327				
	f	All other contributions, gifts, grants, and similar amounts not included above **1f**	38,781,469				
	g	Noncash contributions included in lines 1a-1f $	5,230,583				
	h	**Total.** Add lines 1a-1f . . . . ▶		100,750,347			
Program Service Revenue			Business Code				
	2a	Patient Service	900099	405,792,199	405,792,199		
	b	Physician Practices	900099	223,011,869	223,011,869		
	c	Rush University Tuition	900099	62,529,865	62,529,865		
	d	Research	900099	100,712,934	100,712,934		
	e	Medicare/Medicaid Payments	900099	548,562,000	548,562,000		
	f	All other program service revenue		23,612,251	23,612,251		
	g	**Total.** Add lines 2a–2f . . . . ▶		1,364,221,118			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		78,206,432			78,206,432
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . ▶		6,860,713			6,860,713
			(i) Real / (ii) Personal				
	6a	Gross rents	(i) 8,957,756				
	b	Less rental expenses	(i) 10,652,341				
	c	Rental income or (loss)	(i) -1,694,585				
	d	Net rental income or (loss) . . . . ▶		-1,694,585		1,185,489	-2,880,074
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	(i) 1,732,443,000				
	b	Less cost or other basis and sales expenses	(i) 1,710,708,000				
	c	Gain or (loss)	(i) 21,735,000				
	d	Net gain or (loss) . . . . ▶		21,735,000			21,735,000
	8a	Gross income from fundraising events (not including $ 2,029,551 of contributions reported on line 1c) See Part IV, line 18 . . **a**	626,526				
	b	Less direct expenses . . . **b**	864,392				
	c	Net income or (loss) from fundraising events . . ▶		-237,866			-237,866
	9a	Gross income from gaming activities See Part IV, line 19 . . . **a**	43,551				
	b	Less direct expenses . . . **b**	5,000				
	c	Net income or (loss) from gaming activities . . . ▶		38,551			38,551
	10a	Gross sales of inventory, less returns and allowances . **a**	36,733,576				
	b	Less cost of goods sold . . **b**	23,408,835				
	c	Net income or (loss) from sales of inventory . . ▶		13,324,741			13,324,741
		Miscellaneous Revenue	Business Code				
	11a	Reference Labs	621500	130,828		130,828	
	b	Vyridian Billing Services	541900	172,207		172,207	
	c	Investment Partnerships	900003	336,019		336,019	
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . . ▶		639,054			
	12	**Total revenue.** See Instructions . . . . . ▶		1,583,843,505	1,364,221,118	1,824,543	117,047,497

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	160,400	160,400		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	8,053,677	8,053,677		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	20,069,731	2,669,774	17,031,079	368,878
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,531,907		1,531,907	
7 Other salaries and wages	622,364,001	606,624,559	12,789,051	2,950,391
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	36,477,267	33,672,428	2,542,480	262,359
9 Other employee benefits	64,788,179	58,970,276	5,358,775	459,128
10 Payroll taxes	30,793,025	29,520,121	1,057,395	215,509
11 Fees for services (non-employees)				
a Management	0			
b Legal	3,055,953	301,527	2,754,426	
c Accounting	675,796	23,800	651,996	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17				
f Investment management fees	2,523,227		2,523,227	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	0			
12 Advertising and promotion	3,698,474	3,200,726	497,748	
13 Office expenses	8,881,121	7,456,500	1,168,500	256,121
14 Information technology	13,146,058	11,315,473	1,755,114	75,471
15 Royalties . .	2,826,017	2,826,017		
16 Occupancy	28,592,902	24,861,293	3,337,336	394,273
17 Travel	4,257,038	3,715,343	433,556	108,139
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	1,715,062	1,407,774	131,117	176,171
20 Interest	34,155,571	34,155,571		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	109,303,921	106,122,519	3,181,402	
23 Insurance	28,315,766	25,993,342	2,322,424	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Bad Debt Expense	35,449,898	35,449,898		
b Equipment Rental and Supplies	228,447,268	227,830,658	571,634	44,976
c Medicaid Provider Tax	26,306,496	26,306,496		
d Commissions	21,633,741	17,187,133	4,009,473	437,135
e All other expenses	121,742,509	121,621,920	77,282	43,307
25 **Total functional expenses.** Add lines 1 through 24e	1,458,965,005	1,389,447,225	63,725,922	5,791,858
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		96,853,654	1	545,519
	2	Savings and temporary cash investments		115,712,180	2	172,081,839
	3	Pledges and grants receivable, net		38,695,483	3	34,738,130
	4	Accounts receivable, net		254,235,809	4	199,658,616
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		23,164,154	8	21,837,311
	9	Prepaid expenses and deferred charges		17,124,215	9	15,247,560
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,129,828,754			
	b	Less accumulated depreciation	10b 918,953,937	1,256,903,957	10c	1,210,874,817
	11	Investments—publicly traded securities		730,490,000	11	954,361,404
	12	Investments—other securities See Part IV, line 11		88,126,064	12	101,666,174
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		36,412,948	15	15,922,893
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,657,718,464	16	2,726,934,263
Liabilities	17	Accounts payable and accrued expenses		371,010,197	17	363,463,252
	18	Grants payable		20,394,044	18	22,919,062
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		512,339,366	20	501,164,602
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		370,731,370	23	277,264,687
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		67,819,005	25	60,279,571
	26	**Total liabilities.** Add lines 17 through 25		1,342,293,982	26	1,225,091,174
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		790,097,120	27	936,260,061
	28	Temporarily restricted net assets		289,960,735	28	323,719,473
	29	Permanently restricted net assets		235,366,627	29	241,863,555
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,315,424,482	33	1,501,843,089
	34	Total liabilities and net assets/fund balances		2,657,718,464	34	2,726,934,263

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,583,843,505
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,458,965,005
3	Revenue less expenses Subtract line 2 from line 1	3	124,878,500
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,315,424,482
5	Net unrealized gains (losses) on investments	5	-2,081,990
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	846,395
9	Other changes in net assets or fund balances (explain in Schedule O)	9	62,775,702
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,501,843,089

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush Unıversıty Medıcal Center

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Connie Busse Ashline Trustee	1 00	X						0	0	0
James A Bell Trustee	1 00	X						0	0	0
Matthew Bergman Trustee	1 00	X						0	0	0
John M Boler Trustee	1 00	X						0	0	0
Susan R Bottum Trustee	1 00	X						0	0	0
John L Brennan Trustee	1 00	X						0	0	0
Marca L Bristo Trustee	1 00	X						0	0	0
Carole L Brown Trustee	1 00	X						0	0	0
Peter C B Bynoe Esq Trustee	1 00	X						0	0	0
Pastora San Juan Cafferty Trustee	1 00	X						0	0	0
E David Coolidge III Trustee	1 00	X						0	0	0
Christopher M Crane Trustee	1 00	X						0	0	0
Susan Crown Trustee	1 00	X						0	0	0
Robert M Davis Trustee	1 00	X						0	0	0
Robert P DeCresce MD MBA MPH Trustee	40 00	X						52,606	0	22,408
James W DeYoung Trustee	1 00	X						0	0	0
Bruce W Dienst Trustee	1 00	X						0	0	0
Catherine Dimou MD Trustee	40 00	X						287,373	0	39,594
William A Downe Trustee	1 00	X						0	0	0
Bruce W Duncan Trustee	1 00	X						0	0	0
Christine A Edwards Trustee	1 00	X						0	0	0
Francesca Maher Edwardson Trustee	1 00	X						0	0	0
Charles L Evans PhD Trustee	1 00	X						0	0	0
W James Farrell Trustee	1 00	X						0	0	0
Margaret Faut-Callahan PhD CRNA Trustee	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Larry Field Trustee	1 00	X						0	0	0
Robert F Finke Trustee	1 00	X						0	0	0
William J Friend Trustee	1 00	X						0	0	0
Jorge O Galante MD DMSc Trustee	1 00	X						0	0	0
Ronald J Gidwitz Trustee	1 00	X						0	0	0
H John Gilbertson Trustee	1 00	X						0	0	0
Sue Ling Gin Trustee	1 00	X						0	0	0
Richard W Gochnauer Trustee	1 00	X						0	0	0
William M Goodyear Trustee	1 00	X						0	0	0
Sandra P Guthman Trustee	1 00	X						0	0	0
William J Hagenah Trustee	1 00	X						0	0	0
William K Hall Trustee	1 00	X						0	0	0
Christie Hefner Trustee	1 00	X						0	0	0
Robert L Heidrick Trustee	1 00	X						0	0	0
Ronald M Hem Trustee	1 00	X						0	0	0
Marcie B Hemmelstein Trustee	1 00	X						0	0	0
Jay L Henderson Trustee	1 00	X						0	0	0
Marvin J Herb Trustee	1 00	X						0	0	0
John W Higgins Trustee	1 00	X						0	0	0
David Hines MD Trustee	1 00	X						0	0	0
Jerald W Hoekstra Trustee	1 00	X						0	0	0
Ron Huberman Trustee	1 00	X						0	0	0
Anthony D Ivankovich MD Trustee	20 00	X						64,591	0	7,326
Richard M Jaffee Trustee	1 00	X						0	0	0
Peter Kasper Jacobsen Trustee	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
John P Keller Trustee	1 00	X						0	0	0
Catherine J King Trustee	1 00	X						0	0	0
Kip Kirkpatrick Trustee	1 00	X						0	0	0
Fred A Krehbiel Trustee	1 00	X						0	0	0
Sheldon Lavin Trustee	1 00	X						0	0	0
The Rt Rev Jeffrey D Lee Trustee	1 00	X						0	0	0
Aylwin B Lewis Trustee	1 00	X						0	0	0
Susan R Lichtenstein Trustee	1 00	X						0	0	0
Pamela Forbes Lieberman Trustee	1 00	X						0	0	0
Donald G Lubin Esq Trustee	1 00	X						0	0	0
Robert A Mariano Trustee	1 00	X						0	0	0
Gary E McCullough Trustee	1 00	X						0	0	0
Andrew J McKenna Jr Trustee	1 00	X						0	0	0
James S Metcalf Trustee	1 00	X						0	0	0
Mark C Metzger Trustee	1 00	X						0	0	0
Mimi Mitchell Trustee	1 00	X						0	0	0
Wayne L Moore Trustee	1 00	X						0	0	0
Robert S Morrison Trustee	1 00	X						0	0	0
Martin H Nesbitt Trustee	1 00	X						0	0	0
Michael F O'Brien Trustee	1 00	X						0	0	0
Michael J O'Connor Trustee	1 00	X						0	0	0
Abby McCormick O'Neil Trustee	1 00	X						0	0	0
William H Osborne Trustee	1 00	X						0	0	0
Aurie A Pennick Trustee	1 00	X						0	0	0
Sheila A Penrose Trustee	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Perry R Pero Trustee	1 00	X						0	0	0
Stephen N Potter Trustee	1 00	X						0	0	0
Richard S Price Trustee	1 00	X						0	0	0
Eric A Reeves Trustee	1 00	X						0	0	0
Karen C Reid Trustee	1 00	X						0	0	0
Angelique L Richard PhD RN Trustee	1 00	X						0	0	0
Thomas E Richards Trustee	1 00	X						0	0	0
John W Rogers Jr Trustee	1 00	X						0	0	0
Jesse H Ruiz Trustee	1 00	X						0	0	0
John J Sabl Trustee	1 00	X						0	0	0
John F Sandner Trustee	1 00	X						0	0	0
Gloria Santona Esq Trustee	1 00	X						0	0	0
Charles A Schrock Trustee	1 00	X						0	0	0
Carole Browe Segal Trustee	1 00	X						0	0	0
Alejandro Silva Trustee	1 00	X						0	0	0
David B Speer Trustee	1 00	X						0	0	0
Carl W Stern Trustee	1 00	X						0	0	0
Charles A Tribbett III Trustee	1 00	X						0	0	0
Karen B Weinstein MD Trustee	1 00	X						0	0	0
Greg Welch Trustee	1 00	X						0	0	0
John R Willis Trustee	1 00	X						0	0	0
Thomas J Wilson Trustee	1 00	X						0	0	0
Robert A Wislow Trustee	1 00	X						0	0	0
Barbara Jil Wu PhD Trustee	1 00	X						0	0	0
Larry J Goodman MD Chief Executive Officer	40 00	X		X				3,558,460	0	46,236

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
David A Ansell MD Senior Vice President and Chief Medical Officer	39 00 1 00			X				591,050	0	82,763
Cynthia Barginere V P Clinical Nursing Chief Nursing Officer	40 00			X				356,337	0	54,090
Charles E Behl Vice President, Revenue Cycle	40 00			X				339,215	0	65,920
Cynthia Boyd V P Chief Compliance Officer	40 00			X				282,720	0	89,484
Peter W Butler President Chief Operating Officer	40 00			X				1,082,968	0	288,066
Paul M Carvey PhD Dean, The Graduate College	40 00			X				607,947	0	26,922
J Robert Clapp Jr Executive Vice President, Hospital Affairs	39 00 1 00			X				1,235,915	0	36,287
Edward W Conway V P Clinical Affairs for Administration Finance	40 00			X				269,409	0	45,926
Melissa Coverdale Vice President, Finance	40 00			X				199,253	0	35,698
Michael J Dandorph Executive Director Rush University Hospitals	40 00			X				0	0	0
Richard K Davis Vice President, Medical Affairs	40 00			X				317,810	0	70,258
Thomas A Deutsch MD Provost, Rush University Dean, Medical College	40 00			X				802,162	0	251,128
Melanie C Dreher PhD RN Dean, College of Nursing	40 00			X				312,262	0	32,292
Bruce M Elegant Vice President, Hospital Operations	1 00 39 00			X				396,494	0	74,542
Brent Estes V P Managed Care Programs Services	1 00 39 00			X				402,449	0	48,255
Lois K Halstead PhD RN Vice Provost, Rush University	40 00			X				245,353	0	31,679
Bradley G Hinrichs Administrative Vice President, Transformation	40 00			X				320,070	0	29,125
Joan E Kurtenbach VP Strategic Planning Marketing	39 00 1 00			X				295,967	0	59,088
John Lowenberg Vice President, Philanthropy	40 00			X				282,556	0	34,751
Sheri L Marker-Bednarz Vice President, Human Resources	40 00			X				276,850	0	45,185
Diane M McKeever Senior Vice President, Philanthropy	40 00			X				361,474	0	72,460
Avery S Miller Senior V P Corporate External Affairs	40 00			X				753,753	0	38,451
John P Mordach Senior Vice President, Finance CFO	40 00			X				825,521	0	145,242
Mike J Mulroe Vice President, Hospital Operations	40 00			X				281,786	0	72,034
James L Mulshine MD Vice President, Research	40 00			X				416,571	0	73,318

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Anne M Murphy Senior V P Legal Affairs General Counsel	40 00			X				435,628	0	93,452
Denise Nedza Vice President, Financial Planning	40 00			X				279,097	0	40,577
Kurt Olson VP Talent Mngmnt Leadership Development	40 00			X				0	0	0
Patricia O'Neil VP Chief Investment Officer Treasurer	40 00			X				265,411	0	38,605
Jaime B Parent Vice President, Information Technology	40 00			X				341,264	0	62,828
Terry Peterson V P Corporate External Affairs	40 00			X				326,974	0	45,626
Mary Ellen Schopp Senior V P Human Resources	40 00			X				370,072	0	86,134
David C Shelledy PhD Dean, College of Health Sciences	40 00			X				307,709	0	35,536
Julio C Silva MD Vice President Clinical Systems	40 00			X				416,766	0	93,379
Brian T Smith V P Medical Affairs-Clinical Practice	40 00			X				424,047	0	73,018
Scott E Sonnenschein Vice President, Hospital Operations	40 00			X				347,413	0	55,856
Lac Van Tran Senior Vice President, Information Services	40 00			X				729,009	0	29,062
Mick P Zdeblick Vice President Campus Transformation	40 00			X				458,163	0	24,279
Lorenzo Munoz MD Physician	40 00					X		946,291	0	39,813
John Polley MD Physician	40 00					X		899,034	0	13,496
Michael Liptay MD Physician	40 00					X		830,540	0	44,996
Richard Byrne MD Physician	40 00					X		817,166	0	42,730
Harel Deutsch MD Physician	40 00					X		788,284	0	46,230
Max D Brown JD V P Legal Affairs General Counsel							X	1,156,737	0	7,148
R Anthony Davis Vice President, Finance							X	371,492	0	6,880

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) | **12** |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | **14** | 0 %

15 Public support percentage for 2011 Schedule A, Part II, line 14 | **15** |

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	0 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	0 %
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
Rush University Medical Center	36-2174823

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	(b)
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		752,460
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			752,460
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
II-B	1g	-- Direct contact with legislators and staff in order to influence legislation favorable to the healthcare industry

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶________

4 Number of states where property subject to conservation easement is located ▶________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

(ii) Assets included in Form 990, Part X ▶ $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

b Assets included in Form 990, Part X ▶ $ ________

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

Part V **Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	435,858,404	439,974,344	380,542,000	350,852,000	415,553,000
b	Contributions	5,587,306	9,454,670	9,238,740	8,853,000	1,282,000
c	Net investment earnings, gains, and losses	50,675,689	2,456,570	65,348,174	34,538,000	-45,493,000
d	Grants or scholarships	1,682,157	1,796,055	428,631	360,433	556,526
e	Other expenditures for facilities and programs	14,323,141	13,819,062	14,725,939	11,653,992	17,994,356
f	Administrative expenses	421,630	412,063		1,686,575	1,939,118
g	End of year balance	475,694,471	435,858,404	439,974,344	380,542,000	350,852,000

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ 1 030 %

b Permanent endowment ▶ 51 000 %

c Temporarily restricted endowment ▶ 48 000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

			Yes	No
	(i) unrelated organizations	3a(i)		No
	(ii) related organizations	3a(ii)		No
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI **Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		17,190,156		17,190,156
b Buildings		1,676,458,456	651,243,870	1,025,214,586
c Leasehold improvements				
d Equipment		436,180,142	267,710,067	168,470,075
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				1,210,874,817

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b)Book value	(c) Method of valuation Cost or end-of-year market value
(1)Financial derivatives		
(2)Closely-held equity interests		
(3)Other (A) Financial derivatives and other financial products		
(B) Closely-held equity interests		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Federal income taxes	
Swap Valuation	17,807,859
Pension Liabilities	39,415,054
IMD Loan	1,177,083
Securities Lending Liabilities	1,299,435
Annuities-Philanthropy	580,140
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	60,279,571

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
V	4	-The endowments are used to fund professorships 41, research 13, free care 9, student financial aid 12, education and fellowships 12 and other programs 13

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☑ **Yes** ☐ **No**

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	**(b)** Number of offices in the region	**(c)** Number of employees, agents, and independent contractors in region	**(d)** Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	**(e)** If activity listed in (d) is a program service, describe specific type of service(s) in region	**(f)** Total expenditures for and investments in region
	See Add'l Data					
3a	Sub-total					53,560,000
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)					53,560,000

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶

3 Enter total number of other organizations or entities . . . . ▶

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

		Yes	No
1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	✔	
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organizationmay be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*		✔
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	✔	
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*		✔
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*		✔
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*		✔

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	ReturnReference	Explanation
I	3	Column f -- expenditures are actual payments to foreign entities or for foreign travel and are based on the accrual method of accounting

Additional Data

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush University Medical Center

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
Central America and the Caribbean			Program Services	Charitable Health Care	30,000
Central America and the Caribbean			Program Services	Self Insurance	4,075,000
Central America and the Caribbean			Investments		47,923,000

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
East Asia and the Pacific			Program Services	Charitable Health Care	58,000
Europe			Program Services	Charitable Health Care	547,000
Middle East and North Africa			Program Services	Charitable Health Care	35,000

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
North America			Program Services	Charitable Health Care	822,000
South America			Program Services	Charitable Health Care	20,000
South Asia			Program Services	Charitable Health Care	3,000

Form 990 Schedule F Part I - Activities Outside The United States

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service (s) in region	(f) Total expenditures for region
Sub-Saharan Africa			Program Services	Charitable Health Care	47,000

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

▶Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- a ☐ Mail solicitations
- b ☐ Internet and email solicitations
- c ☐ Phone solicitations
- d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 Rush Neurobehavioral Gala (event type)	(b) Event #2 Womens Board Fashion Show (event type)	(c) Other events 6 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts . . .	985,971	827,066	843,040	2,656,077
	2 Less Contributions . .	958,691	558,456	512,404	2,029,551
	3 Gross income (line 1 minus line 2) . . .	27,280	268,610	330,636	626,526
Direct Expenses	4 Cash prizes . . .		5,000		5,000
	5 Noncash prizes . .			450	450
	6 Rent/facility costs . .	65,128	96,593	63,041	224,762
	7 Food and beverages .		101,389	184,121	285,510
	8 Entertainment . . .	19,575	2,755	46,234	68,564
	9 Other direct expenses .	69,441	135,230	75,435	280,106
	10 Direct expense summary Add lines 4 through 9 in column (d) . . . . . . ▶				(864,392)
	11 Net income summary Combine line 3, column (d), and line 10 . . . . . . ▶				-237,866

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue			43,551	43,551
Direct Expenses	2 Cash prizes			5,000	5,000
	3 Non-cash prizes . . .				
	4 Rent/facility costs . . .				
	5 Other direct expenses . .				
	6 Volunteer labor . . .	☐ Yes ____ ☐ No	☐ Yes ____ ☐ No	☑ Yes 100 000 % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . . ▶				5,000
	8 Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶				38,551

9 Enter the state(s) in which the organization operates gaming activities IL

a Is the organization licensed to operate gaming activities in each of these states? . . . . ☑ Yes ☐ No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . . ☐ Yes ☑ No

b If "Yes," explain

Does the organization operate gaming activities with nonmembers? . . . . ☐ Yes ☑ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . ☐ Yes ☑ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	100 000 %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ Ostrow Reisin Berk & Abrams Ltd

Address ▶ 455 N Cityfront Plaza Dr Suite 1500
Chicago, IL 60611

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . ☐ Yes ☑ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ____________ and the amount of gaming revenue retained by the third party ▶ $ ____________

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶ Sarah Sliva

Gaming manager compensation ▶ $

Description of services provided ▶ Record Keeping and Bank Deposit

☐ Director/officer ☑ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . ☑ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 38,551

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134041324

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 30000 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ______ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			39,108,753		39,108,753	2 980 %
b Medicaid (from Worksheet 3, column a)			209,515,191	153,018,803	56,496,388	4 300 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			248,623,944	153,018,803	95,605,141	7 280 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			8,383,095	5,082,071	3,301,024	0 250 %
f Health professions education (from Worksheet 5)			126,458,579	83,545,415	42,913,164	3 270 %
g Subsidized health services (from Worksheet 6)			170,601,876	130,225,784	40,376,092	3 070 %
h Research (from Worksheet 7)			118,505,683	26,030,590	92,475,093	7 040 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			160,400		160,400	0 010 %
j **Total.** Other Benefits			424,109,633	244,883,860	179,225,773	13 640 %
k **Total.** Add lines 7d and 7j			672,733,577	397,902,663	274,830,914	20 920 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	10,335,804		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	260,938,954
6	Enter Medicare allowable costs of care relating to payments on line 5	6	251,142,743
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	9,796,211
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

			Yes	No
9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	Rush Surgicenter	Healthcare	51 090 %		48 910 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Rush University Medical Center 1653 W Congress Parkway Chicago, IL 60612 www rush edu	X	X	X	X	X	X	X			A

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group A

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that			
Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 0000000003 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 0000000004 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

		Yes	No
20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
Part I Line 3c		An income level test is used to determine eligibility for financial assistance if the patient formally applies Patients who do not apply are automatically granted the self pay discount of 68 if they are uninsured This is a state mandated discount based on the hospitals cost to charge ratio In addition, in FY13, the hospital began a presumptive charity care process where self pay patients not applying for financial assistance were evaluated based on income data received from Experian, the credit bureau This evaluation is also income based, but does not require a formal application
Part I Line 6a		The Community Benefit Report for Rush University Medical Center RUMC is a separate report prepared by Rush Rush prepares and files the Annual Non-Profit Community Benefit Plan Report with the Attorney Generals Office of the State of Illinois which includes Rush University Medical Center and Rush Oak Park Hospital For the purpose of Schedule H, only financial information for Rush University Medical Center is reported There is no data included for Rush Oak Park Hospital

Identifier	ReturnReference	Explanation
Part I Line 7		The calculation of the ratio of patient cost to charges was calculated utilizing RUMCs 2013 As-Filed Medicare Cost Report and follows the format based on Worksheet 2 of the Instructions to Schedule H Medicare revenues and costs were extracted from the FY13 As-Filed Medicare Cost report
Part I Line 7		Part I, Line 7, Column F -- Total expenses reported on Form 990, Part IX, line 25, column A include bad debt expense However, for the purposes of Schedule H this expense has been removed from the denominator when calculating the percent of total expense considered the net community benefit expense and reported on Part I, Line 7, column f The amount of bad debt expense excluded from this percentage calculation is 35,449,898

Identifier	ReturnReference	Explanation
Part III Line 4		The cost for the total bad debt provision of 35,449,898 was calculated using the cost to charge ratio described above RUMC does not have a footnote in the financial statements that describes bad debt expense However, RUMC provides a significant amount of uncompensated care to uninsured and underinsured patients, which is reported as provision for bad debts During FY13, RUMCs reported provision for bad debts was a total of 35,449,858 The RUMC provision combined with the Rush University Medical Group RUMG provision of 7,822,109 equates to 10,335,804 at cost based on an overall cost to charge ratio
Part III Line 8		The calculation of the ratio of patient cost to charges was calculated utilizing RUMCs 2013 As-Filed Medicare Cost Report and follows the format based on Worksheet 2 of the Instructions to Schedule H Medicare revenues and costs were extracted from the FY13 As-Filed Medicare Cost report There is no reported Medicare shortfall

Identifier	ReturnReference	Explanation
Part III Line 9b		Accounts do not qualify for for bad debt collections if charity care coverage was added to the account Also, accounts will not qualify for bad debt if RUMC gives the patient a charity care application Lastly, the self pay accounts are not sent to bad debt until they are reviewed for presumptive charity care which is based upon income levels received from Experian, the credit bureau Accounts in bad debt are returned if the patient applies for charity care
Part V		Line 3 -- The assessment includes the collection and analysis of the most up-to-date health, social, economic, housing and other data, as well as qualitative input directly from community leaders, representatives, and agencies through focus groups and interviews Rush conducted in-person individual interviews with external stakeholders and internal staff between September 2012 and January 2013 Participants were chosen because of their ability to identify the primary health concerns of the community, their expertise in public health or their association with the types of program interventions or resources that could address identified concerns The interviewees consisted of government officials, community organization leaders, church leaders, school leaders, physicians, public health officials and nurses By virtue of their positions and professional training, these individuals have considerable expertise related to their constituent groups and have provided invaluable insights throughout Rushs CHNA process These included those with special knowledge or expertise in public health and leaders or representatives of medically underserved, low-income, and minority populations

Identifier	ReturnReference	Explanation
Part V		Lıne 5a -- The Communıty Health Needs Assessment can be found on the RUMC websıte at http//www rush edu/rumc/page-1298330626546 html
Part V		Lıne 14g -- A summary of the polıcy ıs posted on RUMCs websıte, ın the emergency room and ın the admıssıons offices

Identifier	ReturnReference	Explanation
Part V		Line 20d -- 1 Gross charges or patient liability is discounted at 100 for 100 charity care 300 FPL 2 Gross charges or patient liability is discounted at 70 for patients approved for limited income discount 400 FPL 3 All Illinois resident self pay patients uninsured receive a 68 state mandated discount Non Illinois residents receive a 50 discount 4 All true self pay uninsured patients are reviewed for Presumtive Charity Care which gives them a 100 discount if they qualify 5 Payment plans are available for patient liability Payments can be made for 24 months with a minimum payment of 25
Part VI Line 2		As an academic medical center, RUMC performs many community benefit activities in neighborhoods within and surrounding the Illinois Medical District IMD and throughout the Chicago area For the purposes of this plan, the federally required Community Health Needs Assessment and future planning initiatives, RUMCs defined service area consists of communities surrounding the hospital identified through a patient origin zip code analysis The RUMC service area is comprised of seven zip codes which include the Chicago community areas of Near West Side, Lower West Side, West Town, East Garfield Park, West Garfield Park, North Lawndale, and South Lawndale These geographical areas encompass the location of the medical center as well as the locations of sites for a significant number of community outreach efforts

Identifier	ReturnReference	Explanation
Part VI Line 2		The Science and Math Excellence SAME Network supports educational efforts in Chicago Public Schools across the City in more than 40 schools In addition, RUMCs financial assistance policies apply to all RUMC patients
Part VI Line 2		Chicago, like any large urban city, surveys the health services it provides to its citizens The Chicago Department of Public Health CDPH established a strategic planning process aimed to focus the energies of the department, set organizational priorities and guide the allocation of public health resources

Identifier	ReturnReference	Explanation
Part VI Line 2		Many of RUMCs community benefits activities align with CDPHs strategic priorities such as health promotion and prevention of chronic disease, promoting access to services, and ensuring Chicago is prepared to quickly and effectively respond to public health emergencies and epidemics Following a community needs assessment in FY2008, RUMC initiated a formal planning process in FY2009 to ensure that future community benefits efforts aligned with the needs of the community The resulting Community Benefits Plan helped to focus our strengths and available resources on programs that improve and promote the physical, educational and economic health of our communities
Part VI Line 2		To further our efforts to identify and address the existing health needs within our community, RUMC developed its first Community Health Needs Assessment CHNA and corresponding implementation plan as required by the Internal Revenue Service in compliance with the Affordable Care Act The CHNA and implementation plan were completed during fiscal year 2013 and board approved by June 2013 A copy of the CHNA is available online

Identifier	ReturnReference	Explanation
Part VI Line 3		In keeping with RUMCs mission to provide comprehensive, coordinated health care services to our patients, RUMC offers several financial assistance programs to help patients with their hospital bill
Part VI Line 3		Through utilization of a patient eligibility service RUMC is extremely proactive in enrolling patients, who present for service without insurance coverage, for coverage under various state and federal programs The maintenance of this service for our patients has a significant impact on decreasing the amount of charity care provided In addition to achieving appropriate, available coverage for our patients medical services, this eligibility service also obtains eligibility for SSI or SSA benefits for applicable patients Guiding the patient through this often time-consuming and arduous process is extremely beneficial to the patient, as once SSI/SSA eligibility is approved, the patient will begin receiving a monthly assistance check which provided a benefit well beyond their health care at RUMC

Identifier	ReturnReference	Explanation
Part VI Line 3		To assist the patient in deciding which is the right program for them, RUMC offers the services of Financial Counselors and Billing Customer Service Representatives These individuals will assist patients in completion of financial application forms, obtaining an estimated cost of anticipated hospital services, providing an explanation and copy of their hospital bill, and notary services RUMC makes all financial assistance information and policies available on the hospitals website
Part VI Line 4		As stated earlier, as an academic medical center, RUMC performs many community benefit activities in neighborhoods within and surrounding the Illinois Medical District IMD and throughout the Chicago area For the purposes of this plan, the federally required Community Health Needs Assessment and future planning initiatives, RUMCs defined service area consists of communities surrounding the hospital identified through a patient origin zip code analysis The RUMC service area is comprised of seven zip codes which include the Chicago community areas of Near West Side, Lower West Side, West Town, East Garfield Park, West Garfield Park, North Lawndale, and South Lawndale These geographical areas encompass the location of the medical center as well as the locations of sites for a significant number of community outreach efforts

Identifier	ReturnReference	Explanation
Part VI Line 5		RUMC provides a full range of medical services to the community including an emergency department that is never closed and is open to everyone regardless of their ability to pay as well as numerous services that operate at a loss While the emergency department is a key driver of providing care to the uninsured in a hospital setting, RUMC continues to emphasize primary and preventive care for uninsured individuals and families
Part VI Line 5		This approach relies on the services provided within physician clinics at RUMC as well as the community service projects operated by patient care staff In this way, RUMC hopes to have an impact on the health of patients before they get to the point of visiting the emergency department

Identifier	ReturnReference	Explanation
Part VI Line 5		To ensure that RUMC is delivering on its patient care mission to the diverse communities of Chicago, RUMC incurred 1 2 million in costs to maintain a staff of Spanish language interpreters and to supply other-language and sign language interpreter services These financial commitments are critical to facilitating accessibility of patient care to the diverse communities of the Chicago area
Part VI Line 5		As a not-for-profit organization, RUMC reinvests any excess revenue after paying expenses back into our institution in order to provide care for patients A significant part of this reinvestment includes the following support services that benefit patients free care for patients who qualify under our charity care program care for patients whose government insurance does not pay all of our costs and critical medical services that operate at a financial loss but are necessary for the communitys overall health As an academic medical center, RUMC subsidizes health and medical research to improve patient care, now and for future generations by covering expenses not funded by private or government grants We also subsidize the education and training of the next generation of doctors, nurses and other allied health care professionals whose tuition and grants do not fully cover the associated costs Additionally, we fund a variety of vital outreach programs that address the specific health needs of our community and beyond

Identifier	ReturnReference	Explanation
Part VI Line 5		RUMC is committed to providing programs to educate and train the health care workforce of the future It is widely recognized that workforce demands in health care will rapidly escalate as the U S population ages To help meet this need, RUMC trains future physicians, nurses and allied health professionals During FY2013, RUMC provided 44 million in unreimbursed costs to maintain these education programs It is an essential part of RUMCs corporate mission that education programs continue to receive this operational support in order to supply highly trained physicians, nurses, and allied health professionals to RUMC and to the larger health care community
Part VI Line 5		RUMC is committed to advancing medical care through translational research that aims to bring advances and improvements gained in research as rapidly as possible to the bedside of patients Investigators at RUMC are involved in numerous clinical studies to test the effectiveness and safety of new therapies and medical devices as well as many basic research studies designed to expand scientific and medical knowledge Like the academic affiliation between RUMC and Stroger Hospital, there is similar collaboration within research activities Joint research projects in basic science, clinical science and services, and epidemiology look for new ways to improve the health of vulnerable communities and bridge the widening gaps in the health care system As an academic medical center, RUMC brings together individuals from diverse backgrounds and experiences to uncover new advances in patient care In this way, RUMC acts as an incubator for noteworthy breakthroughs in medicine

Identifier	ReturnReference	Explanation
Part VI Line 5		In addition to dedicating resources to patient care, education and research activities, RUMC has historically placed emphasis on community service activities and relationships with other health care organizations During FY2013, RUMC provided over 4 million in other community benefits programs and over 3 9 million in volunteer time for various community outreach activities
Part VI Line 6		RUMC has an affiliation with Rush Oak Park Hospital Rush Oak Park Hospital ROPH is a Catholic community hospital consisting of 296 beds located in Oak Park, Illinois and affiliated with RUMC in Chicago, IL and Wheaton Franciscan Healthcare, Inc , in Wheaton, IL The affiliation between RUMC and Rush Oak Park Hospital provides patients with access to advanced medical treatments without having to leave their neighborhoods ROPH is committed to balancing clinical excellence with compassionate care and greater community outreach programs in order to provide a lifetime of care for individuals and their entire family For the purposes of Schedule H, only financial information for RUMC is reported There is no data included for Rush Oak Park Hospital

Identifier	ReturnReference	Explanation
Part VI, Line 7		IL

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☑ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . ▶ 16

3 Enter total number of other organizations listed in the line 1 table . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance
(1) Scholarships to attend Rush University Medical Center	1073	8,053,677			

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	**Return Reference**	**Explanation**
I	2	-- Rush provides grants and assistance to organizations that are recognized public charities and to individuals primarily associated with the medical field Rush maintains contact with the grantees through the performance of its exempt purpose

Additional Data

Return to Form

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush University Medical Center

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
American Heart Association 208 S LaSalle St 900 Chicago, IL 60604	13-5613797	501c3	15,000				General Support
March of Dimes111 W Jackson 22nd floor Chicago, IL 60604	36-2169156	501c3	15,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Access Living115 W Chicago Ave Chicago, IL 60610	36-3310774	501c3	13,000				General Support
Urban Alliance Foundation 2030 Q Street NW Washigton, DC 20009	52-1938443	501c3	12,500				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Gildas Club of Chicago205 W Wacker Drive Chicago,IL 60606	36-4115144	501c3	10,000				General Support
Bears Care1000 Football Drive Lake Forest,IL 60045	20-3902715	501c3	9,500				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Human Rights Campaign 1640 Rhode Island Avenue NW Washigton, DC 20036	52-1243457	501c3	5,000				General Support
Chicago United Inc205 W Wacker Dr 1400 Chicago, IL 60606	36-2770509	501c3	5,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Metropolitan Chicago Breast Cancer Task Force1645 W Jackson Chicago, IL 60612	26-2264895	501c3	5,000				General Support
National Museum of Mexican Art1852 W 19th Street Chicago, IL 60608	36-3225519	501c3	5,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YWCA Metropolitan Chicago 1 N LaSalle Street Chicago,IL 60602	36-2179765	501c3	5,000				General Support
Mikva Challenge Grant Foundation Inc332 S Michigan Ave Chicago,IL 60604	52-2033353	501c3	5,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Komen Chicago Race for the Cure8765 W Higgins Rd Chicago, IL 60631	36-4111723	501c3	5,000				General Support
Community Health Clinic 2611 W Chicago Ave Chicago, IL 60622	36-3831793	501c3	5,000				General Support

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
National Center for Healthcare Leadership1700 W Van Buren Street Chicago, IL 60612	36-4483505	501c3	5,000				General Support
University of Colorado1800 Grant Street Denver, CO 80203	84-6000555	501c3	5,000				General Support

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☑ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☑ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☑ Compensation committee ☑ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☑ Compensation survey or study ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
I	1A	- Housing allowance or residence for personal use - Rush owns the Sessions house which is used by the President CEO for Rush business activities Occasionally there is incidental personal use, the value of which is included in compensation
I	1A	- Health or social club dues or initiation fees - membership is maintained for the Senior Vice President of Philanthropy Chief Development Officer at the University Club, the President CEO at the Chicago Club, and the Vice President of Government Affairs at the Executive Club All memberships are used for Rush fundraising and/or business activities
I	4a	-- Max Brown received a severence payment of 175,620 and R Anthony Davis received a severence payment of 260,588
I	4b	- Rush offers a supplemental employee retirement plan to all employees who participate in the executive benefits program and whose compensation exceeds the IRS allowable limit for a qualified pension plan The amount accrued in 2012 was reported on Schedule J, Part II, Column C for the following individuals David A Ansell, MD-62,037, Cynthia Barginere-23,802, Charles E Behl-27,797, Cynthia Boyd-68,446, Peter W Butler-248,246, Edward W Conway-23,745, Melissa Coverdale-18,487, Richard Davis-22,025, Thomas A Deutsch, MD-199,958, Bruce M Elegant-36,047, Brent Estes-8,459, Joan E Kurtenbach-21,247, John Lowenberg-16,525, Sheri L Marker-Bednarz-21,647, Diane M McKeever-32,297, John P Mordach-104,780, Mike Mulroe-25,876, James L Mulshine, MD-28,088, Anne N Murphy-58,135, Denise Nedza-17,847, Patricia ONeil-6,063, Jaime B Parent-23,815, Terry Peterson-27,088, Mary Ellen Schopp-43,664, Julio C Silva, MD-54,470, Brian T Smith-32,244, Scott E Sonnenschein-14,257, The amounts paid out from this plan were as follows Max D Brown, JD-335,228, Paul M Carvey, PhD-530,429, J Robert Clapp, Jr -693,815, R Anthony Davis-112,577, Larry J Goodman, MD-2,114,698, Bradley G Hinrichs-44,006, Avery S Miller-190,880, David C Shelledy-59,891, Lac Van Tran-234,463 and Mick P Zdeblick-117,364 These amounts are listed in Schedule J, Part II, Column F
I	7	- Incentive payments are based upon a formula The amounts are calculated after certain performance and operating goals are achieved The plan provides limited discretionary parameters if needed

Additional Data

Return to Form

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush University Medical Center

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Catherine Dimou MD	(i) (ii)	218,844	68,354	175	20,000	19,594	326,967	
David A Ansell MD	(i) (ii)	462,898	97,513	30,638	82,037	726	673,812	
Cynthia Barginere	(i) (ii)	287,995	59,901	8,441	38,802	15,288	410,427	
Charles E Behl	(i) (ii)	264,278	60,679	14,258	47,797	18,123	405,135	
Cynthia Boyd	(i) (ii)	279,678		3,042	88,446	1,038	372,204	
Peter W Butler	(i) (ii)	739,061	289,879	54,029	270,746	17,320	1,371,035	
Paul M Carvey PhD	(i) (ii)	69,513	1,250	537,184	7,500	19,422	634,869	458,648
J Robert Clapp Jr	(i) (ii)	350,463		885,452	17,500	18,787	1,272,202	515,376
Edward W Conway	(i) (ii)	227,177	38,817	3,416	43,745	2,181	315,336	
Melissa Coverdale	(i) (ii)	196,601		2,652	25,987	9,711	234,951	
Richard K Davis	(i) (ii)	254,222	61,503	2,086	42,025	28,233	388,069	
Thomas A Deutsch MD	(i) (ii)	554,525	209,994	37,644	222,458	28,670	1,053,291	
Melanie C Dreher PhD RN	(i) (ii)	250,067	62,045	150	22,500	9,792	344,554	
Bruce M Elegant	(i) (ii)	296,557	72,121	27,816	56,047	18,495	471,036	
Brent Estes	(i) (ii)	319,898	76,478	6,073	25,959	22,296	450,704	
Larry J Goodman MD	(i) (ii)	932,493	437,952	2,188,014	22,500	23,736	3,604,695	1,681,196
Lois K Halstead PhD RN	(i) (ii)	178,818	40,861	25,674	20,969	10,710	277,032	
Bradley G Hinrichs	(i) (ii)	194,222	56,300	69,548	21,415	7,710	349,195	36,854
Joan E Kurtenbach	(i) (ii)	238,117	51,256	6,594	36,247	22,841	355,055	
John Lowenberg	(i) (ii)	232,898	42,118	7,540	34,025	726	317,307	

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B)(i) Base Compensation	(B)(ii) Bonus & incentive compensation	(B)(iii) Other compensation	(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
Sheri L Marker-Bednarz	(i) (ii)	218,731	45,347	12,772	44,147	1,038	322,035	
Diane M McKeever	(i) (ii)	284,022	66,377	11,075	54,797	17,663	433,934	
Avery S Miller	(i) (ii)	375,380	167,199	211,174	22,500	15,951	792,204	
John P Mordach	(i) (ii)	635,122	166,415	23,984	122,280	22,962	970,763	
Mike J Mulroe	(i) (ii)	229,332	45,620	6,834	43,376	28,658	353,820	
James L Mulshine MD	(i) (ii)	331,460	45,820	39,291	48,088	25,230	489,889	
Anne M Murphy	(i) (ii)	427,953		7,675	73,135	20,317	529,080	
Denise Nedza	(i) (ii)	227,555	46,580	4,962	32,847	7,710	319,654	
Patricia O'Neil	(i) (ii)	223,409	41,852	150	23,563	15,042	304,016	
Jaime B Parent	(i) (ii)	262,550	63,892	14,822	41,315	21,513	404,092	
Terry Peterson	(i) (ii)	256,639	59,559	10,776	44,588	1,038	372,600	
Mary Ellen Schopp	(i) (ii)	293,645	72,689	3,738	58,664	27,470	456,206	
David C Shelledy PhD	(i) (ii)	190,478	37,856	79,375	19,493	16,043	343,245	40,085
Julio C Silva MD	(i) (ii)	321,542	79,354	15,870	71,970	21,409	510,145	
Brian T Smith	(i) (ii)	343,542	72,175	8,330	47,244	25,774	497,065	
Scott E Sonnenschein	(i) (ii)	280,362	60,845	6,206	31,757	24,099	403,269	
Lac Van Tran	(i) (ii)	364,077	99,777	265,155	20,000	9,062	758,071	218,595
Mick P Zdeblick	(i) (ii)	265,106	68,480	124,576	7,500	16,779	482,441	91,112
Lorenzo Munoz MD	(i) (ii)	565,752	137,540	243,000	15,000	24,813	986,105	
John Polley MD	(i) (ii)	899,034			12,500	996	912,530	

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Michael Liptay MD	(i) (ii)	661,911	168,629		15,000	29,996	875,536	
Richard Byrne MD	(i) (ii)	753,742	63,423		17,500	25,230	859,895	
Harel Deutsch MD	(i) (ii)	660,676	127,608		15,000	31,230	834,514	
Max D Brown JD	(i) (ii)	552,965	71,549	532,224		7,148	1,163,886	280,836
R Anthony Davis	(i) (ii)			371,492		6,880	378,372	109,324

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Illinois Finance Authority	86-1091967	NoCUSIPNo	12-16-2011	56,000,000	Series 2011 see Part VI		X		X		X
B	Illinois Finance Authority	86-1091967	45200FYR4	07-29-2009	171,668,452	Series 2009C see Part VI		X		X		X
C	Illinois Finance Authority	86-1091967	45200FTX7	02-10-2009	171,147,519	Series 2009A see Part VI		X		X		X
D	Illinois Finance Authority	86-1091967	45200FSE0	12-09-2008	50,000,000	Series 2008A see Part VI		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	5,105,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	56,000,000		172,282,443		171,509,740		50,011,044	
4	Gross proceeds in reserve funds	16,636,928		16,636,928		17,906,292			
5	Capitalized interest from proceeds	1,227,141		1,227,141		115,000		42,012	
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	2,547,812		2,547,812		2,370,004		874,123	
8	Credit enhancement from proceeds	140,424						140,424	
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	151,870,563		151,870,563		156,501,691		48,954,486	
11	Other spent proceeds	56,000,000							
12	Other unspent proceeds								
13	Year of substantial completion	2012		2012		2012		2012	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X			X		X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X		X		X		X	

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X		X		X	
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X		X		X	
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		0%		0%		0%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	0%		0%		0%		0%	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X		X		X	
b	Exception to rebate?		X		X		X		X
c	No rebate due?		X		X		X		X
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X		X	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X	X	
b	Name of provider	See Part VI							
c	Term of hedge								
d	Was the hedge superintegrated?		X						X
e	Was a hedge terminated?		X						X

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
I		-- Rush University Medical Centers RUMC long-term debt is issued under a master trust indenture which established the Rush University Medical Center obligated group OG which, as of 6/30/13, was comprised of RUMC and Copley Memorial Hospital, Inc Copley and its affiliates The OG is jointly and severally liable for the obligations issued under the master trust indenture Each OG member is expected to pay its allocated share of the debt issued on its behalf The debt listed on lines A-D were issued for RUMC
I	A-C	--Line A Columnn f proceeds were used to refund bonds issued 12/21/1998 --Line B Column f Construction of hospital facility --Line C Column f proceeds were used to finance and refinance healthcare and related facilities The remainder of the proceeds was used to refund a taxable loan used to refund 2006A bonds
I	D	-- Column f RUMC is using the proceeds of the series 2008A bonds to finance healthcare and related facilities
IV	b c	-- Column D the providers of the hedge concerning the bond issue are Morgan Stanley Capital Services, Inc and Citibank, NA The terms of the hedge are 27 3 years from Morgan Stanley and 29 2 years from Citibank

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Illinois Finance Authority	86-1091967	45200FHN2	05-28-2008	63,506,719	Series 2006B see Part VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	800,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	63,510,382			
4	Gross proceeds in reserve funds	4,991,813			
5	Capitalized interest from proceeds	213,595			
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	777,914			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	62,518,873			
12	Other unspent proceeds				
13	Year of substantial completion	2008			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?	X							
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	0 %		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?	X							
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
I	A	-- Schedule K2 63,506,719 does not tie to the issue price shown on Form 8038 Part III line 21b The amount shown is RUMCs approximately 64 62 prorata share of the 98,278,724 obligated group amount issued The proceeds were used to refund bonds issued 8/17/2006
IV	2C	-- Rebate calculation was performed May 28, 2013 that confirmed there was no liability

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**

Part V **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	**Return Reference**	**Explanation**

Additional Data

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush Unıversıty Medıcal Center

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of ınterested person	**(b)** Relatıonshıp between ınterested person and the organızatıon	**(c)** Amount of transactıon	**(d)** Descrıptıon of transactıon	**(e)** Sharıng of organızatıon's revenues? Yes	No
(1) 3M	W James Farrel Robert S Morrıson on BOD	741,652	Sale of goods		No
(2) Amerıcan Red Cross	Francesca Maher Edwardson ıs CEO	7,523,225	Sale of goods		No
(3) Baxter Internatıonal	Robert M Davıs ıs CFO	8,522,907	Sale of goods		No
(4) BMO Fınancıal Group	Chrıstıne A Edwards ıs on BOD	640,792	Servıces		No
(5) BMO Fınancıal Group (contınued)	Wıllıam A Downe ıs Presıdent CEO	640,792	Servıces		No
(6) Bıomet Orthopedıcs Inc	Jorge O Galante, MD ıs on BOD	1,348,444	Sale of goods		No
(7) CDW	Thomas E Rıchards ıs Presıdent COO	4,333,935	Servıces		No
(8) Chıcago Transıt Authorıty	Alejandro Sılva on BOD	590,779	Servıces		No
(9) Coca-Cola Enterprıses	Marvın J Herb ıs a dırector	408,667	Sale of goods		No
(10) Exelon Corp	Chrıstopher M Crane ıs Presıdent CEO	5,374,138	Servıces		No
(11) Exelon Corp (contınued)	Sue Lıng Gın John W Rogers Jr on BOD	5,374,138	Servıces		No
(12) Harrıs Fınancıal Corp	Pastora San Juan Cafferty on BOD	118,200	Servıces		No
(13) Hıll-Rom Holdıngs Inc	Susan R Lıchtensteın ıs Senıor VP CLO	2,047,092	Servıces		No
(14) INC Research Inc	Wıllıam K Hall on BOD	375,450	Servıces		No
(15) Potbelly Sandwıch Works	Aylwın B Lewıs ıs Presıdent CEO	376,062	Sale of goods		No
(16) PrıcewaterhouseCoopers LLP	Jay L Henderson ıs Vıce Chaırman	536,625	Servıces		No
(17) Sıdley Austın LLP	John J Sabl ıs a Partner	463,494	Servıces		No
(18) Solstas Laboratory Partners LLC	Robert P DeCresce on BOD	447,729	Servıces		No
(19) Sterıcycle	Wıllıam K Hall on BOD	679,095	Servıces		No
(20) The Northern Trust Co	Susan Crown Charles Trıbbett III on BOD	1,035,036	Servıces		No
(21) Unıversıty Anesthesıologısts	Anthony D Ivankovıch, MD ıs a Partner	673,293	Servıces		No
(22) Unıversıty Pathologısts PC	Robert P DeCresce, MD ıs an owner	2,157,530	Servıces		No
(23) Unıversıty Pathology Consultants LLC	Robert P DeCresce, MD ıs an owner	507,199	Servıces		No
(24) VWR Internatıonal	Robert P DeCresce Pamela Forbes Lıeberman on BOD	803,625	Servıces		No
(25) WW Graınger	Wıllıam K Hall on BOD	884,640	Sale of goods		No
(26) Walgreens	Alejandro Sılva on BOD	377,939	Servıces		No
(27) Wıllıam Blaır & Company LLC	E Davıd Coolıdge III on BOD John L Brennen ıs management	331,273	Servıces		No
(28) Access Lıvıng	Marca L Brısto Presıdent and CEO	374,625	Servıces		No

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	1	1,800	Appraisel
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	56	5,181,380	FMV
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts	X	2	45,000	Appraisel
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Jewelry)	X	60	1,991	Appraisel
26 Other ▶ (Medical gloves, Office supplies)	X	1	412	Thrift shop value
27 Other ▶( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b If "Yes," describe the arrangement in Part II			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	Yes	
b If "Yes," describe in Part II			
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
I	32a	--The Northern Trust Bank disposes of all non cash marketable securities donated to RUMC

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Identifier	Return Reference	Explanation
		Form 990 Part III Line 1 -- The mission of Rush University Medical Center is to provide the very best care for our patients Our education and research endeavors, community service programs and relationships with other hospitals are dedicated to enhancing excellence in patient care for the diverse communities of the Chicago area now and in the future The true impact of our mission isnt only visible within the boundaries of our Medical Center campus We also see our mission take shape in the community health clinics, outreach and mentoring programs, and countless other community-based initiatives led by doctors, nurses, students and others at Rush

Identifier	Return Reference	Explanation
		Form 990 Part III Line 4D ---- Other program services Rush provides various services for the benefit of its patients and visitors, such as parking, food service and interpreter services Rush also sponsors a number of programs in the community focused on improving health, expanding education in health-related careers, community-based research to reduce health disparities and initiatives to provide economic development and job creation Rush programs influenced tens of thousands of lives in FY13

Identifier	Return Reference	Explanation
		Form 990 Part VI Section B Line 11A -- The information is compiled and reviewed internally by Corporate Finance The return is reviewed by Deloitte Tax LLP before being submitted to the Audit Committee of the Board of Directors of Rush for review and approval The return is distributed to the entire Board of Directors before it is filed

Identifier	Return Reference	Explanation
		Form 990 Part VI Section B Line 12C --- Rushs Board of Trustees, corporate officers, employees, faculty, students and members of its medical, nursing, professional and technical staffs must use their best efforts and judgment to avoid any influences which could compromise patient care, research, business transactions, objectivity or integrity The comprehensive policy statement regarding conflicts of interest is applicable to the Rush Board of Trustees, corporate officers, employees, faculty, students and members of Rushs medical, nursing, professional and technical staffs All employees are required to make a clear disclosure of any conflict of interest to their immediate supervisor at the earliest possible opportunity before an arrangement is entered into which would result in a conflict or as soon thereafter as the employee becomes aware that such a conflict exists Supervisors may take action to address a conflict of interest as is consistent with policies of Rush including, but not limited to, the policies of the Department of Human Resources Conflicts of interest are defined as circumstances that create a risk that professional judgments or actions regarding a primary interest will be unduly influenced by a secondary interest Conflicts can be more or less severe The severity of a conflict depends on 1 the likelihood that professional decisions made under the relevant circumstances would be unduly influenced by a secondary interest and 2 the seriousness of the harm or wrong that could result from such influence

Identifier	Return Reference	Explanation
		Under certain limited circumstances a conflict may be allowed to continue if such conflict cannot otherwise be eliminated, the likelihood of undue influence is minimized and the relationship is appropriately managed to reduce the risk of possible harm Members of the Rush Board of Trustees and Rush Corporate Officers are required to disclose any conflicts to the Chairman or Vice Chairman or the secretary of the Rush Board of Trustees An initial review will be undertaken by the Audit Committee of the Board, which shall make such recommendations as it deems appropriate to the Executive Committee of the Board If time does not permit a full review by the Audit Committee, such initial review may be undertaken by the Chairman of the Board and Chairman of the Audit Committee Thereafter, the Audit Committee shall submit the material facts of the conflict along with its recommendations to the Executive Committee which shall make a final determination on the matter

Identifier	Return Reference	Explanation
		Form 990 Part VI Section C Line 15A 15B -- The Compensation and Human Resources Committee uses an independent review , comparability data and contemporaneous substantiation to establish compensation packages for officers All officer compensation packages are approved by the Compensation and Human Resources Committee

Identifier	Return Reference	Explanation
		Form 990 Part VI Section C Line 18 -- The Form 990 information is made available upon request through the Media Relations office of the Public Relations Department and/or Legal Affairs The Form 990 is also available on Guidestar and on the Illinois Attorney Generals website

Identifier	Return Reference	Explanation
		Form 990 Part VI Section C Line 19 --Rush does not make its governing documents or conflict of interest policy available to the public The financial statements are available through the Illinois Attorney Generals office

Identifier	Return Reference	Explanation
		Form 990 Part VI Section A Line 1a --The Executive Committee, between meetings of the trustees, shall have and exercise all of the authority of the voting trustees in the management of the corporation except to the extent, if any, that such authority shall be limited by resolution of the voting trustees and except for a amending the articles of incorporation b amending, altering or repealing the by-laws c adopting a plan of merger or consolidation with another corporation d authorizing the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation e authorizing the voluntary dissolution of the corporation f adopting a plan for the distribution of the assets of the corporation g electing, appointing or removing any trustee or officer of the corporation or h amending, altering or repealing any resolution of the voting trustees which by its terms provides that it shall not be amended, altered or repealed by the executive committee The delegation of authority to the Executive Committee shall not operate to relieve the voting trustees or any single voting trustee of any responsibility imposed upon him or her by law The Executive Committee shall consist of not fewer than 22 and not more than 28 voting trustees, including the Chairman, the Vice Chairmen and the Chief Executive Officer The voting members of the Executive Committee shall be elected at the annual meeting of the voting trustees provided that any vacancy occurring or existing in the Executive Committee may be filled by an election held at any regular or special meeting of the voting trustees Members of the Executive Committee shall serve until their successors have been elected

Identifier	Return Reference	Explanation
		Form 990 Part VI Section A Line 2 --W James Farrell and Robert S Morrison had a board relationship -- Christine A Edwards and William A Downe had a board relationship -- Christopher M Crane, Sue Ling Gin and John W Rogers Jr had a board relationship -- David B Speer, Susan Crown and Robert S Morrison had a board relationship -- Charles A Schrock, Pastora San Juan Cafferty and John W Higgins had a board relationship -- Sheila A Penrose and Martin A Nesbitt had a board relationship -- James S Metcalf, Fred A Krehbiel and Donald G Lubin, Esq had a board relationship -- Susan Crown and Charles A Tribbett III had a board relationship -- Susan Crown and Robert S Morrison had a board relationship -- Sheila A Penrose and John W Rogers, Jr had a board relationship -- Pamela Forbes Lieberman and Robert P DeCresce, MD had a business relationship -- Matthew Bergman and Christine A Edwards had a business relationship -- Jesse H Ruiz and Christopher M Crane had a board relationship -- Jesse H Ruiz and Sue Ling Gin had a board relationship -- Jesse H Ruiz and John W Rogers Jr had a board relationship -- Jesse H Ruiz and Kip Kirkpatrick had a business relationship -- John W Rogers Jr and E David Coolidge III had a business relationship -- E David Coolidge III and Andrew J McKenna Jr had a business relationship -- Stephen N Potter and Sandra P Guthman had a business relationship -- Gloria Santona, Esq, Robert S Morrison , John W Rogers Jr and Michael J OConnor had a board relationship -- H John Gilbertson and Carl W Stern had a business relationship Richard K Davis and R Anthony Davis had a family relationship

Identifier	Return Reference	Explanation
		Form 990 Part VI Section A Line 4 Rush amended its bylaws to i specify the range of its board size as not less than 94 nor more than 99 Article V, Section I ii add a majority quorum requirement for committee meetings Article VI, Section 1 and iii require the Quality of Care Committee to consider Medical Staff recommendations for medical staff appointments Article XII, Section 1b

Identifier	Return Reference	Explanation
		Form 990 Part VII Section A Line 1a -- Payments to Robert P DeCresce, MD, Catherine Dimou, MD, Larry J Goodman, MD and Anthony D Ivankovich, MD were for their roles as employees not as trustees

Identifier	Return Reference	Explanation
		Form 990 Part XI Line 9 Postretirement related changes other than net periodic postretirement cost -- 62,775,702

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Rush University Medical Center

Employer identification number
36-2174823

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Health Delivery Management 1700 W Van Buren Street Chicago, IL 60612 36-4085751	Healthcare	IL	31,929,476	5,762,529	N/A
(2) Vyridian 820 W Jackson Blvd Chicago, IL 60607 36-4208577	Billing services	IL	7,684,254	575,364	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Circle Imaging Partners LP 1725 W Harrison Street Chicago, IL 60612 36-3539382	Healthcare	IL	Circle Imaging Management Inc	Related	2,212,051	1,937,306		No			No	71 430 %
(2) Oak Park Imaging 610 South Maple Street Oak Park, IL 60304 36-4437483	Healthcare	IL	N/A	Related	774,482	361,515		No			No	60 000 %
(3) Rush Surgicenter at the Professional Office Building LP 1725 West Harrison Street Chicago, IL 60612 36-3853026	Healthcare	IL	N/A	Related	5,463,468	5,365,414		No		Yes		51 090 %

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) Room Five Hundred 1700 West Van Buren Street Chicago, IL 60612 23-7139832	Dining Room	IL	N/A	C Corp	1,664,512	149,832	100 000 %		No
(2) Rush Copley Medical Group NFP(Copley Services) 2000 Ogden Ave Aurora, IL 60504 36-3235315	Healthcare	IL	N/A	C Corp					No
(3) Rush Health 1653 W Congress Parkway Chicago, IL 60612 36-3972171	Healthcare	IL	N/A	C Corp	12,537,502	10,382,982	50 000 %		No

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	**1a**	Yes	
b	Gift, grant, or capital contribution to related organization(s)	**1b**		No
c	Gift, grant, or capital contribution from related organization(s)	**1c**	Yes	
d	Loans or loan guarantees to or for related organization(s)	**1d**		No
e	Loans or loan guarantees by related organization(s)	**1e**	Yes	
f	Dividends from related organization(s)	**1f**		No
g	Sale of assets to related organization(s)	**1g**		No
h	Purchase of assets from related organization(s)	**1h**		No
i	Exchange of assets with related organization(s)	**1i**		No
j	Lease of facilities, equipment, or other assets to related organization(s)	**1j**	Yes	
k	Lease of facilities, equipment, or other assets from related organization(s)	**1k**	Yes	
l	Performance of services or membership or fundraising solicitations for related organization(s)	**1l**	Yes	
m	Performance of services or membership or fundraising solicitations by related organization(s)	**1m**	Yes	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1n**	Yes	
o	Sharing of paid employees with related organization(s)	**1o**	Yes	
p	Reimbursement paid to related organization(s) for expenses	**1p**	Yes	
q	Reimbursement paid by related organization(s) for expenses	**1q**	Yes	
r	Other transfer of cash or property to related organization(s)	**1r**	Yes	
s	Other transfer of cash or property from related organization(s)	**1s**	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	**(b)** Transaction type (a-s)	**(c)** Amount involved	**(d)** Method of determining amount involved
See Additional Data Table			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Additional Data

Return to Form

Software ID: 12000057
Software Version: 12.19.1011.1
EIN: 36-2174823
Name: Rush University Medical Center

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Circle Imaging	r	142,969	FMV
Circle Imaging	k	465,447	FMV
Circle Imaging	p	2,116,126	FMV
Circle Imaging	l	161,623	FMV
Rush Master Retirement Trust	q	14,894,687	FMV
Copley Memorial Hospital	q	394,624	FMV
Copley Memorial Hospital	e	7,055,386	FMV
CORE Foundation	n	914,019	FMV
CORE Foundation	m	101,000	FMV
Rush University Medical Center Insurance Co	q	4,075,000	FMV
Rush Surgicenter	k	1,353,521	FMV
Rush Surgicenter	c	1,922,950	FMV
Rush Surgicenter	p	218,811	FMV
Rush System for Health	k	80,184	FMV
Rush System for Health	o	825,471	FMV
Rush System for Health	i	450,472	FMV
Rush System for Health	p	606,203	FMV
Rush Health	l	4,849,856	FMV
Rush Health	p	9,404,610	FMV
Rush Health	s	157,819	FMV
Rush Health	r	5,618,311	FMV
Rush Oak Park Hospital	k	74,578	FMV
Rush Oak Park Hospital	q	6,003,439	FMV
Rush Oak Park Hospital	o	406,910	FMV
Rush Oak Park Hospital	j	820,093	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Rush System for Health	l	175,503	FMV
Oak Oark Imaging	c	310,800	FMV
Oak Park Imaging	j	194,169	FMV

Rush University Medical Center and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended June 30, 2013 and 2012, and Independent Auditors' Report

RUSH

RUSH UNIVERSITY MEDICAL CENTER AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Rush University Medical Center

We have audited the accompanying consolidated financial statements of Rush University Medical Center and Subsidiaries ("Rush"), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to Rush's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rush's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion

Basis for Qualified Opinion

As described in Note 1, the financial position and results of operations of Rush-Copley Medical Center have been excluded from Rush's accompanying consolidated financial statements Accounting principles generally accepted in the United States of America require consolidation of this entity

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rush as of June 30, 2013 and 2012, and the consolidated results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Deloitte & Touche LLP

October 28, 2013

RUSH UNIVERSITY MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	As of June 30, 2013	As of June 30, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 172,627	$ 96,854
Short-term investments	-	115,712
Accounts receivable for patient services - net of allowance for doubtful accounts of $40,394 and $53,783 as of June 30, 2013 and 2012, respectively (Note 2)	152,281	202,455
Other accounts receivable - net of reserves of $2,310 and $1,461 as of June 30, 2013 and 2012, respectively	47,378	51,781
Self-insurance trust - current portion	24,724	23,904
Other current assets	37,085	40,288
Total current assets	434,095	530,994
ASSETS LIMITED AS TO USE AND INVESTMENTS:		
Investments - less current portion	460,527	263,332
Limited as to use by donor or time restriction	465,376	433,013
Self insurance trust - less current portion	100,497	97,255
Debt service reserve fund	39,642	39,807
Total assets limited as to use and investments	1,066,042	833,407
PROPERTY AND EQUIPMENT - net of accumulated depreciation of $918,954 and $861,050 as of June 30, 2013 and 2012, respectively	1,210,874	1,256,904
OTHER ASSETS	15,923	36,413
TOTAL ASSETS	$ 2,726,934	$ 2,657,718
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 93,747	$ 90,167
Accrued expenses	119,770	119,779
Student loan funds	22,919	20,394
Estimated third-party settlements payable	107,466	123,282
Current portion of accrued liability under self-insurance program	31,160	31,877
Current portion of long-term debt	11,320	5,905
Total current liabilities	386,382	391,404
LONG-TERM LIABILITIES:		
Accrued liability under self-insurance program - less current portion	155,773	160,736
Postretirement and pension benefits	85,242	169,875
Long-term debt - less current portion, net	501,165	512,339
Obligations under capital lease and other financing arrangements	36,250	40,121
Other long-term liabilities	60,279	67,819
Total long-term liabilities	838,709	950,890
Total liabilities	1,225,091	1,342,294
NET ASSETS:		
Unrestricted	936,260	790,097
Temporarily restricted	323,719	289,960
Permanently restricted	241,864	235,367
Total net assets	1,501,843	1,315,424
TOTAL LIABILITIES AND NET ASSETS	$ 2,726,934	$ 2,657,718

See notes to consolidated financial statements

RUSH UNIVERSITY MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(Dollars in thousands)

	For the Years Ended June 30, 2013	2012
REVENUE		
Patient service revenue (net of contractual allowances and discounts)	$ 1,318,596	$ 1,263,415
Provision for uncollectible accounts	(32,565)	(41,578)
Net patient service revenue less provision for uncollectible accounts	1,286,031	1,221,837
University services		
Tuition and educational grants	62,530	56,961
Research and other operations	100,844	107,487
Other revenue	68,485	63,623
Total revenue	1,517,890	1,449,908
EXPENSES		
Salaries, wages, and employee benefits	775,810	764,272
Supplies, utilities, and other	442,713	432,637
Insurance	28,316	28,223
Purchased services	64,367	63,908
Depreciation and amortization	112,578	88,740
Interest expense	34,155	21,912
Total expenses	1,457,939	1,399,692
OPERATING INCOME	59,951	50,216
NONOPERATING INCOME (EXPENSE)		
Investment income and other	5,529	6,461
Unrestricted contributions	6,639	6,933
Fundraising expenses	(5,792)	(6,689)
Change in fair value of interest rate swaps	4,124	(5,435)
Loss on extinguishment of debt	-	(960)
Total nonoperating income	10,500	310
EXCESS OF REVENUE OVER EXPENSES	$ 70,451	$ 50,526

(Continued)

RUSH UNIVERSITY MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
(Dollars in thousands)

	For the Years Ended June 30,	
	2013	**2012**
UNRESTRICTED NET ASSETS		
Excess of revenue over expenses	$ 70,451	$ 50,526
Recovery (funding) of impaired endowment corpus	233	(233)
Net assets released from restrictions used for purchase of property and equipment	11,856	68,626
Postretirement related changes other than net periodic postretirement cost	62,776	(43,619)
Other	847	4,156
INCREASE IN UNRESTRICTED NET ASSETS	146,163	79,456
RESTRICTED NET ASSETS		
TEMPORARILY RESTRICTED NET ASSETS:		
Pledges, contributions, and grants	32,468	44,499
Net assets released from restrictions	(45,524)	(99,555)
Net realized and unrealized gains on investments	46,815	1,768
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	33,759	(53,288)
PERMANENTLY RESTRICTED NET ASSETS:		
Pledges and contributions	5,462	9,580
Change in unrealized gains (losses) impacting endowment corpus	233	(233)
(Replenishment) recovery of impaired endowment corpus	(233)	233
Investment gains (losses) on trustee-held investments	1,035	(1,949)
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	6,497	7,631
INCREASE IN NET ASSETS	186,419	33,799
NET ASSETS — Beginning of year	1,315,424	1,281,625
NET ASSETS — End of year	$ 1,501,843	$ 1,315,424

See notes to consolidated financial statements.

(Concluded)

RUSH UNIVERSITY MEDICAL CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Years Ended June 30, 2013	2012
OPERATING ACTIVITIES:		
Increase in net assets	$ 186,419	$ 33,799
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	112,578	88,740
Postretirement-related changes other than net periodic postretirement cost	(62,776)	43,619
Provision for uncollectible accounts	32,565	41,578
Change in fair value of interest rate swaps	(4,124)	5,435
Net unrealized and realized (gains) losses on investments	(40,313)	3,081
Restricted contributions and investment income received	(20,501)	(64,806)
Investment (gains) losses on trustee-held investments	(1,035)	1,949
Loss on extinguishment of debt	-	960
Loss on disposal of equipment and other	237	4,642
Changes in operating assets and liabilities		
Accounts receivable for patient services	17,609	(107,522)
Accounts payable and accrued expenses	6,408	(1,658)
Estimated third-party settlements payable	(15,817)	17,206
Postretirement and pension benefits	(21,857)	(12,648)
Accrued liability under self-insurance program	(5,680)	19,166
Other changes in operating assets and liabilities	22,730	(2,331)
Net cash provided by operating activities	206,443	71,210
INVESTING ACTIVITIES:		
Additions to property and equipment	(66,443)	(186,355)
Purchase of investments	(1,810,532)	(696,899)
Sale of investments	1,732,443	720,258
Net cash used in investing activities	(144,532)	(162,996)
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and investment income	23,910	69,332
Proceeds from issuance of long-term debt	-	56,000
Refunding of long-term debt	-	(56,000)
Payment of bond issuance costs	-	(380)
Payment of long-term debt	(5,905)	(4,550)
Payment of obligations under capital lease and other financing arrangements	(4,143)	(3,559)
Net cash provided by financing activities	13,862	60,843
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,773	(30,943)
CASH AND CASH EQUIVALENTS — Beginning of year	96,854	127,797
CASH AND CASH EQUIVALENTS — End of year	$ 172,627	$ 96,854

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest — including capitalized interest of $232 and $13,326 for the years ended June 30, 2013 and 2012, respectively	$ 34,459	$ 35,611
Noncash additions to property and equipment	$ 687	$ 9,955

See notes to consolidated financial statements.

1. ORGANIZATION AND BASIS OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Rush University Medical Center and Subsidiaries ("Rush") Rush owns and operates an academic medical center located in Chicago, Illinois Rush is an Illinois not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code Rush's operations consist of several diverse activities with a shared mission of patient care, education, research, and community service, and include the following

Rush University Hospital (RUH) — Consists of an acute care hospital and the Johnson R Bowman Health Center for the Elderly, a rehabilitation and psychiatric facility, licensed in total for 731 beds RUH also includes a faculty practice plan, Rush University Medical Group, which employed 425 physicians as of June 30, 2013

Rush University — A health sciences university that educates students in health-related fields This includes Rush Medical College, the College of Nursing, the College of Health Sciences, and the Graduate College Rush University also includes a research operation with $134,525 and $134,096 in annual research expenditures during fiscal years 2013 and 2012, respectively

Rush Oak Park Hospital (ROPH) — A 296-licensed bed acute care, rehabilitation, and skilled nursing hospital located in Oak Park, Illinois, eight miles west of RUH, which includes an employed medical group with 41 physicians as of June 30, 2013 Rush, through a joint venture arrangement with a third party, is responsible for the operations and management of ROPH As a result, Rush controls and has an economic interest in ROPH Substantially all assets, liabilities, and net assets, as well as all revenue and expenses, of ROPH are consolidated with the financial results of Rush All significant intercompany transactions have been eliminated in consolidation

RUH and ROPH together own 50% of Rush Health, a network of providers whose members include the hospitals and approximately 818 physicians and 138 allied health providers who are on the medical staff of the member hospitals, with the other 50% owned by the physicians The financial results of Rush Health are not consolidated with the financial results of Rush and are accounted for using the equity method of accounting (see Note 18)

Rush has an affiliation with Rush-Copley Medical Center (RCMC), an acute care facility located in Aurora, Illinois, that covers governance and other organizational relationships Pursuant to the Amended and Restated Master Trust Indenture dated August 1, 2006, Rush and RCMC established an Obligated Group of which both are members Rush and RCMC are jointly and severally liable for certain debts issued through the Illinois Finance Authority (IFA) (see Note 9) Under accounting principles generally accepted in the United States of America (GAAP), as a result of these affiliations and financial interdependency, the financial accounts of RCMC should be consolidated with Rush, but have been excluded from the accompanying consolidated financial statements

If the financial statements of RCMC had been consolidated with Rush, financial information as of and for the years ended June 30, 2013 and 2012, would have been as follows

	2013	2012
Total assets	$ 3,204,583	$ 3,070,451
Total liabilities	1,468,307	1,561,867
Total net assets	$ 1,736,276	$ 1,508,584
Total revenue	$ 1,837,833	$ 1,746,660
Total expenses	1,761,550	1,677,675
Operating income	76,283	68,985
Nonoperating income (expense)	34,721	(1,547)
Excess of revenue over expenses	$ 111,004	$ 67,438
Increase in unrestricted net assets	$ 187,406	$ 96,682
Net cash provided by (used in):		
Operating activities	$ 266,803	$ 113,462
Investing activities	(215,369)	(198,260)
Financing activities	13,273	61,193
Net increase (decrease) in cash and cash equivalents	$ 64,707	$ (23,605)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Except for the matter discussed in Note 1 related to the consolidation of RCMC, the accompanying consolidated financial statements have been presented in conformity with GAAP as recommended in the audit and accounting guide for health care organizations published by the American Institute of Certified Public Accountants

Basis of Consolidation

Included in Rush's consolidated financial statements are all of its wholly owned or controlled subsidiaries All significant intercompany transactions have been eliminated in consolidation

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and investments having an original maturity of 90 days or less when purchased are considered to be cash and cash equivalents These securities are so near maturity that they present insignificant risk of changes in value

Net Patient Service Revenue, Patient Accounts Receivable, and Allowance for Doubtful Accounts

Net patient service revenue is reported at the estimated net realizable amounts from third-party payors, patients, and others for services rendered Rush has agreements with third-party payors that provide for payments at amounts different from established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, per diem payments, and discounted charges, including estimated retroactive settlements under payment agreements with third-party payors

Rush recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered Provisions for adjustments to net patient service revenue are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined For uninsured patients that do not qualify for charity care, Rush recognizes revenue based on its discounted rates On the basis of historical experience, a significant portion of Rush's uninsured patients will be unable or unwilling to pay for the services provided Thus, Rush records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided

Patient accounts receivable are based on gross charges and stated at net realizable value Accounts receivable are reduced by an allowance for contractual adjustments, based on expected payment rates from payors under current reimbursement methodologies, and also by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, Rush analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate appropriate allowance for doubtful accounts and provision for uncollectible accounts based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for contractual adjustments and the allowance for doubtful accounts The allowance for doubtful accounts presented as of June 30, 2012 included charity care allowances of $16,102

For receivables associated with services provided to patients who have third-party coverage, Rush analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts (for example, for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), Rush records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible

The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is written off against the allowance for doubtful accounts in the period they are determined uncollectible

Rush's allowance for doubtful accounts for self-pay patients increased from 79% of self-pay accounts receivable at June 30, 2012, to 82% of self-pay accounts receivable as of June 30, 2013 The increase was the result of unfavorable trends experienced in the collection of amounts from self-pay patients during fiscal year 2013 In addition, Rush's self-pay write-offs totaled $16,509 and $26,659 for fiscal years 2013 and 2012, respectively Rush does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors

Charity Care

It is an inherent part of Rush's mission to provide necessary medical care free of charge, or at a discount, to individuals without insurance or other means of paying for such care As the amounts determined to qualify for charity care are not pursued for collection, they are not reported as net patient service revenue

Inventory

Medical supplies, pharmaceuticals, and other inventories are stated at the lower of cost or market and are included in other current assets in the accompanying consolidated balance sheets

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, investments, derivative instruments, accounts receivable, accounts payable, accrued expenses, estimated third-party settlements, and debt The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and estimated third-party settlements approximated their financial statement carrying amount as of June 30, 2013 and 2012, because of their short-term maturity The fair value of the other instruments is discussed in Notes 6 and 9

Assets Limited as to Use and Investments

Assets limited as to use consist primarily of investments limited as to use by donors, unconditional promises to contribute, assets held by trustees under debt or other agreements and for self-insurance, and board designated assets set aside for a specified future use Investments in equity and debt securities with readily determinable fair values are measured at fair value using quoted market prices or model-driven valuations

Alternative investments consist of limited partnerships that invest primarily in marketable securities (hedge funds), real estate, and limited partnerships that invest in nonmarketable securities (private equity) Investments in hedge funds and private equity funds are generally not marketable and may be divested only at specified times

Investments in hedge funds are measured at fair market value based on Rush's interest in the net asset value (NAV) of the respective fund The estimated valuations of hedge fund investments are subject to uncertainty and could differ had a ready market existed for these investments Such differences could be material Investments in private equity funds entered into on or after July 1, 2012 are measured at fair market value based on the estimated fair values of the nonmarketable private equity partnerships in which it invests, which is equivalent to NAV, when Rush's ownership is minor (less than 5%) The estimated valuations of private equity partnerships are subject to uncertainty and could differ had a ready market existed for these investments Investments in private equity funds entered into during fiscal year 2012 or prior years are reported at cost, adjusted for impairment losses, based on information provided by the respective partnership when Rush's ownership percentage is minor (less than 5%) Investments in private equity funds where Rush's ownership percentage is more than minor, but consolidation is not required (5% to 50%), are accounted for on the equity basis These investments are periodically assessed for impairment The financial statements of hedge funds and private equity funds are audited annually, generally on December 31 Rush's risk in alternative investments is limited to its capital investment and any future capital commitments (see Note 5)

Investment income or loss (including interest, dividends, realized and unrealized gains and losses, and changes in cost-based valuations) is reported within excess of revenue over expenses, unless the income or loss is restricted by donor or interpretation of law Investment gains and losses on Rush's endowment are recognized within temporarily restricted net assets until appropriated for use (see Note 7) Investment gains and losses on permanently restricted assets are allocated to purposes specified by the donor either as temporarily restricted or unrestricted, as applicable Income earned on tax-exempt borrowings for specific construction projects is offset against interest expense capitalized for such projects

Unconditional Promises to Contribute

Unconditional promises to contribute (pledges receivable) are recorded at the net present value of their estimated future cash flows Estimated future cash flows due after one year are discounted using interest rates commensurate with the time value of money concept Rush maintains an estimated allowance for uncollectible pledges based upon management's assessment of historical and expected net collections considering business and economic conditions and other collection indicators Net unconditional promises to contribute are reported in assets limited as to use by donor or time restriction in the accompanying consolidated balance sheets and amounted to $34,738 and $38,695 as of June 30, 2013 and 2012, respectively (see Note 16)

Derivative Instruments

Derivative instruments, specifically interest rate swaps, are recorded in the consolidated balance sheets as either assets or liabilities at their respective fair values The change in the fair value of derivative instruments is reflected in nonoperating income (expense) in the accompanying consolidated statements of operations and changes in net assets Net cash settlements and payments, representing the realized changes in the fair value of the interest rate swaps, are included in interest expense in the accompanying consolidated statements of operations and changes in net assets and as operating cash flows in the accompanying consolidated statements of cash flows (see Note 10)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair market value at the date of receipt Expenditures that substantially increase the useful life of existing property and equipment are capitalized Routine maintenance and repairs are expensed as incurred Depreciation expense, including amortization of capital leased assets, is recognized over the estimated useful lives of the assets using the straight-line method Included in depreciation expense for the year ended June 30, 2013, is an asset charge of $9,583 related to a one-time impairment

Costs of computer software developed or obtained for internal use, including external direct costs of materials and services, payroll, and payroll-related costs for employees directly associated with internal-use software development projects, and interest costs incurred during the development period are expensed or capitalized depending on whether the costs are incurred in the preliminary project stage, development stage, or operational stage Capitalized costs of internal-use computer software are included in property and equipment in the accompanying consolidated balance sheets

Capitalized Interest

Interest expense from bond proceeds, net of interest income, incurred during the construction of major projects is capitalized during the construction period Such capitalized interest is amortized over the depreciable life of the related assets on a straight-line basis Interest expense of $232 and $13,326 was capitalized during the years ended June 30, 2013 and 2012, respectively

Asset Impairment

Rush continually evaluates the recoverability of the carrying value of long-lived assets by reviewing long-lived assets for impairment When circumstances indicate the remaining estimated useful life of long-lived assets may not be recoverable, Rush adjusts the carrying value of a long-lived asset to fair value if an estimate of the undiscounted cash flows over the remaining life are less than the carrying value of the asset During the year ended June 30, 2012, no such provision was deemed necessary During the year ended June 30, 2013, Rush recorded a one-time impairment of $9,583

Asset Retirement Obligations

Rush recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made When the liability is initially recorded, Rush capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the cost to settle an asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets

Ownership Interests in Other Health-Related Entities

Rush has a majority ownership interest in a number of subsidiaries, which provide outpatient surgical and imaging services An ownership interest of more than 50% in another health-related entity in which Rush has a controlling interest is consolidated As of June 30, 2013 and 2012, non-controlling interests in consolidated subsidiaries amounted to $5,003 and $4,156, respectively The amounts related to non-controlling interests are recorded in unrestricted net assets, and as the amounts are not material, they are not separately presented in the accompanying consolidated financial statements Rush also has affiliations with, and interests in, other organizations that are not consolidated These organizations primarily provide outpatient health care and managed care contracting services An ownership interest in another health-related entity of at least 20%, but not more than 50%, in which Rush has the ability to exercise significant influence over the operating and financial decisions of the investee, is accounted for on the equity basis (see Note 18), and the income (loss) is reflected in other revenue An ownership interest in a health-related entity of less than 20%, in which Rush does not have the ability to exercise significant influence over the operating and financial decisions of the investee, is carried at cost or estimated net realizable value, which is not material to the consolidated financial statements

Deferred Financing Costs

Debt issuance costs, net of amortization computed on the straight-line basis over the life of the related debt, are reported within other assets in the accompanying consolidated balance sheets The straight-line basis approximates the effective interest method, which is required under GAAP Unamortized debt issuance costs amounted to $8,045 and $8,428 as of June 30, 2013 and 2012, respectively

Other Long-Term Liabilities

Other long-term liabilities include asset retirement obligations, employee benefit plan liabilities for certain defined contribution and supplemental retirement plans other than defined benefit pension plans (see Note 12), liabilities for derivative instruments, and other long-term obligations

Net Assets

Resources of Rush are designated as permanent, temporary, or unrestricted Permanently restricted net assets include the original value of contributions that are required by donors to be permanently retained, including any accumulations to the permanent endowment made in accordance with the direction of the applicable gift instrument Temporarily restricted net assets include contributions and accumulated investment returns whose use is limited by donors for a specified purpose or time period or by interpretations of law Unrestricted net assets include the remaining resources of Rush that are not restricted and arise from the general operations of the organization

Contributions

Unconditional promises to contribute cash and other assets are reported at fair value at the date the promise is received Conditional gifts are reported at fair value when the conditions have been substantially met Contributions are either reported as temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as other revenue (if time restricted or restricted for operating purposes) or reported in the consolidated statements of changes in net assets as net assets released from restrictions used for purchase of property and equipment (if restricted for capital acquisitions) Donor-restricted contributions for operating purposes whose restrictions are met within the same year as received are reported as other revenue in the accompanying consolidated statements of operations and changes in net assets

Rush is the beneficiary of several split-interest agreements, primarily perpetual trusts held by others Rush recognizes its interest in these trusts based on either Rush's percentage of the fair value of the trust assets or the present value of expected future cash flows to be received from the trusts, as appropriate, based on each trust arrangement

Grants

Grants and other contracts are reflected in research and other operations revenue when the funds are expended in accordance with the specifications of the grantor or donor Indirect costs relating to certain government grants and contracts are reimbursed at a fixed rates negotiated with government agencies

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and provide for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology in ways that demonstrate improved quality, safety, and effectiveness of care Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period An initial Medicaid incentive payment is available to providers that adopt, implement or upgrade certified EHR technology Providers must demonstrate meaningful use of such technology in subsequent years in order to qualify for additional Medicaid incentive payments

Rush recognizes HITECH incentive payments as revenue when it is reasonably assured that the meaningful use objectives have been achieved Rush recognized incentive payments totaling $8,045 and $9,228 for the years ended June 30, 2013 and 2012, respectively, within other revenue in the consolidated statements of operations and changes in net assets Rush's compliance with the meaningful use criteria is subject to audit by the federal government

Excess of Revenue over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses as a performance indicator Excess of revenue over expenses includes all changes in unrestricted net assets, except for permanent transfers of assets to and from affiliates for other than goods and services, contributions of (and assets released from donor restrictions related to) long-lived assets, and other items that are required by GAAP to be reported separately (such as extraordinary items, the effect of discontinued operations, postretirement-related changes other than net periodic postretirement costs, and the cumulative effect of changes in accounting principle)

Nonoperating Income (Expense)

Nonoperating income (expense) includes items not directly associated with patient care or other activities not relating to the core operations of Rush Nonoperating income (expense) consists primarily of unrestricted investment returns on the endowment investment pool when appropriated for use, the difference between total investment return and amount allocated to operations for investments designated for self-insurance programs, investment income or loss (including interest, dividends, and realized and unrealized gains and losses) on all other investments unless restricted by donor or interpretation of law, changes in the fair value of interest rate swaps, losses on extinguishment of debt, net gains (losses) on sales, unrestricted contributions, and fundraising expenses

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued new guidance related to the measurement of fair value and required disclosures about fair value measurements The intent of the guidance is to improve comparability of fair value measurements and disclosures between financial statements prepared in accordance with GAAP and those prepared under International Financial Reporting Standards (IFRS) Specifically, the guidance expands the existing disclosure requirements for fair value measurements including separately presenting purchases, sales, issues, and settlements for investments categorized within Level 3 of the fair value hierarchy, and also includes language clarifying the FASB's intent regarding the application of existing measurement principles and requirements The clarifying language may change how certain fair value measurement guidance is applied This guidance was adopted for the year ended June 30, 2013, and did not have a material impact to the consolidated financial statements

Rush adopted FASB guidance related to the presentation and disclosure of patient service revenue, provision for uncollectible accounts, and the allowance for doubtful accounts for certain health care entities for the year ended June 30, 2012 The standard establishes accounting and disclosure requirements for health care entities that recognize significant amounts of patient service revenue at the time services are rendered even though the entity does not assess a patient's ability to pay Specifically, the guidance requires that health care entities present bad debt expense associated with net patient service revenue as an offset to net patient service revenue within the consolidated statements of operations and changes in net assets Additionally, the guidance requires enhanced disclosure of the policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts

In August 2010, the FASB issued new guidance to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care Specifically, this guidance requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care Furthermore, this amendment requires the disclosure of the method used to identify or determine the costs Rush adopted this guidance for the fiscal year ended June 30, 2012 The adoption of this guidance did not impact revenue recognition in the consolidated financial statements since Rush does not recognize revenue when charity care is provided

Also in August 2010, the FASB issued new guidance related to the accounting by health care entities for medical malpractice claims and similar liabilities and their related anticipated insurance recoveries Specifically, this amendment clarifies that a health care entity should not net insurance recoveries against a related claim liability Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries Rush adopted this guidance for the fiscal year ended June 30, 2012 The adoption of this guidance resulted in an increase in insurance recovery receivable of $7,187 with an offsetting increase in accrued liability under self-insurance programs as of June 30, 2012

Consideration of Events Subsequent to the Consolidated Balance Sheet Date

Rush has evaluated events occurring subsequent to the consolidated balance sheet date through October 28, 2013, the date the consolidated financial statements were issued

3. NET PATIENT SERVICE REVENUE

The mix of patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized during the years ended June 30, 2013 and 2012, by major payor source, was as follows

	2013		2012	
Medicare	$ 361,465	28 %	$ 336,729	27 %
Medicaid	187,097	14	187,446	15
Blue Cross	385,779	29	378,106	30
Managed care	290,443	22	281,927	22
Commercial, self-pay, and other	93,812	7	79,207	6
Total patient service revenue	$ 1,318,596	100 %	$ 1,263,415	100 %

Changes in estimates relating to prior periods increased net patient service revenue by $22,437 and $6,793 in fiscal years 2013 and 2012, respectively Laws and regulations governing government and other payment programs are complex and subject to interpretation As a result, there is a reasonable possibility that recorded estimated third-party settlements could change by a material amount

Rush has filed formal appeals relating to the settlement of certain prior-year Medicare cost reports The outcome of such appeals cannot be determined at this time Any resulting gains will be recognized in the consolidated statements of operations and changes in net assets when realized

The health care industry is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to review and interpretation, as well as regulatory actions unknown and unasserted at this time Federal government activity continues with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayment of previously billed and collected revenues from patient services Management believes that Rush is in substantial compliance with current laws and regulations

4. CHARITY CARE

Rush has an established charity care policy and maintains records to identify and monitor the level of charity care it provides Rush provides free care to all patients whose family income is 300% of the federal poverty level or less and a 68% discount to all uninsured patients (increased from 65% for the period July 1, 2011 to March 31, 2012) regardless of ability to pay, and provides further discounts for patients with a family income up to 400% of the federal poverty level Charity care includes the estimated cost of unreimbursed services provided and supplies furnished under its charity care policy and the excess of cost over reimbursement for Medicaid patients The estimated cost of charity care provided is determined using a ratio of cost to gross charges and multiplying that ratio by the gross unreimbursed charges associated with providing care to charity patients

In December 2008, the Centers for Medicare and Medicaid Services approved the Illinois Hospital Assessment Program (the "Program") to improve Medicaid reimbursement for Illinois hospitals The Program increased net patient service revenue in the form of additional Medicaid payments and increased supplies, utilities, and other expense through a tax assessment from the State of Illinois The net benefit to Rush from the Program was $15,064 and $16,565 during the years ended June 30, 2013 and 2012, respectively For the years ended June 30, 2013 and 2012, the Medicaid payment of $41,371 and $42,871 was included in net patient service revenue, representing 3% and 4%, respectively, of the net patient service revenue, and the tax assessment of $26,307 was included in supplies, utilities, and other expenses The Program is approved through December 31, 2014, however, the future of the Program is uncertain

The following table presents the level of charity care provided for the years ended June 30, 2013 and 2012

	2013	2012
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients — net of net benefit under the Program	$ 65,535	$ 57,154
Estimated costs and expenses incurred to provide charity care in the hospitals	39,012	26,615
Total	$ 104,547	$ 83,769

The total number of patients that were either provided charity care directly by Rush or that were covered by the Program represented 24% and 23% of Rush's total patients in fiscal years 2013 and 2012, respectively

Beyond the cost to provide charity care and unreimbursed services to hospital Medicaid patients, Rush also provides substantial additional benefits to the community, including educating future health care providers, supporting research into new treatments for disease, and providing subsidized medical services in response to community and health care needs, as well as other volunteer services These community services are provided free of charge or at a fee below the cost of providing them

5. ASSETS LIMITED AS TO USE AND INVESTMENTS

Assets limited as to use and investments consist primarily of marketable equity and debt securities, which are held in investment pools to satisfy the investment objectives for which the assets are held or to satisfy donor restrictions Rush also holds certain investments in alternative securities consisting of hedge funds, real estate investments, and private equity funds (see Note 2) Assets limited as to use by donor or time restriction also include unconditional promises to contribute (see Note 16)

Following is a summary of the composition of assets limited as to use and investments as of June 30, 2013 and 2012

	2013	2012
Marketable securities and short-term investment funds	$ 17,216	$ 93,978
Fixed-income securities, including commingled funds	608,667	489,936
Equity securities, including commingled funds	235,010	219,996
World asset allocation funds	105,665	44,328
Hedge fund of funds	27,970	25,416
Private equity partnerships	29,510	31,797
Real estate	3,106	3,290
	1,027,144	908,741
Beneficial interest in trusts	26,622	25,587
Total assets limited as to use and investments — excluding pledges receivable	1,053,766	934,328
Net pledges and grants receivable	37,000	38,695
Total assets limited as to use and investments	1,090,766	973,023
Less amount reported as current assets	(24,724)	(139,616)
Assets limited as to use and investments — noncurrent	$ 1,066,042	$ 833,407

The table above comprises all of Rush's investments, including those measured at fair value as well as certain alternative investments in private equity partnerships or real estate measured under the cost or equity method of accounting The fair value of private equity investments, as estimated by management of the limited partnerships based on audited financial statements and other relevant factors, was $38,774 and $37,724 as of June 30, 2013 and 2012, respectively Rush's private equity investments have diverse strategies, consisting of the following as of June 30, 2013 and 2012:

Private Equity Fund Allocations	2013	2012
Buyout and growth capital	21%	23%
Distressed debt and special situations	29	34
Diversified private equity fund of funds	29	24
Venture capital	18	16
Direct equity	2	2
Co-investment private equity	1	1
	100%	100%

Investments in private equity funds recorded on the equity basis amounted to $669 and $921 as of June 30, 2013 and 2012, respectively As many factors are considered in arriving at the estimated fair value, Rush routinely monitors and assesses methodologies and assumptions used in valuing these partnerships As of June 30, 2013 and 2012, commitments for additional contributions to private equity partnerships totaled $17,717 and $13,158, respectively

It is Rush's intent to maintain a long-term investment portfolio to support its self-insurance program Accordingly, the total return on investments restricted for the self-insurance program is reported in the consolidated statements of operations and changes in net assets in two income statement line items The investment return allocated to operations, reported in other revenue, is determined by a formula designed to provide a consistent stream of investment earnings to support the self-insurance provision reported in insurance expense in the accompanying consolidated statements of operations and changes in net assets This allocated return, 5% for the years ended June

30, 2013 and 2012, approximates the real return that Rush expects to earn on its investments over the long term and totaled $5,950 and $6,074 for the years ended June 30, 2013 and 2012, respectively The difference between the total investment return and the amount allocated to operations is reported in nonoperating income and totaled $1,070 and $810 for the years ended June 30, 2013 and 2012, respectively There is no guarantee that the investment return expected by management will be realized For the years ended June 30, 2013 and 2012, the total annual investment return was approximately 6 3% and 5 9%, respectively

The composition and presentation of investment income and the realized and unrealized gains and losses on all investments for the years ended June 30, 2013 and 2012, are as follows

	2013	2012
Interest and dividends	$ 29,955	$ 18,395
Net realized gains on sales of securities	21,735	4,055
Unrealized losses — unrestricted	(3,117)	(992)
Unrealized gains (losses) — restricted	22,699	(8,215)
	$ 71,272	$ 13,243
Reported as		
Other operating revenue	$ 17,660	$ 7,196
Nonoperating income	5,529	6,461
Restricted net assets — net realized and unrealized gains (losses) on investments	48,083	(414)
	$ 71,272	$ 13,243

Rush reported gains and losses on its alternative investments as of June 30, 2013 and 2012, as follows

	2013	2012
Reported as		
Nonoperating income	$ 66	$ 28
Restricted net assets — net realized and unrealized gains on investments	5,538	2,349
	$ 5,604	$ 2,377

6. FAIR VALUE MEASUREMENTS

As of June 30, 2013 and 2012, Rush held certain assets and liabilities that are required to be measured at fair value on a recurring basis, including marketable securities and short-term investments, certain restricted, trusteed and other investments, derivative instruments, and beneficial interests in trusts Certain alternative investments measured using either the cost or equity method of accounting are excluded from the fair value disclosure provided herein

Valuation Principles

Under FASB guidance on fair value measurements, fair value is defined as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date The valuation techniques used to measure fair value are based upon observable and unobservable inputs Observable inputs generally reflect market data from independent sources and are supported by market activity, while unobservable inputs are generally unsupported by market activity The three-level valuation hierarchy, which prioritizes the inputs used in measuring fair value of an asset or liability at the measurement date, includes

Level 1 inputs — Quoted prices (unadjusted) for identical assets or liabilities in active markets Securities typically priced using Level 1 inputs include listed equities and exchange-traded mutual funds

Level 2 inputs — Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in nonactive markets, and model-driven valuations whose inputs are observable for the asset or liability, either directly or indirectly Securities typically priced using Level 2 inputs include government bonds (including U S treasuries and agencies), corporate and municipal bonds, collateralized obligations, interest rate swaps, commercial paper and currency options, and commingled funds where NAV is corroborated with observable data

Level 3 inputs — Unobservable inputs for which there is little or no market data available and are based on the reporting entity's own judgment or estimation of the assumptions that market participants would use in pricing the asset or liability The fair values for securities typically priced using Level 3 inputs are determined using model-driven techniques, which include option-pricing models, discounted cash flow models, and similar methods The Level 3 classification primarily includes Rush's interest in hedge funds and private equity funds carried at fair value, and beneficial interests in trusts

Fair Value Measurements at the Consolidated Balance Sheet Date

The following tables present Rush's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2013 and 2012

Fair Value Measurements as of June 30, 2013	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets				
Marketable securities and short-term investments	$ 1,273	$ 15,943	$ -	$ 17,216
Fixed-income securities				
U S government and agency securities	-	221,627	-	221,627
Corporate bonds	-	102,532	-	102,532
Fixed-income mutual funds	177	182,002	-	182,179
Collateralized securities and other	71	92,935	-	93,006
U S equity securities	168,146	-	-	168,146
International equity securities	9,890	43,658		53,548
World asset allocation funds	74,204	21,478	9,983	105,665
Moderate allocation mutual funds (a)	20,409	-	-	20,409
Alternative investments				
Hedge fund of funds	-	-	27,970	27,970
Private equity partnerships	-	-	40	40
Accrued interest and other	-	2,230	-	2,230
Beneficial interest in trusts	-	-	26,622	26,622
Total assets at fair value	$ 274,170	$ 682,405	$ 64,615	$1,021,190
Liabilities				
Obligations under interest rate swap agreements	$ -	$ 10,674	$ -	$ 10,674
Total liabilities at fair value	$ -	$ 10,674	$ -	$ 10,674

(a) This class includes investments in mutual funds that allocate assets among equity and fixed-income investments, and includes $7,093 (35%) in fixed-income securities and $13,316 (65%) in equity securities as of June 30, 2013

Fair Value Measurements as of June 30, 2012	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets				
Marketable securities and short-term investments	$ 1,549	$ 92,429	$ -	$ 93,978
Fixed-income securities				
U S government and agency securities	-	169,779	-	169,779
Corporate bonds	-	49,166	-	49,166
Fixed-income mutual funds	621	101,210	-	101,831
Collateralized securities and other	78	160,059	-	160,137
U S equity securities	138,014	-	-	138,014
International equity securities	26,228	42,501	-	68,729
World asset allocation funds	21,905	16,121	6,302	44,328
Moderate allocation mutual funds (a)	20,240	-	-	20,240
Alternative investments				
Hedge fund of funds	-	-	25,416	25,416
Accrued interest and other	-	2,036	-	2,036
Beneficial interest in trusts	-	-	25,587	25,587
Total assets at fair value	$ 208,635	$ 633,301	$ 57,305	$ 899,241
Liabilities				
Obligations under interest rate swap agreements	$ -	$ 14,801	$ -	$ 14,801
Total liabilities at fair value	$ -	$ 14,801	$ -	$ 14,801

(a) This class includes investments in mutual funds that allocate assets among equity and fixed-income investments, and includes $6,987 (35%) in fixed-income securities and $13,253 (65%) in equity securities as of June 30, 2012

Valuation Techniques and Inputs for Level 2 and Level 3 Instruments

The Level 2 and Level 3 instruments listed in the preceding fair value tables use the following valuation techniques and inputs as of the valuation date

Marketable Securities and Short-term Investments – Marketable securities classified as Level 2 are invested in a short-term collective fund that serves as an investment vehicle for cash reserves Fair value was determined using the calculated NAV as of the valuation date, based on a constant price These funds are invested in high-grade and short-term money market instruments with daily liquidity

U S. Government and Agency Securities – The fair value of investments in U S government and agency securities classified as Level 2 was primarily determined using techniques consistent with the market approach, including matrix pricing Significant observable inputs to the market approach include institutional bids, trade data, broker and dealer quotes, discount rates, issuer spreads, and benchmark yield curves

Corporate Bonds and Fixed-Income Mutual Funds – The fair value of investments in corporate bonds of U S and international issuers, including mutual and commingled funds that invest primarily in such bonds, classified as Level 2 was primarily determined using techniques that are consistent with the market approach Significant observable inputs include benchmark yield curves, reported trades, observable broker or dealer quotes, issuer spreads, and security-specific characteristics Significant unobservable inputs may be used, including bid or ask/offer quotes that are uncorroborated, which results in a Level 3 classification

Collateralized Securities and Other – This class encompasses collateralized bond obligations, collateralized loan obligations, collateralized mortgage obligations, and any other asset-backed securities, including government asset-backed securities This class also includes international government securities and agencies, municipal bonds, convertible equity, real estate funds, and some commercial paper The fair value of collateralized and other obligations classified as Level 2 was determined using techniques consistent with the market and income approach, such as discounted cash flows and matrix pricing Significant observable inputs include prepayment spreads, discount rates, reported trades, benchmark yield curves, volatility measures, and quotes Significant unobservable inputs may be used, including bid or ask/offer quotes that are uncorroborated, which results in a Level 3 classification

International Equity Securities – The fair value of international equity securities classified as Level 2 was primarily determined using the calculated NAV at the valuation date under a market approach This includes investments in commingled funds that invest primarily in domestic and foreign equity securities whose underlying values are based on Level 1 inputs The NAV is often corroborated through ongoing redemption or subscription activity Certain common and preferred stocks held by Rush under this classification may not have available current market quotes and were primarily valued using techniques consistent with the market approach utilizing significant observable inputs, such as mid, bid, and ask or offer quotes

World Asset Allocation Funds – This category includes investments in fund of funds that seek to provide both capital appreciation and income by investing in both traditional and alternative asset funds The asset allocation is driven by the fund manager's long-range forecasts of asset-class real returns Investments in this category classified as Level 2 are held in a commingled fund that invests primarily in global equity and bond mutual funds The fair value of this commingled fund is based upon the calculated NAV at the valuation date under a market approach (Level 2 inputs) Investments in this category classified as Level 3, which are invested in a multistrategy hedge fund, are priced on the last business day of each calendar month The values for underlying investments are estimated based on many factors, including operating performance, balance sheet indicators, growth, and other market and business fundamentals (Level 3 inputs) The underlying investment strategies can include long-short, global macro, fixed-income and currency hedges, and other tactical opportunity-related strategies

Hedge Fund of Funds – This class includes diversified investments in hedge fund of funds with diverse strategies, including equity long/short, credit long/short, event-driven, relative value, global opportunities, and other multistrategy funds Hedge fund of funds investments are valued based on Rush's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value Rush routinely monitors and assesses methodologies and assumptions used in valuing these interests The values for underlying investments are estimated either internally or by an external fund manager based on many factors, including operating performance, balance sheet indicators, growth, and other market and business fundamentals Hedge fund investments also include certain liquidity restrictions that may require 65 to 95 days advance notice for redemptions Due to significant unobservable inputs used in estimating the NAV and liquidity restrictions, Rush classifies all hedge fund investments as Level 3

Private Equity Partnerships – Effective July 1, 2012, Rush elected to measure all new private equity partnerships entered into on or after July 1, 2012, at fair value (see Note 2) Private equity partnerships are valued based on the estimated fair values of the nonmarketable private equity partnerships in which it invests (Level 3 inputs), which is an equivalent of NAV The partnerships' privately held investments are restricted and are not actively traded and may invoke significant redemption restrictions, which vary per partnership agreement

Beneficial Interest in Trusts – The fair value of beneficial interests in perpetual and charitable trusts classified as Level 3 was determined using an income approach based on the present value of expected future cash flows to be received from the trust or based on Rush's beneficial interest in the investments held in the trust measured at fair value Since Rush is unable to liquidate the funds held and benefits only from the distributions generated off of such investments, the interest in such trusts are all shown in Level 3

Obligations Under Interest Rate Swap Agreements – The fair value of Rush's obligations under interest rate swap agreements classified as Level 2 is valued using a market approach The valuation is based on a determination of market expectations relating to the future cash flows associated with the swap contract using sophisticated modeling based on observable market-based inputs, such as interest rate curves The fair value of the obligation reported in Rush's consolidated balance sheets includes an adjustment for the Obligated Group's credit risk but may not be indicative of the value Rush would be required to pay upon early termination of the swap agreements

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, while Rush believes that its methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date

Level 3 Rollforward

A rollforward of the amounts in the consolidated balance sheets for financial instruments classified by Rush within Level 3 of the fair value hierarchy is as follows

	Hedge Fund of Funds & Private Equity Partnerships	Beneficial Interest in Trusts	Total Assets at Fair Value
Fair value — June 30, 2011	$ 32,262	$ 27,536	$ 59,798
Actual return on investments —			
Realized and unrealized losses	(538)	(1,949)	(2,487)
Purchases	453	-	453
Sales	(459)	-	(459)
Fair value — June 30, 2012	31,718	25,587	57,305
Actual return on investments —			
Realized and unrealized gains	2,983	1,035	4,018
Purchases	3,317	-	3,317
Sales	(25)	-	(25)
Fair value — June 30, 2013	$ 37,993	$ 26,622	$ 64,615

For the year ended June 30, 2013, realized and unrealized gains pertaining to Level 3 investments include $31 reported within excess of revenue over expenses and $2,952 and $1,035 reported within temporarily and permanently restricted net assets under investment losses, respectively For the year ended June 30, 2012, realized and unrealized losses pertaining to Level 3 investments include $9 reported within excess of revenue over expenses and $528 and $1,949 reported within temporarily and permanently restricted net assets under investment losses, respectively

Investments in Entities that Report Fair Value Using NAV

Included within the fair value table above are investments in certain entities that report fair value using a calculated NAV or its equivalent and are classified as Level 2 or Level 3 investments The following table summarizes the attributes relating to the nature and risk of such investments as of June 30, 2013

Entities that Report Fair Value Using NAV	Fair Value 2013 (In Thousands)	Fair Value 2012 (In Thousands)	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Short-term collective funds (marketable securities and short-term investments)	$15,943	92,429	None	Daily	None
Fixed-income mutual funds	182,002	101,210	None	Daily	1–7 days
International equity commingled funds	43,658	42,501	None	Daily/Monthly	1–10 days
World asset allocation commingled funds	31,461	22,423	None	Monthly	1–14 days
Hedge fund of funds	27,970	25,416	None	Quarterly	65–95 days
Private Equity Partnerships	40	0	$6,916	Not currently redeemable	N/A

7. ENDOWMENT FUNDS

Rush's endowment consists of more than 380 individual funds, which are established for a variety of purposes As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law

Rush has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the original value of the gift as of the gift date absent explicit donor stipulations to the contrary As a result of this interpretation, Rush classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable gift instrument at the time the accumulation is added to the fund The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence under UPMIFA In accordance with UPMIFA, Rush considers the following factors in making a determination to appropriate or accumulate donor-restricted funds

a The duration and preservation of the fund
b The purposes of the organization and the donor-restricted endowment fund
c General economic conditions

d The possible effect of inflation and deflation
e The expected total return from income and the appreciation of investments
f Other resources of the organization
g The investment policies of the organization

Endowment Investment and Spending Policies

Rush has adopted endowment investment and spending policies to preserve purchasing power over the long term and provide stable annual support to the programs supported by the endowment, including professorships, research and education, free care, student financial aid, scholarships, and fellowships Approximately 17% of Rush's endowment is available for general purposes

The Investment Committee of the Board is responsible for defining and reviewing the investment policy to determine an appropriate long-term asset allocation policy The asset allocation policy reflects the objective with allocations structured for capital growth and inflation protection over the long term The current asset allocation targets and ranges as well as the asset allocation as of June 30, 2013 and 2012, are as follows

Asset Class	Target Allocation and Range	Percentage of Endowment Assets 2013	2012
Global equity	40%(+/-5%)	40 %	41 %
World asset allocation	10%(+/-5%)	13	10
Hedge funds	5%(+/-5%)	6	6
Private equity	10%(+/-5%)	8	9
Real estate	5%(+/-5%)	5	5
Fixed income	30%(+/-5%)	28	29

To achieve its long-term rate of return objectives, Rush relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends) The expected long-term rate of return target of the endowment given its current asset allocation structure is approximately 7 5% Actual returns in any given year may vary from this amount Rush has established market-related benchmarks to evaluate the endowment fund's performance on an ongoing basis

The Finance Committee of the Board approves the annual spending policy for program support In establishing the annual spending policy, Rush's main objectives are to provide for intergenerational equity over the long term, the concept that future beneficiaries will receive the same level of support as current beneficiaries on an inflation-adjusted basis, and to maximize annual support to the programs supported by the endowment The spending rate was 4 0% for the fiscal years ended June 30, 2013 and 2012, respectively, and income from the endowment fund provided $16,386 and $16,014 of support for Rush's programs during the fiscal years ended June 30, 2013 and 2012, respectively

Composition of Endowment Fund and Reconciliation

The endowment net asset composition by type of fund as of June 30, 2013, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 228,933	$ 241,864	$ 470,797
Board-designated endowment funds	4,898	-	-	4,898
Total funds	$ 4,898	$ 228,933	$ 241,864	$ 475,695

Changes in endowment net assets for the fiscal year ended June 30, 2013, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	$ 4,427	$ 196,065	$ 235,367	$ 435,859
Investment return				
Investment (loss) income	(101)	6,772	-	6,671
Recovery of endowment impairment	-	-	(233)	(233)
Net appreciation (realized and unrealized)	447	42,101	1,268	43,816
Total investment return	346	48,873	1,035	50,254
Contributions	125	-	5,462	5,587
Transfer of unrestricted endowment appreciation	-	(16,005)	-	(16,005)
Endowment net assets — end of year	$ 4,898	$ 228,933	$ 241,864	$ 475,695

The endowment net asset composition by type of fund as of June 30, 2012, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 196,065	$ 235,367	$ 431,432
Board-designated endowment funds	4,427	-	-	4,427
Total funds	$ 4,427	$ 196,065	$ 235,367	$ 435,859

Changes in endowment net assets for the fiscal year ended June 30, 2012, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	$ 4,715	$ 207,523	$ 227,736	$ 439,974
Investment return				
Investment (loss) income	(92)	7,712	-	7,620
Funding of endowment impairment	-	-	233	233
Net depreciation (realized and unrealized)	(71)	(3,555)	(2,183)	(5,809)
Total investment return	(163)	4,157	(1,950)	2,044
Contributions	(125)	-	9,581	9,456
Transfer of unrestricted endowment appreciation	-	(15,615)	-	(15,615)
Endowment net assets — end of year	$ 4,427	$ 196,065	$ 235,367	$ 435,859

Fund Deficiencies

Rush monitors the accumulated losses on permanently restricted investments to determine whether the endowment corpus has been impaired and restores these losses through unrestricted net assets, as necessary During the year ended June 30, 2013, $233 was recovered and replenished through unrestricted net assets During the year ended June 30, 2012, funding of $233 was required to restore the endowment corpus balance

8. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2013 and 2012, consisted of the following

	2013	2012
Land and buildings	$ 1,660,506	$ 1,642,310
Equipment	436,180	454,386
Construction in progress	33,142	21,258
	2,129,828	2,117,954
Less accumulated depreciation	(918,954)	(861,050)
Property and equipment, net	$ 1,210,874	$ 1,256,904

Property and equipment, net, includes $56,882 and $59,573 in leased buildings and equipment as of June 30, 2013 and 2012, respectively Accumulated depreciation on leased property and equipment amounted to $28,436 and $26,750 as of June 30, 2013 and 2012, respectively

9. LONG-TERM DEBT AND CREDIT ARRANGEMENTS

Rush's long-term debt is issued under a Master Trust Indenture, which established an Obligated Group composed of Rush and RCMC The Obligated Group is jointly and severally liable for the obligations issued under the Master Trust Indenture Each Obligated Group member is expected to pay its allocated share of the debt issued on its behalf Total Obligated Group debt as of June 30, 2013 and 2012, was $608,465 and $614,370, respectively As of June 30, 2013 and 2012, such issuances are secured by a pledge of gross receipts and a mortgage on primary health care facilities, as defined, of the Obligated Group members

A summary of Rush’s long-term debt as of June 30, 2013 and 2012, is as follows

	Interest Rates	Final Maturity Date	Amount Outstanding at June 30, 2013	2012
Illinois Finance Authority Revenue Bonds				
Fixed-rate revenue bonds				
Series 2009C/D	6 375% to 6 625%	November 1, 2039	$ 173,800	$ 173,800
Series 2009 A/B	5 0% to 7 25%	November 1, 2038	176,265	176,265
Series 2006B	5 0% to 5 75%	November 1, 2028	66,250	67,050
Total fixed-rate debt			416,315	417,115
Variable-rate revenue bonds				
Series 2008A	Average of 0 17% and 0 13% in FY2013 and FY2012, respectively	November 1, 2045	50,000	50,000
Series 2011, Tax-Exempt Private Placement with a commercial bank	Average of 1 38% and 1 41% in FY2013 and FY2012, respectively	November 1, 2024	50,895	56,000
Total variable-rate debt			100,895	106,000
Total par value of debt			517,210	523,115
Less current portion of long-term debt			(11,320)	(5,905)
Net discount			(4,725)	(4,871)
Long-term debt			$ 501,165	$ 512,339
Estimated fair value based on quoted market prices and other relevant information (Level 2 classification)			$ 554,067	$ 579,220

The fair value of Rush’s long-term debt is estimated by an independent third party using a pricing scale based on spreads to MMD of comparable transactions that price in the market as well as secondary market trades for comparable credits Since such amounts are estimates based on limited available market information and do not acknowledge certain restrictions that may exist, the actual fair market values for these obligations may differ significantly from what is provided herein or upon settlement of the obligation

Under its various indebtedness agreements, the Obligated Group is subject to certain financial covenants, including maintaining a minimum historical debt service coverage and maximum annual debt service coverage ratios, maintaining minimum levels of days cash on hand, maintaining debt to capitalization at certain levels, limitations on selling, leasing, or otherwise disposing of Obligated Group property, and certain other nonfinancial covenants The Obligated Group was in compliance with its debt covenants as of June 30, 2013 and 2012

Annual maturities of outstanding long-term debt are as follows

Years Ending June 30	
2014	$ 11,320
2015	12,140
2016	6,320
2017	8,805
2018	9,975
Thereafter	468,650
Total	$ 517,210

Letters of Credit Arrangements

The Obligated Group's variable-rate revenue bonds are subject to remarketing provisions that require the Obligated Group to repurchase the bonds if they cannot be sold to a third party The Obligated Group enters into letters of credit with commercial banks to provide funding for such repurchases, as necessary The letter of credit related to the Series 2008A Variable Rate Demand Bonds (the "Series 2008A Bonds") expires in February 2015 Any amounts borrowed under these letters of credit are due and payable more than one year from the date of such borrowing In the absence of such agreement, the Obligated Group would be required to replace it with a similar credit arrangement, convert the related debt from variable to fixed interest rate, or fund required repurchases from available funds Draws are routinely made from the letter of credit to pay off principal and interest and are reimbursed to the commercial bank on the following business day As of June 30, 2013 and 2012, there were outstanding draws against the letter of credit related to the Series 2008A Bonds representing interest paid to the bondholders on July 1, 2013 and 2012, of $3 and $7, respectively

Recent Financing Activity

On December 16, 2011, the IFA issued $56 million of revenue-refunding bonds on behalf of the Obligated Group (the "Series 2011 bonds") The Series 2011 bonds were purchased by a commercial bank in a tax-exempt private placement, the proceeds of which were lent to Rush and used to redeem all outstanding Series 1998A bonds The Series 2011 bonds mature on November 1, 2024, and bear interest at a tax-exempt variable rate for a 10-year period, which resets monthly Rush is party to an additional covenants agreement with the commercial bank relating to the Series 2011 bonds This agreement requires various reporting, operating, and financial covenants to be maintained During the year ended June 30, 2012, Rush recognized a loss on debt extinguishment of $960 related to the Series 1998A bond redemption

Lines of Credit Arrangements

The Obligated Group also had a $100 million short-term line of credit with a bank as of June 30, 2013 and 2012, which matures on December 31, 2015 Any borrowings on this short-term line of credit are due and payable in 180 days As of June 30, 2013 and 2012, the Obligated Group had no amounts outstanding on this line of credit

10. DERIVATIVES

Derivatives Policy

The Obligated Group uses derivative instruments, specifically interest rate swaps, to manage its exposure to changes in interest rates on variable rate borrowings The use of derivative instruments exposes the Obligated Group to additional risks related to the derivative instrument, including market, credit, and termination, as described below, and the Obligated Group has defined risk management practices to mitigate these risks

Market risk represents the potential adverse effect on the fair value and cash flow of a derivative instrument due to changes in interest rates or rate spreads Market risk is managed through ongoing monitoring of interest rate exposure based on set parameters regarding the type and degree of market risk that the Obligated Group will accept Credit risk is the risk that the counterparty on a derivative instrument may be unable to perform its obligations during the term of the contract When the fair value of a derivative contract is positive (an asset to the Obligated Group), the counterparty owes the Obligated Group, which creates credit risk Credit risk is managed by setting stringent requirements for qualified counterparties at the date of execution of a derivative transaction and requiring counterparties to post collateral in the event of a credit rating downgrade or if the fair value of the derivative contract exceeds a negotiated threshold Termination risk represents the risk that the Obligated Group may be required to make a significant payment to the counterparty if the derivative contract is terminated early Termination risk is assessed at onset by performing a statistical analysis of the potential for a significant termination payment under various scenarios designed to encompass expected interest rate changes over the life of the proposed contract The test measures the ability to make a termination payment without a significant impairment to the Obligated Group's ability to meet its debt or liquidity covenants

Board approval is required to enter or modify any derivatives transaction Management periodically reviews existing derivative positions as its risk tolerance and cost of capital changes over time

Interest Rate Swap Agreements

The Obligated Group has two interest rate swap agreements (the "Swap Agreements"), which were designed to synthetically fix the interest payments on its Series 2006A Bonds Under the Swap Agreements, the Obligated Group makes fixed-rate payments equal to 3 945% to the swap counterparties and receives variable-rate payments equal to 68% of London InterBank Offered Rate (0 195% and 0 246% as of June 30, 2013 and 2012, respectively) from the swap counterparties, each calculated on the notional amount of the Swap Agreements As of June 30, 2013 and 2012, the Swap Agreements had a notional amount of $95,950 and $96,750, respectively ($47,975 and $48,375 in notional amount, respectively, with each counterparty), of which $66,250 and $67,050, respectively, is attributable to Rush Following the refinancing of the Series 2006A Bonds, the Obligated Group used $50,000 in notional amount of the Swap Agreements to synthetically fix the interest on the Series 2008A Bonds The Swap Agreements each expire on November 1, 2035, and amortize annually commencing in November 2012 The Swap Agreements are secured by obligations issued under the Master Trust Indenture

The Swap Agreements also require either party to post collateral in the form of cash and certain cash equivalents to secure potential termination payments The amount of collateral that is required to be posted is based on the relevant party's long-term credit rating Based on its current rating, the Obligated Group is required to post collateral with the Swap Counterparties in the event that the market value of the Swap Agreements exceeds $(25,000) or $(12,500) for each Swap Agreement As of June 30, 2013, the Obligated Group had no collateral posted under Swap Agreements As of June 30, 2012, the Obligated Group had $3,570 in collateral posted under Swap Agreements, of which $2,058 was attributable to Rush

The fair value of Rush's share of the Swap Agreements was as follows as of June 30, 2013 and 2012

		June 30	
	Reported As	**2013**	**2012**
Obligations under Swap Agreements	Other long-term liabilities	$ (10,674)	$ (14,801)
Collateral posted under Swap Agreements	Other current assets	-	2,058
Obligations under Swap Agreements, net		$ (10,674)	$ (12,743)

The fair value of the Swap Agreements reported in Rush's consolidated balance sheets as of June 30, 2013 and 2012, includes an adjustment for the Obligated Group's credit risk and may not be indicative of the termination value that

Rush would be required to pay upon early termination of the Swap Agreements The fair value of the Swap Agreements for the Obligated Group amounted to $17,808 and $25,261 as of June 30, 2013 and 2012, respectively

Management has not designated the Swap Agreements as hedging instruments Amounts recorded in the accompanying consolidated statements of operations and changes in net assets for the Swap Agreements allocated to Rush for the fiscal years ended June 30, 2013 and 2012, were as follows

		June 30	
	Reported As	**2013**	**2012**
Change in fair value of interest rate swaps	Nonoperating income (expense)	$ 4,124	$ (5,435)
Net cash payments on interest rate swaps	Interest expense	(2,475)	(2,533)

11. OBLIGATIONS UNDER CAPITAL LEASE AND DEFERRED FINANCING ARRANGEMENTS

Rush is party to certain capital lease and long-term financing arrangements relating to medical and office equipment and buildings Expiration of leases ranges from 2013 to 2026 Annual interest expense under these lease agreements was $3,225 and $3,082 for the years ended June 30, 2013 and 2012, respectively Assets acquired under capital lease arrangements are included in property and equipment, net in the accompanying consolidated balance sheets

Future minimum lease payments under noncancelable capital leases and other financing arrangements are as follows

Years Ending June 30	
2014	$ 6,873
2015	6,700
2016	6,679
2017	7,921
2018	5,005
Thereafter	21,410
Total minimum payments	54,588
Less amount representing interest	(14,504)
Net present value of obligations under capital lease and other financing arrangements	40,084
Less current portions included in accounts payable	(3,834)
Long-term portion of obligations under capital lease and other financing arrangements	$ 36,250

12. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Rush maintains a defined benefit pension plan, defined contribution plans, and other postretirement benefit plans that together cover substantially all of Rush's employees

Prior to January 1, 2012, Rush had two defined benefit pension plans, the Retirement Plan and the Pension Plan (collectively, the "Defined Benefit Pension Plans"), covering substantially all of its employees Benefits are based on the years of service and the employee's final average earnings, as defined Plan assets and obligations are measured as of June 30 (the "Measurement Date") each year

Effective as of the close of business on December 31, 2011, the Pension Plan, representing certain union employees, was amended to freeze benefit accruals for all participants No additional benefits will accrue, and no additional individuals will become plan participants in the Pension Plan as of January 1, 2012 Also, effective December 31, 2011, the Pension Plan was merged into the Retirement Plan with all accrued benefits of the Pension Plan participants preserved as part of the merger Effective January 1, 2012, the Retirement Plan was amended to include eligible union members previously covered by the Pension Plan

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

Obligations and Funded Status

The table below sets forth the accumulated benefit obligation, the change in the projected benefit obligation, and the change in the plan assets of the Defined Benefit Pension Plan(s) and Postretirement Healthcare Plans (collectively, the "Plans") The table also reflects the funded status of the Plans as of the Measurement Date and amounts recognized in Rush's consolidated balance sheets as of June 30, 2013 and 2012

Obligations and Funded Status	Defined Benefit Pension Plan(s)		Postretirement Healthcare Plans	
	2013	2012	2013	2012
Actuarial present value of benefit obligations — accumulated benefit obligation	$878,769	$932,358	$ 8,003	$ 9,350
Change in projected benefit obligations:				
Projected benefit obligation — beginning of measurement period	$933,774	$797,320		
Service costs	16,386	18,825		
Interest costs	42,112	42,980		
Plan settlements	(370)	-		
Actuarial (gains) losses	(53,433)	106,648		
Benefits paid	(55,158)	(31,999)		
Projected benefit obligation — end of measurement period	$883,311	$933,774		
Change in plan assets:				
Fair value of plan assets — beginning of measurement period	$772,343	$666,327	$ -	$ -
Actual return on plan assets	42,640	101,037	-	-
Employer contributions	45,870	36,978	361	442
Plan participant contributions	-	-	581	575
Plan settlements	(370)	-	-	-
Benefits paid	(55,158)	(31,999)	(942)	(1,017)
Fair value of plan assets — end of measurement period	$805,325	$772,343	$ -	$ -
Accrued benefit liability	$ 77,986	$161,431	$ 8,003	$ 9,350

The actuarial cost method used to compute the Defined Benefit Pension Plan(s) liabilities and expenses is the projected unit credit method

The components of net periodic pension cost for the Plans were as follows

Components of Net Periodic Pension Cost Year Ended June 30	Defined Benefit Pension Plans 2013	Defined Benefit Pension Plans 2012	Postretirement Healthcare Plans 2013	Postretirement Healthcare Plans 2012
Net periodic pension cost comprised the following				
Service cost	$ 16,386	$ 18,825	$ 172	$ 168
Interest cost on projected benefit obligation	42,112	42,980	409	458
Expected return on plan assets	(54,749)	(51,282)	-	-
Amortization of prior service cost and other actuarial amounts	(2,074)	(2,265)	(294)	(294)
Recognized actuarial loss (gain)	22,385	16,994	(173)	(724)
Recognized settlement loss	41	-	-	-
Net periodic pension cost (credit)	$ 24,101	$ 25,252	$ 114	$ (392)

In accordance with FASB guidance regarding accounting for defined benefit pension and other postretirement plans, all previously unrecognized actuarial losses and prior-service costs are reflected in the consolidated balance sheets The postretirement-related charges other than net periodic benefit cost related to the pension and Postretirement Healthcare Plans are included as a separate increase (decrease) to unrestricted net assets and total $62,776 and $(43,619) for fiscal years 2013 and 2012, respectively For fiscal year 2013, this amount includes actuarial gains arising during fiscal year 2013 of $42,891 and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2013 of $19,885 For fiscal year 2012, this amount includes actuarial losses arising during fiscal year 2012 of $(57,330) and a reclassification adjustment for losses reflected in periodic expense in fiscal year 2012 of $13,711

The table below sets forth the change in the accrued benefit liability of the Plans

Accrued Benefit Liability	Defined Benefit Pension Plans 2013	Defined Benefit Pension Plans 2012	Postretirement Healthcare Plans 2013	Postretirement Healthcare Plans 2012
Accrued benefit liability — beginning of year	$161,431	$130,992	$ 9,351	$ 8,730
Fiscal year activity				
Net periodic pension cost	24,101	25,252	114	(392)
Employer contributions	(45,870)	(36,978)	(361)	(442)
Postretirement-related changes other than net periodic postretirement cost				
Actuarial (gains) losses	(41,324)	56,894	(1,568)	436
Reclassification adjustment for losses reflected in periodic expense	(20,352)	(14,729)	467	1,018
Accrued benefit liability — end of year	$ 77,986	$161,431	$ 8,003	$ 9,350
Recognized in the consolidated balance sheets as follows				
Accrued expenses	$ -	$ -	$ 747	$ 906
Noncurrent liabilities	77,986	161,431	7,256	8,444
	$ 77,986	$161,431	$ 8,003	$ 9,350

In accordance with FASB ASC Topic 715 *Compensation—Retirement Benefits*, all previously unrecognized actuarial losses are reflected in the consolidated balance sheets The pension plan and postretirement benefit plan items not yet recognized as a component of periodic pension and postretirement medical plan expense, but included within unrestricted net assets, as of and for the years ended June 30, 2013 and 2012, are as follows:

	Defined Benefit Pension Plans		Postretirement Healthcare Plans	
	2013	2012	2013	2012
Unrecognized prior service credit	$ 10,487	$ 12,561	$ 719	$ 1,013
Unrecognized net actuarial (loss) gain	(203,788)	(267,536)	1,441	46
Total	$(193,301)	$(254,975)	$ 2,160	$ 1,059

An estimated $2,051 in prior service credit and ($16,855) in net actuarial loss will be included as components of periodic pension expense in fiscal year 2014 An estimated $287 in prior service credit and $542 in net actuarial gain will be included as components of periodic postretirement expense in fiscal year 2014

Assumptions

The actuarial assumptions used to determine benefit obligations at the measurement date and net periodic benefit cost for the Plans are as follows

Assumptions Used to Determine Benefit Obligations and Net Periodic Benefit Cost	Defined Benefit Pension Plans		Postretirement Healthcare Plans	
	2013	2012	2013	2012
Discount rate — benefit obligation	5 20 %	4 60 %	5 20	4 60 %
Discount rate — pension expense	4 60	5 50	4 60	5 50
Rate of increase in compensation levels	5 35	5 38	-	-
Expected long-term rate of return on plan assets	7 00	7 50	-	-
Health care cost trend rate (initial)	-	-	7 70	7 80

* Represents rate of increase in compensation levels on the Retirement Plan and Pension Plan, respectively

The discount rate used is based on a spot interest rate yield curve based on a broad group of corporate bonds rated AA or better as of the Measurement Date Rush uses this yield curve and the estimated payouts of the Plans to develop an aggregate discount rate The estimated payouts are the sum of the payouts under the Defined Benefit Pension Plan(s) and the Postretirement Healthcare Plans For fiscal years 2013 and 2012, the discount rate was estimated under a bond model approach, which is based on a hypothetical bond portfolio whose cash flow from coupons and maturities match the year-by-year Plans' cash flows using bonds rated AA or better

For the years ended June 30, 2013 and 2012, the actual rate of return on plan assets was 5 8% and 15 7%, respectively

Plan Assets

Rush's investment objective for its Defined Benefit Pension Plans is to achieve a total return on plan assets that meets or exceeds the return on the plan's liability over a full market cycle with consideration of the plan's current funded status Investment risk is effectively managed through diversification of assets for a mix of capital growth and capital protection across various investment styles The asset allocation policy reflects this objective with allocations to return generating assets (e g , equity and alternative investments, consisting of hedge funds and limited partnerships) and interest rate hedging assets (e g , fixed-income securities)

All of the plan's assets are measured at fair value, including alternative investments Fair value methodologies used to assign plan assets to levels of FASB's valuation hierarchy are consistent with the inputs described in Note 6 Fair value methodologies used to value interests in private equity limited partnerships that hold restricted securities and are not publicly traded are based on Rush's ownership interest in the NAV of the respective fund as estimated by the general partner, which approximates fair value Rush routinely monitors and assesses methodologies and assumptions used in valuing these interests Due to significant unobservable inputs used in estimating the NAV of private equity limited partnerships, Rush classifies all such investments as Level 3

The fair value of the Defined Benefit Pension Plan assets as of June 30, 2013 and 2012, are as follows

	Level 1	Level 2	Level 3	Total Fair Value
Fair Value Measurements as of June 30, 2013				
Cash, cash equivalents, and short-term investments	$ 17,450	$ 13,349	$ -	$ 30,799
Fixed-income securities				
U S government securities and agencies	-	149,563	-	149,563
International government securities	-	12,662	-	12,662
Corporate bonds	-	240,768	-	240,768
Collateralized securities and other	-	42,433	-	42,433
U S equity securities	134,623	-	-	134,623
International equity securities	-	54,879	-	54,879
World asset allocation funds	64,592	30,617	14,187	109,396
Alternative investments				
Private equity partnerships {a}	-	-	24,868	24,868
Accrued interest and other	-	5,724	(390)	5,334
Total plan assets	$ 216,665	$ 549,995	$ 38,665	$ 805,325
Fair Value Measurements as of June 30, 2012				
Cash, cash equivalents, and short-term investments	$ 2,275	$ 19,624	$ -	$ 21,899
Fixed-income securities				
U S government securities and agencies	-	129,167	-	129,167
International government securities	-	16,941	-	16,941
Corporate bonds	-	258,943	-	258,943
Collateralized securities and other	-	48,181	-	48,181
U S equity securities	133,951	-	-	133,951
International equity securities	-	53,287	-	53,287
World asset allocation funds	39,333	28,651	11,202	79,186
Alternative investments				
Private equity partnerships {a}	-	-	25,418	25,418
Accrued interest and other	1,125	4,178	67	5,370
Total plan assets	$ 176,684	$ 558,972	$ 36,687	$ 772,343

{a} This class includes investments in funds with diverse strategies, including approximately 20% in buyout and growth capital, 38% in diversified fund of funds, 15% in distressed debt and special situations, 24% in venture capital, and 3% in co-investment private equity funds

A rollforward of the amounts in the Plans for financial instruments classified by Rush within Level 3 of the fair value hierarchy is as follows

Rollforward of Level 3 Investments	Corporate Bonds, Accrued Interest, and Other	Hedge Fund of Funds	Private Equity Partnerships	Total Assets at Fair Value
Fair value at June 30, 2011	$ 1,879	$ 35,553	$ 22,795	$ 60,227
Actual return on plan assets				
Realized and unrealized gains (losses)	27	(6,359)	1,452	(4,880)
Purchases	69	3,971	3,520	7,560
Sales	(40)	(13,533)	-	(13,573)
Settlements	-	(8,430)	(2,349)	(10,779)
Transfers out of Level 3	(1,868)	-	-	(1,868)
Fair value at June 30, 2012	$ 67	$ 11,202	$ 25,418	$ 36,687
Actual return on plan assets				
Realized and unrealized (losses) gains	(18)	2,242	1,891	4,115
Purchases	11	743	2,150	2,904
Sales	(450)	-	(4,591)	(5,041)
Settlements	-	-	-	-
Transfers out of Level 3	-	-	-	-
Fair value at June 30, 2013	$ (390)	$ 14,187	$ 24,868	$ 38,665

Cash Flows

Rush expects to make estimated contributions to and benefit payments from its Defined Benefit Pension Plans and Postretirement Healthcare Plans for the years ending June 30 as follows

	Defined Benefit Pension Plans	Postretirement Healthcare Plans
Expected contributions in 2014	$ 31,165	$ 745
Estimated Benefit Payments		
2014	$ 70,987	$ 746
2015	45,079	765
2016	49,347	776
2017	52,048	758
2018	55,410	775
2019 through 2023	322,878	3,324
Total	$ 595,749	$ 7,144

Other Postretirement Benefit Plans

Rush maintains a voluntary tax-deferred retirement savings plan Under this plan, employees may elect to contribute a percentage of their salary, which may be matched in accordance with the provisions of the plan Other provisions of the plan may provide for employer contributions to the plan based on eligible earnings regardless of whether the employee elects to contribute to the plan Maximum annual contributions are limited by federal regulations Employer contributions to this plan were $10,543 and $10,439 in the years ended June 30, 2013 and 2012, respectively

Rush sponsors a noncontributory defined contribution plan covering selected employees ("457(b) Plan") Contributions to the 457(b) Plan are based on a percentage of qualifying compensation up to certain limits as defined by the provisions of the 457(b) Plan The 457(b) Plan assets and liabilities totaled $12,627 and $10,497 as of June 30, 2013 and 2012, respectively, and are included in investments – less current portion and other long-term liabilities in the accompanying consolidated balance sheets The assets of the 457(b) Plan are subject to the claims of the general creditors of Rush

Rush also sponsors a supplemental retirement plan for certain management employees ("Supplemental Plan") The Supplemental Plan is noncontributory and annual benefits are credited to each participant's account based on a percentage of qualifying compensation as defined by the provisions of the plan Assets set aside to fund the Supplemental Plan amounted to $7,782 and $9,743 as of June 30, 2013 and 2012, respectively, and are included in investments – less current portion in the accompanying consolidated balance sheets This supplemental retirement plan is currently funded at 100% of benefits accrued

Rush also maintains a frozen nonqualified supplemental defined benefit retirement plan for certain management employees, which is unfunded Benefits under the supplemental defined benefit plan, which were curtailed as of December 31, 2004, are paid when incurred from operating funds

It is Rush's policy to meet the requirement of the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006

13. CONCENTRATION OF CREDIT RISK

Rush grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net patient accounts receivable from patients and third-party payors as of June 30, 2013 and 2012, was as follows

	2013	2012
Medicare	13 %	10 %
Medicaid	14	31
Managed care	59	49
Commercial	2	2
Self-pay	12	8
Total	100 %	100 %

Products sponsored by Blue Cross Blue Shield of Illinois, the largest health insurer in the market, accounted for 31% of managed care net patient accounts receivable and 19% of net patient accounts receivable of Rush for the fiscal year ended June 30, 2013

During fiscal year 2012 and the first half of fiscal year 2013, Rush and other Illinois hospitals experienced a significant delay in payment by the state of Illinois for amounts due under Medicaid and other state-funded programs, which has improved during the second half of fiscal year 2013 Rush experienced a substantial increase in Medicaid net patient accounts receivable from June 30, 2011 to June 30, 2012, which has improved by June 30, 2013 Collections of non-Medicaid receivables have been strong to offset any continuing payment delays on Medicaid receivables

14. COMMITMENTS AND CONTINGENCIES

Professional Liability

Rush maintains insurance programs, including both self-insured and purchased insurance arrangements, for certain professional liability claims Self-insured risks are retained in varying amounts according to policy year and entity For the years ended June 30, 2013 and 2012, Rush retained self-insured risk of $20 million on the first case, $15 million on the second case, and $10 million on any additional cases Rush also maintains excess liability insurance coverage with combined limits of $80 million per occurrence and in the aggregate Rush has an established irrevocable trust fund to pay claims and related costs

Rush has employed an independent actuary to estimate the ultimate costs of claim settlements Self-insured liabilities are based on the actuarial estimate of losses using Rush's actual payout patterns and various other assumptions Rush's self-insured liabilities of $186,933 and $192,613 as of June 30, 2013 and 2012, respectively, are recorded as noncurrent and current liabilities in the accompanying consolidated balance sheets, as appropriate, and based on the estimated present value of self-insured claims that will be settled in the future If the present value method was not used, Rush's liability for self-insured claims would be approximately $29,089 and $27,112 higher than the amounts recorded in the consolidated balance sheets as of June 30, 2013 and 2012, respectively The discount rates used in calculating the present value was 4% for fiscal years ended June 30, 2013 and 2012 As of June 30, 2013 and 2012, insurance recoveries are presented separately within noncurrent and current assets in the accompanying consolidated balance sheets, as appropriate

During fiscal years 2013 and 2012, actual experience on Rush's self-insurance claims was as projected

Rush is subject to various other regulatory investigations, legal proceedings, and claims that are incidental to its normal business activities In the opinion of management, the amount of ultimate liability with respect to professional liability matters and other actions will not have a material adverse effect on the consolidated financial position or results of operations of Rush

Obligations under Operating Leases

Rush is party to various noncancelable operating leases with third parties Rental expense was approximately $13,780 and $11,409 for the years ended June 30, 2013 and 2012, respectively, and was included in supplies, utilities, and other expenses in the accompanying consolidated statements of operations and changes in net assets Total minimum payments under noncancelable operating leases as of June 30, 2013, are as follows

Years Ending June 30	
2014	$ 7,341
2015	4,928
2016	4,532
2017	4,287
2018	3,274
Thereafter	14,788
Total	$ 39,150

15. CAMPUS TRANSFORMATION COMMITMENTS

In fiscal year 2004, Rush began a Campus Transformation project that included the addition of new facilities, including a new hospital, and the renovation of existing facilities The project is driven by a redesign of patient care processes to improve efficiency and patient safety and to provide a more inviting environment to physicians, patients, and visitors The project is estimated to cost approximately $1 1 billion over a 13-year period (fiscal year 2004 to fiscal year 2016) As of June 30, 2013, $1 0 billion has been spent on the campus redevelopment plan, and construction commitments outstanding were $18 8 million

16. PROMISES TO CONTRIBUTE

Included in assets limited by donor or time restriction are the following unconditional promises to contribute as of June 30, 2013 and 2012

	2013	2012
Capital campaign	$ 36,791	$ 39,956
Restricted to future periods	162	1,887
Unconditional promises to contribute before unamortized discount and allowance for uncollectibles	36,953	41,843
Less unamortized discount	(1,506)	(1,878)
Less allowance for uncollectibles	(709)	(1,270)
Net unconditional promises to contribute	$ 34,738	$ 38,695
Amounts due in:		
Less than one year	$ 12,321	$ 13,677
One to five years	18,732	22,266
More than five years	5,900	5,900
Total unconditional promises to contribute	$ 36,953	$ 41,843

In addition, Rush has received conditional promises to contribute that are not recognized as assets in the consolidated balance sheets as of June 30, 2013 and 2012 The total is not considered material to the consolidated financial statements

17. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets were available for the following purposes as of June 30, 2013 and 2012

	2013	2012
Temporarily Restricted Net Assets		
Construction and purchase of equipment	$ 9,826	$ 11,516
Health education	9,506	9,367
Research, charity, and other	256,736	226,749
Unappropriated endowment appreciation available for operations	47,651	42,328
Total temporarily restricted net assets	$ 323,719	$ 289,960
Permanently Restricted Net Assets, income from which is expendable to support		
Health education	$ 150,312	$ 148,614
Research, charity, and other	60,481	55,855
Operations	31,071	30,898
Total permanently restricted net assets	$ 241,864	$ 235,367

During fiscal years 2013 and 2012, net assets were released from donor restrictions for purchasing property and equipment of $11,856 and $68,626, respectively, and incurring expenses of $33,668 and $30,929, respectively, both of which satisfied the restricted purposes of the donors Net assets released from restriction used in operations are included in other revenue in the accompanying consolidated statements of operations and changes in net assets

18. JOINT VENTURES AND OTHER AFFILIATIONS

Investments in unconsolidated joint ventures, accounted for on the equity method, totaled $3,838 and $2,357 as of June 30, 2013 and 2012, respectively, and are included in other assets in the accompanying consolidated balance sheets Gain/(loss) recognized from these joint ventures, reported in other revenue, was $1,481 and $(324) during the years ended June 30, 2013 and 2012, respectively

19. FUNCTIONAL EXPENSES

Expenses related to the patient care, education, and research services provided by Rush for the years ended June 30, 2013 and 2012, were as follows

	2013	2012
Health care	$ 1,172,748	$ 1,124,153
University services, including research	195,159	191,822
General and administrative	63,726	57,411
Illinois Medicaid hospital assessment	26,306	26,306
Total	$ 1,457,939	$ 1,399,692

20. FICA TAX REFUND SETTLEMENT

Rush has historically paid FICA tax on medical residents as if they were employees In March 2010, the Internal Revenue Service (IRS) made an administrative determination that teaching hospitals and medical residents are exempt from paying FICA taxes under the student exception for time spent in a residency program between 1994 and April 1, 2005, when new IRS regulations imposing a specific FICA requirement for medical residents were put into place Teaching hospitals and residents are eligible for a refund of FICA taxes paid, plus interest As of June 30, 2010, Rush recorded a FICA tax receivable of $19,690, representing the recovered cost of FICA taxes previously paid and expensed, which was reported in other assets in the accompanying consolidated balance sheets as of June 30, 2012 During the year ended June 30, 2013, Rush received $62,901 from the IRS representing a refund of FICA taxes previously paid of $19,986, $10,571 in settlement interest and $32,344 for the resident portion to be distributed to the residents Rush recognized the interest component of the FICA refund of $10,571 as a reduction in salaries, wages, and benefit expense The resident portion was paid out to the residents during the year and is not included in the accompanying consolidated balance sheet as of June 30, 2013

21. SUBSEQUENT EVENTS

Rush recently became the sole corporate member of ROPH pursuant to a change in membership interest Historically, corporate sponsorship of ROPH had been shared by Rush and by an affiliate of the Wheaton Franciscans, which is a Roman Catholic organization of vowed women Due to this shared corporate sponsorship, ROPH had been operating as a Catholic hospital This change in membership, under which ROPH will operate as a secular hospital, received the approval of the Illinois Health Facilities and Services Review Board and related corporate approvals, and was finalized on October 25, 2013, upon receiving approval from the Vatican, which is required under Canon law

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