

# **Children's Hospital of Chicago Medical Center and Affiliated Corporations**

**Report on Federal Awards in Accordance  
with the Uniform Guidance**

**August 31, 2021**

**EIN: 36-2170833**

**Children’s Hospital of Chicago Medical Center and  
 Affiliated Corporations  
 Index  
 August 31, 2021 and 2020**

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## **Part I - Financial**



## **Report of Independent Auditors**

To the Board of Directors of Children's Hospital of  
Chicago Medical Center and Affiliated Corporations

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Children's Hospital of Chicago Medical Center and Affiliated Corporations (the "Medical Center"), which comprise the consolidated balance sheets as of August 31, 2021 and 2020, and the related consolidated statements of operation and change in net assets and of cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 our 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, we consider internal control relevant to the Medical Center'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 the Medical Center'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 audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Children's Hospital of Chicago Medical Center and Affiliated Corporations as of August 31, 2021 and 2020, and the results of their operations and change in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 3 to the consolidated financial statements, the Medical Center changed the manner in which it accounts for leases in 2021. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and Illinois Grant Accountability and Transparency Consolidated Year End Financial Report for the year ended August 31, 2021 are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Illinois Department of Human Services, respectively, and are not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and Illinois Grant Accountability and Transparency Consolidated Year End Financial Report are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

In addition, the consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and



reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022, except with respect to opinion on the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report, as to which the date is April 29, 2022, on our consideration of the Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Medical Center's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

Chicago, Illinois

January 21, 2022, except with respect to the opinion on the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report, as to which the date is April 29, 2022

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations  
Consolidated Balance Sheets  
August 31, 2021 and 2020**

	2021	2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 58,931,786	\$ 28,299,259
Current portion of self-insurance trust	14,000,000	5,517,000
Patient accounts receivable, net	221,266,917	233,649,273
Other current assets	<u>93,338,681</u>	<u>89,092,129</u>
Total current assets	<u>387,537,384</u>	<u>356,557,661</u>
Investments	<u>1,820,944,823</u>	<u>1,491,471,433</u>
Property and equipment, at cost		
Land	39,588,666	35,242,506
Buildings and improvements	1,251,029,460	1,228,119,009
Equipment	486,014,496	463,317,980
Construction in progress	<u>25,747,886</u>	<u>21,361,044</u>
Total property and equipment, at cost	1,802,380,508	1,748,040,539
Less: Accumulated depreciation	<u>767,658,037</u>	<u>677,872,494</u>
Property and equipment, net	<u>1,034,722,471</u>	<u>1,070,168,045</u>
Operating lease right-of-use assets	<u>112,914,422</u>	<u>-</u>
Other assets		
Pledges receivable restricted by donors, net	58,778,582	67,698,845
Other	<u>13,069,667</u>	<u>24,071,234</u>
Total other assets	<u>71,848,249</u>	<u>91,770,079</u>
Total assets	<u>\$ 3,427,967,349</u>	<u>\$ 3,009,967,218</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 208,462,254	\$ 199,102,104
Current portion of self-insurance liability	14,000,000	5,517,000
Due to third-party payors	32,898,502	31,473,696
Current portion of operating lease liabilities	13,745,052	-
Current portion of long-term debt	<u>5,920,000</u>	<u>5,640,000</u>
Total current liabilities	<u>275,025,808</u>	<u>241,732,800</u>
Other liabilities		
Self-insurance liability	142,873,480	126,649,022
Other noncurrent liabilities	<u>22,017,865</u>	<u>62,584,666</u>
Total other liabilities	<u>164,891,345</u>	<u>189,233,688</u>
Long-term operating lease liabilities	125,252,868	-
Long-term debt	<u>342,948,854</u>	<u>349,609,925</u>
Total liabilities	<u>908,118,875</u>	<u>780,576,413</u>
Net assets		
Net assets without donor restrictions	1,990,945,512	1,727,317,238
Net assets with donor restrictions	<u>528,902,962</u>	<u>502,073,567</u>
Total net assets	<u>2,519,848,474</u>	<u>2,229,390,805</u>
Total liabilities and net assets	<u>\$ 3,427,967,349</u>	<u>\$ 3,009,967,218</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Operation and Change in Net Assets**  
**Years Ended August 31, 2021 and 2020**

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	2021	2020
<b>Operating revenue</b>		
Net patient service revenue	\$ 1,141,149,793	\$ 1,090,283,004
Net assets released from restriction		
Contributions and philanthropy used for program purposes	59,121,560	50,321,832
Grants and other restricted income used for program purposes	64,672,484	60,724,474
Board-designated endowment income	10,547,994	10,231,046
Other operating revenue	<u>91,392,255</u>	<u>117,925,866</u>
Total operating revenue	<u>1,366,884,086</u>	<u>1,329,486,222</u>
<b>Operating expenses</b>		
Salaries, wages, and employee benefits	801,541,202	795,973,897
Supplies and services	452,573,024	426,984,837
Depreciation	<u>91,656,138</u>	<u>88,226,042</u>
Total operating expenses	<u>1,345,770,364</u>	<u>1,311,184,776</u>
Income from operations before interest and amortization	21,113,722	18,301,446
Interest and amortization of financing costs	<u>16,601,215</u>	<u>16,638,682</u>
Income from operations	<u>4,512,507</u>	<u>1,662,764</u>
<b>Nonoperating income (expense)</b>		
Investment return gains	240,676,864	74,932,332
Unrestricted contributions and bequests	20,676,455	18,146,002
Fundraising expense	(18,328,955)	(19,498,176)
Loss on disposal of fixed assets	(91,078)	(81,694)
Other	<u>3,329,750</u>	<u>(4,442,808)</u>
Total nonoperating income/(expense)	<u>246,263,036</u>	<u>69,055,656</u>
Excess of revenue over expenses	<u>\$ 250,775,543</u>	<u>\$ 70,718,420</u>

The accompanying notes are an integral part of these consolidated financial statements.



**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Operation and Change in Net Assets**  
**Years Ended August 31, 2021 and 2020**

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	2021	2020
<b>Net assets without donor restrictions</b>		
Excess of revenue over expenses	\$ 250,775,543	\$ 70,718,420
Net assets released from restriction used for purchase and construction of property and equipment	1,949,511	2,433,912
Retirement plan related change other than net periodic retirement plan expense	6,675,809	4,861,090
Other	<u>4,227,411</u>	<u>2,208,140</u>
Increase in net assets without donor restrictions	<u>263,628,274</u>	<u>80,221,562</u>
<b>Net assets with donor restrictions</b>		
Contributions	42,187,036	56,428,615
Grants and other restricted income	65,742,056	66,162,801
Change in fair value of perpetual trusts	4,598,320	879,023
Investment return	39,953,912	11,243,373
Pledge receivable write-offs, net of change in allowance	91,626	(18,859)
Net assets released from restriction Contributions and philanthropy used for program purposes	(59,121,560)	(50,321,832)
Grants and other restricted income used for program purposes	(64,672,484)	(60,724,474)
Purchase of property and equipment	<u>(1,949,511)</u>	<u>(2,433,912)</u>
Increase in net assets with donor restrictions	<u>26,829,395</u>	<u>21,214,735</u>
Increase in net assets	290,457,669	101,436,297
<b>Net assets</b>		
Beginning of year	<u>2,229,390,805</u>	<u>2,127,954,508</u>
End of year	<u>\$ 2,519,848,474</u>	<u>\$ 2,229,390,805</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations**  
**Consolidated Statements of Cash Flow**  
**Years Ended August 31, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 290,457,669	\$ 101,436,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gains)/losses on investments	(240,676,864)	(74,932,332)
Restricted contributions and restricted investment return	(50,355,496)	(19,285,919)
Loss on disposal of fixed assets	91,078	81,694
Net assets transferred from newly affiliated entity		
Receipt of contributed securities	(4,792,064)	(7,514,012)
Investment (gain)/loss - CIN and MCC	(3,439,975)	6,649,849
Retirement plan related change other than net periodic retirement plan expense	(6,675,809)	(4,861,090)
Depreciation	90,977,782	87,450,399
Amortization of operating lease right-of-use assets	11,396,358	-
Provision for doubtful accounts	17,819,391	10,862,937
Net changes in assets and liabilities		
Accounts receivable, net	(5,437,034)	12,810,652
Accounts payable and accrued expenses	16,752,520	(12,925,458)
Due to third-party payors	1,424,806	(1,153,524)
Self-insurance liability	24,707,458	8,772,359
Other assets and liabilities	(7,049,681)	(3,174,457)
Net cash provided by operating activities	<u>135,200,139</u>	<u>104,217,395</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(60,235,621)	(80,697,180)
Sales of investments	1,324,516,787	2,289,105,740
Purchases of investments	(1,371,005,542)	(2,323,003,881)
Net cash used in investing activities	<u>(106,724,376)</u>	<u>(114,595,321)</u>
<b>Cash flows from financing activities</b>		
Principal payments under long-term debt obligations	(5,640,000)	(5,375,000)
Proceeds from line of credit	-	25,000,000
Payment of line of credit	-	(25,000,000)
Proceeds from restricted contributions and restricted investment income	7,796,764	9,118,076
Net cash provided by financing activities	<u>2,156,764</u>	<u>3,743,076</u>
Decrease in cash and cash equivalents	30,632,527	(6,634,850)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>28,299,259</u>	<u>34,934,109</u>
End of year	<u>\$ 58,931,786</u>	<u>\$ 28,299,259</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 14,357,000	\$ 14,620,000
Cash paid during the year for unrelated business income taxes	400,000	500,000
Noncash additions to property and equipment	5,521,000	9,392,000
Operating lease right-of-use assets obtained in exchange for lease obligations	132,160,000	-

The accompanying notes are an integral part of these consolidated financial statements.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### August 31, 2021 and 2020

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#### 1. Organization and Nature of Operations

Children's Hospital of Chicago Medical Center (the 'Medical Center'), an Illinois not-for-profit corporation, is the sole member of Ann & Robert H. Lurie Children's Hospital of Chicago (the 'Hospital'), an Illinois not-for-profit corporation. The Hospital was founded in 1882 by Julia Foster Porter to provide medical care for all children. Today, the Medical Center and its affiliates comprise an independent, freestanding academic institution dedicated to the health and well-being of all children. The Medical Center is also the sole member of Ann & Robert H. Lurie Children's Hospital of Chicago Foundation (the 'Foundation'), Stanley Manne Children's Research Institute (the 'Research Institute'), Pediatric Faculty Foundation, Inc. ('PFF') Almost Home Kids ('AHK'), Lurie Children's Surgical Foundation, Inc. ('LCSF'), and Lurie Children's Pediatric Anesthesia Associations ('LCPAA'), all Illinois not-for-profit corporations. Each of the following entities: Lurie Children's Medical Group, LLC ('LCMG'), Lurie Children's Health Partners Care Coordination, LLC (the 'CCE') and Lurie Children's Primary Care, LLC ('LCPC') are Illinois limited liability companies whose sole member is the Medical Center. The Medical Center is also the parent of CMMC Insurance Co. Ltd. ('CMMC Insurance'), a captive, offshore insurance entity organized under the laws of the Cayman Islands. The Children's Hospital of Chicago Faculty Practice Plan, Inc. ('FPP') is an Illinois not-for-profit affiliate of the Medical Center effective September 1, 2018. The Hospital, Foundation, Research Institute, PFF, AHK, LCSF, LCPAA, LCMG, CCE, LCPC CMMC Insurance and FPP are collectively referred to herein as the Affiliated Corporations.

The Hospital owns and operates a pediatric hospital in Chicago, Illinois with 364 licensed beds as of August 31, 2021. The Hospital provides a complete range of pediatric health care services, including pediatric inpatient medical and surgical care, tertiary and quaternary care services, and emergency services. The Hospital operates more than 50 specialty and primary care outpatient clinics at its main campus in the Streeterville neighborhood of Chicago and throughout the metro Chicago area, as well as two Ambulatory Surgical Treatment Centers ('ASTC') facilities and fifteen outpatient specialty centers in the surrounding metro Chicago area.

The Foundation carries out fundraising and other related development activities in support of the Medical Center and its affiliates. The Foundation supports comprehensive capital campaigns aligned with the Medical Center's strategic plans. Restricted contributions support specific programs, recruitments, and research, in addition to unrestricted contributions which, not only offset fundraising expense, but also contribute to the Hospital's greatest areas of need.

The Research Institute was established to improve pediatric health and health care services through research and education. Its role is to build a scientific community in support of treatments and cures within pediatric medicine which span the laboratory bench to the patient's bedside. The Medical Center in conjunction with Northwestern University completed and commissioned the research facility at the Simpson Querrey Biomedical Research Center in Chicago in June 2019.

PFF provides physician services to a broad pediatric population in Chicago and surrounding counties and across the State of Illinois, employing more than 565 pediatric primary care and subspecialty physicians. A portion of research activity also flows through PFF.

LCMG, with more than 60 employed physicians, provides pathology, medical imaging, psychiatry, and dentistry services to the Hospital and its patients.

AHK is a unique organization providing transitional and respite care for medically complex children outside the acute care setting.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### August 31, 2021 and 2020

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CMMC Insurance is a captive, offshore insurance entity whose sole function is to purchase reinsurance for the purpose of reducing risk and cost. It currently does not retain risk. CMMC Insurance has no employees and is managed on behalf of the Hospital by an independent Cayman Islands-based management company.

The CCE exists for the provision and coordination of medical care of medically complex children, contracting with Managed Care Organizations ('MCO's') and commercial health plans to provide care coordination services to children within their plans that have complex medical needs.

LCPC provides primary care services to Chicago residents and surrounding areas with over 20 primary care pediatricians and three primary care locations.

In April 2014, the Medical Center became one of eleven partners of Accountable Care Chicago, LLC, doing business as MyCare Chicago ('MCC'). As of October 2016, MCC began dissolving after transitioning all members and network management to a third party and upon dissolution, care coordination was terminated. MCC was fully dissolved during fiscal year 2021. The Medical Center's investment in MCC as of August 31, 2020 was \$36,000, subsequent to cash distributions.

In June 2014, the Medical Center, Children's Community Physicians Association ('CCPA'), and FPP formed Lurie Children's Health Partners Clinically Integrated Network, LLC, an Illinois limited liability company (the 'CIN'). The CIN is an integrated healthcare network focused on creating value-based reimbursement programs with payors that support improving the health and well-being of children and their families. The CIN has a twelve-member board of which CCPA appoints six, FPP appoints four, and the Medical Center appoints two. CCPA is committed to a three percent capital position, while the Medical Center and FPP are committed to a ninety-seven percent capital position. During fiscal year 2021, \$464,000 of income was returned to the Medical Center. As the Medical Center does not have governance control, the CIN is not a consolidating entity but rather accounted for under the equity method.

LCSF provides pediatric surgical services to the Hospital and its patients, employing more than 75 surgeons among nine subspecialty divisions.

LCPAA provides pediatric anesthesia and pain management services to the Hospital and its patients employing more than 35 anesthesiologists.

FPP provides credentialing services for physicians employed by the affiliates of the Medical Center, administration of physician benefits and third-party reimbursement contracting services for PFF, LCPAA, LCSF and LCMG, comprising of over 800 physician members.

#### **Consolidation**

The accompanying consolidated financial statements of the Medical Center include the accounts of the Hospital, the Foundation, the Research Institute, PFF, LCMG, AHK, the Medical Center, CMMC Insurance, CCE, LCPC, LCPAA, LCSF and FPP. Intercompany transactions and accounts have been eliminated.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### August 31, 2021 and 2020

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The accompanying consolidating balance sheets and consolidating statements of operation and change in net assets without donor restrictions by entity as of August 31, 2021 and 2020 are provided for purposes of additional analysis and are not required as part of the consolidated financial statements. They have been prepared in a manner consistent with generally accepted accounting principles ('GAAP') and are presented only for purposes of additional analysis and not as a presentation of financial position and results of operations of each component of the combined group. The supplemental consolidating financial information was derived from the accounting records used to prepare the consolidated financial statements. All intercompany eliminations have been recorded.

#### **Coronavirus Update**

The outbreak of the Novel Coronavirus (COVID-19) pandemic in early 2020 warranted an unprecedented response by federal, state and local authorities. To reduce the spread of the disease a public health emergency was declared. On March 20, 2020, the Governor of Illinois issued a stay-at-home order (Executive Order 2020-10), which stated that all individuals must stay at home with the exceptions for essential activities, essential government functions, and essential businesses and operations. Healthcare organizations were ordered by both the State of Illinois and the City of Chicago to cancel or postpone virtually all elective surgical procedures and nonemergency care through May 2020. The Medical Center suffered adverse lost revenue due to cancelled healthcare service and unexpected expenses incurred to control the spread of COVID-19. To ameliorate the economic effect of the stay-at-home order, Congress passed the Coronavirus Aid, Relief and Economic Security Act ('CARES Act') in late March 2020, which approved grants and aids to help healthcare institutions respond to the adverse financial impact of the COVID-19 pandemic. In fiscal years 2021 and 2020, the Medical Center applied and received grant and stimulus payments of approximately \$13,695,000 and \$50,700,000, respectively from the CARES Act to curtail the effect of lost revenue and expenses incurred to control and reduce the spread of COVID-19. These grants and stimulus payments were recorded in other operating revenues. In addition, the Medical Center elected to defer payments related to the employer's share of Social Security taxes as part of the CARES Act. A total of \$21,887,000 in payroll taxes was deferred and is included within Accounts Payable and Accrued Expenses within the accompanying consolidated balance sheet as of August 31, 2021. A total of \$10,944,000 was paid December 2021, with the remaining balance to be paid by December 31, 2022.

Terms and conditions surrounding the recognition of these CARES Act provider relief funds may be subject to change by U.S. Department of Health and Human Services ('HHS') and could require the Medical Center to repay a portion of amounts received. HHS continues to release additional guidance and clarification regarding the treatment of these CARES Act provider relief funds. The Medical Center believes that any liabilities arising from such changes may have a material effect on its financial position depending on revisions by HHS. At this time the Medical Center has submitted the required attestations and reporting for each of the grants and stimulus payments received.

The COVID-19 pandemic and related actions taken by federal, state and local governments in response may materially impact the Medical Center's financial position and its results of operations. The extent of the impact to the Medical Center will depend on future developments beyond its control, including the overall duration and spread of the pandemic, and cannot be fully determined at this time. In addition, there continues to be an ongoing risk that COVID-19 could impact future revenues, particularly within the emergency department and corresponding inpatient activity.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### August 31, 2021 and 2020

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#### 2. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Medical Center, the Hospital, the Research Institute, the Foundation, PFF, FPP, AHK, LCSF and LCPAA are all Illinois not-for-profit organizations exempt from federal and state income taxes.

Certain activities of the Hospital are taxable as unrelated business income. Such activities include earnings from alternative investments, reference laboratory, and parking benefits. As of August 31, 2021, and 2020 \$800,000 and \$710,000 were recorded respectively as provision for unrelated business income tax and included in other nonoperating expense in the consolidated statements of operation and change in net assets. In December 2019, Congress passed a measure that retroactively repealed the parking benefits unrelated business income tax provision that requires tax-exempt organizations to include in unrelated business taxable income the amounts they pay or incur on qualified transportation fringe benefits. The Medical Center and affiliates amended its prior unrelated business income tax returns as a result of the repeal of this provision. LCMG, CCE and LCPC are disregarded entities treated as divisions of the Medical Center for Internal Revenue Service ('IRS') reporting.

#### 3. Summary of Significant Accounting Policies

##### Accounting Pronouncements

Effective September 1, 2020, the Medical Center adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU"), No. 2016-02, *Leases* (Topic 842). The ASU requires entities to recognize lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. Lessees will recognize a right-of-use asset and a lease liability for most leases and classify as either an operating or a financing lease. The guidance significantly changes lessee accounting for leases and impacts financial statement presentation. The Medical Center adopted the ASU using a modified retrospective approach and elected the package of practical expedients permitted under the transition guidance within the ASU. On September 1, 2020, the adoption resulted in an increase of \$132,160,000 in right-of-use assets, net of prepaid rent, unamortized lease incentives and deferred lease obligations previously recorded prior to the adoption, and \$164,169,000 of operating lease liabilities.

Effective September 1, 2020, the Medical Center adopted ASU no. 2018-09, *Codification Improvements*. The ASU may result in additional assets included in an entity's fair value disclosure table, if among other criteria, net asset value has public visibility. There was no significant impact to the Medical Center's consolidated financial statements as a result of the adoption.

Effective September 1, 2020, the Medical Center adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement*. The ASU removes, modifies and adds certain disclosure requirements on fair value required by Topic 820. The ASU did not have a material impact on the consolidated financial statements as a result of the adoption.

Effective September 1, 2020, the Medical Center adopted ASU 2016-18, *Statement of Cash Flows: Restricted Cash*, which requires total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows. There was no significant impact to the Medical Center's consolidated financial statements, as the Medical Center's restricted cash and cash equivalents are not material

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Notes to Consolidated Financial Statements

### August 31, 2021 and 2020

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and therefore not required to present the restricted cash and cash equivalents within the accompanying consolidated statement of cash flows.

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires disclosure changes related to the income statement presentation of the components of net periodic benefit cost for defined benefit pension and other post retirement plans. The ASU requires entities to disaggregate the current service cost component from the net periodic benefit cost and continue to present it within salaries, wages and employee benefits on the income statement. The other components of net periodic benefit cost, including interest costs, investment returns, amortization of prior balances, and settlement costs, are now required to be presented in the income. The Medical Center adopted this standard as of August 31, 2020. The ASU is required to be implemented retrospectively and resulted in \$989,000 of nonservice pension costs being reclassified from salaries, wages and employee benefits expense to nonoperating income/expenses in the statements of operation and changes in net assets for fiscal year ending August 31, 2019.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities. Additional disclosures around qualitative information and any policies on monetization, description of any donor-imposed restrictions and a description of valuation techniques are also required. The Medical Center is currently reviewing the requirements of the ASU and evaluating the impact. The ASU is required to be implemented in fiscal year 2022.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation-Retirement Benefits-Defined Benefit Plans*. The ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The ASU allows entities to remove disclosure over accumulated comprehensive income and certain information regarding plan assets. The ASU also requires entities to add disclosures for significant gains and losses impacting the benefit obligation and significant changes in the benefit obligation or plan assets. The Medical Center is currently reviewing the requirements of the ASU and evaluating the impact. The ASU is required to be implemented in fiscal year 2022.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Medical Center to make assumptions, estimates, and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Medical Center considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of net patient accounts receivable and net patient service revenue, both of which include contractual allowances, third-party payor settlements, and provisions for doubtful accounts; reserves for losses and expenses related to health care professional and general liabilities; valuation of alternative investments; accrued self-insurance related costs; and risks and assumptions in the measurement of pension liabilities. Management relies on historical experience, other assumptions believed to be reasonable under the circumstances, and recommendations made by the Medical Center external advisors and actuaries in making its judgments and estimates. Actual results could differ from these estimates.

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#### **Cash and Cash Equivalents**

Cash and cash equivalents include unrestricted, undesignated marketable securities with original maturities of three months or less that are held for short-term cash management. Cash and cash equivalents are reported at their approximate fair value.

#### **Current Portion of Self-Insurance Revocable Trust**

Current portion of self-insurance trust represents investment assets earmarked for self-insurance trust payments due within a year. See Note 6 for additional disclosures.

#### **Accounts Receivable, Net of Allowance for Uncollectible Accounts**

Patient accounts receivable consists primarily of amounts owed by various governmental agencies, insurance companies and patients. The Medical Center manages these receivables by regularly reviewing the accounts and contracts and by recording appropriate price concessions. The Medical Center reports accounts receivable at an amount equal to the consideration it expects to receive in exchange for providing healthcare services to its patients, which is estimated using contractual provisions associated with specific payors, historical reimbursement rates and analysis of past experience to estimate potential adjustments. The Medical Center writes off amounts that have been deemed to be uncollectible because of circumstances that affect the ability of payors to make payments as they occur. See Note 9.

#### **Inventory**

Inventories, which primarily consist of medical supplies and pharmaceuticals used for patient care, are stated at the lower of cost or net realizable value, using the first-in, first-out method.

#### **Investments**

The Medical Center pools its donor restricted, self-insurance, undesignated and board-designated investments. Investment returns are allocated among net assets without donor restrictions and net assets with donor restrictions based on the pro-rata share of the balance in each fund to the total investment pool as of the end of each accounting period.

Investment income earned, at a fixed rate, on certain funds that are board-designated for patient care, education and the self-insurance trust are reported as other operating revenue. All other investment income and losses (including interest and dividends, realized gains and losses, and unrealized gains and losses) are reported as nonoperating income (loss) unless the income or loss is restricted by donor or law. Investment returns on net assets with restrictions are allocated to the purposes specified by the donor or law, either as net assets with donor restrictions or net assets without donor restrictions, as applicable.

#### **Fair Value of Financial Instruments**

Financial instruments consist primarily of cash and cash equivalents, investments, accounts receivable, pledges receivable, insurance receivable, accounts payable, accrued expenses, estimated third party payor settlements, and long-term debt. Except as otherwise disclosed, the fair value of financial instruments approximates the financial statement carrying amount.

#### **Property and Equipment**

Property and equipment are recorded at cost. Internal labor and interest expense incurred during the period of construction of significant capital projects are capitalized as a component of the cost of the asset.



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Depreciation is calculated using the straight-line method over the estimated useful life of the assets. One-half year's depreciation is taken in the year of acquisition, except for significant asset additions such as the Hospital's facility, which is depreciated based on the actual date placed into service. The useful life of the major asset classifications are as follows:

Buildings	40-80 years
Building improvements	15-20 years
Equipment	5-20 years
Computer hardware and software	3-5 years

In 2021 and 2020, the Medical Center disposed of fully depreciated assets of \$2,301,000 and \$5,748,000, respectively, of property, equipment and software that were no longer in use. The carrying amount of the asset and accumulated depreciation were removed from the accounts. When factors indicate that such assets should be evaluated for possible impairment, the Medical Center uses an estimate of the undiscounted cash flows over the remaining life of the asset in measuring whether the asset is recoverable. Repair and maintenance costs are expensed as incurred.

#### **Operating Lease Right-of-Use Assets and Lease Liabilities**

The Medical Center evaluates whether an arrangement is, or contains, a lease at inception. Leases result in the recognition of a right-of-use asset and lease liability in the accompanying consolidated balance sheet. Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Medical Center determines the lease classification at the lease commencement date.

The lease liability is measured at the present value of the future lease payments over the lease term. The right-of-use asset equals the lease liability adjusted for any lease payments made at or before the commencement date and initial direct costs. The Medical Center has elected to use a risk-free rate using a period comparable with the lease term. The Medical Center has also elected a policy to combine lease and nonlease components. The lease term will include options to extend the lease if the Medical Center is reasonably certain to exercise the option. Lease expense is recognized on a straight-line basis over the lease term.

#### **Pledges Receivable Restricted by Donors**

As of August 31, 2021, approximately 21% of pledges restricted by donors are receivable within one year, 54% between two and five years, and 25% receivable beyond five years. Pledges are recorded at the present value of estimated future cash flow, net of allowances for uncollectible pledges of \$2,084,000 and \$2,343,000 at August 31, 2021 and 2020, respectively, and present value discounts of \$20,357,000 and \$21,362,000 at August 31, 2021 and 2020, respectively. Estimated future cash flows due after one year are discounted using interest rates of 3.5% to 8% commensurate with estimated collection risks.

#### **Bond Issuance Costs**

Bond issuance costs are deferred and amortized using the effective interest method over the life of the related debt as an increase to interest expense. These costs include items such as document preparation costs, underwriting fees, and other external, incremental expenses paid to advisors that directly relate to the financing. The amount of bond issuance costs and unamortized

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underwriter fees were \$3,120,000 and \$3,364,000 at August 31, 2021 and August 31, 2020, respectively.

#### **Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses represent payables owed in the ordinary course of business and expenses incurred but not yet paid by the Medical Center, including payroll incurred by the Medical Center and its affiliates, and insurance payables incurred but not yet paid.

#### **Current and Noncurrent Portions of Self-Insurance Liability**

The self-insurance trust and corresponding liability are reviewed annually by an independent actuary. The Medical Center contributes to the self-insurance trust estimated amounts determined by the actuary to be sufficient to pay for expected future losses. Provisions for the professional liability are based on an actuarial estimate of losses using the Medical Center's actual loss data adjusted for industry trends and current conditions. The provision includes estimates of costs for both reported claims and claims incurred but not reported. See Note 13.

#### **Due to Third-Party Payors**

Due to third-party payors represents accruals for settlements with third-party payors, any agency that contracts with the Medical Center or its affiliates and patients to pay for the care of covered patients. Accruals are made based on estimates of amounts to be received or paid under the terms of the respective contracts and related settlement principles and regulations of the State Medicaid program, the Blue Cross Plan of Illinois and the Federal Medicare program.

#### **Net Assets**

Net assets are classified based upon donor restrictions, if any, as follows: Net assets without donor restrictions and Net assets with donor restrictions.

Net assets that bear no external restriction as to use or purpose are classified as net assets without donor restrictions. This represents net assets which are free of donor-imposed restrictions, including all revenues, expenses, gains, and losses. Also included in this classification are assets whose use is limited under Board-Designated funds for mission-related activities in support of the Medical Center.

Net assets with donor restrictions represents net assets whose use is limited by donor-imposed restrictions, time restrictions and those stipulations that can be fulfilled or otherwise removed by actions of the Medical Center. Net assets with donor restrictions include endowment funds primarily related to pledges receivables, grants, research, medical education, program support and net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Medical Center. Refer to Note 8 for further disclosure on endowments and related investment and spending policies.

#### **Consolidated Statement of Operations and Change in Net Assets**

All activities of the Medical Center deemed by management to be ongoing, major and central to the provision of healthcare services are reported as operating revenues and expenses. Other activities deemed to be nonoperating include: unrestricted gifts, fundraising expenses and certain investment income (including realized gains and losses).

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The consolidated statements of operation and change in net assets include the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets, pension benefit changes other than net periodic expense and the release of restriction for the purchase and construction of property and equipment.

#### **Net Patient Service Revenue**

The Medical Center provides health care services through various inpatient, outpatient, and ambulatory care facilities. The performance obligation is measured from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Outpatient services are performance obligations generally satisfied at a point in time and revenue is recognized when goods or services are provided. The Medical Center believes that this method provides a fair depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. The Medical Center recognizes inpatient revenue over time (on a daily basis), while outpatient revenue is recognized at a point in time at the amount that reflects the consideration to which it expects to be paid for providing such care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and include variable consideration for retroactive adjustments due to settlement of audits and reviews by Illinois Medicaid and other third-party payors, and amounts received under various state Medicaid hospital assessment and disproportionate share programs. These amounts are recognized net of contractual allowance from various third-party arrangements and after consideration of patient ability to pay the self-pay portion of the charges. The Medical Center and affiliates bill patients and third-party payors after goods and services are provided and/or when a patient is discharged.

The Medical Center, the Hospital or any of the affiliated entities are entitled to a payment from the insurer, and a related deductible or coinsurance payment from the patient, for all goods and services related to the inpatient stay or outpatient services.

Because all of the performance obligations relate to contracts with a duration of less than one year, the Medical Center has elected to apply the optional exemption provided in FASB ASU 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which typically occurs within days or weeks of the end of the Medical Center's reporting period.

The Medical Center determines the transaction price based on standard charges for goods and services provided to patients reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with the Medical Center's policy, and/or implicit price concessions provided to uninsured and underinsured patients. It determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Medical Center determines its estimate of implicit price concessions based on the aging of its patient accounts receivable, historical collection experience with uninsured and underinsured patients, and other relevant factors.

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The Medical Center uses a portfolio approach to account for categories of patient contracts as a collective group, rather than recognizing revenue on an individual contract basis. The portfolios consist of major payor classes for inpatient, outpatient, and physician professional and outpatient revenue. Based on historical collection trends and other relevant factors, the Medical Center believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach was used.

The Medical Center has agreements with third-party payors that provide payments at amounts different from its established rates. A summary of the payment arrangements with major third-party payors are explained further below.

**Illinois Medicaid and Medicaid Managed Care Organizations**

Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments and fee schedules.

The State of Illinois’ Medicaid program has operated with budget deficits. The deficits include the continued practice of deferring Illinois Medicaid bills to future periods and have led to the State of Illinois’ slowdown in claims processing and payments.

As of August 31, 2021, and 2020, the Medical Center’s patient accounts receivable included amounts due from Illinois Medicaid and Medicaid Managed Care Organizations of approximately \$112,068,000 and \$154,348,000, respectively, representing approximately 50% and 66%, respectively, of outstanding receivable.

**Managed Care, Commercial Insurance and Other**

Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, discounts from established charges, prospectively determined per diem rates, and fee schedules.

Commercial and Medicaid health insurers are entering into various fee-for-value reimbursement programs with qualifying providers. In 2021 and 2020, the Medical Center through CIN, participated in several commercial Accountable Care organization (‘ACO’) programs that provide limited risk and gain sharing based on performance of an attributed population of children compared to established cost, quality and patient satisfaction related goals. Risk sharing is limited to less than 1% of net revenue. CIN obtains reinsurance to reduce the risk of loss related to sharing programs and conducts a number of programs intended to improve performance under these programs, including providing care coordination to certain members. The composition of net patient service revenue by payor for the years ended August 31, 2021 and 2020, is as follows:

	<b>2021</b>	<b>2020</b>
Managed Care	\$ 722,029,942	\$ 668,123,508
Illinois Medicaid	85,165,364	117,505,897
Medicaid Managed Care	303,454,779	261,510,698
Patient Self-Pay	952,039	3,686,480
Other	29,547,669	39,456,421
	<u>\$ 1,141,149,793</u>	<u>\$ 1,090,283,004</u>

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The Medical Center and affiliates grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at August 31, 2021 and 2020, is as follows:

	<b>2021</b>	<b>2020</b>
Managed Care	\$ 92,627,718	\$ 63,327,079
Illinois Medicaid	29,101,371	71,701,080
Medicaid Managed Care	82,967,087	82,590,887
Patient Self-Pay	6,145,976	2,778,236
Other	<u>10,424,765</u>	<u>13,251,991</u>
	<u>\$ 221,266,917</u>	<u>\$ 233,649,273</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory action including fines, penalties, and/or exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates may change in the near term.

The Medical Center recognizes changes in accounting estimates related to net patient service revenue reserves and third-party payor settlements in the year such changes are known. Adjustments to prior year estimates for these items resulted in an increase in net patient service revenue of approximately \$5,064,000 and \$3,555,000, respectively, in fiscal year 2021 and 2020.

Approximately 34% and 35% respectively, of the Medical Center’s net patient service revenue in fiscal 2021 and 2020 was derived from the Illinois Medicaid program, including Medicaid MCO’s.

In December 2008, the Centers for Medicare and Medicaid Services (‘CMS’) approved the Assessment Program to improve Medicaid reimbursement for Illinois hospitals. This original program included the Illinois Hospital Provider Assessment and subsequent enhancements. Due to the tax assessment provisions contained in the legislation, implementation of the program affected both operating revenues and expenses in the consolidated statements of operation and change in net assets.

In January 2015, the CMS approved Affordable Care Act (‘ACA’) access payments and expanded this program in June 2016. Both the Provider Assessment and enhancements as well as the ACA payments and expansion expired on June 30, 2018. The CMS approved the redesigned Hospital Assessment Program effective July 1, 2018. The redesigned program shifts some of the fixed Assessment payments to claims based payments.

The Medical Center is obligated under Illinois Public Act 95-859 to participate in the State of Illinois’ Hospital Assessment Program (‘HAP’) that assists in financing the State’s Medicaid Program. The programs are approved through June 30, 2020 and include a payment shift to live rates. Effective July 1, 2020, a revised HAP was put into place which shifted a portion of the payments to dynamic payments based on actual volumes. The revised program is approved through December 31, 2022. For the years ended August 31, 2021 and 2020, the Medical Center’s Illinois Health Centers recognized supplemental HAP and related reimbursement of approximately \$65,482,000 and \$50,997,000, respectively, which is recorded as a component of net patient service revenue in the consolidated statements of operations and changes in net assets. For the

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years ended August 31, 2021 and 2020, the Medical Center’s Illinois Health Centers recognized HAP related fees of \$25,086,000 and \$22,440,000, respectively, in the consolidated statements of operation and change in net assets.

The Medicaid Assessment Program and ACA payments described above are shown in the following table.

	<b>2021</b>	<b>2020</b>
For fiscal year ended August 31		
Tax assessment, included in net patient service revenue	\$ 65,481,699	\$ 50,996,695
Tax expense, included in supplies and service expense	<u>(25,085,515)</u>	<u>(22,440,110)</u>
Net statement of operation impact	<u>\$ 40,396,184</u>	<u>\$ 28,556,585</u>
Related to State fiscal year ended June 30, 2020	\$ -	\$ 22,123,987
Related to State fiscal year ended June 30, 2021	32,367,801	6,432,598
Related to State fiscal year ended June 30, 2022	<u>8,028,383</u>	<u>-</u>
	<u>\$ 40,396,184</u>	<u>\$ 28,556,585</u>

The Medical Center also received federal and state disproportionate share and add-on payments. The amount of disproportionate share and other special payments from Medicaid, if any, that will be made to hospitals in the future, is uncertain.

In fiscal 2021 and 2020, the Medical Center received approximately \$11,446,000 and \$11,363,000, respectively, in graduate medical education reimbursement. The Children’s Hospital Graduate Medical Education (‘CHGME’) program provides federal funds to freestanding children’s hospitals to aid in maintaining graduate medical programs that train resident physicians. The program is administered by the Health Care Resource Service Administration, a branch of the U.S. Department of Health and Human Services. The amount of future graduate medical education reimbursement funding is uncertain.

**Grants and Contributions**

Unrestricted contributions are included in nonoperating income when received. Unrestricted pledges of amounts to be received in future periods are recorded as net assets with donor restrictions and reflected as changes in net assets without donor restrictions when received. Grants and contributions restricted for a specific operating purpose are recorded as net assets with donor restrictions and reflected in unrestricted revenue when the funds are expended in accordance with the specifications of the grantor or donor. Contributions for capital expenditures, recorded as net assets with donor restrictions when received, are recorded as net assets released from restrictions when expended and placed into service.

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#### **Interest in Trustee-Held Funds**

The Medical Center recognizes an interest in trustee-held funds held at various financial institutions in which the Medical Center has a beneficial interest. Annually, the financial institutions distribute a portion of the income earned on these funds to the Medical Center to be used in support of operations. As of August 31, 2021, and 2020, the Medical Center's interests in these trustee-held funds at fair value totaled approximately \$36,392,000 and \$31,793,000, respectively, and are included in net assets with donor restrictions.

#### **Excess of Revenue Over Expenses**

Excess of revenue over expenses performance indicators include income from operations in addition to investment return gains/(loss), unrestricted contributions and bequests, fundraising expense, gain/(loss) on disposal of fixed assets and other miscellaneous nonoperating income and expenses.

#### **Changes in Net Assets**

Net asset without donor restrictions changes include the net activity of the statement of operation as well as the release from restriction for purchase and construction of property and equipment and other than net periodic retirement plan expense changes.

Net asset with donor restrictions changes include receipts of contributions restricted by time or purpose and restricted funds, grants, investment returns, pledge receivable write-offs and change in the fair value of perpetual trusts. Also included are releases of philanthropic or grant funds for use in program services to cover expenses on the statement of operation.

#### **Reclassification**

Certain 2020 amounts have been reclassified to conform to the 2021 consolidated financial statement presentation.

#### **4. Community Benefit**

Consistent with its mission, the Medical Center maintains a policy that sets forth the criteria pursuant to which health care services are provided free of charge or at a reduced rate to children whose families are unable to pay for the charges associated with their medical care. These services represent charity care. Such amounts determined to qualify as charity care are not reported as net patient service revenue. The Medical Center grants credit without collateral to its patients, most of whom are local residents.

The Medical Center also provides a broad range of services and activities to support its charitable mission. These services include the following:

- Participation in the Medicaid program at a loss (net reimbursement less allocated cost incurred);
- Support of community medical needs through a variety of outreach programs and educational programs;
- Comprehensive research programs specifically targeted toward pediatric health to advance knowledge about the causes, treatment and prevention of childhood diseases; and
- Training of medical students, pediatric residents, fellows and subspecialists.

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Funding for the services above comes from Hospital operating income, Foundation philanthropy, CHGME and Federal awards and grants. The Medical Center has an established charity care policy and maintains records to identify and monitor the level of charity provided. These records include the estimated cost of unreimbursed services provided under its charity care policy and the excess of cost over reimbursement for Medicaid patients. The Medical Center also monitors the unreimbursed cost of patient bad debts. Because the Illinois All Kids program provides coverage for most Illinois uninsured children, the Medical Center has a relatively low number of requests for charity care.

The Medical Center determines the costs associated with providing charity care by aggregating the overall cost to charge ratio, including salaries, wages, benefits, supplies, and other operating expenses. The cost to charge ratio is then applied to the charity care charges to calculate the charity care cost amount reported below.

Costs of unreimbursed charity care and community benefit programs for fiscal 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Excess of allocated cost over reimbursement for services provided to Medicaid patients	\$ 202,762,694	\$ 187,926,878
Net benefit under the Illinois Hospital Assessment Program	<u>(40,396,184)</u>	<u>(28,556,585)</u>
Excess of allocated cost over reimbursement for services provided to hospital Medicaid patients, net of benefit under the Illinois Hospital Assessment Program	162,366,510	159,370,293
Estimated costs and expenses incurred to provide charity care	<u>1,873,129</u>	<u>4,649,996</u>
Unreimbursed cost of charity care	164,239,639	164,020,289
Cost of patient bad debts	6,038,090	4,605,514
Funds allocated to research from net assets without donor restrictions	17,993,718	20,033,482
Resident and fellows’ expense	24,351,813	23,481,549
Community clinic support	1,508,787	3,430,033
Child advocacy programs	6,586,172	6,343,703
Family support and interpretation services	<u>10,272,264</u>	<u>9,623,828</u>
Total cost of unreimbursed charity care and community benefit programs	<u>\$ 230,990,483</u>	<u>\$ 231,538,398</u>

The Medical Center also reports community benefits on the IRS Form 990 and the beneficial activities for the property affidavit. As a result of differences in definitions and criteria between these reports the amounts calculated per report will vary.



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**5. Other Current and Noncurrent Assets and Liabilities**

Other current and noncurrent assets consist of the following:

	<u>2021</u>	<u>2020</u>
Other current assets:		
Outreach program receivables	\$ 8,550,554	\$ 9,776,279
Prepaid expenses	25,852,383	20,280,139
Inventory	17,244,898	16,569,882
Insurance receivables (Note 13)	21,776,830	22,937,890
Other	<u>19,914,016</u>	<u>19,527,939</u>
Total other current assets	<u>\$ 93,338,681</u>	<u>\$ 89,092,129</u>
Other assets (noncurrent):		
Pension noncurrent asset	\$ 10,717,966	\$ 6,010,304
Prepaid rent	-	15,567,866
Other	<u>2,351,701</u>	<u>2,493,064</u>
Total other assets	<u>\$ 13,069,667</u>	<u>\$ 24,071,234</u>

Other noncurrent liabilities consist of the following:

	<u>2021</u>	<u>2020</u>
Accrued pension liabilities	\$ 18,099,719	\$ 18,707,095
Lease obligations	-	43,424,650
Other	<u>3,918,146</u>	<u>452,921</u>
Total other noncurrent liabilities	<u>\$ 22,017,865</u>	<u>\$ 62,584,666</u>

**6. Investments**

The Medical Center maintains a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

As of August 31, 2021, and 2020, investments consisted of the following, which includes the current portion of the self-insurance trust of \$14,000,000 and \$5,517,000, respectively for both years:

	<u>2021</u>	<u>2020</u>
Short-term investments	\$ 144,098,241	\$ 108,058,963
Common stock/mutual funds and common collective trusts	675,733,839	523,700,329
Alternative investments	688,663,578	587,330,151
U.S. Government and agency securities	84,407,030	155,845,655
Corporate and municipal bonds	<u>242,042,135</u>	<u>122,053,335</u>
Total investments	<u>\$ 1,834,944,823</u>	<u>\$ 1,496,988,433</u>

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Short-term investments include cash and cash equivalents, certificates of deposit, money market funds, and securities with maturities due within one year.

Common stock and mutual funds include public equities traded in both domestic and international markets. Common collective trusts include investment products that pool fiduciary client assets into a portfolio of stocks, bonds, or other securities and real assets.

Alternative investments include hedge funds, private credit and private equity investments. These include credit-oriented strategies, multi-strategy funds where the manager has a broad mandate to invest opportunistically, and event driven funds where managers seek opportunity in various forms of arbitrage strategies as well as in corporate activities such as mergers and acquisitions. The Medical Center’s investment in private equity and private credit is committed under contract to periodically advance additional funding as capital calls are exercised. See Note 16.

U.S. Government and agency securities include debt obligations issued by the U.S. government or U.S. government agencies. Corporate and municipal bonds include investment grade debt obligations issued by U.S or foreign Corporations, U.S. State and local governments or U.S. territories.

All Medical Center investments are invested with external managers.

The Medical Center pools its investments without donor restrictions, board-designated and donor-restricted investments. As of August 31, 2021, and 2020, donor-restricted and investments without donor restrictions are as follows:

	<b>2021</b>	<b>2020</b>
<b>Donor-restricted investments and other assets limited as to use</b>		
Endowments	\$ 180,726,357	\$ 172,365,212
Specific purpose	257,135,108	234,106,635
Self-insurance trust	135,161,013	117,461,250
Interest in trustee-held funds	36,391,730	31,793,410
Interest in MCC and CIN	<u>328,407</u>	<u>35,982</u>
Total investments with donor restrictions	<u>609,742,615</u>	<u>555,762,489</u>
<b>Investments without donor restrictions</b>		
Undesignated and board-designated investments	<u>1,225,202,208</u>	<u>941,225,944</u>
Total investments without donor restrictions	<u>1,225,202,208</u>	<u>941,225,944</u>
Total investments	<u>\$ 1,834,944,823</u>	<u>\$ 1,496,988,433</u>

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The composition and presentation of investment return as reflected in the accompanying consolidated statements of operation and change in net assets for the years ended August 31, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
<b>Unrestricted investment return</b>		
Interest and dividend income	\$ 14,577,990	\$ 14,261,042
Realized gains on sales of investments	59,711,055	77,726,778
Unrealized gains/(losses) on investments	<u>180,965,810</u>	<u>(2,794,446)</u>
Total unrestricted investment return	<u>\$ 255,254,855</u>	<u>\$ 89,193,374</u>
<b>Reported as</b>		
Board-designated endowment income	\$ 10,547,994	\$ 10,231,046
Other operating investment return	4,029,996	4,029,996
Nonoperating investment return gains	<u>240,676,865</u>	<u>74,932,332</u>
Total unrestricted investment return	<u>255,254,855</u>	<u>89,193,374</u>
<b>Donor restricted investment return</b>		
Interest and dividend income	1,993,500	1,954,554
Net realized and unrealized gains on investments	<u>42,558,732</u>	<u>10,167,842</u>
Total with donor restricted investment return	<u>44,552,232</u>	<u>12,122,396</u>
Total investment return	<u>\$ 299,807,087</u>	<u>\$ 101,315,770</u>

Typical redemption terms by asset class and type of investments include: short-term investments; common stock and mutual funds; alternative investments; and U.S. Government and agency securities; corporate and municipal bonds and common collective trusts. Short-term investments and U.S. Government and agency securities; corporate and municipal bonds; and common collective trusts have daily redemption terms and no restrictions. Common stock, common collective trusts and mutual funds have daily to monthly redemption terms with notice periods of one to 10 days with no redemption restrictions. Alternative investments have monthly to annual redemption terms with varying notice periods, lock-up provisions ranging up to three years, and include private equity investments. A portion of hedge funds (alternative investments) are in side pockets with no redemptions permitted. Approximately \$289,000 and \$1,158,000 of this type of investment are in liquidating funds for fiscal 2021 and 2020, respectively.

**7. Fair Value Measurements**

The Medical Center follows the provisions of the FASB pronouncement on fair value measurements for financial instruments. The pronouncement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

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The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Medical Center for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Medical Center uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

The following table presents the investments carried at fair value as of August 31, 2021, by caption, including the current portion of the self-insurance trust of \$14,000,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ 128,179,016	\$ -	\$ -	\$ 15,919,224	\$ 144,098,240
Common stock/collective trust and mutual funds	580,763,380	-	-	94,642,053	675,405,433
Alternative investments	1,664,869	-	1,874,074	685,124,635	688,663,578
U.S. Government and agency securities	11,836,615	72,570,416	-	-	84,407,031
Corporate and municipal bonds	-	242,042,135	-	-	242,042,135
Total assets at fair value	<u>\$722,443,880</u>	<u>\$314,612,551</u>	<u>\$ 1,874,074</u>	<u>\$795,685,912</u>	<u>\$ 1,834,616,417</u>

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The following table presents the investments carried at fair value as of August 31, 2020, by caption, including the current portion of the self-insurance trust of \$5,517,000, by the valuation hierarchy defined above:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ 86,087,704	\$ -	\$ -	\$ 21,971,259	\$ 108,058,963
Common stock/collective trust and mutual funds	448,312,967	-	-	75,351,380	523,664,347
Alternative investments	-	-	1,547,075	585,783,076	587,330,151
U.S. Government and agency securities	-	155,845,655	-	-	155,845,655
Corporate and municipal bonds	-	122,053,335	-	-	122,053,335
Total assets at fair value	<u>\$ 534,400,671</u>	<u>\$ 277,898,990</u>	<u>\$ 1,547,075</u>	<u>\$ 683,105,715</u>	<u>\$ 1,496,952,451</u>

The tables above do not include the Medical Center’s interest in CIN of \$328,000 as of August 31, 2021, or interest in MCC of \$36,000 as of August 31, 2020.

Investments measured at fair value using net assets value (‘NAV’) per share (or equivalent) as a practical expedient were not classified in the fair value hierarchy, rather the amounts are presented to enable reconciliation of the fair value tables to the investments fair value line items presented in the consolidated balance sheets.

The following table is a rollforward of the August 31, 2021 and 2020 balance sheet amounts for financial instruments classified by the Medical Center within Level 3 of the fair value hierarchy.

	<b>Level 3 Assets Alternative Investments</b>	
	<b>2021</b>	<b>2020</b>
<b>Balances at beginning of year</b>	\$ 1,547,075	\$ 1,463,008
Total net unrealized gain	47,959	45,353
Purchases	<u>279,040</u>	<u>38,714</u>
<b>Balances at end of year</b>	<u>\$ 1,874,074</u>	<u>\$ 1,547,075</u>

The following is a description of the Medical Center’s valuation methodologies for investments measured at fair value.

Fair value for short term investments, corporate stocks, international stocks, and mutual funds is measured using quoted market prices or NAV per share at the reporting date multiplied by the quantity held.

U.S. Government bonds and agency securities, corporate bonds, municipal bonds and mortgage and asset backed securities are measured using recent bid prices or average of bid/ask prices. Common collective trusts are measured using NAV.

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The Medical Center has certain investments, principally limited liability corporations, partnerships, and absolute return strategy funds for which a portion of quoted market prices are not available. These investments are classified as alternative investments. The value of these alternative investments represents the ownership interest in the net asset value of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are based on appraisals, or other estimates that require varying degrees of judgment.

The Medical Center's investments are exposed to various kinds and levels of risk. Equity securities and equity mutual funds expose the Medical Center to market risk, performance risk and liquidity risk. Market risk is the risk associated with major movements of the equity markets. Performance risk is the risk associated with a company's operating performance. Fixed income securities and fixed income mutual funds expose the Medical Center to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell particular securities. Liquidity risk tends to be higher for equities related to small capitalization companies and certain alternative investments. Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value, resulting in additional gains and losses in the near term.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value nor reflective of future fair values. While the Medical Center believes its valuation 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 as of the reporting date. The significant unobservable inputs used in the fair value measurement of the Medical Center's partnership investments include a combination of cost, discounted cash flow analysis, industry comparable and outside appraisals. Significant increases or decreases in any inputs used by investment managers in determining net asset values in isolation would result in a significantly lower or higher fair value measurement. Management has not developed quantitative inputs nor adjusted the fair values obtained from general partners for the alternative investments.

## **8. Endowments**

The Medical Center's endowment fund consists of individual donor-restricted endowment funds and funds designated by its Board to function as endowments. The net assets associated with endowment funds, including those funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Illinois passed the 'Uniform Prudent Management of Institutional Funds Act' ("UPMIFA"). The Medical Center has interpreted UPMIFA as sustaining the preservation of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as net assets with donor restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Where the Board designates unrestricted funds to function as endowments they are classified as net assets without donor restriction.

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The Medical Center had the following board-designated without donor restriction and donor-restricted endowment balances during the year ended August 31, 2021 delineated by net asset class:

	<b>Board Designated Endowment Funds</b>	<b>Donor-Restricted Endowment Funds</b>	<b>Total</b>
<b>Endowment net assets at beginning of year</b>	\$ 179,706,434	\$ 271,184,968	\$ 450,891,402
Investment return			
Investment income	-	1,993,500	1,993,500
Realized and unrealized gain	-	39,212,732	39,212,732
Total investment return	-	41,206,232	41,206,232
Contributions	-	4,709,878	4,709,878
Spend rate allocation	7,054,215	-	7,054,215
Appropriation of endowment assets for expenditure	(6,500,368)	(6,904,735)	(13,405,103)
Other	(1,488,398)	2,724,021	1,235,623
<b>Endowment net assets at end of year</b>	<b>\$ 178,771,883</b>	<b>\$ 312,920,364</b>	<b>\$ 491,692,247</b>

The Medical Center had the following board-designated without donor restriction and donor-restricted endowment balances during the year ended August 31, 2020 delineated by net asset class:

	<b>Board Designated Endowment Funds</b>	<b>Donor-Restricted Endowment Funds</b>	<b>Total</b>
<b>Endowment net assets at beginning of year</b>	\$ 179,711,758	\$ 277,993,239	\$ 457,704,997
Investment return			
Investment income	-	1,954,554	1,954,554
Realized and unrealized gain	-	9,836,154	9,836,154
Total investment return	-	11,790,708	11,790,708
Contributions	-	5,290,696	5,290,696
Spend rate allocation	7,034,215	-	7,034,215
Appropriation of endowment assets for expenditure	(6,556,732)	(23,610,361)	(30,167,093)
Other	(482,807)	(279,314)	(762,121)
<b>Endowment net assets at end of year</b>	<b>\$ 179,706,434</b>	<b>\$ 271,184,968</b>	<b>\$ 450,891,402</b>

Description, purpose and appropriations of board designated net assets without donor-imposed restrictions as of years ended August 31, 2021 and 2020.

	<b>2021</b>	<b>2020</b>
Appropriations for Research	\$ 1,076,150	\$ 966,045
Appropriations for Pediatric Programs	6,912,617	6,073,495
	<b>\$ 7,988,767</b>	<b>\$ 7,039,540</b>

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Description of Amounts Classified as Net Assets with donor restrictions (Endowments Only) during the year ended August 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Restricted for Research	\$ 81,936,316	\$ 71,698,864
Restricted for Pediatric Programs	<u>230,984,047</u>	<u>199,486,103</u>
	<u>\$ 312,920,363</u>	<u>\$ 271,184,967</u>

**Underwater Endowment Funds**

From time to time, the fair value of net assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires to retain as a fund of perpetual duration. Such deficiencies generally result from unfavorable market fluctuations that occurred shortly after the investment of new donor restricted contributions to the endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. There were no deficiencies as of August 31, 2021 and 2020.

**Investment and Spend Rate Policies**

The Medical Center has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of endowment assets. To achieve its long-term rate of return objectives, the Medical Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). An endowment spend rate is established by management and approved annually by the Investment Committee of the Board of the Medical Center, which considers the following factors, specified by Uniform Prudent Management of Institutional Funds Act (UPMIFA):

- The duration and preservation of the endowment
- The Medical Center’s institutional mission and purpose of its endowed funds
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and appreciation of investments
- Other available resources of the Medical Center
- The investment policy of the Medical Center

The spend rate for endowment funds in fiscal 2021 and 2020 was 4%. The spend rate is applied to a three-year rolling average of the fund balance as of August 31<sup>st</sup>, which incorporates all returns. For new endowed funds (not more than five years old), the Investment Committee may in one or more particular years apply a lower spend rate and/or appreciation allocation, if the Investment Committee deems it prudent to do so.



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Substantially all net assets with donor restriction are restricted for research and programs. Substantially all net assets released from restrictions in fiscal 2021 and 2020 were related to expenses incurred for research and programs.

**9. Concentration of Credit Risk**

The Medical Center grants credit without collateral to its patients, most of whom are local residents. The mix of net receivables from patients and third-party payors at August 31, 2021 and 2020, was as follows:

	<b>2021</b>	<b>2020</b>
Managed Care	42 %	27 %
Illinois Medicaid	13	31
Medicaid Managed Care	37	35
Patient Self-Pay	3	1
Other	5	6
	<u>100 %</u>	<u>100 %</u>

Medicaid and Medicaid Managed Care has decreased from 66% at August 31, 2020 to 50% at August 31, 2021. The decrease is primarily due to payments received from Medicaid and Medicaid Managed Care payors related to prior year receivables.

In fiscal 2018 the state passed a budget, which it had not done for the prior year, and resumed making payments to providers. The state also provided funding to Medicaid Managed Care payors which in turn resumed payments to providers.

A summary of utilization based upon gross patient service revenue for the years ended August 31, 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Managed Care	49 %	47 %
Illinois Medicaid	9	15
Medicaid Managed Care	41	35
Patient Self Pay	0	0
Other	1	3
	<u>100 %</u>	<u>100 %</u>

**10. Retirement Plans**

The Medical Center has retirement plans covering substantially all full-time employees, including employees of affiliated corporations. The Medical Center has two defined contribution plans available to eligible employees and a frozen noncontributory defined benefit plan, the Value Growth Plan ('VGP').

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There are two 403(b) defined contribution plans available only to eligible pediatric faculty within PFF, a mandatory plan and a voluntary plan, and the Hospital's plan available to all other eligible employees of the Medical Center. Participants of the PFF plan are required to make mandatory contributions of 5 percent of compensation. Each year that a mandatory contribution is made by a participant, PFF will make a matching contribution up to 10 percent of compensation. PFF faculty who are not eligible for the mandatory plan or who have not reached the IRS limits may participate in the voluntary plan with no match.

All non-PFF employees, who elect to contribute are considered participants of the Hospital's plan. Participants of the Hospital plan may participate in a 403(b) defined contribution plan by entering into a salary reduction agreement to contribute a percentage of their compensation to the Plan. New employees are automatically enrolled 60 days after hire at 2 percent if they have not already made an election. The Hospital matches 100 percent of the employee's contribution up to 5 percent of compensation. Employees must be employed three years to be vested in the Hospital match. The hospital match was reduced to 2.5 percent as of July 1, 2020 due to the adverse financial effect of the COVID-19 pandemic on the Medical Center. The Hospital match was increased back to 5 percent effective January 1, 2021.

The Medical Center's matching expense under both defined contribution plans totaled \$30,053,000 and \$31,949,000 in fiscal 2021 and 2020, respectively.

The VGP defined benefit plan is a cash balance plan and was frozen effective January 1, 2014. Previously accrued balances will continue to accrue interest; however, no further credits to these balances will be made. The interest, or earnings credit rate, is generally 4.5 percent annually.

The Medical Center also sponsors two nonqualified supplemental defined benefit retirement plans ('SERP'); a defined benefit plan ('DB SERP') and a defined contribution plan ('DC SERP') plan for certain key executives. The DB SERP plan is not funded and, therefore, has no plan assets. Benefits under the DB SERP are paid when incurred from the Medical Center's unrestricted net assets.

Further, write downs in the DB SERP of \$998,000 and \$495,000 were recognized which represented a portion of the previously unrecognized losses of the Plan as of August 31, 2021 and 2020, respectively.

Effective as of January 1, 2017, the Medical Center sponsors a nonqualified DC SERP for certain key executives. Under this plan, the accrued obligations are determined as of December 31 of each year using 14 percent of participants' gross pay reduced by an employer match on the qualified plan. The Plan has a vesting service period of five years or attainment of age 62.

Effective January 1, 2019, LCSF received a transfer of the cash balance defined benefit retirement plan from Children's Surgical Foundation as a result of the affiliation agreement. The cash balance plan was established effective January 1, 2017. Participants are 100 percent vested after three years of service. Interest credit of 4 percent, compounded annually, based on 10 percent of the participant's compensation are credited to each participant's account.

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Effective January 1, 2019, LCPAA acquired a new cash balance defined benefit retirement plan. Principal credits are ranging from 1.5 percent to 10 percent of annual compensation depending on the years of service and credited to each participant's account. Plan interest credit is stated at 5 percent. Eligibility is based on completion of two years of service. However, this requirement is waived for participants employed on January 1, 2019.

Pension expense for the VGP and nonqualified DB SERP plan as determined by an independent actuary, includes the following components:

	DB SERP		VGP	
	2021	2020	2021	2020
Service cost, benefits earned during the year	\$ 166,157	\$ 160,472	\$ -	\$ -
Interest on projected benefit obligation	21,293	129,451	5,487,451	5,969,726
Expected return on assets	-	-	(11,111,763)	(11,381,861)
Amortization of actuarial loss	450,997	531,093	729,193	778,057
Amortization of prior service cost	-	-	109,660	109,660
Pension Settlement	998,293	494,635	2,197,841	-
Total pension related expense	<u>\$ 1,636,740</u>	<u>\$ 1,315,651</u>	<u>\$ (2,587,618)</u>	<u>\$ (4,524,418)</u>

Pension expense for the LCSF and LCPAA cash balance pension plans as determined by an independent actuary, includes the following components:

	LCSF		LCPAA	
	2021	2020	2021	2020
Service cost, benefits earned during the year	\$ 3,689,682	\$ 3,663,205	\$ 603,199	\$ 461,494
Interest on projected benefit obligation	396,131	339,871	24,938	9,140
Expected return on assets	(772,383)	(440,132)	(35,759)	(9,425)
Amortization of actuarial loss	501,706	494,883	2,942	-
Amortization of prior service cost	-	-	-	-
Pension Settlement	-	-	-	-
Total pension related expense	<u>\$ 3,815,136</u>	<u>\$ 4,057,827</u>	<u>\$ 595,320</u>	<u>\$ 461,209</u>

The funded status of the VGP and nonqualified SERP plans at the end of the year was as follows:

	DB SERP		DC SERP		VGP	
	2021	2020	2021	2020	2021	2020
<b>Funded status at end of year</b>						
Projected benefit obligation	\$ (2,631,070)	\$ (6,011,468)	\$ (3,040,822)	\$ (2,430,280)	\$ (195,201,496)	\$ (202,317,922)
Plan assets at fair market value		-	-	-	205,919,462	208,328,226
(Deficiency)/excess of plan assets over projected benefit obligation	<u>\$ (2,631,070)</u>	<u>\$ (6,011,468)</u>	<u>\$ (3,040,822)</u>	<u>\$ (2,430,280)</u>	<u>\$ 10,717,966</u>	<u>\$ 6,010,304</u>
<b>Amounts recognized in the consolidated balance sheet consist of</b>						
Current liability	\$ (854,896)	\$ (3,842,880)	\$ -	\$ -	\$ -	\$ -
Noncurrent Assets (liability)	<u>(1,776,174)</u>	<u>(2,168,588)</u>	<u>(3,040,822)</u>	<u>(2,430,280)</u>	<u>10,717,966</u>	<u>6,010,304</u>
	<u>\$ (2,631,070)</u>	<u>\$ (6,011,468)</u>	<u>\$ (3,040,822)</u>	<u>\$ (2,430,280)</u>	<u>\$ 10,717,966</u>	<u>\$ 6,010,304</u>

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The funded status of the LCSF and LCPAA cash balance plans at the end of the year was as follows:

	LCSF		LCPAA	
	2021	2020	2021	2020
<b>Funded status at end of year</b>				
Projected benefit obligation	\$ (19,469,431)	\$ (17,605,821)	\$ (1,435,033)	\$ (924,934)
Plan assets at fair market value	15,074,349	11,150,854	787,420	381,777
Deficiency of plan assets over projected benefit obligation	\$ (4,395,082)	\$ (6,454,967)	\$ (647,613)	\$ (543,157)
<b>Amounts recognized in the consolidated balance sheet consist of</b>				
Current liability	\$ -	\$ -	\$ -	\$ -
Noncurrent liability	(4,395,082)	(6,454,967)	(647,613)	(543,157)
	\$ (4,395,082)	\$ (6,454,967)	\$ (647,613)	\$ (543,157)

All previously unrecognized actuarial gains and losses and prior service costs are reflected in the consolidated balance sheets. An estimate of \$1,852,000 and \$2,068,000 of this amount is included as a component of net periodic benefit costs in fiscal 2021 and 2020, respectively.

The DB SERP and VGP amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost in 2021 are as follows:

	DB SERP	VGP
Actuarial loss	\$ 205,121	\$ 708,103
Prior service cost	-	109,660
Transition (asset) or obligation	-	-
Total	\$ 205,121	\$ 817,763

The actuarial loss of the LCSF and LCPAA cash balance plan's amount in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost in 2021 are \$501,706 and \$2,942, respectively.

The change in the projected benefit obligation during fiscal 2021 and 2020 is summarized as follows:

	DB SERP		VGP	
	2021	2020	2021	2020
<b>Projected benefit obligation at beginning of measurement year</b>	\$ 6,011,468	\$ 7,043,607	\$ 202,317,922	\$ 195,438,093
Service cost	166,157	160,472	-	-
Interest cost	21,293	129,451	5,487,451	5,969,726
Actuarial loss (gain)	121,837	136,007	(1,305,962)	8,311,023
Benefits paid	-	-	(1,798,304)	(7,400,920)
Settlements	(3,689,685)	(1,458,069)	(9,499,611)	-
<b>Projected benefit obligation at end of measurement year</b>	\$ 2,631,070	\$ 6,011,468	\$ 195,201,496	\$ 202,317,922

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The projected benefit obligation for the VGP was \$195,201,496 and \$202,317,922 at August 31, 2021 and 2020, respectively. The accumulated benefit obligation for the DB SERP plan was \$1,668,955 and \$5,714,211 at August 31, 2021 and 2020, respectively.

The change in the projected benefit obligation during fiscal 2021 is summarized as follows:

	LCSF		LCPAA	
	2021	2020	2021	2020
<b>Projected benefit obligation at beginning of measurement year</b>	\$ 17,605,821	\$ 12,833,162	\$ 924,934	\$ 304,676
Service cost	3,689,682	3,663,205	603,199	461,495
Interest cost	396,131	339,871	24,938	9,140
Actuarial loss	(1,255,879)	1,260,255	(71,222)	149,623
Benefits paid	(966,324)	(490,672)	(46,816)	-
<b>Projected benefit obligation at end of measurement year</b>	<b>\$ 19,469,431</b>	<b>\$ 17,605,821</b>	<b>\$ 1,435,033</b>	<b>\$ 924,934</b>

The benefit obligation for the LCSF cash balance plan was \$19,469,000 and \$17,606,000 as of August 31, 2021 and 2020, respectively. The projected benefit obligation for the LCPAA cash balance plan was \$1,435,000 and \$925,000 as of August 31, 2021 and 2020, respectively.

The VGP change in plan assets during fiscal 2021 and 2020 is summarized as follows:

	VGP	
	2021	2020
<b>Plan assets, at fair value at beginning of measurement year</b>	\$ 208,328,226	\$ 195,580,004
Actual return on plan assets	8,889,151	20,149,142
Employer contributions	-	-
Benefits paid	(1,798,304)	(7,400,920)
Settlements	(9,499,611)	-
<b>Plan assets, at fair value at end of measurement year</b>	<b>\$ 205,919,462</b>	<b>\$ 208,328,226</b>

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The LCSF change in plan assets during fiscal 2021 and 2020 is summarized as follows:

	<u>LCSF</u>	
	<u>2021</u>	<u>2020</u>
<b>Plan assets, at fair value at beginning of measurement year</b>	\$ 11,150,854	\$ 3,968,091
Actual return on plan assets	1,459,819	447,895
Employer contributions	3,430,000	7,225,540
Benefits paid	<u>(966,324)</u>	<u>(490,672)</u>
<b>Plan assets, at fair value at end of measurement year</b>	<u>\$ 15,074,349</u>	<u>\$ 11,150,854</u>

The following table presents the VGP plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 7:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ 12,598	\$ -	\$ -	\$ 4,011,464	\$ 4,024,062
Common stock	-	-	-	20,894,363	20,894,363
Other fixed income	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,013,672</u>	<u>181,013,672</u>
Total assets at fair value	<u>\$ 12,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,919,499</u>	<u>\$ 205,932,097</u>

The following table presents the VGP plan investments carried at fair value as of August 31, 2020, by caption, by the valuation hierarchy defined in Note 7:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ 20,990	\$ -	\$ -	\$ 2,157,756	\$ 2,178,746
Common stock	21,371	-	-	33,338,397	33,359,768
Other fixed income	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,811,331</u>	<u>172,811,331</u>
Total assets at fair value	<u>\$ 42,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,307,484</u>	<u>\$ 208,349,845</u>

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The following table presents the LCSF cash balance plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 7:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 93,678	\$ 93,678
Common Stock	8,725,559	-	-	-	8,725,559
Fixed Income	<u>1,062,800</u>	<u>-</u>	<u>-</u>	<u>5,192,314</u>	<u>6,255,114</u>
Total assets at fair value	<u>\$ 9,788,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,285,992</u>	<u>\$ 15,074,351</u>

The following table presents the LCSF cash balance plan investments carried at fair value as of August 31, 2020, by caption, by the valuation hierarchy defined in Note 7:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 89,283	\$ 89,283
Common Stock	6,413,419	-	-	-	6,413,419
Fixed Income	<u>879,532</u>	<u>-</u>	<u>-</u>	<u>3,768,620</u>	<u>4,648,152</u>
Total assets at fair value	<u>\$ 7,292,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,857,903</u>	<u>\$ 11,150,854</u>

The following table presents the LCPAA cash balance plan investments carried at fair value as of August 31, 2021, by caption, by the valuation hierarchy defined in Note 7:

	Level 1	Level 2	Level 3	Investments Measured at NAV or Equivalent	Total
<b>Assets</b>					
Investments					
Short-term investments	\$ -	\$ -	\$ -	\$ 5,735	\$ 5,735
Common stock	453,352	-	-	-	453,352
Fixed Income	<u>328,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,333</u>
Total assets at fair value	<u>\$ 781,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,735</u>	<u>\$ 787,420</u>

Investments measured at fair value using net assets value per share (or equivalent) as a practical expedient were not classified in the fair value hierarchy, rather the amounts are presented to enable reconciliation of the fair value tables to the investments fair value line items presented in the Plan assets.

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The Medical Center’s VGP pension plan weighted-average asset allocation at August 31, 2021 and 2020, by asset category is as follows:

	2021	2020
<b>Asset category</b>		
Return-seeking assets	10 %	16 %
Liability-hedging assets	90	84
	<u>100 %</u>	<u>100 %</u>

The Medical Center’s VGP pension plan assets are invested with external managers and asset allocation is determined using a liability-hedging approach. Pension plan assets are invested in two pools: return-seeking assets and liability-hedging assets. The target allocation between return-seeking assets and liability-hedging assets changes based on a predetermined glide path policy as the Plan’s funded status changes.

The objective of the return-seeking assets is to generate long-term asset growth for the pension plan. Return-seeking assets generally consist of equity securities including public equities traded in both domestic and international markets, invested in accordance with the target allocations listed below:

The objective of holding liability-hedging assets is to dampen the Plan’s surplus volatility. High-quality investment grade bonds with durations that approximate the durations of the liabilities are most commonly used for liability-hedging assets.

Estimated future pension benefit payments for the next ten years are as follows:

	DB SERP	DC SERP	VGP	LCSF	LCPAA	Total
<b>Years Ending August 31,</b>						
2022	\$ 854,896	\$ 400,000	\$ 13,391,018	\$ 1,245,779	\$ 43,695	\$ 15,935,388
2023	937,178	-	10,422,540	4,905,558	-	16,265,276
2024	872,688	600,000	9,668,234	-	-	11,140,922
2025	-	-	9,430,523	-	661,712	10,092,235
2026	-	-	9,342,840	1,435,304	-	10,778,144
2027-2043	-	<u>16,400,000</u>	<u>46,422,765</u>	<u>8,838,768</u>	<u>67,083</u>	<u>71,728,616</u>
	<u>\$ 2,664,762</u>	<u>\$ 17,400,000</u>	<u>\$ 98,677,920</u>	<u>\$ 16,425,409</u>	<u>\$ 772,490</u>	<u>\$ 135,940,581</u>

Weighted-average assumptions used to determine benefit obligations at August 31, 2021 and 2020 are as follows:

	DB SERP		DC SERP		VGP	
	2021	2020	2021	2020	2021	2020
Discount rate	0.5 %	2.0 %	0.0 %	0.0 %	2.8 %	2.8 %
Rate of compensation increase	4.0	4.0	4.0	4.0	0.0	0.0
	<u>LCSF</u>		<u>LCPAA</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>		
Discount rate	2.5 %	2.3 %	2.8 %	2.7 %		
Rate of compensation increase	0.0	0.0	3.0	3.0		



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Weighted-average assumptions used to determine net periodic pension benefit cost in fiscal 2021 and 2020 are as follows:

	DB SERP		DC SERP		VGP	
	2021	2020	2021	2020	2021	2020
Discount rate	0.5 %	2.0 %	0.0 %	0.0 %	2.8 %	3.2 %
Expected return on plan assets	0.0	0.0	6.0	6.0	5.5	6.0
Rate of compensation increase	4.0	4.0	4.0	4.0	0.0	0.0

  

	LCSF		LCPAA	
	2021	2020	2021	2020
Discount rate	2.7 %	2.3 %	2.7 %	3.0 %
Expected return on plan assets	6.0 %	6.0	6.0 %	5.0
Rate of compensation increase	0.0	0.0	3.0	3.0

The discount rate was determined by constructing hypothetical yield curves based on yields of corporate bonds rated AA quality. The expected rate of return on plan assets was determined by using the historical return on the various asset classes in which the Plan invests.

**11. Long-Term Debt**

In May 2017, the Illinois Finance Authority issued \$135,480,000 of Revenue Refunding Bonds, ('Series 2017') at a premium totaling \$13,416,000 with an equity contribution of \$11,411,000 on behalf of the Hospital. The proceeds of the Series 2017 bonds were used to refund the \$148,900,000 par amount of the Series 2008B bonds.

In January 2018, the Illinois Finance Authority issued \$223,550,000 of Taxable Revenue Refunding Bonds ('Series 2018') at par value on behalf of the Hospital. The proceeds of the Series 2018 bonds were used to refund the \$212,000,000 par amount of the Series 2008A bonds. The Medical Center recorded a debt refinancing loss of \$10,401,000 in extinguishment of the Series 2008A Bonds as a nonoperating item in the consolidated statements of operation and change in net asset as of August 31, 2018. The Medical Center's long-term bonds are issued under a Master Trust Indenture ('Indenture') dated May 1, 2008, as amended and restated. There are no significant changes to the underlying covenants in the Indenture. Obligations under the Indenture are collateralized by a pledge of the unrestricted receivables and assignable general intangibles of the Obligated Group, which consists of the Hospital and the Foundation (the 'Obligated Group'). Series 2017 and 2018 are the only outstanding bonds of the Medical Center.

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The chart below outlines debt as of August 31, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Illinois Finance Authority revenue bonds, Series 2017, fixed interest rate ranging from 4.00% to 5.00% (premium based on imputed interest rate of 3.62%), maturing annually in principal amounts ranging from \$5,115,000 in August 2019 to \$13,695,000 in August 2037.	\$ 119,350,000	\$ 124,990,000
Illinois Finance Authority taxable revenue bonds, Series 2018, fixed interest rate ranging from 3.50% to 3.95%, maturing annually in principal amounts ranging from \$4,840,000 in August 2028 to \$160,275,000 in August 2047.	<u>223,550,000</u>	<u>223,550,000</u>
Total debt outstanding	342,900,000	348,540,000
Unamortized premium/(discount)	9,088,561	10,073,930
Less: Debt issuance costs	<u>(3,119,707)</u>	<u>(3,364,005)</u>
Long-term debt	<u>\$ 348,868,854</u>	<u>\$ 355,249,925</u>

Future maturities of total outstanding debt at August 31, 2021, are as follows:

**Years Ending August 31,**

2022	\$ 5,920,000
2023	6,220,000
2024	6,530,000
2025	6,860,000
2026	7,200,000
Thereafter	<u>310,170,000</u>
	<u>\$ 342,900,000</u>

The Obligated Group is subject to various nonfinancial and financial covenants. The Obligated Group was in compliance with its debt covenants as of August 31, 2021 and 2020.

As of August 31, 2021, the Medical Center had line of credit agreements with three commercial banks for \$45,000,000, \$30,000,000 and \$25,000,000. The lines of credit provide for interest rates based on various spreads to LIBOR. To mitigate the effect of adverse financial consequences of the COVID-19 pandemic, the Medical Center borrowed \$25,000,000 from the line of credit in April 2020 and repaid in full by June 2020. There were no amounts outstanding or borrowings made under the lines of credit as of August 31, 2021 or 2020. One outstanding letter of credit supporting the construction of the hospital in Streeterville of \$597,000 reduces the available lines of credit.

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**12. Leases**

The Medical Center leases office and clinical space as well as real estate with lease terms ranging from 1 to 87 years with some options to extend. Leases with an initial term of 12 months or less are not recorded on the balance sheet. During fiscal year 2021, the Medical Center entered into one new right-of-use asset lease agreement on August 31, 2021 that resulted in a \$578,000 right-of-use asset and operating lease liability.

The depreciable lives of assets are limited by the expected lease terms. The majority of leases do not provide an implicit rate; therefore, the Medical Center has elected to use a risk-free rate of return as the discount rate. The Medical Center used the risk-free rate of return on September 1, 2020, for operating leases that commenced prior to that date.

Termination of these leases is generally prohibited unless there is a violation under the lease agreement.

Operating leases are classified as follows within the accompanying consolidated balance sheet at August 31, 2021:

	<u>Classification</u>	<u>2021</u>
<b>Assets</b>		
Noncurrent		
Operating	Operating right-of-use assets	<u>\$ 112,914,422</u>
Total lease assets		<u>\$ 112,914,422</u>
<b>Liabilities</b>		
Current		
Operating	Operating lease liabilities	\$ 13,745,052
Noncurrent		
Operating	Long-term operating lease liabilities	<u>125,252,868</u>
Total lease liabilities		<u>\$ 138,997,920</u>

Lease costs are classified as follows within the accompanying consolidated statement of operations and changes in net assets as of August 31, 2021:

<u>Lease Cost</u>	<u>Classification</u>	<u>2021</u>
Operating lease cost	Supplies and services	\$ 19,185,000
Short-term lease cost	Supplies and services	357,000
Variable lease cost	Supplies and services	<u>652,000</u>
Total lease cost		<u>\$ 20,194,000</u>

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Lease-terms, discount rates and other supplemental information as of and for the year ended August 31, 2021 are as follows:

	<u>2021</u>
Weighted average remaining lease term (in years)	
Operating	19.89
Weighted average discount rate	
Operating	0.91%
Cash paid for amounts included in the measurement of operating lease liabilities	
Operating cash flows from operating leases	\$ 12,981,000

Future maturities of lease liabilities at August 31, 2021, are as follows:

	<u>Operating Lease</u>
2022	\$ 14,670,910
2023	14,960,041
2024	14,421,109
2025	14,392,708
2026	14,343,159
Thereafter	<u>88,951,235</u>
Future minimum lease payments	161,739,162
Less: Remaining imputed interest	<u>22,741,242</u>
Total	<u>\$ 138,997,920</u>

Rental expense was approximately \$24,405,000 for the year ended August 31, 2020 and was included within supplies and services in the accompanying consolidated statement of operations and changes in net assets. Total minimum payments under noncancelable operating leases at August 31, 2020, prior to the adoption of ASU 2016-02, were as follows:

2021	\$ 17,394,000
2022	17,901,000
2023	15,467,000
2024	14,539,000
2025	13,010,000
Thereafter	<u>82,117,000</u>
Total	<u>\$ 160,428,000</u>

**13. Professional and General Liability Insurance**

The Medical Center maintains a program of self-insurance for professional and general liability risks. This program is maintained on behalf of all Medical Center affiliates and employees including the employed physicians of PFF, LCMG LCPC, LCSF, and LCPAA. More than 800 hospital-based physicians are covered by this program.

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The Medical Center self-insures the first losses for both professional and general liability claims. The estimated liability for self-insured claims and the required funding for the trust are determined annually by an independent actuary and are based upon case reserves and actuarial estimates for claims that have been incurred but not yet reported. The self-insured portion of the program is administered by an independent trustee.

The Medical Center incurred approximately \$35,750,000 and \$28,000,000 in expense for fiscal 2021 and 2020, respectively, for self-insured professional and general liability risk. The Medical Center’s self-insurance liability has been discounted at 5% in fiscal 2021 and 2020. The effect of discounting the value of estimated liabilities was approximately \$25,293,000 and \$24,421,000 at August 31, 2021 and 2020, respectively. Further, the Medical Center recorded an estimated liability of \$156,873,000 and \$132,166,000 at August 31, 2021 and 2020, respectively, for self-insured professional and general liability risk. Part of the increase in the liability represents a potential impact from the Illinois Senate Bill 72 (Illinois Prejudgment Interest Act), which was effective July 1, 2021.

In addition to the self-insured portion, the Medical Center purchases commercial insurance for claims in excess of the self-insurance limits, including a swing option coverage to manage potential losses of the self-insured portion. These excess insurance policies, which are claims-made, are purchased through CMMC Insurance.

CMMC Insurance writes the professional and general liability insurance for the Hospital and its affiliates. CMMC Insurance, in turn, purchases reinsurance equal to 100 percent of its exposure and, therefore, holds no risk on its own books. For the years ended August 31, 2021 and 2020, premiums ceded to reinsurers were \$2,986,000 and \$3,369,000, respectively, and reinsurance recoveries on unpaid losses on an undiscounted basis, were \$21,777,000 and \$22,938,000, respectively. CMMC Insurance is operated to break even after all expenses.

**14. Functional and Natural Expense Classification**

The Medical Center provides health care services to children and conducts research and programs within its geographic region. Expenses, excluding interest and including fundraising (which are reported as nonoperating activities), related to providing these services, research, and programs by both functional and natural classification as follows:

**Functional Expenses**

	Patient Care Services	General and Administrative	Research and Mission-Related Programs	Fundraising	Total
<b>August 31, 2021</b>					
Salaries, wages and employee benefits	\$ 675,372,460	\$ 85,064,631	\$ 41,104,112	\$ 12,221,500	\$ 813,762,703
Supplies and services	263,806,045	98,124,875	90,642,103	6,107,455	458,680,478
Depreciation	79,946,508	11,709,630	-	-	91,656,138
	<u>\$ 1,019,125,013</u>	<u>\$ 194,899,136</u>	<u>\$ 131,746,215</u>	<u>\$ 18,328,955</u>	<u>\$ 1,364,099,319</u>

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	Patient Care Services	General and Administrative	Research and Mission-Related Programs	Fundraising	Total
<b>August 31, 2020</b>					
Salaries, wages and employee benefits	\$ 672,610,071	\$ 86,145,268	\$ 37,218,557	\$ 12,814,830	\$ 808,788,726
Supplies and services	251,735,225	94,566,460	80,683,153	6,683,346	433,668,184
Depreciation	<u>75,915,263</u>	<u>12,310,779</u>	<u>-</u>	<u>-</u>	<u>88,226,042</u>
	<u>\$ 1,000,260,559</u>	<u>\$ 193,022,507</u>	<u>\$ 117,901,710</u>	<u>\$ 19,498,176</u>	<u>\$ 1,330,682,952</u>

**Natural Expense Classification**

	2021	2020
Expenditures charged to net assets with donor restrictions	\$ 125,103,723	\$ 113,609,523
Expenditures charged to net assets without donor restrictions	<u>1,238,995,596</u>	<u>1,217,073,429</u>
Total expenditure	<u>\$ 1,364,099,319</u>	<u>\$ 1,330,682,952</u>

**15. Commitments and Contingencies**

**Health Care Regulation**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations create a possibility of repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Management believes that the Medical Center is in compliance, in all material respects, with fraud and abuse statutes, as well as with other applicable government laws and regulations. While no regulatory inquiries that are expected to have a material effect on the consolidated financial statements have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

**Litigation**

There are several lawsuits, pending claims, and incidents that occurred in the past whereby claims have been made and may be asserted against the Medical Center for which the ultimate liability, if any, cannot be reasonably estimated. Management believes that the ultimate settlement of these claims will not have a material adverse effect upon the Medical Center’s consolidated financial position or results of operations.

**Investments**

The Medical Center has contractual commitments totaling \$336,800,000 with its private equity investment funds. As of August 31, 2021, the Medical Center’s remaining capital commitments are \$153,921,000. Future capital calls are expected to occur over the next several years and will be initiated by the general partner of the investment as investments are made by the funds.

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**Asset Retirement Obligation**

An asset retirement obligation represents a legal obligation associated with the retirement of a tangible long-lived asset that is incurred upon the acquisition, construction, development, or normal operation of that long-lived asset. The asset retirement obligations are accreted to their present value at the end of each reporting period. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over its useful life.

The Medical Center has evaluated its leased and owned properties for potential asset retirement obligations. Based on this review, the Medical Center identified obligations primarily related to the removal of certain materials previously utilized in the construction process. The total retirement obligation of \$416,000 was recognized as of August 31, 2021 and 2020, respectively, which was recorded as accrued expenses in the consolidated balance sheets.

**16. Liquidity**

Financial assets available for general expenditure within one year of the balance sheet date comprise the following at August 31:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 58,931,786	\$ 28,299,259
Patient accounts receivable	221,266,917	233,649,273
Pledges receivable	16,706,125	16,236,397
Other receivables	28,463,765	29,304,218
Investments	<u>1,517,264,678</u>	<u>1,286,857,936</u>
	<u>\$ 1,842,633,271</u>	<u>\$ 1,594,347,083</u>

**17. Subsequent Event**

The Medical Center has evaluated all events and transactions that occurred after the balance sheet date and through the date that the consolidated financial statements were issued. There were no significant subsequent events or transactions through this date.

## **Supplemental Information**



# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Consolidating Balance Sheet

### August 31, 2021

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	MMMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Lurie Children's Primary Care	Lurie Children's Pediatric Anesthesia Associates	Lurie Children's Surgical Foundation Inc.	Faculty Practice Plan	Eliminating Entries	Total
<b>Assets</b>																
<b>Current assets</b>																
Cash and cash equivalents	\$ 49,196,403	\$ -	\$ 49,196,403	\$ -	\$ -	\$ 5,114,174	\$ -	\$ 242,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,379,095	\$ -	\$ 58,931,786
Current portion of self-insurance trust	14,000,000	-	14,000,000	-	-	-	-	-	-	-	-	-	-	-	-	14,000,000
Patient accounts receivable	189,348,129	-	189,348,129	-	14,289,668	4,869,992	567,435	-	-	458,825	5,061,932	6,670,936	-	-	-	221,266,917
Other current assets	54,110,079	630,869	54,740,948	1,008,766	8,781,792	720,353	67,035	76,025	24,767,150	-	1,009,621	249,892	1,736,421	180,678	-	93,338,681
<b>Total current assets</b>	<b>306,654,611</b>	<b>630,869</b>	<b>307,285,480</b>	<b>1,008,766</b>	<b>23,071,460</b>	<b>10,704,519</b>	<b>634,470</b>	<b>76,025</b>	<b>25,009,264</b>	<b>-</b>	<b>1,468,446</b>	<b>5,311,824</b>	<b>8,407,357</b>	<b>4,559,773</b>	<b>-</b>	<b>387,537,384</b>
<b>Investments</b>	<b>1,803,916,030</b>	<b>-</b>	<b>1,803,916,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,728,793</b>	<b>(833,984)</b>	<b>1,820,944,823</b>
Property and equipment, at cost	1,587,257,932	1,614,953	1,588,872,885	207,097,419	-	-	2,565,024	-	-	3,845,180	-	-	-	-	-	1,802,380,508
Less: Accumulated depreciation	(723,367,347)	(1,614,953)	(724,982,300)	(38,982,535)	-	-	(843,271)	-	-	(2,849,931)	-	-	-	-	-	(767,658,037)
<b>Total property and equipment, net</b>	<b>863,890,585</b>	<b>-</b>	<b>863,890,585</b>	<b>168,114,884</b>	<b>-</b>	<b>-</b>	<b>1,721,753</b>	<b>-</b>	<b>-</b>	<b>995,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,034,722,471</b>
Operating lease right-of-use assets	101,709,550	-	101,709,550	-	-	-	1,886,747	-	-	-	9,318,125	-	-	-	-	112,914,422
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pledges receivable restricted by donors, net	58,778,582	-	58,778,582	-	-	-	-	-	-	-	-	-	-	-	-	58,778,582
Other assets	11,651,961	-	11,651,961	-	-	-	-	-	-	1,417,706	-	-	-	-	-	13,069,667
<b>Total other assets</b>	<b>70,430,543</b>	<b>-</b>	<b>70,430,543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,848,249</b>
<b>Total assets</b>	<b>\$ 3,146,601,319</b>	<b>\$ 630,869</b>	<b>\$ 3,147,232,188</b>	<b>\$ 169,123,650</b>	<b>\$ 23,071,460</b>	<b>\$ 10,704,519</b>	<b>\$ 4,242,970</b>	<b>\$ 210,009</b>	<b>\$ 25,009,264</b>	<b>\$ -</b>	<b>\$ 13,199,526</b>	<b>\$ 5,311,824</b>	<b>\$ 8,407,357</b>	<b>\$ 22,288,566</b>	<b>\$ (833,984)</b>	<b>\$ 3,427,967,349</b>
<b>Liabilities and Net Assets</b>																
<b>Current liabilities</b>																
Accounts payable and accrued expenses	\$ 142,061,602	\$ 3,722,209	\$ 145,783,811	\$ 4,940,226	\$ 16,211,685	\$ 5,290,542	\$ 353,826	\$ 324,352	\$ 24,875,280	\$ -	\$ 2,273,471	\$ 3,246,669	\$ 3,826,448	\$ 1,335,944	\$ -	\$ 208,462,254
Current portion of self-insurance liability	14,000,000	-	14,000,000	-	-	-	-	-	-	-	-	-	-	-	-	14,000,000
Due to third-party payors	30,487,757	-	30,487,757	-	2,156,753	253,992	-	-	-	-	-	-	-	-	-	32,898,502
Current portion of operating lease liabilities	12,758,958	-	12,758,958	-	-	-	213,355	-	-	772,739	-	-	-	-	-	13,745,052
Current portion of long-term debt	5,920,000	-	5,920,000	-	-	-	-	-	-	-	-	-	-	-	-	5,920,000
<b>Total current liabilities</b>	<b>205,228,317</b>	<b>3,722,209</b>	<b>208,950,526</b>	<b>4,940,226</b>	<b>18,368,438</b>	<b>5,544,534</b>	<b>567,181</b>	<b>324,352</b>	<b>24,875,280</b>	<b>-</b>	<b>3,046,210</b>	<b>3,246,669</b>	<b>3,826,448</b>	<b>1,335,944</b>	<b>-</b>	<b>275,025,808</b>
<b>Other liabilities</b>																
Self-insurance liability	142,873,480	-	142,873,480	-	-	-	-	-	-	-	-	-	-	-	-	142,873,480
Other noncurrent liabilities	16,552,568	-	16,552,568	-	-	-	422,602	-	-	-	647,613	4,395,082	-	-	-	22,017,865
<b>Total other liabilities</b>	<b>159,426,048</b>	<b>-</b>	<b>159,426,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>647,613</b>	<b>4,395,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,891,345</b>
Long-term operating lease liabilities	114,764,613	-	114,764,613	-	-	-	1,713,479	-	-	8,774,776	-	-	-	-	-	125,252,868
Long-term debt	342,948,854	-	342,948,854	-	-	-	-	-	-	-	-	-	-	-	-	342,948,854
<b>Total liabilities</b>	<b>822,367,832</b>	<b>3,722,209</b>	<b>826,090,041</b>	<b>4,940,226</b>	<b>18,368,438</b>	<b>5,544,534</b>	<b>2,703,262</b>	<b>324,352</b>	<b>24,875,280</b>	<b>-</b>	<b>11,820,986</b>	<b>3,894,282</b>	<b>8,221,530</b>	<b>1,335,944</b>	<b>-</b>	<b>908,118,875</b>
<b>Stockholder's equity</b>																
Common stock	-	-	-	-	-	-	-	-	120,000	-	-	-	-	-	(120,000)	-
Retained earnings	-	-	-	-	-	-	-	-	13,984	-	-	-	-	-	(13,984)	-
<b>Total stockholder's equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(133,984)</b>	<b>-</b>
<b>Net assets</b>																
Net assets without donor restrictions	1,795,330,525	(3,091,340)	1,792,239,185	164,183,424	4,703,022	5,159,985	1,539,708	(114,343)	-	-	1,378,540	1,417,542	185,827	20,952,622	(700,000)	1,990,945,512
Net assets with donor restrictions	528,902,962	-	528,902,962	-	-	-	-	-	-	-	-	-	-	-	-	528,902,962
<b>Total net assets</b>	<b>2,324,233,487</b>	<b>(3,091,340)</b>	<b>2,321,142,147</b>	<b>164,183,424</b>	<b>4,703,022</b>	<b>5,159,985</b>	<b>1,539,708</b>	<b>(114,343)</b>	<b>-</b>	<b>-</b>	<b>1,378,540</b>	<b>1,417,542</b>	<b>185,827</b>	<b>20,952,622</b>	<b>(700,000)</b>	<b>2,519,848,474</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,146,601,319</b>	<b>\$ 630,869</b>	<b>\$ 3,147,232,188</b>	<b>\$ 169,123,650</b>	<b>\$ 23,071,460</b>	<b>\$ 10,704,519</b>	<b>\$ 4,242,970</b>	<b>\$ 210,009</b>	<b>\$ 25,009,264</b>	<b>\$ -</b>	<b>\$ 13,199,526</b>	<b>\$ 5,311,824</b>	<b>\$ 8,407,357</b>	<b>\$ 22,288,566</b>	<b>\$ (833,984)</b>	<b>\$ 3,427,967,349</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Consolidating Balance Sheet

### August 31, 2020

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CMMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Lurie Children's Primary Care	Lurie Children's Pediatric Anesthesia Associates	Lurie Children's Surgical Foundation Inc.	Faculty Practice Plan	Eliminating Entries	Total
<b>Assets</b>																
Current assets																
Cash and cash equivalents	\$ 22,055,115	\$ -	\$ 22,055,115	\$ -	\$ -	\$ 3,545,638	\$ -	\$ -	\$ 218,067	\$ -	\$ -	\$ -	\$ -	\$ 2,480,439	\$ -	\$ 28,299,259
Current portion of self-insurance trust	5,517,000	-	5,517,000	-	-	-	-	-	-	-	-	-	-	-	-	5,517,000
Patient accounts receivable	208,725,366	-	208,725,366	-	9,456,094	3,264,300	761,687	-	-	84,446	273,184	4,937,092	6,147,104	-	-	233,649,273
Other current assets	49,881,195	557,523	50,438,718	1,099,829	5,931,013	518,394	82,526	76,025	26,314,764	-	500,567	144,111	3,310,490	1,244,569	(568,877)	89,092,129
Total current assets	286,178,676	557,523	286,736,199	1,099,829	15,387,107	7,328,332	844,213	76,025	26,532,831	84,446	773,751	5,081,203	9,457,594	3,725,008	(568,877)	356,557,661
Investments	1,477,040,060	-	1,477,040,060	-	-	-	-	134,791	-	-	-	-	-	15,031,373	(734,791)	1,491,471,433
Property and equipment, at cost	1,532,863,381	1,614,953	1,534,478,334	207,225,070	-	-	2,547,795	-	-	-	3,789,340	-	-	-	-	1,748,040,539
Less: Accumulated depreciation	(644,322,682)	(1,614,953)	(645,937,635)	(28,730,496)	-	-	(734,680)	-	-	-	(2,469,683)	-	-	-	-	(677,872,494)
Total property and equipment, net	888,540,699	-	888,540,699	178,494,574	-	-	1,813,115	-	-	-	1,319,657	-	-	-	-	1,070,168,045
Other assets																
Pledges receivable restricted by donors, net	67,698,845	-	67,698,845	-	-	-	-	-	-	-	-	-	-	-	-	67,698,845
Other assets	22,653,528	-	22,653,528	-	-	-	-	-	-	-	1,417,706	-	-	-	-	24,071,234
Total other assets	90,352,373	-	90,352,373	-	-	-	-	-	-	-	1,417,706	-	-	-	-	91,770,079
Total assets	\$ 2,742,111,808	\$ 557,523	\$ 2,742,669,331	\$ 179,594,403	\$ 15,387,107	\$ 7,328,332	\$ 2,657,328	\$ 210,816	\$ 26,532,831	\$ 84,446	\$ 3,511,114	\$ 5,081,203	\$ 9,457,594	\$ 18,756,381	\$ (1,303,668)	\$ 3,009,967,218
<b>Liabilities and Net Assets</b>																
Current liabilities																
Accounts payable and accrued expenses	\$ 136,544,494	\$ 3,282,529	\$ 139,827,023	\$ 3,433,377	\$ 13,911,311	\$ 4,863,485	\$ 372,485	\$ 201,611	\$ 26,398,041	\$ 8,801	\$ 1,030,523	\$ 2,427,296	\$ 2,865,181	\$ 4,331,848	\$ (568,877)	\$ 199,102,104
Current portion of self-insurance liability	5,517,000	-	5,517,000	-	-	-	-	-	-	-	-	-	-	-	-	5,517,000
Due to third-party payors	28,658,696	-	28,658,696	-	2,561,008	253,992	-	-	-	-	-	-	-	-	-	31,473,696
Current portion of long-term debt	5,640,000	-	5,640,000	-	-	-	-	-	-	-	-	-	-	-	-	5,640,000
Total current liabilities	176,360,190	3,282,529	179,642,719	3,433,377	16,472,319	5,117,477	372,485	201,611	26,398,041	8,801	1,030,523	2,427,296	2,865,181	4,331,848	(568,877)	241,732,800
Other liabilities																
Self-insurance liability	126,649,022	-	126,649,022	-	-	-	-	-	-	-	-	-	-	-	-	126,649,022
Other noncurrent liabilities	55,023,554	-	55,023,554	-	-	-	463,652	-	-	-	99,336	543,157	6,454,967	-	-	62,584,666
Total other liabilities	181,672,576	-	181,672,576	-	-	-	463,652	-	-	-	99,336	543,157	6,454,967	-	-	189,233,688
Long-term debt	349,609,925	-	349,609,925	-	-	-	-	-	-	-	-	-	-	-	-	349,609,925
Total liabilities	707,642,691	3,282,529	710,925,220	3,433,377	16,472,319	5,117,477	836,137	201,611	26,398,041	8,801	1,129,859	2,970,453	9,320,148	4,331,848	(568,877)	780,576,413
Stockholder's equity																
Common stock	-	-	-	-	-	-	-	-	120,000	-	-	-	-	-	(120,000)	-
Retained earnings	-	-	-	-	-	-	-	-	14,790	-	-	-	-	-	(14,791)	-
Total stockholder's equity	-	-	-	-	-	-	-	-	134,790	-	-	-	-	-	(134,791)	-
Net assets																
Net assets without donor restrictions	1,532,395,550	(2,725,006)	1,529,670,544	176,161,026	(1,085,212)	2,210,855	1,821,191	9,205	-	75,645	2,381,255	2,110,750	137,446	14,424,533	(600,000)	1,727,317,238
Net assets with donor restrictions	502,073,567	-	502,073,567	-	-	-	-	-	-	-	-	-	-	-	-	502,073,567
Total net assets	2,034,469,117	(2,725,006)	2,031,744,111	176,161,026	(1,085,212)	2,210,855	1,821,191	9,205	-	75,645	2,381,255	2,110,750	137,446	14,424,533	(600,000)	2,229,390,805
Total liabilities and net assets	\$ 2,742,111,808	\$ 557,523	\$ 2,742,669,331	\$ 179,594,403	\$ 15,387,107	\$ 7,328,332	\$ 2,657,328	\$ 210,816	\$ 26,532,831	\$ 84,446	\$ 3,511,114	\$ 5,081,203	\$ 9,457,594	\$ 18,756,381	\$ (1,303,668)	\$ 3,009,967,218

The accompanying notes are an integral part of these consolidated financial statements.

**Children’s Hospital of Chicago Medical Center and Affiliated Corporations**  
**Notes to Consolidating Balance Sheet**  
**August 31, 2021 and 2020**

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**1. Basis of Presentation**

The accompanying Consolidating Balance Sheet (the “Schedule”) includes the balance sheet of each entity shown separately along with eliminating entries within The Children’s Hospital of Chicago Medical Center and Affiliated Corporations (the “Medical Center”). The Schedule has been presented on the accrual basis of accounting.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Consolidating Statement of Operation and Change in Net Assets Without Donor Restrictions

### Year Ended August 31, 2021

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CMMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Lurie Pediatric Anesthesia Associates	Lurie Children's Surgical Foundation Inc.	Faculty Practice Plan	Eliminating Entries	Total	
<b>Operating revenue</b>																	
Patient service revenue	\$ 914,817,591	\$ -	\$ -	\$ 914,817,591	\$ -	\$ 117,818,214	\$ 21,868,196	\$ 4,284,500	\$ -	\$ -	\$ -	\$ 16,884,388	\$ 18,431,767	\$ 47,099,318	\$ -	\$ (54,181)	1,141,149,793
Net assets released from restrictions																	
Contributions and philanthropy used for program purposes	59,121,560	-	-	59,121,560	16,449,500	2,840,642	1,407,021	168,150	-	-	230,290	-	112,750	357,821	-	(21,566,174)	59,121,560
Grants and other restricted income used for program purposes	64,672,484	-	-	64,672,484	16,290,324	5,398,983	218,025	-	-	-	-	-	27,497	311,684	-	(22,246,513)	64,672,484
Board-designated endowment income	10,547,994	-	-	10,547,994	-	1,068,788	232,876	-	-	-	-	-	150,000	155,150	-	(1,606,814)	10,547,994
Other operating revenue	51,999,134	-	-	51,999,134	271,756	53,637,674	8,456,297	384,167	-	112,608	366,697	954,729	2,423,797	11,656,851	23,395,538	(62,266,993)	91,392,255
Total operating revenue	1,101,158,763	-	-	1,101,158,763	33,011,580	180,784,301	32,182,415	4,836,817	-	112,608	596,987	17,839,117	21,145,811	59,580,824	23,395,538	(107,740,675)	1,366,884,086
<b>Operating expenses</b>																	
Salaries, wages, and employee benefits	540,332,555	12,221,500	(12,221,500)	540,332,555	28,554,448	168,436,697	26,249,415	5,987,509	789,889	-	1,606,020	11,123,783	23,590,130	68,475,257	861,800	(74,466,301)	801,541,202
Supplies and services	370,995,279	5,534,336	(5,534,336)	370,995,279	12,195,515	44,170,389	6,755,648	931,553	170,511	113,526	125,842	8,293,346	3,710,076	18,082,399	20,303,314	(33,274,374)	452,573,024
Depreciation	80,911,964	-	-	80,911,964	10,255,335	-	-	108,591	-	-	-	380,248	-	-	-	-	91,656,138
Total operating expenses	992,239,798	17,755,836	(17,755,836)	992,239,798	51,005,298	212,607,086	33,005,063	7,027,653	960,400	113,526	1,731,862	19,797,377	27,300,206	86,557,656	21,165,114	(107,740,675)	1,345,770,364
Income (loss) from operations before interest and amortization	108,918,965	(17,755,836)	17,755,836	108,918,965	(17,993,718)	(31,842,785)	(822,648)	(2,190,836)	(960,400)	(918)	(1,134,875)	(1,958,260)	(6,154,395)	(26,976,832)	2,230,424	-	21,113,722
Interest and amortization of financing costs	16,601,215	-	-	16,601,215	-	-	-	-	-	-	-	-	-	-	-	-	16,601,215
Income (loss) from operations	92,317,750	(17,755,836)	17,755,836	92,317,750	(17,993,718)	(31,842,785)	(822,648)	(2,190,836)	(960,400)	(918)	(1,134,875)	(1,958,260)	(6,154,395)	(26,976,832)	2,230,424	-	4,512,507
<b>Nonoperating income (expense), net</b>																	
Investment return	238,079,331	-	-	238,079,331	-	-	-	-	(806)	112	-	-	-	-	2,597,421	806	240,676,864
Unrestricted Contributions and bequests	-	20,038,720	-	20,038,720	-	-	-	637,735	-	-	-	-	-	-	-	-	20,676,455
Fund-raising expense	-	-	17,755,836	(17,755,836)	-	-	-	(73,119)	-	-	-	-	-	-	(500,000)	-	(18,328,955)
Gain (loss) on disposal of fixed assets	(91,078)	-	-	(91,078)	-	-	-	-	-	-	-	-	-	-	-	-	(91,078)
Other	3,517,006	-	-	3,517,006	-	-	-	30,319	-	-	-	-	7,879	(125,454)	-	(100,000)	3,329,750
Total nonoperating income(loss)	241,505,259	20,038,720	17,755,836	243,788,143	-	-	-	594,935	(806)	112	-	-	7,879	(125,454)	2,097,421	(99,194)	246,263,036
Excess (deficiency) of revenue over expenses	333,823,009	2,282,884	-	336,105,893	(17,993,718)	(31,842,785)	(822,648)	(1,595,901)	(961,206)	(806)	(1,134,875)	(1,958,260)	(6,146,516)	(27,102,286)	4,327,845	(99,194)	250,775,543
Net assets released from restrictions used for purchase of property and equipment	1,949,511	-	-	1,949,511	-	-	-	-	-	-	-	-	-	-	-	-	1,949,511
Retirement plan-related change other than net periodic retirement plan expense	4,136,924	-	-	4,136,924	-	-	-	-	-	-	-	-	93,864	2,445,021	-	-	6,675,809
Other	4,227,411	-	-	4,227,411	-	-	-	-	-	-	-	-	-	-	-	-	4,227,411
Transfers (to) from affiliates	(81,201,880)	(2,649,218)	-	(83,851,098)	6,016,116	37,631,019	3,771,778	1,314,418	837,658	-	1,059,230	955,545	5,359,444	24,705,646	2,200,244	-	-
Increase (decrease) in net assets without donor restrictions	\$ 262,934,975	\$ (366,334)	\$ -	\$ 262,568,641	\$ (11,977,602)	\$ 5,788,234	\$ 2,949,130	\$ (281,483)	\$ (123,548)	\$ (806)	\$ (75,645)	\$ (1,002,715)	\$ (693,208)	\$ 48,381	\$ 6,528,089	\$ (99,194)	\$ 263,628,274

The accompanying notes are an integral part of these consolidated financial statements.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Consolidating Statement of Operation and Change in Net Assets Without Donor Restrictions

### Year Ended August 31, 2020

	Ann & Robert H. Lurie Children's Hospital of Chicago	Ann & Robert H. Lurie Children's Hospital of Chicago Foundation	Eliminating Entries	Obligated Group	Stanley Manne Children's Research Institute	Pediatric Faculty Foundation	Lurie Children's Medical Group LLC	Almost Home Kids	Children's Hospital of Chicago Medical Center	CMMC Insurance Co. Ltd	Lurie Children's Health Partners Care Coordination	Lurie Children's Primary Care	Lurie Pediatric Anesthesia Associates	Lurie Children's Surgical Foundation Inc.	Faculty Practice Plan	Eliminating Entries	Total
<b>Operating revenue</b>																	
Patient Service Revenue	\$ 889,202,081	\$ -	\$ -	\$ 889,202,081	\$ -	\$ 102,175,056	\$ 17,969,227	\$ 4,160,765	\$ -	\$ -	\$ -	\$ 17,333,785	\$ 17,631,828	\$ 41,925,637	\$ -	\$ (115,375)	\$ 1,090,283,004
Net assets released from restrictions																	
Contributions and philanthropy used for program purposes	50,321,832	-	-	50,321,832	14,500,077	3,092,295	1,369,092	60,050	-	-	195,833	-	90,503	1,349,957	-	(20,657,807)	50,321,832
Grants and other restricted income used for program purposes	60,724,474	-	-	60,724,474	16,109,293	4,949,822	378,017	-	-	-	-	-	-	399,821	-	(21,836,953)	60,724,474
Board-designated endowment income	10,231,046	-	-	10,231,046	-	1,216,151	232,876	-	-	-	-	-	91,667	251,884	-	(1,792,578)	10,231,046
Other operating revenue	80,020,911	-	-	80,020,911	343,189	51,505,654	6,927,125	437,519	-	104,005	605,549	527,350	3,050,540	11,455,514	23,571,920	(60,623,410)	117,925,866
Total operating revenue	1,090,500,344	-	-	1,090,500,344	30,952,559	162,938,978	26,876,337	4,658,334	-	104,005	801,382	17,861,135	20,864,538	55,382,813	23,571,920	(105,026,123)	1,329,486,222
<b>Operating expenses</b>																	
Salaries, wages, and employee benefits	538,420,046	12,814,830	(12,814,830)	538,420,046	28,182,872	168,137,671	25,235,272	6,332,374	1,135,312	-	2,016,520	11,378,387	20,882,757	65,305,826	925,582	(71,978,722)	795,973,897
Supplies and services	352,274,458	6,068,190	(6,068,190)	352,274,458	12,713,199	39,635,761	6,386,171	799,603	273,826	122,551	154,476	7,563,418	3,784,403	17,560,995	18,763,377	(33,047,401)	426,984,837
Depreciation	77,703,124	-	-	77,703,124	9,931,368	-	-	106,439	-	-	-	485,111	-	-	-	-	88,226,042
Total operating expenses	968,397,628	18,883,020	(18,883,020)	968,397,628	50,827,439	207,773,432	31,621,443	7,238,416	1,409,138	122,551	2,170,996	19,426,916	24,667,160	82,866,821	19,688,959	(105,026,123)	1,311,184,776
Income (loss) from operations before interest and amortization	122,102,716	(18,883,020)	18,883,020	122,102,716	(19,874,880)	(44,834,454)	(4,745,106)	(2,580,082)	(1,409,138)	(18,546)	(1,369,614)	(1,565,781)	(3,802,622)	(27,484,008)	3,882,961	-	18,301,446
Interest and amortization of financing costs	16,638,682	-	-	16,638,682	-	-	-	-	-	-	-	-	-	-	-	-	16,638,682
Income (loss) from operations	105,464,034	(18,883,020)	18,883,020	105,464,034	(19,874,880)	(44,834,454)	(4,745,106)	(2,580,082)	(1,409,138)	(18,546)	(1,369,614)	(1,565,781)	(3,802,622)	(27,484,008)	3,882,961	-	1,662,764
<b>Nonoperating income (expense), net</b>																	
Investment return	73,811,671	-	-	73,811,671	-	-	-	-	(17,331)	1,215	-	-	-	-	1,119,446	17,331	74,932,332
Unrestricted Contributions and bequests	-	17,393,283	-	17,393,283	-	-	-	752,719	-	-	-	-	-	-	-	-	18,146,002
Fund-raising expense	-	-	18,883,020	(18,883,020)	-	-	-	(115,156)	-	-	-	-	-	-	(500,000)	-	(19,498,176)
Gain (loss) on disposal of fixed assets	(81,694)	-	-	(81,694)	-	-	-	-	-	-	-	-	-	-	-	-	(81,694)
Other	(3,978,790)	-	-	(3,978,790)	-	-	-	30,319	-	-	-	-	285	(394,622)	100,000	(200,000)	(4,442,808)
Total nonoperating income(loss)	69,751,187	17,393,283	18,883,020	68,261,450	-	-	-	667,882	(17,331)	1,215	-	-	285	(394,622)	719,446	(182,669)	69,055,656
Excess (deficiency) of revenue over expenses	175,215,221	(1,489,737)	-	173,725,484	(19,874,880)	(44,834,454)	(4,745,106)	(1,912,200)	(1,426,469)	(17,331)	(1,369,614)	(1,565,781)	(3,802,337)	(27,878,630)	4,602,407	(182,669)	70,718,420
Net assets released from restrictions used for purchase of property and equipment	2,433,912	-	-	2,433,912	-	-	-	-	-	-	-	-	-	-	-	-	2,433,912
Retirement plan-related change other than net periodic retirement plan expense	1,899,694	-	-	1,899,694	-	-	-	-	-	-	-	-	(62,135)	3,023,531	-	-	4,861,090
Other	2,211,958	(3,818)	-	2,208,140	-	-	-	-	-	-	-	-	-	-	-	-	2,208,140
Transfers (to) from affiliates	(76,608,527)	1,168,780	-	(75,439,747)	9,380,881	36,459,504	1,626,698	2,278,961	1,210,609	-	1,366,730	165,143	2,885,801	19,889,795	175,625	-	-
Increase (decrease) in net assets without donor restrictions	\$ 105,152,258	\$ (324,775)	\$ -	\$ 104,827,483	\$ (10,493,999)	\$ (8,374,950)	\$ (3,118,408)	\$ 366,761	\$ (215,860)	\$ (17,331)	\$ (2,884)	\$ (1,400,638)	\$ (978,671)	\$ (4,965,304)	\$ 4,778,032	\$ (182,669)	\$ 80,221,562

The accompanying notes are an integral part of these consolidated financial statements.

# **Children’s Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Consolidating Statement of Operation and Change in Net Assets Without Donor Restrictions Years Ended August 31, 2021 and 2020**

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### **1. Basis of Presentation**

The accompanying Consolidating Statement of Operation and Change in Net Assets Without Donor Restrictions (the “Schedule”) includes the activities of each entity shown separately along with eliminating entries within The Children’s Hospital of Chicago Medical Center and Affiliated Corporations (the “Medical Center”). The Schedule has been presented on the accrual basis of accounting.

**Children’s Hospital of Chicago Medical Center and Affiliated Corporations  
Illinois Grant Accountability and Transparency Consolidated Year End Financial Report  
Year Ended August 31, 2021**

CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
444-22-1722	510- C&A Children's MH Partnership (510-CMHP)	\$ (62)	\$ 259,850	\$ -	\$ 259,788
444-26-1542	Strategic Prevention Framework Partnerships for Success State and Tribal Initiative	-	1,039	-	1,039
444-80-0661	MIECHV Home Visiting Program	-	453,780	-	453,780
444-80-2460	COVID-19 Comprehensive Mobile Health Units	-	51,366	-	51,366
482-00-0916	Genetic Counseling	163,443	-	-	163,443
482-00-0918	Sickle Cell Follow Up	49,306	-	-	49,306
482-00-0921	Violent Death Reporting System	5,298	-	-	5,298
482-00-1267	Hospital Preparedness - Pediatric Preparedness	-	399,977	-	399,977
482-00-1549	Integrating Infant and Early Childhood Mental Health Consultation Within the Public Health System	-	19,409	-	19,409
482-00-2408	State Unintentional Drug Overdose Reporting	-	122,429	-	122,429
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	177,982	-	177,982
546-00-1474	Victims of Crime Act (VOCA)	-	(1,733)	-	(1,733)
546-00-1745	Victims of Crime Act (VOCA)	-	155,041	-	155,041
546-00-2118	Bullying Prevention (BP)	201,911	-	-	201,911
	Other grant programs and activities	-	62,469,878	-	62,469,878
	All other costs not allocated	-	-	1,281,241,453	1,281,241,453
	Totals:	\$ 419,896	\$ 64,109,017	\$ 1,281,241,453	\$ 1,345,770,365

The accompanying notes are an integral part of the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report.

**Children’s Hospital of Chicago Medical Center and Affiliated Corporations**  
**Illinois Grant Accountability and Transparency Consolidated Year End Financial Report**  
**Year Ended August 31, 2021**

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**1. Basis of Presentation**

The accompanying Illinois Grant Accountability and Transparency Consolidated Year End Financial Report (the “Schedule”) includes the funding received from the Illinois Department of Human Services, Illinois Department of Transportation, Illinois Criminal Justice Authority, and associated state sources to The Children’s Hospital of Chicago Medical Center and Affiliated Corporations (the “Medical Center”). The Schedule is presented on the accrual basis of accounting. As the Schedule presents only federal and state funded activity associated with the Illinois Department of Human Services, Illinois Department of Transportation, Illinois Criminal Justice Authority, and associated state sources of the Medical Center, it is not intended to and does not present the financial position or changes in net assets of the Medical Center. The information in the Schedule is presented in accordance with the requirements of the State of Illinois Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1. GATA requires the completion of the Illinois Grant Accountability and Transparency Consolidated Year-End Financial Report. The Illinois Grant Accountability and Transparency Consolidated Year-End Financial Report is a breakout of all spending during the fiscal year by state funded program and by expense category regardless of funding source, i.e., federal, state, and other funding sources.

The accompanying notes are an integral part of the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report.



# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
<b>Research and Development Cluster</b>							
Evaluating the Implementation of a Multi-Component Quality Collaborative.	93.226		\$ 1,129	Northwestern University	60042663 ARLCH	\$ 1,129	\$ -
Adherence to Hydroxyurea and Health-related Quality of Life in Adolescents and Young Adults with Sickle Cell Disease: A Pilot Randomized Controlled Trial using a Smartphone App Int	93.226		(9)	Northwestern University	60037359 ARLCH	(9)	-
Identifying Opportunities to Reduce STI/HIV Disparities Among Recent Offenders	93.226		(79)	Indiana University	IN-4687653-LCH	(79)	-
Missed Opportunities for Improving Diagnosis in Pediatric Emergency Care	93.226		10,246	University of Michigan	3005396464	10,246	-
Quality improvement to improve pediatric acute agitation management in the emergency department	93.226		124,235	Northwestern University	60051415 ARLCH (5K12HS026385-03)	124,235	-
Integrating Patient-Reported Outcomes and Remote Patient Sensor Data in Childhood Asthma	93.226		14,769	Northwestern University	60058369 LCHC	14,769	-
	<b>93.226 Total</b>		<b>150,291</b>			<b>150,291</b>	<b>-</b>
<b>Agency for Healthcare Research and Quality's (AHRQ) Total</b>							
Community Counts: Public Health Surveillance for Bleeding Disorders	93.080		808	Great Lakes Hemophilia Foundation	ATHN2015-VW-1-555	808	-
Community Counts: Public Health Surveillance for Bleeding Disorders	93.080		17,376	Great Lakes Hemophilia Foundation	ATHN2020CDC-VW-555-01 (NU27DD000020-01-00)	17,376	-
	<b>93.080 Total</b>		<b>18,184</b>			<b>18,184</b>	<b>-</b>
Illinois Precision Medicine Consortium (IPMC)	93.310		11,911	Northwestern University	60050042 LCH	11,911	-
	<b>93.310 Total</b>		<b>11,911</b>			<b>11,911</b>	<b>-</b>
Collecting Violent Death Information Using National Violent Death Reporting System (NVDRS): Illinois	93.136	330,496				330,496	90,749
Statewide Unintentional Drug Overdose Reporting System (SUDORS): Overdose to Action / OD2A	93.136		122,429	Illinois Department of Public Health	02180228H	122,429	95,688
Collecting Violent Death Information Using National Violent Death Reporting System (NVDRS): Illinois	93.136		5,090	Northwestern University	60058827 LCH (6 NU17CE010031-01-01)	5,090	-
Overdose Data to Action, Strategy 2: Statewide Unintentional Drug Overdose Reporting System	93.136		109,253	Northwestern University	60058021 LCH (132820051 // NU17CE924980)	109,253	-
	<b>93.136 Total</b>	<b>330,496</b>	<b>236,773</b>			<b>567,269</b>	<b>186,438</b>
Pediatric Environmental Health Specialty Unit (PEHSU). Great Lakes Center for Children's Environmental Health.	93.161		13,286	University of Illinois at Chicago	17855-00	13,286	-
	<b>93.161 Total</b>		<b>13,286</b>			<b>13,286</b>	<b>-</b>
National Spina Bifida Patient Registry - Lurie Children's Spina Bifida Center	93.315	70,929				70,929	-
Research Approaches to Improve the Care and Outcomes of People Living with Spina Bifida	93.315	26,628				26,628	-
	<b>93.315 Total</b>	<b>97,557</b>				<b>97,557</b>	<b>-</b>
Midwest TTXXT: Scale up of an Evidence-based Intervention to Promote HIV Medication Adherence	93.943	26,747				26,747	-
	<b>93.943 Total</b>	<b>26,747</b>				<b>26,747</b>	<b>-</b>
Illinois Perinatal Quality Collaborative (ILPQC) Title V	93.944		12,401	Northwestern University	163800021 // B04MC33835 (60058606 LUR)	12,401	-
	<b>93.944 Total</b>		<b>12,401</b>			<b>12,401</b>	<b>-</b>
Multisite Electronic Health Record-based Surveillance of the Burden of Diabetes by Type in Children and Adolescents (Component A)	93.945	23,880				23,880	-
Multisite Electronic Health Record-Based Surveillance of the Burden of Diabetes by Type in Young Adults (Component B)	93.945	23,880				23,880	-
	<b>93.945 Total</b>	<b>47,759</b>				<b>47,759</b>	<b>-</b>
<b>Centers for Disease Control and Prevention (CDC) Total</b>							
Group A Streptococcus Molecular Epidemiology and Ecology	93.RD	379,288				379,288	230,544
(Per Patient Reimbursement) Monitoring Juvenile Onset Recurrent Respiratory Papillomatosis	93.RD		1,058	Eastern Virginia Medical School	S270141-10	1,058	-
Intergovernmental Personnel Act Mobility Program	93.RD	(2,873)				(2,873)	-
Intergovernmental Personnel Agreement (IPA) for H. BU, Federal FY20 (OCT. 1, 2019 - SEPT. 30, 2020)	93.RD	2,914				2,914	-
Intergovernmental Personnel Agreement (IPA) for Wang, Federal FY20 (OCT. 1, 2019 - SEPT. 30, 2020)	93.RD	2,345				2,345	-
Intergovernmental Personnel Agreement (IPA) for H. Geng, Federal FY20 (OCT. 1, 2019 - SEPT. 30, 2020)	93.RD	13,337				13,337	-
Intergovernmental personnel agreement (IPA) for S. Subramanian, federal FY20 (October 1, 2019 - Sep 30, 2020)	93.RD	65,907				65,907	-
Intergovernmental personnel agreement (IPA) for H. Bu, federal FY21 (October 1, 2020 - Sep 30, 2021)	93.RD	37,664				37,664	-
Intergovernmental personnel agreement (IPA) for X. Wang, federal FY21 (October 1, 2020 - Sep 30, 2021)	93.RD	28,976				28,976	-
Intergovernmental personnel agreement (IPA) for H. Geng, federal FY21 (October 1, 2020 - Sep 30, 2021)	93.RD	17,689				17,689	-
Intergovernmental personnel agreement (IPA) for S. Subramanian, federal FY21 (October 1, 2020 - Sep 30, 2021)	93.RD	71,808				71,808	-
Comparative Safety of Complex Feeding Device Types among NICU graduates	93.RD	34,740				34,740	-
(Per Patient Reimbursement) Pharmacokinetics of Understudied Drugs Administered to Children Per Standard of Care	93.RD		26,920	Duke University	178785	26,920	-
(Per Patient Reimbursement) Pharmacokinetics Of Anti-Epileptic Drugs In Obese Children - Phase I	93.RD		6,590	Duke University	SPS #197946/215519	6,590	-
(Per Patient Reimbursement) NICHD-2015-TIM01: Efficacy, Safety and Pharmacokinetics of Topical Timolol in Infants with Infantile Hemangioma (IH)	93.RD		344	Duke University	218094	344	-
BPCA Data Closeout and Dissemination	93.RD		35,599	Duke University	203-7990	35,599	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
AFM Natural History Study: A Prospective Study of Acute Flaccid Myelitis (AFM) to Define Natural History, Risk, and Pathogenetic Mechanisms (DMID19-0005)	93.RD		3,184	University of Alabama	000509734-022	3,184	-
Patient Preference Information: Bridging Regulatory Decisions and Clinical Practice	93.RD		10,655	Duke University	A032755	10,655	-
	<b>93.RD Total</b>	<b>651,796</b>	<b>84,349</b>			<b>736,145</b>	<b>230,544</b>
<b>Contract Total</b>		<b>651,796</b>	<b>84,349</b>			<b>736,145</b>	<b>230,544</b>
Phase 2 Study of Esophageal String Test in Diagnosing Eosinophilic Esophagitis	93.103		4,899	University of Illinois at Chicago	0411	4,899	-
(Per Patient Reimbursement) Safety and Efficacy of Inhaled Plasminogen Activator	93.103		1,496	University of Michigan	3004580675	1,496	-
CPI-IFE-007: A Randomized, Double-Blind, Placebo-Controlled, Multiple Dose Study with an Open-Label Extension to Determine the Safety, Pharmacokinetics and Efficacy of Oral Ifetroban in Subjects with Duchenne Muscular Dystrophy (DMD)	93.103		2,682	Cumberland Pharmaceuticals Inc.	CPI-IFE-007	2,682	-
	<b>93.103 Total</b>	<b>-</b>	<b>9,076</b>			<b>9,076</b>	<b>-</b>
<b>Food and Drug Administration (FDA) Total</b>		<b>-</b>	<b>9,076</b>			<b>9,076</b>	<b>-</b>
Collaborative Neurology Networks for Enhanced Care through Telehealth for CYE (Connect) Consortium	93.110	453,243				453,243	99,769
HRSA Central Region Thalassemia Collaborative	93.110	8,455				8,455	-
Northern States Regional Hemophilia Network	93.110		30,950	Great Lakes Hemophilia	H30MC24052	30,950	-
MCH Research Network Programs	93.110		33,325	University of Colorado	FY.19.605.005	33,325	-
	<b>93.110 Total</b>	<b>461,698</b>	<b>64,274</b>			<b>525,972</b>	<b>99,769</b>
Illinois Emergency Medical Services for Children-State Partnership Program (Lurie Children's - Illinois Department of Public Health Partnership)	93.127	110,155				110,155	-
	<b>93.127 Total</b>	<b>110,155</b>	<b>-</b>			<b>110,155</b>	<b>-</b>
The Value of Children's Hospitals-Are Increased Costs Justified By Improved Outcomes or Driven By Internal and External Economic Forces?	93.266		29,397	Northwestern University	60051738 LCH	29,397	-
A Chicago Center of Excellence in Learning Health Systems Research Training (ACCELERAT)	93.266		52,484	Northwestern University	60051415 LURIE	52,484	-
	<b>93.266 Total</b>	<b>-</b>	<b>81,881</b>			<b>81,881</b>	<b>-</b>
MIECHV Home Visiting Mental Health Consultation Program	93.870		453,296	Illinois Department of Human Services	FCSZV05171	453,296	-
MIECHV Home Visiting Mental Health Consultation Program	93.870		485	Illinois Department of Human Services	FCSAV05171 (X10MC39684)	485	-
	<b>93.870 Total</b>	<b>-</b>	<b>453,780</b>			<b>453,780</b>	<b>-</b>
Illinois Perinatal Network	93.994		25,704	Northwestern Memorial Hospital	536380004C	25,704	-
Infant Early Childhood Mental Health Consultation (MHC)	93.994		19,409	Illinois Department of Public Health	86380083F	19,409	-
	<b>93.994 Total</b>	<b>-</b>	<b>45,113</b>			<b>45,113</b>	<b>-</b>
<b>Health Resources and Services Administration (HRSA) Total</b>		<b>571,853</b>	<b>645,049</b>			<b>1,216,902</b>	<b>99,769</b>
A Comparative Effectiveness Study of Speech and Surgical Treatments Using a Cleft Palate Registry/Research Outcomes Network	93.121		13,215	University of Utah	10044863-04	13,215	-
A comparative effectiveness study of speech and surgical treatments using a Cleft Palate Registry/Research Outcomes Network	93.121		1,056	University of Utah	10044863-18 (R01DE027493-03)	1,056	-
	<b>93.121 Total</b>	<b>-</b>	<b>14,271</b>			<b>14,271</b>	<b>-</b>
Genomics, Biometrics and Identity	93.172	379,080				379,080	184,752
Implementing Genomic Medicine Through Pragmatic Trials in Diverse and Underserved Populations Across Indiana	93.172		36,531	Indiana University	IN4687975LCH	36,531	-
Implementing genomic medicine through pragmatic trials in diverse and underserved populations across Indiana	93.172		39,753	Indiana University	5U01HG010245-03 GUARDD Admin Supplement	39,753	-
Implementing genomic medicine through pragmatic trials in diverse and underserved populations across Indiana	93.172		26,226	Indiana University	5U01HG010245-03 ADOPT Admin Supplement	26,226	-
	<b>93.172 Total</b>	<b>379,080</b>	<b>102,509</b>			<b>481,589</b>	<b>184,752</b>
Neural Predictors of Language Outcomes in Young Children with Cochlear Implants	93.173	84,304				84,304	32,661
A Randomized Trial to Determine the Role of Valganciclovir for Asymptomatic Cytomegalovirus Infected Hearing Impaired Infants	93.173		2,411	University of Utah	10041913-021	2,411	-
A Randomized Trial to Determine the Role of Valganciclovir for Asymptomatic Cytomegalovirus Infected Hearing Impaired Infants Associated (Per Patient Reimbursement #915863)	93.173		(1,990)	University of Utah	10041913-021	(1,990)	-
Early Communication Intervention for Toddlers with Hearing Loss	93.173		44,651	Northwestern University	80052381 LUR	44,651	-
The influence of visual speech on lexical access in children	93.173		28,719	Rush Presbyterian St. Luke's Medical	20051903-Sub02   R01DC018596-01	28,719	-
	<b>93.173 Total</b>	<b>84,304</b>	<b>73,792</b>			<b>158,096</b>	<b>32,661</b>
Mechanisms Regulating lncRNA Short and Long Range Signaling	93.242	244,110				244,110	57,336
Functional Dissection of CNVs in Neurodevelopmental Traits	93.242	130,757				130,757	-
Mlab App for Improving Uptake of Rapid HIV Self-Testing and Linking Youth to Care	93.242		315,090	Columbia University	2(GG014615-01)	315,090	-
Mobile Adaptation and Testing of a Uniquely Targeted HIV Intervention for Young Transgender Women	93.242		27	Brown University	1272	27	-
Gene-Environment Interactions for Cortical Development and Schizophrenia	93.242		92,892	John Hopkins University	2004443000	92,892	-
A Mobile Phone Intervention Using a Relational Human Talking Avatar to Promote Multiple Stages of the HIV Care Continuum in African American MSM	93.242		7,387	University of Illinois	17365-00	7,387	-
Our Stories, Our Lives, Our Health: Refining an Automated Identification of HIV-Negative, PrEP-Eligible Women in the Emergency Department.	93.242		6,685	University of Chicago	AWD100537 (SUB0000160)	6,685	-
Great Lakes Node of the Drug Abuse Clinical Trials Network	93.242		23,782	Rush Presbyterian	18112701-SUB02	23,782	-
	<b>93.242 Total</b>	<b>374,867</b>	<b>445,862</b>			<b>820,729</b>	<b>57,336</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
Impact of Screening a Brief Intervention on Treatment as Prevention (SBI TasP Trial)	93.279	433,286				433,286	197,872
Improving Access to Treatment for Women with Opioid Use Disorder	93.279		7,652	Vanderbilt University	VUMC65423	-	-
Brains Begin Before Birth (B4) Midwest Consortium	93.279		69,995	Northwestern University	60054861 LCH	69,995	-
	<b>93.279 Total</b>	<b>433,286</b>	<b>77,647</b>			<b>510,933</b>	<b>197,872</b>
Rapid Pediatric Cardiovascular MRI without Contrast Agent or Anesthesia	93.286		14,094	Northwestern University	60047829 LCH	14,094	-
Developing a SMART Scaffold for Bladder Augmentation	93.286		211,942	Northwestern University	60054298 LCH	211,942	-
	<b>93.286 Total</b>	<b>-</b>	<b>226,037</b>			<b>226,037</b>	<b>-</b>
A Pragmatic Clinical Trial of My PEEPS Mobile to Improve HIV Prevention Behaviors in Diverse Adolescent MSM	93.307		158,258	Columbia University	3(GG011834-01)	158,258	-
Maternal Exposure to Vicarious Structural Racism and Newborn Health Disparities in Michigan: The Flint Water Crisis	93.307		9,559	University of Michigan	SUBK00010265	9,559	-
African-American Cardiovascular Pharmacokinetic Consortium	93.307		(396)	Northwestern University	60044820 LUR	(396)	-
	<b>93.307 Total</b>	<b>-</b>	<b>167,420</b>			<b>167,420</b>	<b>-</b>
ECHO PRO Research Resource: A Developmentally-based Measurement Science Framework for Assessing Environmental Exposure and Child Health	93.310		48,121	Northwestern University	60054546 LUR	48,121	-
Pharmacokinetics and Safety Profile of Digoxin in Infants with Single Ventricle Congenital Heart Disease	93.310		55	Duke University	243797	55	-
	<b>93.310 Total</b>	<b>-</b>	<b>48,176</b>			<b>48,176</b>	<b>-</b>
(Per Patient Reimbursement) Steroids to Reduce Systemic Inflammation After Neonatal Heart Surgery (STRESS Trial)	93.350		1,044	Duke University	203-8371	1,044	-
Northwestern University Clinical & Translational Sciences Institute (NUCATS-TL1 Fellowship)	93.350		(1)	Northwestern University	60040768 LURIE	(1)	-
Transforming Exercise Testing and Physical Activity Assessment in Children: New Approaches to Advance Clinical Translational Research in Child Health	93.350		121,641	University of California-Irvine	2018-3631	121,641	-
Genetic and Functional Dissection of Congenital Anomalies of the Brain	93.350		98,579	University of North Carolina	R21TR002770	98,579	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.350		364,900	Northwestern University	60054113 LUR	364,900	-
Northwestern University Clinical and Translational Science Institute (NUCATS)	93.350		45,245	Northwestern University	60054117 LCH	45,245	-
Northwestern University Clinical and Translational Science Institute (NUCATS) Role of Astrocytes in SCN2A-Related Epilepsy	93.350		20,286	Northwestern University	60054000 LCH	20,286	-
RNA-seq and Transcriptomic Applications in a Human Progenitor Cell Model of Neonatal Lung Disease (Sharma TL1)	93.350		54,213	Northwestern University	60054128 LCH-HWS	54,213	-
Precision Adaptable Clinically Embedded Research (PACER): Bioethical Challenges for Community Clinicians and their Patients	93.350		38,196	Northwestern University	60054104 LUR (SUL1TR001422-06)	38,196	-
	<b>93.350 Total</b>	<b>-</b>	<b>744,104</b>			<b>744,104</b>	<b>-</b>
Center for Pediatric Tumor Cell Atlas	93.353		11,101	Children's Hospital of Philadelphia	3201460819-XX	11,101	-
Using Information Technology to Improve Outcomes for Children Living with Cancer	93.353		85,007	Northwestern University	60054750 LCH	85,007	-
	<b>93.353 Total</b>	<b>-</b>	<b>96,108</b>			<b>96,108</b>	<b>-</b>
Adaptive Intervention Strategies Trial for Strengthening Adherence to Antiretroviral HIV Treatment Among Youth	93.361		253,657	Brown University	1019	253,657	-
Pedquest: Improving Children's Quality of Life Through E-Proms and Palliative Care	93.361		46,960	Dana Farber Cancer Institute	1300202	46,960	-
Active Music Engagement to Manage Acute Treatment Distress and Improve Health Outcomes in Young Children with Acute Lymphoblastic Leukemia and Parents	93.361		24,823	Indiana University	IU SUB 8415	24,823	-
	<b>93.361 Total</b>	<b>-</b>	<b>325,441</b>			<b>325,441</b>	<b>-</b>
Functional Dissection of the K27M Histone Mutation in Glioma Genesis	93.393	218,957				218,957	-
(Per Patient Reimbursement): ALTE11C2: Health Effects after Anthracycline and Radiation Therapy (HEART)	93.393		652	CHILDREN'S - PHIL.	FP00021944_A1_SUB22_01	652	-
Dexazoxane and Prevention of Anthracycline Related Cardiomyopathy	93.393		3,474	Vanderbilt University	VUMC 78171	3,474	-
Research Into Visual Endpoints and RB (Retinoblastoma) Health Outcomes After Treatment (RIVERBOAT)	93.393		(61,461)	Northwestern University	60046807 LCH	(61,461)	-
Functional Dissection of the K27M Histone Mutation In Gliomagenesis	93.393		9,460	Vanderbilt University	VUMC 78171	9,460	-
Research Into Visual Endpoints and RB (retinoblastoma)Health Outcomes After Treatment (RIVERBOAT)	93.393		(47,875)			-	-
	<b>93.393 Total</b>	<b>218,957</b>	<b>(47,875)</b>			<b>171,082</b>	<b>-</b>
Utilization of Peripheral Blood Exosomes to Detect Genetic and Protein Markers in Pediatric Solid Tumor Patients	93.394	98,608				98,608	-
A Multilevel Physical Activity Intervention for South Asian Women and Girls (SAATH)	93.394		63,359	Northwestern University	60053986 LUR	63,359	-
	<b>93.394 Total</b>	<b>98,608</b>	<b>63,359</b>			<b>161,966</b>	<b>-</b>
In vivo Drug Testing of Pediatric CNS Tumors Using Patient Derived Orthotopic Xenograft Models	93.395	797,043				797,043	16,419
In vivo Drug Testing of Pediatric CNS Tumors Using Patient Derived Orthotopic Xenograft Models	93.395	65,954				65,954	-
Children's Oncology Group Phase 1/Pilot Consortium	93.395		(1,084)	Children's Hospital of Philadelphia	UMICA097452	(1,084)	-
PPR Children's Oncology Group Phase 1/Pilot Consortium	93.395		1,486	Children's Hospital of Philadelphia	CA097452	1,486	-
Per-Case Reimbursement-BIQSFP-COG AALL0932 11xS197	93.395		3,969	Children's Hospital of Philadelphia	COG AALL0932 BIQSFP	3,969	-
PPR-2015 Walterhouse COG Scientific Leadership (& PCR).	93.395		(12,026)	Children's Hospital of Philadelphia	9500080215-XX	(12,026)	-
The Pediatric Brain Tumor Consortium (PBTC) Master Grant (2014-2019)	93.395		(4,052)	St. Jude Children's Research Hospital	110068150-7602088	(4,052)	-
(Per Patient Reimbursement) The Pediatric Brain Tumor Consortium (PBTC) Master Grant (2014-2019)	93.395		3,901	St. Jude Children's Research Hospital	110068150-7602088	3,901	-
COG NCTN Network Group Operation Center/WorkLoad Intensity.	93.395		45,754	Children's Hospital of Philadelphia	U10CA180886	45,754	-
(PPR) DIAGNOSTIC IMAGING REVIEW: NIH (NCTN) GRANT (U10CA180886) SUCCESSOR TO NIH COG CHAIR GRANT (U10CA098543)	93.395		75	Children's Hospital of Philadelphia	U10CA180886	75	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
(Per Patient Reimbursement) Walterhouse COG: COG NCORP Research Base.	93.395		5,212	Children's Hospital of Philadelphia	9500100715-XX	5,212	-
PPR-Reduced-Intensity Conditioning for Children and Adults with Hemophagocytic Syndromes or Selected Primary Immune Deficiencies (RIGHI), BMT CTN PROTOCOL #1204.	93.395		1,328	Children's Hospital Los Angeles	PROTOCOL #1204	1,328	-
(Per Patient Reimbursement) Scientific Council Workload Intensity NIH NCTN Grant.	93.395		1,389	Children's Hospital of Philadelphia	FP00015221SUB786-01	1,389	-
Children's Oncology Group Pediatric Early Phase Clinical Trials Network (PEP-CTN)	93.395		69,845	Children's Hospital of Philadelphia	FP0025505	69,845	-
(Per Patient Reimbursement) Children's Oncology Group Pediatric Early Phase Clinical Trial (PEP-CTN)	93.395		57,340	Children's Hospital of Philadelphia	CA097452	57,340	-
Workload Intensity and Per Patient Reimbursement COG NCTN	93.395		173,573	Children's Hospital of Philadelphia	FP00026529_SUB05_01	173,573	-
Diagnostic Imaging Review: NIH (NCTN) Grant	93.395		8,565	Children's Hospital of Philadelphia	U10CA180886-07/FP00026529_SUB578_02	8,565	-
Scientific Council: NIH National Clinical Trials Network (NCTN)	93.395		15,004	Children's Hospital of Philadelphia	FP00026529_SUB498_01	15,004	-
Study Chair: NIH National Clinical Trials Network (NCTN)	93.395		15,004	Children's Hospital of Philadelphia	FP00026529_SUB498_01	15,004	-
The Pediatric Brain Tumor Consortium Master Grant	93.395		48,375	St. Jude Children's Research Hospital	UM1CA081457-21/110068210-7942647	48,375	-
PPR PBTC	93.395		23,651	St. Jude Children's Research Hospital	2UM1CA081457-21	23,651	-
COMMITTEE LEADERSHIP REVIEW: NIH National Clinical Trials Network (NCTN) Grant 2U10CA180886	93.395		11,619	Children's Hospital of Philadelphia	PO #20215996	11,619	-
COG NCTN Administrative Supplement to Support Enhanced Tumor Banking: Post Mortem Tumor Tissue Collection at Autopsy	93.395		46,640	Children's Hospital of Philadelphia	9500080221-16C	46,640	-
COG NCTN Workload Intensity Model for Support for Administrative Duties at Lead Institution for COG Autopsy Initiative under NCTN Tumor Banking Supplement	93.395		15,972	Children's Hospital of Philadelphia	U10CA180886	15,972	-
PPR COG Specimen Banking Specimen Banking Supplements	93.395		40	Children's Hospital of Philadelphia	FP00033922_SUB74_01	40	-
Pathology Review: NIH National Clinical Trials Network	93.395		58,308	CHILDREN'S - PHIL.	PO #20220583	58,308	-
	<b>93.395 Total</b>	<b>862,997</b>	<b>589,889</b>			<b>1,452,886</b>	<b>16,419</b>
Matching Panels of In Vivo and In Vitro Model System of Pediatric Brain Tumors	93.396	791,938				791,938	145,694
MIECHV Home Visiting Mental Health Consultation Program	93.396		37,957	Northwestern University	60056103 LUR	37,957	-
	<b>93.396 Total</b>	<b>791,938</b>	<b>37,957</b>			<b>829,896</b>	<b>145,694</b>
Robert H. Lurie Comprehensive Cancer Center (Associate Directorship).	93.397		93,559	Northwestern University	60050450 LCH	93,559	-
1/3: The Chicago Cancer Health Equity Collaborative (Chicago CHEC)	93.397		5,645	Northwestern University	60057557 LCH	5,645	-
	<b>93.397 Total</b>	-	<b>99,205</b>			<b>99,205</b>	-
Per Case Reimbursement: COG NOCRP Research Base	93.399		2,927	Children's Hospital of Philadelphia	FP00028127_SUB169_01/2UG1CA189955-06	2,927	-
	<b>93.399 Total</b>	-	<b>2,927</b>			<b>2,927</b>	-
Evaluation of First-Degree Relatives After Sudden Unexplained Death	93.837	193,276				193,276	-
Novel Mechanisms of Obliterate Pulmonary Vascular Remodeling and Severe Pulmonary Arterial Hypertension	93.837	153,585				153,585	(352)
Response of the Gut Micro Biome and Circulating Metabolome Diet Intervention in Young Children: Ancillary Study to the Keeping Ideal Cardiovascular Health Family Intervention	93.837	150,838				150,838	5,175
ACHIP-ACEs and Cardio Metabolic Health in Pediatrics: Using a Coping and Stress Reduction Intervention to Reduce Cardio Metabolic Risk in Adolescents with Adversity.	93.837	158,751				158,751	-
Understanding Inflammatory and Metabolic Pathways of Myocardial and Vascular Dysfunction in South African Youth Living with Perinatal HIV	93.837	618,837				618,837	537,383
Characterization of the Cardiac Progenitor Cell Exosomes for Optimal	93.837	119,244				119,244	-
1/2 Allogeneic Human Mesenchymal Stem Cell (MSC) Injection in Patients with Hypoplastic Left Heart Syndrome: A Phase I/II Clinical Trial	93.837	48,353				48,353	2,250
CHICAGO METROPOLITAN ASTHMANET CONSORTIUM (CMAC) INFANT AVICA PROTOCOL.	93.837		18,339	Northwestern University	60025440 CMH	18,339	-
(PER PATIENT REIMBURSEMENT) BEST AFRICAN AMERICAN RESPONSE TO ASTHMA DRUGS (BARD)	93.837		(16,918)	Northwestern University	CMHHL098115	(16,918)	-
PER PATIENT REIMBURSEMENT-STEP UP YELLOW ZONE INHALED CORTICOSTEROIDS TO PREVENT EXACERBATIONS.	93.837		(6,497)	Northwestern University	60025440 CMH	(6,497)	-
Respiratory and Metabolic Adaptation to Hypoxia	93.837		(32,094)	Northwestern University	60040920 ARLCH	(32,094)	-
Population Effects of Motivational Interviewing on Pediatric Obesity in Primary Care	93.837		5,551	University of Michigan	3004091597	5,551	-
Functional Cardiovascular 4D MRI in Congenital Heart Disease	93.837		194,314	Northwestern University	60049301 LCH	194,314	-
Pediatric Replacement of the Pulmonary Valve-TOF Trial	93.837		8,733	Children's Hospital of Philadelphia	3201200621_PO#963057-RSUB	8,733	-
An Interpersonal Relationships Intervention for Improving Cardiovascular Health in Youth	93.837		10,415	Northwestern University	SP0043385-PROJ0012209	10,415	-
Innovation Through Collaboration at the Intersection of Childhood Development and Cancer: A Platform for the Gabriella Miller Kids First Pediatric Data Resource Center	93.837		18,366	Children's Hospital of Philadelphia	20078976-RSUB	18,366	-
Cardiac Toxicity in Perinatally HIV-Infected Adolescents and Young Adults-A Longitudinal Study	93.837		21,063	University of Buffalo	R1186466	21,063	-
The Role of Inflammation and Positive Emotion in Cardio Metabolic Risk in Adolescents with Adversity	93.837		(437)	University of Washington	WU-20-203	(437)	-
Efferocytosis Directed Inflammation Resolution and Repair in the Hypoxic Heart	93.837		69,254	Northwestern University	60055621 LUR	69,254	-
Optimizing the Implementation of a Population Panel Management Intervention in Safety-Net Clinics for Childhood Hypertension	93.837		193,530	Northwestern University	60054507 LCH (1R56HL148192-01)	193,530	-
Sickle Cell Post Transplantation Long Term and Late Effects Registry ( STELLAR)	93.837		18,276	Emory University	A356044 (1OT2HL152762-01)	18,276	-

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**Children's Hospital of Chicago Medical Center and Affiliated Corporations**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2021**

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
Hyperglycemia of Maternal Diabetes Induces Cardiac Is1 Positive Progenitor Dysfunction Leading to Heart Defects	93.837		5,232	University of Maryland	Not Available	5,232	-
Model Exosome Cargo	93.837		31,268	Emory University	Not Available	31,268	-
Pediatric Heart Network Master Clinical Trial Agreement	93.837		1,555	New England Research Institutes	U24HL135691	1,555	-
The identification and pathophysiology of non-infarcted but injured myocardium in the post-ischemic heart	93.837		7,721	Northwestern University	1R01HL152712-01A1/60058121 LCH	7,721	-
	<b>93.837 Total</b>	<b>1,442,884</b>	<b>547,668</b>			<b>1,990,552</b>	<b>544,456</b>
Integrated Analysis of Autonomic Biomarkers in Prematurity-Related Ventilatory Control: Determination of Neuro-respiratory Maturation and Predictors of Co-Morbidity Risk	93.838	377,178				377,178	5,930
miR-17-92 Haploinsufficiency Influences Alveolar and Vascular Endothelial Development	93.838	165,202				165,202	-
Novel Signaling and Mechanisms of Endothelial Regeneration in Aging Lung	93.838	118,765				118,765	-
The Microbiota of the Pediatric CF airway: What Roles Does it Play?	93.838	215,503				215,503	178,932
Targeting Smooth Muscle Progenitor Cells for Treatment of Pulmonary Arterial Hypertension	93.838	405,309				405,309	-
Pathophysiology Of Influenza A Virus-Induced Lung Injury In Juveniles.	93.838	155,432				155,432	-
The Role of Placental Maternal Vascular Under Perfusion in Neonatal Pulmonary Hypertension	93.838	408,603				408,603	45,589
Mechanisms of Hydrocortisone Regulation of the Perinatal Pulmonary Vasculature	93.838	152,106				152,106	-
Redox Regulation of Vascular cGMP Signaling in Neonatal Lungs	93.838	582,992				582,992	32,576
Novel Mechanisms of Endothelial Injury in the Pathogenesis of ARDS	93.838	605,863				605,863	-
Procalcitonin to Reduce Antibiotic use in Pediatric Pneumonia (P-RAPP)	93.838	251,770				251,770	108,491
Integrated Analysis of Autonomic Biomarkers in Prematurity-Related Ventilatory Control: Determination of Neurorespiratory Maturation and Predictors of Comorbidity Risk	93.838	159,191				159,191	-
HOmeVent4Kids: Home-Based Optimization of Mechanical Ventilation for Children	93.838	153,090				153,090	-
Preterm human milk composition in conditions of maternal overweight and obesity and effects of milk constituents on preterm infant body composition	93.838	46,939				46,939	-
Novel mechanisms of obliterative pulmonary vascular remodeling and severe pulmonary arterial hypertension	93.838	38,118				38,118	-
Redox Regulation of Vascular cGMP Signaling in Neonatal Lungs	93.838		(2,762)	Northwestern University	60044396 ARLCHC	(2,762)	-
Mechanisms of Resolution of Lung Injury	93.838		13,028	University of Illinois	16812	13,028	-
Precision Interventions for Severe and/or Exacerbation Prone Asthma (Precise) Network: CMAC Application (Per Patient Reimbursement) Data, Modeling and Coordination Center for Precise Network	93.838		54,489	University of Chicago	UG1HL139125	54,489	-
Bedside Exclusion of Pulmonary Emboli in Children without Exposure to Radiation (BEEPER)	93.838		31,790	The University of North Carolina at Chapel Hill	5114474-H3LURIEHOS	31,790	-
	93.838		41,052	Indiana University	8494-LUR (1R01HL148247-01A1)	41,052	-
	<b>93.838 Total</b>	<b>3,836,061</b>	<b>137,597</b>			<b>3,973,659</b>	<b>371,518</b>
The Pro-Inflammatory Effects of Acute Exercise in Children with Sickle Cell Anemia	93.839	358,033				358,033	116,155
A MHealth Strategy to Improve Medication Adherence in Adolescents with Sickle Cell Disease	93.839	161,689				161,689	-
The Pro-Inflammatory Effects of Acute Exercise in Children with Sickle Cell Anemia.	93.839	39,814				39,814	39,814
Sickle Cell Disease Implementation Consortium (SCDIC)	93.839		42,471	Research Triangle Institute (RTI)	52677L	42,471	-
(Per Patient Reimbursement) Prospective Multi-Center Evaluation of the Duration of Therapy for Thrombosis in Children	93.839		203	All Children's Research Institute, Inc.	ACRI 45-001 (5U01HL130048-03)	203	-
Implementation of Evidence Based Care for the Acute Treatment Of Sickle Cell Disease Pain	93.839		25,423	Medical College of Wisconsin	U01HL143477	25,423	-
	<b>93.839 Total</b>	<b>559,536</b>	<b>68,097</b>			<b>627,632</b>	<b>155,969</b>
IMPACCT: Infrastructure for Musculoskeletal Pediatric Acute Care Clinical Trials	93.846	155,701				155,701	116,150
Circadian Rhythms of Skin Barrier, Pruritus and Inflammation in Atopic Dermatitis	93.846	149,506				149,506	-
IMPACCT: Infrastructure for Musculoskeletal Pediatric Acute Care Clinical Trials	93.846	1,847				1,847	-
Project 2 - Asthma Northwestern University Validation of Pediatric Patient Reported Outcomes in Chronic Diseases (NU-PEPR) to Validate Asthma and Atopic Dermatitis.	93.846		1	Northwestern University	60041881 LCH	1	-
Definition of Pharmacodynamics Biomarkers for Juvenile Dermatomyositis For Clinical Trials	93.846		(15)	Reveragen Bophirima	IR42AR073547-01	(15)	-
Multi-Scale Modeling to Predict Long-Term Growth and Remodeling of Skin in Response to Stretch	93.846		299,959	Purdue University	11000891-010	299,959	-
Mitochondrial calcification in juvenile dermatomyositis	93.846		13,567	University of Washington	UWSC12344 (1R21AR077565-01)	13,567	-
	<b>93.846 Total</b>	<b>307,054</b>	<b>313,512</b>			<b>620,565</b>	<b>116,150</b>
Continuation of CHILDREN, the Childhood Liver Disease Research Network	93.847	(7,995)				(7,995)	-
The Tshilo Dikotla Study: Metabolic Outcomes of Children HIV/ARV-Exposed Uninfected in Botswana.	93.847	380,492				380,492	350,329
Metabolomic signatures of insulin resistance and visceral adiposity changes in HIV-infected adults on newer line antiretroviral therapy.	93.847	14,769				14,769	-
PALF Treatment for ImmUne Mediated Pathophysiology (TRUIMPH)	93.847	187,317				187,317	95,605
Role of the Intestinal Microvasculature in Necrotizing Enter colitis	93.847	510,057				510,057	-
Aberrant DNA Methylation Underlying Adverse Prenatal Exposures and Increased Newborn and Childhood Adiposity	93.847	376,618				376,618	40,589
Necrotizing Enterocolitis RHO-Associated Kinase-Dependent Cytoskeletal and Tight Junction Dysregulation in Necrotizing Enter Colitis	93.847	(388)				(388)	-
Ant fibrotic Actions of SARA	93.847	347,253				347,253	96,268
ChildRen, the Childhood Liver Disease Research Network	93.847	395,179				395,179	-
Genetic and Functional Studies of Human Ciliary Syndromes	93.847	532,062				532,062	-

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# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
Mechanisms Underlying Regulation of Intestinal Epithelial Homeostasis in Sepsis	93.847	529,752				529,752	-
Functional Analysis of the Role of Transcription Factor 21 (Tcf21) in Nephron Progenitor Cells in Congenital Anomalies of the Kidney and Urinary Tract	93.847	153,053				153,053	-
Aberrant DNA Methylation Underlying Adverse Prenatal Exposures and Increased Newborn and Childhood Adiposity	93.847	184,748				184,748	-
Improving Kidney Health Assessment in Young Patients with Spina Bifida	93.847	214,316				214,316	-
Macrophage Cell Subset Biomarkers for Disease Prognosis in BA	93.847	77,819				77,819	-
Pediatric Acute Liver Failure Immune Response Network Treatment for Immune Mediated Pathophysiology (PALF IRN TRIUMPH)	93.847	133,295				133,295	1,418
Macrophage Regulation of Immune Pathogenesis of Biliary Atresia	93.847	90,720				90,720	-
(Per Patient Reimbursement) TrialNet Affiliate Services	93.847		104	University of South Florida	PO P000005654	104	-
Non-Alcoholic Steatohepatitis Clinical Research Network (NASH CRN)	93.847		(125)	Duke University	2033998	(125)	-
(Per-Patient Reimbursement) Integrative Proteomics & Metabolomics for Pediatric Glomerula Disease Biomarkers	93.847		45	NATIONWIDE CHLD HOSP	952614	45	-
Effectiveness Trial of an E Health Intervention to Support Diabetes Care in Minority Youth	93.847	201,969	201,969	Wayne State University	WSU17073	201,969	14,331
Nonhuman Primate Model of Bladder Regeneration Using Autologous Bone Marrow Cells	93.847	246,679	246,679	Northwestern University	60046455 LCH	246,679	-
(Per Patient Reimbursement) Continuation of the Nonalcoholic Steatohepatitis Clinical Research Network	93.847	4,267	4,267	Johns Hopkins University	U01KD061730	4,267	-
Improving Medication Adherence in Adolescents Who Had a Liver Transplant: IMALT	93.847	31,209	31,209	Mt. Sinai Medical Center	0255-A941-4609	31,209	-
(Per Patient Reimbursement) Chronic Kidney Disease Study in Children	93.847	495	495	Children's Hospital of Philadelphia	U01DK066174-19/3301820721	495	-
(Per Patient Reimbursement) APOL1 and Kidney Transplantation Outcomes Vanderbilt Clinical Center	93.847	(1,094)	(1,094)	Vanderbilt University	U01DK116093	(1,094)	-
In Retro-Immunosuppression Withdrawal for Stable Pediatric Liver Transplant Recipients	93.847	(5,161)	(5,161)	University of California San Francisco	11510SC	(5,161)	-
Kidney Therapeutics: Translating Discoveries into Prevention Treatment and Cures for Kidney Diseases	93.847	7,555	7,555	Northwestern University	60050728 LCH	7,555	-
UREEACT (Urological and Renal Disease Engaging Adolescents in Adherence Collaborative Trial)	93.847	6,651	6,651	Children's Hospital of Philadelphia	3200370521	6,651	-
Non Alcoholic Steatohepatitis Clinical Research Network	93.847	71,378	71,378	Duke University	A032648	71,378	-
Kidney Therapeutics: Translating Discoveries into Prevention Treatment and Cures for Kidney Diseases.	93.847	7,221	7,221	Northwestern University	60050726 ARLCH	7,221	-
A Comprehensive Research Resource to Define Mechanisms Underlying Microbial Regulation	93.847	78,720	78,720	Duke University	A032306	78,720	-
Fetal and Early Postnatal Influences on Child Metabolic Health After Gestational Diabetes	93.847	21,404	21,404	Kaiser Research Foundation	RNG210690-03 (R01DK122700)	21,404	-
CUREGN 2.0 - Midwest Pediatric Nephrology Consortium - PCC	93.847	90	90	Nationwide Children's Hospital	U01DK100866-08/700198-0521-00	90	-
Mechanisms of Sarcopenia in Pediatric Endstage Liver Disease	93.847	2,550	2,550	Emory University	U01DK062470-17S2/A430284	2,550	-
Mechanistic insights into the role of cord blood as a mediator of maternal BMI and glycemia on newborn and childhood adiposity (T32 - Sean DeLacey)	93.847	64,346	64,346	Northwestern University	60043668 LCH	64,346	(916)
Effectiveness Trial of an E-Health Intervention To Support Diabetes Care in Minority Youth	93.847	8,253	8,253	Wayne State University	3R01DK110075-04S1/WSU21057	8,253	-
	<b>93.847 Total</b>	<b>4,119,067</b>	<b>746,555</b>			<b>4,865,622</b>	<b>597,623</b>
Regulation of Mitochondrial Function and Motor Neuron Degeneration in SMA	93.853	108,522				108,522	-
Spinal Muscular Atrophy: Inducing SMN Expression	93.853	20,536				20,536	-
Long-Term Effect of Troponin Activators for Spinal Muscular Atrophy	93.853	42,289				42,289	-
Rescuing Motor Neuron Mitochondrial Defects in SMA by Mitigating CDK5 Activation	93.853	147,564				147,564	-
Cross-Species Modeling Of Epileptogenic in Kcnt1-Associated Epilepsy	93.853	180,859				180,859	-
Micro RNAs and Perinatal Hypoxia-Ischemia	93.853	(6,390)				(6,390)	-
Role of the K27M Histone Mutation in Midline Gliomas Initiated in Oligodendrocyte Progenitors	93.853	199,180				199,180	-
Neurovirulence Determinants of Neonatal HSV Disease	93.853	178,388				178,388	-
PPR Preterm EPO Neuroprotection Trial (PENUT TRIAL)	93.853		1,401	University of Washington	752230	1,401	-
Investigation of Histone H3 Post-Translational Modifications in Pediatric Brainstem Glioma	93.853		(28,350)	Northwestern University	60044310 ARLCHC	(28,350)	-
The Vascular effects of Infection in Pediatric Stroke	93.853		2,516	University of California San Francisco	9696SC	2,516	-
Investigation of ALS Caused by Mutant CHCHD10	93.853		48,556	Northwestern University	60044541 LCH	48,556	-
Mouse Model Studies of TMEM230-Linked Parkinson's Disease	93.853		80,029	Northwestern University	60044935 LCH	80,029	-
Consequences of Prolonged Febrile Seizures in Childhood	93.853		(350)	Albert Einstein College of Medicine	310995	(350)	-
(Per Patient Reimbursement) Consequences of Prolonged Febrile Seizures in Children	93.853		29,334	Albert Einstein College of Medicine	310995	29,334	-
(Per Patient Reimbursement) The Vascular Effects of Infection in Pediatric Stroke	93.853		50	University of California at San Francisco	10495SC	50	-
(Per-Patient Reimbursement) A Phase II-b Randomized, Double-Blind, Parallel Group, Placebo and Active-Controlled Study with Double-Blind Extension to Assess the Efficacy and Safety of Vamorolone in Ambulant Boys with Duchenne Muscular Dystrophy (DMD)	93.853		7,211	Reveragen Bophirima	VBP15-004	7,211	-
Network For Excellence In Neuroscience Clinical Trials (Next Sites)	93.853		18,462	Northwestern University	60050627 LCH	18,462	-
Immune-Mediated Therapies in a Genetically Murine Model of Diffuse Intrinsic Pontine Glioma	93.853		10,120	University of Michigan	SUBK00009471	10,120	-
Channelopathy-Associated Epilepsy Research	93.853		11,951	Northwestern University	60051730 LCH	11,951	-
Channelopathy-Associated Epilepsy Research Center-Core A	93.853		31,651	Northwestern University	60051735 LCH	31,651	-
(Per Patient Reimbursement) Perinatal Arterial Stroke: A Multi-Site RCT of Intensive Infant Rehabilitation (I-ACQUIRE)-Through StrokeNet	93.853		24,697	Virginia Tech	011961-133386	24,697	-
Maintenance and Incidence of ME/CFS Following Mono	93.853		94,619	DePaul University	501486SG174	94,619	-
Maintenance and Incidence of ME/CFS Following Mono (Administrative Supplement)	93.853		43,127	DePaul University	501560SG192 (3R01NS111105-02S1)	43,127	-
	<b>93.853 Total</b>	<b>870,947</b>	<b>375,025</b>			<b>1,245,973</b>	

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
A Prospective Study of CFS Following Infectious Mononucleosis in College Students	93.855	228,131				228,131	198,423
Optimizing the Diagnosis of Pediatric Clostridium Difficile Infection	93.855	76,189				76,189	-
US Prevalence, Distribution and Determinants of Adult and Childhood Foods	93.855	15,371				15,371	-
Biomarkers and Risk Stratification in Pediatric Community-Acquired Pneumonia	93.855	15,409				15,409	-
Investigating a Novel Co-Regulation Of Multi-Drug Efflux Pumps and Polysaccharide Capsule in E.coli	93.855	182,805				182,805	-
Clostridium Innocuum as an Emerging Multidrug Resistant Antibiotic-Associated Diarrheal Pathogen	93.855	216,833				216,833	147,525
Molecular Signatures of Early-Onset Neonatal Sepsis in Umbilical Cord Blood	93.855	162,173				162,173	-
Identifying Kawasaki Disease-Specific Antibodies and Antigens	93.855	13,742				13,742	4,125
Urinary Proadrenomedullin to Improve Risk Stratification of Children with Community Acquired Pneumonia	93.855	79,146				79,146	33,461
Intervention to Reduce Early (Peanut) Allergy in Children (IREACH)	93.855	1,814,464				1,814,464	740,602
Novel Molecular Mechanism of Macrophage Polarization in Sepsis	93.855	143,972				143,972	-
Immune Modulation of Macrophages in Obstructive Cholestasis.	93.855	192,424				192,424	36,351
Identifying the Breadth of Antibody Responses to Clostridioides Difficile Infections.	93.855	70,130				70,130	3,127
Identifying Specific Antigenic Targets of Kawasaki Disease	93.855	296,469				296,469	27,253
Soy Isoflavones for Inner City Infants at Risk for Asthma (SIRA)	93.855	68,932				68,932	-
(Per Patient Reimbursement) IMPAACT Network Leadership and Operations Center (LOC), Non-Promise Protocols	93.855		126,371	Johns Hopkins University	PO 2002438850	126,371	27,174
LOC-IMPAACT Leadership Group Protocol Co-Chair P1115	93.855		6,769	Johns Hopkins University	2002283574	6,769	-
LOC-IMPAACT LEADERSHIP GROUP, CURE COMMITTEE VICE CHAIR, TASK ORDER #LDR 08	93.855		(3,046)	Johns Hopkins University	2002131146	(3,046)	-
(Per Patient Reimbursement) 4 protocols:#6901-A Prospective Natural History Study of Diagnosis, Treatment and Outcomes of Children with SCID Disorders#6902-Primary Immune Deficiency Treatment Consortium: Protocol #6902: A Retrospective	93.855		733	University of California at San Francisco	11829sc (U54AI082973)	733	-
Third Coast Center for AIDS Research	93.855		(47)	Northwestern University	60039785 LCH	(47)	-
(Per Patient Reimbursement) ITN063ST (ALL TOL)-Allograft Tolerance Study	93.855		32,222	Benaroya Research Institute	FY16ITN184	32,222	-
(Per-Patient Reimbursement) Multi-center studies to improve diagnosis and treatment of pediatric candidiasis (PEdiatric Antifungal Comparative Effectiveness [PEACE] study)	93.855		1,283	Duke University	R01AI103315	1,283	-
Food Allergy Outcomes Related to White and African American Racial Differences (FORWARD)	93.855		104,085	Northwestern University	60046645LCH	104,085	-
RPPR for Inner City Asthma Consortium 3 (ICAC3)	93.855		633,771	University of Wisconsin	762K193	633,771	-
LOC IMPAACT Leadership Group, Impaact 2015 Neuropsychological Expert Leader	93.855		6,461	Johns Hopkins University	UM1AI068632-13	6,461	-
EVALUATION OF IMMUNE FUNCTION FITNESS IN VERTICALLY INFECTED HIV- + PATIENTS WITH EARLY ART INITIATION	93.855		(30)	Northwestern University	60048349 LCH	(30)	-
Successful Clinical Response in Pneumonia Therapy (SCRIPT) Systems Biology Center	93.855		36,161	Northwestern University	60049062 LCH	36,161	-
HIV Care Continuum Among the Most Vulnerable of PLWH	93.855		56,334	Indiana University	BL-4689683-ARC	56,334	-
UM1AI068632-12: IMPAACT 2019 Start-Up	93.855		(1,432)	Johns Hopkins University	2002906919	(1,432)	-
Clinical Trial Units for NIAID Networks, HIV Centers for Under-Represented Populations in Research (HIV Cure) CTU	93.855		144,483	University of California at San Diego	97926831	144,483	-
Food Allergy Outcomes Related White and African American Racial Differences (FORWARD)	93.855		24,427	Northwestern University	60050906 LCH	24,427	-
Tocopherol Regulation of the Development of Responsiveness to Allergen Early in Life	93.855		(18,709)	Indiana University	IN4689874LCH	(18,709)	-
Immune Correlates of Tuberculosis and Non-Tuberculosis Infectious Morbidity in Southern African HIV-Exposed Uninfected Infants	93.855		15,712	Massachusetts General Hospital	234124	15,712	-
(Per Patient Reimbursement) Controlling and Preventing Asthma Progression and Severity in Kids (CASK)	93.855		179,036	Boston Children's Hospital	GENFD0001644027	179,036	-
UM1AI068632-12: IMPAACT 2021	93.855		5	Johns Hopkins University	2002906919	5	-
UN1AI068632-13: LOC-IMPAACT Leadership Group, Early Career Investigator/Mentored Junior	93.855		9,316	Johns Hopkins University	LDR 17	9,316	-
Influenza Vaccine Effectiveness for Preventing Laboratory-Confirmed Severe Influenza-Associated Illness in US Children (PICUFlu-VE)	93.855		14,975	Boston Children's Hospital	PICUFLU-VE2	14,975	-
Consortium of Eosinophilia Gastrointestinal Disease Researchers	93.855		18,223	Children's Hospital Medical Center	309363	18,223	-
Northwestern University Infectious Diseases Education and Science (NUIDEAS) (A. Newman T32)	93.855		75,597	Northwestern University	60047264 LUR	75,597	-
Consortium of Eosinophilic Gastrointestinal Disease Researchers (Pathology Core)	93.855		48,454	Cincinnati Children's	309362	48,454	-
COVID-19 IMPAACT Network LOC, Protocol Funds COVID-19 Bridge Funding.	93.855		83,724	Johns Hopkins University	SUM1AI068632-14 REVISED	83,724	-
Pharmacokinetics, Pharmacodynamics, and Safety Profile of Understudied Drugs Administered to Children per Standard of Care	93.855		99,444	Duke University	257758 PTN-POP02 CCH99	99,444	-
UM1AI068632-14: PSTO LDR 19, LOC-IMPAACT Leadership Group, P1115 Protocol C0-Chair	93.855		13,782	Johns Hopkins University	LDR 19	13,782	-
IMPAACT 2026: Pharmacokinetic Properties of Antiretroviral Anti-Tuberculosis, and Hormonal Contraceptive Drugs during Pregnancy and Postpartum	93.855		4,590	Johns Hopkins University	SUM1AI068632-14-REVISED	4,590	-
COVID-19 FORWARD-COVID 19 Supplement	93.855		45,634	Northwestern University	60056847 LCH	45,634	-
Mechanisms for Inflation of Food Allergy Early in Life	93.855		82,314	Indiana University	9574	82,314	-
Kappa-Deleting Recombination Excision Circles (KREC) in patients with Immunodeficiency	93.855		56,311	Northwestern University	60056692 LCH (2T32AI083216-11)	56,311	-
Third Coast Center for AIDS Research	93.855		4,810	Northwestern University	60056410 LCH (2P30AI117943-06)	4,810	-

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# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
COVID-19 3UM1AI068632-14S2: IMPAACT 2032 - Pharmacokinetics and Safety of Remdesivir for Treatment of COVID-19 in Pregnant Women in the US (PPR)	93.855		4,314	Johns Hopkins University	UM1AI068632-14S2/PTCL 21	4,314	-
UM1AI068632-14: IMPAACT Network LOC, Protocol Funds I2032 Start Up	93.855		15,300	Johns Hopkins University	PSTO PTCL 22 (3 UM1 AI068632-14S2)	15,300	-
Immunology and Molecular Pathogenesis Training Program	93.855		41,725	Northwestern University	60047232 LCH (5T32AI007476-24)	41,725	-
Obesogenic Origins of Maternal and Child Metabolic Health Involving Dolutegravir (ORCHID)	93.855		174,921	Columbia University	5/GG014362   1R01HD104599-01	174,921	-
Clinical Trials Units for NIAID Networks, HIV Centers for Underrepresented Populations in Research (HIV CURE) CTU	93.855		261,746	University of California at San Diego	117267-0110-5117/04304	261,746	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 25 P1115 Co-Chair (Chadwick)	93.855		21,564	Johns Hopkins University	PSTO 25 (2 UM1AI068632-15)	21,564	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 26 P1115 Co-Chair (Jao)	93.855		21,564	Johns Hopkins University	PSTO 26 (2UM1AI068632-15)	21,564	-
IMPAACT Network Leadership Group (NLG) - PSTO LDR 27 I2015 Neuropsychologist (Malee)	93.855		18,438	Johns Hopkins University	PSTO 27 (2UM1AI068632-15)	18,438	-
IMPAACT Network Leadership Group (NLG) - PSTO PTCL 24, Fixed Fee Protocol Funding (PF) Y15	93.855		13,252	Johns Hopkins University	PTCL 24 (2 UM1AI068632-15)	13,252	-
Sunbeam Study	93.855		52,756	Northwestern University	60057526 LCH (2004789504//5UM2AI130836-04)	52,756	-
Digital, Limited Interaction Efficacy Trial of LifeSkills Mobile to Reduce HIV Incidence in Young Transgender Women	93.855		43,538	University of California Los Angeles	1U01AI156875-01/1935 G YA537	43,538	-
Childhood Asthma in Urban Settings (CAUSE) - Leadership Center	93.855		48,041	University of Wisconsin Madison	1UM1AI160040-01 (000001417)	48,041	-
Persistence, Risk and Decision-Making Among a PrEP Using Cohort: A Mixed-Methods Study	93.855		7,517	Northwestern University	2P30AI117943-06 REVISED/60056747 LCH	7,517	-
	<b>93.855 Total</b>	<b>3,576,191</b>	<b>2,626,439</b>			<b>6,202,630</b>	<b>1,218,041</b>
Follow That Cell: Motility Analysis of L-Plastin Mutant Zebrafish	93.856		2,269	Northwestern University	60046530 LCH	2,269	-
	<b>93.856 Total</b>	-	<b>2,269</b>			<b>2,269</b>	-
Surgical Studies of Gut Epithelial Apoptosis-Initiated Critical Illness	93.859	141,471				141,471	-
The Role of Basal Bodies in WNT Signaling	93.859	95,574				95,574	-
Follow That Cell: Motility Analysis of L-Plastin Mutant Zebrafish	93.859		(15)	DePaul University	501225SG139	(15)	-
Follow That Cell: Motility Analysis of L-Plastin Mutant Zebrafish	93.859		4,612	DePaul University	501531SG183	4,612	-
	<b>93.859 Total</b>	<b>237,045</b>	<b>4,597</b>			<b>241,641</b>	-
A Prospective Study of Biochemical and Genetic Predictors of PCOS in High Risk Early Postmenarchal Girls	93.865	14,176				14,176	-
Fertility Decision-Making in Transgender Youth and Young Adults	93.865	86,945				86,945	6,376
Tiny Cargo, Big Deal! An Adaptive Ed-Based Ehealth Intervention to Promote Correct and Consistent Size-Appropriate Child Passenger Safety Behaviors and Reduce Disparities	93.865	507,784				507,784	49,246
A Data-Driven Analysis of Pediatric Organ Dysfunction Patterns to Discover Sepsis Phenotypes	93.865	197,380				197,380	110,197
Molecular Genetics of BBS	93.865	139,582				139,582	-
Cord Blood Adductomics in Bronchopulmonary Dysplasia	93.865	172,685				172,685	94,858
Corticospinal Tract Development in Intrauterine Growth Restriction	93.865	221,983				221,983	-
The interactive effects of physical activity and sedentary behaviors during childhood on adiposity in early adulthood	93.865	77,531				77,531	-
An injury plausibility assessment model for differentiating abusive from accidental fractures in young children	93.865	369,804				369,804	94,385
ADaPT to Engage: Assessing for Disparities and Potential Targets for Intervention to Engage Acutely Ill Children in Research	93.865	153,002				153,002	-
Defining the microenvironment that will enable a long-term bioprosthetic ovary transplant	93.865	30,193				30,193	-
Pediatric CFS in a Community-Based Sample	93.865		(1,489)	DePaul University	5009995G108	(1,489)	-
Impact of Early Medical Treatment in Transgender Youth	93.865		52,229	Children's Hospital of Los Angeles	8011-RGF009152-00-3	52,229	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC): PH200 AMP	93.865		49,027	Harvard University	114074.0910.5041137	49,027	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC) PH100 SMARTT	93.865		76,829	Harvard University	114205-1112-5096769	76,829	-
PPR BIOPIC: Fungal Biomarkers for Diagnosis and Response to Therapy for Pediatric Candidemia	93.865		2,228	Duke University	200405	2,228	-
PED Screen: Pediatric Sepsis HER Registry, Clinical Outcomes and Predictive Model Research Strategy	93.865		79,063	Northwestern University	60046347LCH	79,063	-
PHACS DOC PH100 SMARTT LoA2 Women's Health Study Supplement	93.865		(493)	Harvard University	U01HD052102	(493)	-
PHACS DOC: PH206 Assessment of HPV Associated Anogenital Morbidity in HPV-Vaccinated, Perinatally HIV Infected (PHIV)	93.865		17,853	Harvard University	114205-1310-5097819	17,853	-
Virtus Children's Study Validating Injury to the Renal Transplant using Urinary Signatures in Children	93.865		405	Children's Hospital of Philadelphia	3200880522/962854	405	-
Long Term Outcomes of Interventions for Reproductive Dysfunction; Continence, Behavioral Outcomes and Novel Predictors of Brain Masculinization	93.865		17,689	Oklahoma State University	1-571918-CHICAGO	17,689	-
Pediatric HIV/AIDS Cohort Study (PHACS) Data and Operations Center (DOC): PH200 AMP	93.865		(759)	Harvard University	5U01HD052102-13	(759)	-
(Per Patient Reimbursement) Committee Leadership: NIH National Clinical Trials Network Grant	93.865		73	Oklahoma State University	1-568197-Chicago	73	-
Coordinating Center for the Pediatric HIV/AIDS Cohort Study Initiative PHACS3	93.865		16,320	Tulane University	TUK-HSC-555749-18/19	16,320	-
Building Research Capacity for Firearm Safety Among Children	93.865		29,765	University of Michigan	1R24HD087149	29,765	-
Intensive Combination Approach to Rollback the Epidemic (Icare) in Nigerian Adolescents	93.865		34	Northwestern University	1UG3HD096920-01	34	-
Disorders/Differences Of Sex Development (DSD)-Translational Research Network	93.865		38,112	University of Michigan	SUBK00008040	38,112	-
VIRTUUS Children's Study: Validating Injury to the Renal Transplant Using Urinary Signatures in Children	93.865		1,138	Children's Hospital of Philadelphia	3200880522 - PO #963007-RSUC(SR01HD091185-04)	1,138	-
Data-Informed Stepped Care (DiSC) to Improve Adolescent HIV	93.865		35,159	University of Washington	UWSC10749	35,159	-
Improving the Detection of STIs in the Pediatric Emergency Department: A Pragmatic Trial	93.865		21,014	Children's National Medical Center	30004942-01	21,014	-

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# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
The Effect of ED and After-ED Analgesic Treatment on Pediatric Long Bone Fracture Outcomes	93.865		59,385	Medical College of Wisconsin	6080573	59,385	-
A Longitudinal Study of Gender Nonconformity in Prepubescent Children	93.865		136,645	Children's Hospital of Los Angeles	RGF011226-C	136,645	-
Functional Dissection of GnRH Defects and Network	93.865		120,608	Massachusetts General Hospital	5P50HD028138	120,608	-
Molecular Mechanisms and Genetic Drivers of Reciprocal Genomic Disorders	93.865		198,962	Massachusetts General Hospital	233278	198,962	-
Coordinating Center for the Pediatric AIDS/HIV Cohort Study Initiative-PHACS3	93.865		(1,991)	Tulane University	TUL-HSC-557529-19/20	(1,991)	-
Effects of a Prenatal Depression Preventive Intervention on Parenting and Young Children's Self-Regulation and Functioning (EPIC)	93.865		17,264	Northwestern University	60053759 LCH	17,264	-
Integrating Environmental Cues at the Maternal-Fetal Vascular Interface.	93.865		92,399	University of California - San Francisco	11733SC	92,399	-
Administrative Supplement for Research on Bioethical Issues	93.865		20,831	Northwestern University	60054152 LUR	20,831	-
Clinical Trial of Enhancing Recovery in Children Undergoing Surgery - ENRICH-US.	93.865		84,369	Northwestern University	60055120 LUR	84,369	-
Leveraging Data to Identify Opportunities to Address Insecure Care Connections and Poor Health Outcomes among People Living with HIV	93.865		60,641	Indiana University	8457	60,641	-
FLOURISH - Following Longitudinal Outcomes to Understand, Report, Intervene and Sustain Health of Infants, Children and Adolescents who are HIV Exposed Uninfected	93.865		41,430	Massachusetts General Hospital	237245   1R61HD103099-01 1R01HD101528-01 (GRT-0000762 / PO# 20228095)	41,430	-
Pragmatic Pediatric Trial of Balanced versus Normal Saline Fluid in Sepsis	93.865		3,369	Children's Hospital of Philadelphia		3,369	-
Health Outcomes around Pregnancy and Exposure to HIV/ARV (HOPE): Extending the Reach of PHACS to Examine Women's Health	93.865		128,484	Harvard University	117270-5112877 (1R01HD101351-01)	128,484	-
Pediatric HIV/AIDS Cohort Study (PHACS) 2020 - Scientific Administrative Core	93.865		89,264	Harvard University	117267-0110-5115568 (1P01HD103133-01)	89,264	-
Pediatric HIV/AIDS Cohort Study (PHACS) 2020 - SMARTT mPI	93.865		62,145	Harvard University	117267-0110-5115568 (1P01HD103133-01)	62,145	-
PHACS 2020 - Trajectories of Emotional Regulation and Behavior Outcomes and related Brain Regions And Intrinsic Networks (TERBO BRAIN), mPI	93.865		47,314	Harvard University	117267-0110-5115568 (1P01HD103133-01)	47,314	-
African-American Social Support Effectiveness Treatment- Partners for Perinatal Depression (ASSET-PPD)	93.865		19,130	Northwestern University	60057137 LCH (1R21MD014798-01A1)	19,130	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Adolescent Master Protocol (AMP) for Subjects 18 Years of Age and Older	93.865		293,065	Harvard University	117267-0110-5115568/277375.011	293,065	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Surveillance Monitoring for ART Toxicities Study in HIV-Uninfected Children Born to HIV-Infected Women (SMARTT)	93.865		327,530	Harvard University	1P01HD103133-01	327,530	-
Intensive Combination Approach to Rollback the Epidemic (iCARE) in Nigerian Adolescents	93.865		148,874	Northwestern University	60057252 LCH/4UH3HD096920-03	148,874	-
Defining the Impact of Dolutegravir on the Maternal Metabolic Environment and Its Implications on Risk for Congenital Anomalies	93.865		9,557	University Health Network	1R01HD104553-01/111406.1 / FCC 410013795	9,557	-
PRagMatic Pediatric Trial of Balanced versus Normal Saline Fluid in Sepsis (PRoMPT BOLUS)	93.865		20,436	Children's Hospital of Philadelphia	GRT-0000762 / PO# 20228095	20,436	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - TERBO BRAIN: Trajectories of Emotional Regulation and Behavior Outcomes and related Brain Regions and Intrinsic Networks	93.865		8,748	Harvard University	1P01HD103133-01/117267-0192-5121243	8,748	-
Pediatric Critical Care and Trauma Scientist Development Program (PCCCTSDP)	93.865		(8,505)	University of Utah	10051369-04	(8,505)	-
Pediatric HIV/AIDS Cohort Study (PHACS): 2020 - Adolescent Master Protocol (AMP) for Subjects 18 Years of Age and Older	93.865		11,213	Harvard University	117267-0110-5115568/277375.011	11,213	-
PHACS 2020 SMARTT	93.865		12,071	Harvard University	117267-0110-5115568/277375.0112	12,071	-
The Impact of Early Medical Treatment in Transgender Youth	93.865		28,064	Children's Hospital of Los Angeles	2R01HD082554-06A1/000013763-C	28,064	-
	<b>93,865 Total</b>	<b>1,971,065</b>	<b>2,465,498</b>			<b>4,436,563</b>	<b>355,062</b>
Production and quality analysis of clinical drug for a novel CNS protein kinase inhibitor therapeutic candidate	93.866		28,674	Northwestern University	60055490 LCH	28,674	-
	<b>93,866 Total</b>	-	<b>28,674</b>			<b>28,674</b>	-
PPR-A Randomized Trial of Bilateral Lateral Rectus Recession Versus Unilateral Lateral Rectus Recession with Medical Rectus Resection for...	93.867		222	Jaeb Center for Health Research	SITE 125	222	-
(Per Patient Reimbursement) Pediatric Cataract Surgery Outcomes Registry.	93.867		1,519	Jaeb Center for Health Research	CO2	1,519	-
A Pilot Randomized Clinical Trial of Base-in Prism Spectacles for Intermittent Exotropia (IXT6)	93.867		620	Jaeb Center for Health Research	UG1EY011751	620	-
Exploring the Angiogenesis-to-Fibrosis Transition in Ischemic Retinopathies.	93.867		5,071	Northwestern University	6055651 LCH	5,071	-
A Randomized Trial to Evaluate Sequential vs Simultaneous Spectacles plus Patching(ATS22) for the Pediatric Eye Disease Investigator Group (PEDIG)	93.867		30	Jaeb Center for Health Research	UG1EY011751	30	-
	<b>93,867 Total</b>	-	<b>7,462</b>			<b>7,462</b>	-
NLM Education Videos	93.879		38,114	OAK RIDGE ASSOC UNIV	75N7019F00060/ACIOP	38,114	-
Youth Information Access Project	93.879		15,259	University of Massachusetts, Worcester	1UG4LM012347-05	15,259	-
Network of the National Library of Medicine Evaluation Center	93.879		5,960	Northwestern University	1U24LM013751-01/60058703 LCH	5,960	-
	<b>93,879 Total</b>	-	<b>59,333</b>			<b>59,333</b>	-
Illinois Perinatal Quality Collaborative (ILPQC) Title V	93.993		2,279	Northwestern University	60052420 LUR	2,279	-
	<b>93,993 Total</b>	-	<b>2,279</b>			<b>2,279</b>	-
<b>National Institutes of Health (NIH) Total</b>		<b>20,163,888</b>	<b>10,451,831</b>			<b>30,615,719</b>	<b>3,993,552</b>
<b>Total Prefix 93-U.S. Department of Health and Human Services</b>		<b>21,890,097</b>	<b>11,633,151</b>			<b>33,523,248</b>	<b>4,510,304</b>
COVID-19 PPR A Phase 2 Trial of the MEK Inhibitor PD-0325901 in Adolescents & adults w NF1 Associated Morbid Plexiform ....	12.420		3,228	University of Alabama at Birmingham	000422086-012 TO # IV	3,228	-
COVID-19 Multicenter Randomized Trial of Everolimus in Pediatric Heart Transplantation	12.420		23,071	Boston Children's Hospital	W81XWH-17-1-0532	23,071	-
COVID-19 (Per Patient Reimbursement) Multicenter Randomized Trial of Enviroximes in Pediatric Heart Transplantation	12.420		1,780	Boston Children's Hospital	W81XWH-17-1-0532	1,780	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

**Children's Hospital of Chicago Medical Center and Affiliated Corporations**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2021**

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
COVID-19 DOD Neurofibromatosis Clinical Consortium Award	12.420		1,502	University of Alabama-Birmingham	000516840-019-T001	1,502	-
COVID-19 Preemptive Rituximab to Prevent Recurrent Focal Segmental Glomerulosclerosis Post-Transplant	12.420		8,703	University of Minnesota	N006814109	8,703	-
	<b>12.420 Total</b>	-	<b>38,285</b>			<b>38,285</b>	-
<b>Department of the Army Total</b>		-	<b>38,285</b>			<b>38,285</b>	-
<b>Total Prefix 12-U.S. Department of Defense</b>		-	<b>38,285</b>			<b>38,285</b>	-
COVID-19 Lurie Children's Mobile Health Program	21.019		51,366	Illinois Department of Human Services	FCSZU05592	51,366	8,498
	<b>21.019 Total</b>	-	<b>51,366</b>			<b>51,366</b>	<b>8,498</b>
<b>Departmental Offices Total</b>		-	<b>51,366</b>			<b>51,366</b>	<b>8,498</b>
<b>Total Prefix 21-U.S. Department of Treasury</b>		-	<b>51,366</b>			<b>51,366</b>	<b>8,498</b>
Development of a Probability Model to Predict Head Injury Risk in Pediatric Falls	16.560		36,655	University of Louisville	ULRF_19-0938-01	36,655	-
	<b>16.560 Total</b>	-	<b>36,655</b>			<b>36,655</b>	-
<b>Office of Justice Programs Total</b>		-	<b>36,655</b>			<b>36,655</b>	-
<b>Total Prefix 16-U.S. Department of Justice Total</b>		-	<b>36,655</b>			<b>36,655</b>	-
<b>Total Research and Development Cluster</b>		<b>21,890,095</b>	<b>11,759,462</b>			<b>33,649,557</b>	<b>4,518,802</b>
<b>CDBG - Entitlement Grants Cluster</b>							
COVID-19 Agreement between the County of DuPage and Almost Home Kids Naperville Rehab and Construction CD19-13.	14.218		52,326	COUNTY OF DUPAGE	CD19-13	52,326	-
	<b>14.218 Total</b>	-	<b>52,326</b>			<b>52,326</b>	-
<b>Total CDBG - Entitlement Grants Cluster</b>		-	<b>52,326</b>			<b>52,326</b>	-
<b>Highway Safety Cluster</b>							
IDOT - Buckle Up Program - Injury Prevention	20.600		153,983	Illinois Department of Transportation	HS-21-0249 02-02	153,983	-
	<b>20.600 Total</b>	-	<b>153,983</b>			<b>153,983</b>	-
Buckle-Up Safe Kids Illinois: Injury Prevention & Child Passenger Seats	20.616		23,999	Illinois Department of Transportation	OB-20-0187-02-02	23,999	-
	<b>20.616 Total</b>	-	<b>23,999</b>			<b>23,999</b>	-
<b>Total Highway Safety Cluster</b>		-	<b>177,982</b>			<b>177,982</b>	-
<b>Head Start Cluster</b>							
Head Start Trauma-Informed Care Innovation Project	93.600		54,457	Georgetown University	2021-0009, 12555	54,457	-
	<b>93.600 Total</b>	-	<b>54,457</b>			<b>54,457</b>	-
<b>Total Head Start Cluster</b>		-	<b>54,457</b>			<b>54,457</b>	-
<b>Other Programs</b>							
COVID-19 IL Department of Human Services - Curriculum Development for home visitor education on child abuse & neglect	10.557		520	Springfield Urban League	Not Available	520	-
	<b>10.557 Total</b>	-	<b>520</b>			<b>520</b>	-
COVID-19 Distance Learning and Telemedicine Grant Agreement	10.855	47,265	-			47,265	-
	<b>10.855 Total</b>	<b>47,265</b>	-			<b>47,265</b>	-
The Implementation of Trauma Informed Care with Regards to Community Violence	16.575		(1,733)	Illinois Criminal Justice Authority	216188	(1,733)	-
VOCA Community Violence: The Implementation of Trauma Informed Care with Regards to Community Violence	16.575		116,801	Illinois Criminal Justice Authority	216188	116,801	-
VOCA: The Implementation of Trauma Informed Care with Regards to Community Violence	16.575		38,239	Illinois Criminal Justice Information Authority	219057	38,239	-
	<b>16.575 Total</b>	-	<b>153,307</b>			<b>153,307</b>	-
COVID-19 Illinois Children's Mental Health Partnership	21.019		82,593	Illinois Department of Human Services	45CZB03986	82,593	-
	<b>21.019 Total</b>	-	<b>82,593</b>			<b>82,593</b>	-
Project Connect 2.0	93.104		16,653	Egyptian Health Department	SM063415	16,653	-
	<b>93.104 Total</b>	-	<b>16,653</b>			<b>16,653</b>	-
COVID-19 Connect for Youth	93.243	141,250	-			141,250	-
COVID-19 Strategic Prevention Framework-Partnerships for Success Reducing Underage Drinking.	93.243		1,039	Illinois Department of Human Services	43CZY03295	1,039	-
	<b>93.243 Total</b>	<b>141,250</b>	<b>1,039</b>			<b>142,289</b>	-
Illinois Children's Mental Health Partnership	93.958		181,704	Illinois Department of Human Services	45CZB03986	181,704	-
Illinois Children's Mental Health Partnership	93.958		(4,447)	Illinois Department of Human Services	45CYB03986	(4,447)	-
	<b>93.958 Total</b>	-	<b>177,257</b>			<b>177,257</b>	-
COVID-19 CDPH Contact Tracing Program Award	93.323		281,483	Chicago Department of Public Health	138117	281,483	-
	<b>93.323 Total</b>	-	<b>281,483</b>			<b>281,483</b>	-
Integrated Care for Kids Model	93.378	1,281,290	-			1,281,290	-
	<b>93.378 Total</b>	<b>1,281,290</b>	-			<b>1,281,290</b>	-
COVID-19 COVID-19 Electronic Health Data Initiative	93.421		53,475	The Task Force for Global Health, Inc	NU38OT000316	53,475	-
	<b>93.421 Total</b>	-	<b>53,475</b>			<b>53,475</b>	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# Children's Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Expenditures of Federal Awards

### Year Ended August 31, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients, as of August 31, 2021
COVID-19 Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	-	101,466	Chicago Department of Public Health	32933	101,466	-
	<b>93.817 Total</b>	-	<b>101,466</b>			<b>101,466</b>	-
Academic Units for Primary Care Training and Enhancement	93.884	-	62,438	Northwestern University	60043855 ARLCHC	62,438	-
	<b>93.884 Total</b>	-	<b>62,438</b>			<b>62,438</b>	-
COVID-19 Hospital Association COVID-19 Preparedness and Response Activities	93.889	-	2,080	Illinois Hospital Association	IU3REP200637-01-00	2,080	-
COVID-19 Hospital Preparedness Program - CHSCPR Executive Committee	93.889	-	10,020	Illinois Health and Hospital Association	138615	10,020	-
COVID-19 Hospital Preparedness Program - Special Pathogen Center (IHA Supplemental Funding)	93.889	-	313,762	Illinois Health and Hospital Association	138615	313,762	-
COVID-19 Hospital Preparedness- Pediatric Preparedness 2018	93.889	-	24,914	Illinois Department of Public Health	27280012J	24,914	-
Hospital/Pediatric Preparedness 2018	93.889	-	191,702	Illinois Department of Public Health	07280012H	191,702	-
Preparedness-Pediatric 2021. IDPH FY21	93.889	-	183,361	Illinois Department of Public Health	07280012H	183,361	-
	<b>93.889 Total</b>	-	<b>725,839</b>			<b>725,839</b>	-
COVID-19 Center for the Evaluation of Chicago HIV Services Portfolio	93.914	-	(12,419)	Northwestern University	60055434 LCH	(12,419)	-
COVID-19 Population Centered Health Homes (PCHH)-Ryan White PART A Release 2	93.914	-	280,482	Chicago Department of Public Health	116624	280,482	-
COVID-19 PCHH RW-RELEASE 2	93.914	-	21,504	Chicago Department of Public Health	116624	21,504	-
COVID-19 Quality Management for HIV Services in Chicago	93.914	-	32,204	Northwestern University	60056212 LCH/ 51549 TOR 666 // H89HA00008	32,204	-
COVID-19 Population Centered Health Homes (PCHH)	93.914	-	30,042	Chicago Department of Public Health	PO #116624	30,042	-
	<b>93.914 Total</b>	-	<b>351,813</b>			<b>351,813</b>	-
Comprehensive High-Impact HIV Prevention Projects for Young Transgender Person of Color	93.939	-	36,446	Howard Brown Health Center	NU65PS923654-01-00	36,446	-
	<b>93.939 Total</b>	-	<b>36,446</b>			<b>36,446</b>	-
Evaluation of Chicago's Community HIV Services Portfolio	93.940	-	(4,858)	Northwestern University	60053388 LCH	(4,858)	-
Population Centered Health Homes (PCHH) - CDC STD	93.940	-	7,083	Chicago Department of Public Health	110219	7,083	-
Center for the Evaluation of Community HIV Services Portfolio	93.940	-	37,624	Northwestern University	60056222 LCH   51549 TOR 666 // NU62PS924560-01-00	37,624	-
Evaluation of Chicago's Community HIV Services Portfolio	93.940	-	12,135	Northwestern University	60055436 LCH/Agmt # 51549	12,135	-
Healthcare Access-Population Centered Health Homes: CDC PS18-1802 Prevention FY2021	93.940	-	6,053	Chicago Department of Public Health	PO#: 110219/1042731	6,053	-
Healthcare Access-Population Centered Health Homes: Corporate FY2021	93.940	-	3,678	Chicago Department of Public Health	PO#: 116623/1042731	3,678	-
Quality Management of HIV Prevention Services in Chicago	93.940	-	(5,786)	Northwestern University	NU62PS924560-01-00	(5,786)	-
	<b>93.940 Total</b>	-	<b>55,929</b>			<b>55,929</b>	-
Evaluation of Trans Life Center: A Locally-Developed Combination Prevention Intervention for Transgender Women at High Risk of HIV Infection	93.941	-	82,567	Chicago House	U01PS005140	82,567	-
	<b>93.941 Total</b>	-	<b>82,567</b>			<b>82,567</b>	-
Illinois Perinatal Quality Collaborative Working Together for Healthier Moms and Babies in Illinois	93.946	-	25,007	Northwestern University	60047722 LCH	25,007	-
	<b>93.946 Total</b>	-	<b>25,007</b>			<b>25,007</b>	-
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<b>COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution</b>							
COVID-19 Provider Relief Fund - Ann & Robert H Lurie Children's Hospital of Chicago	93.498	18,344,512	-			18,344,512	-
COVID-19 Provider Relief Fund - Lurie Children's Medical Group	93.498	814,810	-			814,810	-
COVID-19 Provider Relief Fund - Pediatric Faculty Foundation	93.498	11,082	-			11,082	-
COVID-19 Provider Relief Fund - Lurie Children's Pediatric Anesthesiology Associates	93.498	335	-			335	-
COVID-19 Provider Relief Fund - Lurie Children's Surgical Foundation	93.498	253	-			253	-
	<b>93.498 Total</b>	<b>19,170,992</b>	-			<b>19,170,992</b>	-
<b>HEALTH RESOURCES AND SERVICES ADMINISTRATION</b>							
<b>COVID-19 HRSA Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund</b>							
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund - Ann & Robert H. Lurie Children's Hospital of Chicago	93.461	662,272	-			662,272	-
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund - Lurie Children's Medical Group	93.461	26,317	-			26,317	-
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund - Pediatric Faculty Foundation	93.461	4,879	-			4,879	-
	<b>93.461 Total</b>	<b>693,468</b>	-			<b>693,468</b>	-
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>							
<b>COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>							
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	6,632,598	-			6,632,598	-
	<b>97.036 Total</b>	<b>6,632,598</b>	-			<b>6,632,598</b>	-
<b>Total Other Programs</b>		<b>27,966,864</b>	<b>2,207,832</b>			<b>30,174,695</b>	-
<b>Grand Total Expenditures of Federal Awards</b>		<b>\$ 49,856,958</b>	<b>\$ 14,252,059</b>			<b>\$ 64,109,017</b>	<b>\$ 4,518,802</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

# **Children’s Hospital of Chicago Medical Center and Affiliated Corporations**

## **Notes to Schedule of Expenditures of Federal Awards Year Ended August 31, 2021**

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### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of The Children’s Hospital of Chicago Medical Center and Affiliated Corporations (the “Medical Center”). The Schedule is presented on the accrual basis of accounting. As the Schedule presents only the federal activity of the Medical Center, it is not intended to and does not present the financial position or changes in net assets of the Medical Center. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Assistance Listing numbers and pass-through numbers are presented when available.

Negative numbers in the Schedule represent adjustments to amounts reported in prior years in the normal course of business.

### **2. Indirect Costs**

The Medical Center has not elected to use a de minimis 10% indirect cost rate.

### **3. Department of Health and Human Services Provider Relief Funds**

The Schedule includes grant activity related to the Department of Health and Human Services (“HHS”) Coronavirus Aid Relief and Economic Security (CARES) Act Assistance Listing Number 93.498. As required based on guidance in the 2021 OMB Compliance Supplement, the Schedule includes all Period 1 funds received between April 10, 2020 and June 30, 2020 and expended by June 30, 2021 as reported to HRSA via the PRF Reporting Portal. The Schedule thus includes \$19,050,473 of direct expenditures and \$120,519 in lost revenue.

### **4. HRSA COVID-19 Testing and Treatment for the Uninsured**

The Medical Center conducted COVID-19 testing and/or provided treatment for uninsured individuals with a COVID-19 primary diagnosis on or after February 4, 2020 and as such has requested claims reimbursement under Assistance Listing #93.461 Health Resources and Services Administration’s (“HRSA”) COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment and Vaccine Administration for the Uninsured program. The Medical Center has recorded \$693,468 on the Schedule of Expenditures of Federal Awards reimbursed for the year ended August 31, 2021 from HRSA. Reimbursements are recognized within the Schedule of Expenditures of Federal Awards in the period approved and reimbursed by HRSA.

### **5. Disaster Grants-Public Assistance**

During fiscal year 2021, The Medical Center received \$6,632,598 under their FEMA Project Worksheet applications related to the COVID-19 Emergency Protective Measures project. The expenses associated with these Project Worksheets are included in the Schedule in the year the Project Worksheets are approved and expenditures have been incurred. The total \$6,632,598 of expenditures related to these Project Worksheets were incurred in the fiscal year ended August 31, 2020, but approved in the fiscal year ended August 31, 2021.

## **Part II - Reports on Internal Control and on Compliance**



**Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Children's Hospital of Chicago Medical Center and Affiliated Corporations

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Children's Hospital of Chicago Medical Center and Affiliated Corporations (the "Medical Center"), which comprise the consolidated balance sheet as of August 31, 2021, and the related consolidated statements of operations and change in net assets and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 21, 2022, except with respect to opinion on the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report, as to which the date is April 29, 2022, which includes an emphasis of matter paragraph related to the Medical Center changing the manner in which it accounts for leases in fiscal year 2021, as discussed in Note 3.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Medical Center's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Medical Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Chicago, Illinois

January 21, 2022, except with respect to opinion on the Illinois Grant Accountability and Transparency Consolidated Year End Financial Report, as to which the date is April 29, 2022



**Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance**

To the Board of Directors of  
Children's Hospital of Chicago Medical Center and Affiliated Corporations

**Report on Compliance for Each Major Federal Program**

We have audited Children's Hospital of Chicago Medical Center and Affiliated Corporations' (the "Medical Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Medical Center's major federal programs for the year ended August 31, 2021. The Medical Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Medical Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Medical Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Medical Center's compliance.





### ***Opinion on Each Major Federal Program***

In our opinion, the Children's Hospital of Chicago Medical Center and Affiliated Corporations complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The Medical Center's response to the noncompliance findings identified in our audit is described in the accompanying Management's Views and Corrective Action Plan. The Medical Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of the Medical Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Medical Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Chicago, Illinois  
April 29, 2022

### **Part III – Schedule of Findings and Questioned Costs**

**Children’s Hospital of Chicago Medical Center and  
 Affiliated Corporations  
 Schedule of Findings and Questioned Costs  
 Year Ended August 31, 2021**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516 (a) of the OMB Uniform Guidance?  Yes  No

**Identification of major programs**

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.498	COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
97.036	COVID-19 - Disaster Grants-Public Assistance (Presidentially Declared Disasters)
93.461	COVID-19 - HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$1,923,270
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations  
Schedule of Findings and Questioned Costs  
Year Ended August 31, 2021**

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**Section II – Financial Statement Findings**

None noted.

# Children’s Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Findings and Questioned Costs

### Year Ended August 31, 2021

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#### Section III - Federal Award Findings and Questioned Costs

##### Finding 2021-001 – HRSA Uninsured Patient Eligibility

**Grantor:** Health Resources and Services Administration (“HRSA”)  
**Program:** COVID-19 HRSA Claims for the Uninsured Program  
**Assistance Listing #:** 93.461  
**Title:** HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund  
**Award Year:** Fiscal year 2021 9/1/2020 – 8/31/2021  
**Award Number:** None listed

##### Criteria

In accordance with the Coronavirus Aid, Relief, and Economic Security Act and Paycheck Protection Program and Health Care Enhancement Act, HRSA offers reimbursement to providers and facilities for claims covering eligible uninsured individuals. Recipients should ensure that individuals covered by these funds were uninsured at the date of service.

In order to provide additional context, background and clarification, the HRSA FAQs note the following: (<https://www.hrsa.gov/coviduninsuredclaim/frequently-asked-questions> - “Do health care providers need to determine if an otherwise uninsured individual is Medicaid eligible?”), “Providers must verify and attest that to the best of the provider’s knowledge at the time of claim submission, the patient was uninsured at the time the services were provided. For claims for COVID-19 testing and testing-related items and services, treatment of positive cases of COVID-19, and/or vaccine administration, this means that the patient did not have any health care coverage. Providers may submit a claim for uninsured individuals before Medicaid eligibility determination is complete. However, if the provider learns that the individual is retroactively enrolled in Medicaid as of the date of service, the provider must return the payment to HRSA”.

##### Condition

In testing compliance with the eligibility requirement, out of 60 claims selected to test patient eligibility, we identified three claims, totaling \$300 where management was unable to provide evidence that insurance verification had been performed at the time of service. Two of these three patients were subsequently determined in March 2022, to be insured at the time of service or retroactively enrolled in Medicaid as of the date of service, which qualified the patients as insured at the date of service and therefore ineligible for HRSA reimbursement.

##### Cause

Through discussions with management, we understand that the Medical Center did not maintain evidence to support the operating effectiveness of the existing control where the Medical Center ensures the patient is uninsured at the date of service and prior to requesting reimbursement from HRSA.

##### Effect

Failure to appropriately identify patient eligibility as uninsured at the time the services were provided could result in inappropriate funds received from HRSA.

##### Questioned Costs

\$300.

**Children’s Hospital of Chicago Medical Center and Affiliated Corporations**  
**Schedule of Findings and Questioned Costs**  
**Year Ended August 31, 2021**

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**Recommendation**

We recommend the Medical Center enhance its controls and revise its procedures to ensure that all patients are being checked for eligibility through insurance verification at the time of service and prior to submitting a reimbursement claim to HRSA.

**Management’s Views and Corrective Action Plan**

Management’s response is included in “Management’s View and Corrective Action Plan” at the end of this report.

# Children’s Hospital of Chicago Medical Center and Affiliated Corporations

## Schedule of Findings and Questioned Costs

### Year Ended August 31, 2021

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#### Finding 2021-002 – Claim reimbursement for an uninsured patient was not reviewed for backdated Medicaid coverage

**Grantor:** Health Resources and Services Administration (“HRSA”)  
**Program:** COVID-19 HRSA Claims for the Uninsured Program  
**Assistance Listing #:** 93.461  
**Title:** HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund  
**Award Year:** Fiscal year 2021 9/1/2020 – 8/31/2021  
**Award Number:** None listed

#### Criteria

In accordance with the Coronavirus Aid, Relief, and Economic Security Act and Paycheck Protection Program and Health Care Enhancement Act, HRSA offers reimbursement to providers and facilities for claims covering eligible uninsured individuals. Recipients should ensure that individuals covered by these funds were uninsured at the date of service.

In order to provide additional context, background and clarification, the HRSA FAQs note the following: (<https://www.hrsa.gov/coviduninsuredclaim/frequently-asked-questions> - “Do health care providers need to determine if an otherwise uninsured individual is Medicaid eligible?”), “Providers must verify and attest that to the best of the provider’s knowledge at the time of claim submission, the patient was uninsured at the time the services were provided. For claims for COVID-19 testing and testing-related items and services, treatment of positive cases of COVID-19, and/or vaccine administration, this means that the patient did not have any health care coverage. Providers may submit a claim for uninsured individuals before Medicaid eligibility determination is complete. However, if the provider learns that the individual is retroactively enrolled in Medicaid as of the date of service, the provider must return the payment to HRSA”.

#### Condition

In testing compliance with the eligibility requirement, out of 60 claims selected to test patient eligibility, we identified seven claims, totaling \$3,560 where patients were initially uninsured at the time of service, but subsequently became Medicaid eligible and this was not identified by the Medical Center’s processes and controls. It was determined in March and April 2022 that these patients should have been retroactively enrolled in Medicaid as of the date of service, which qualified the patients as insured at the date of service and therefore ineligible for HRSA reimbursement. The chart below outlines the details of each instance identified.

Service Date	HRSA Reimbursement Amount	Date claim submitted to HRSA	Reimbursement by HRSA date	Insurance or Medicaid Eligible date*	Date of Refund to HRSA
10/16/2020	\$383	12/31/2020	2/3/2021	2/17/2021	3/11/2022
8/20/2020	\$485	9/8/2020	9/23/2020	9/10/2020	3/11/2022
8/7/2020	\$770	12/29/2020	1/28/2021	12/29/2020	3/11/2022
12/13/2020	\$636	12/31/2020	2/3/2021	2/1/2021	3/11/2022
10/7/2020	\$688	1/4/2021	2/4/2021	12/28/2020	3/11/2022
12/7/2020	\$498	2/1/2021	3/3/2021	3/2/2021	3/11/2022
4/15/2020	\$100	12/16/2020	12/29/2020	1/22/2021	4/7/2022

\*This date indicates the date the patient became eligible and was approved for insurance coverage. In all instances, the patients obtained Medicaid coverage that was backdated to a date prior to the date of service.



# **Children’s Hospital of Chicago Medical Center and Affiliated Corporations**

## **Schedule of Findings and Questioned Costs**

### **Year Ended August 31, 2021**

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#### **Cause**

Management does not have a process in place to identify patients with insurance applied retroactively and whether reimbursement requests should be canceled or refunded to HRSA for reimbursements already received. The Medical Center failed to identify these patients obtained backdated insurance coverage as of the date of service through lack of an existing control around this process.

#### **Effect**

Failure to appropriately identify patient eligibility as uninsured at the time the services were provided could result in inappropriate funds reimbursed from HRSA.

#### **Questioned Costs**

\$3,560.

#### **Recommendation**

We recommend the Medical Center enhance its controls and revise its procedures to ensure that any type of insurance, including retroactively applied insurance, is identified and funds are returned in a timely manner when identified.

#### **Management’s Views and Corrective Action Plan**

Management’s response is included in “Management’s View and Corrective Action Plan” at the end of this report.

**Children's Hospital of Chicago Medical Center and  
Affiliated Corporations  
Summary of Status of Prior Audit Findings  
Year Ended August 31, 2021**

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There were no federal award findings and questioned costs from prior years that require an update in this report.



## Management's View and Corrective Action Plan

The following is the Medical Center's response to the audit of Federal programs in accordance with the Uniform Guidance for the year ended August 31, 2021.

### Finding 2021-001 – HRSA Uninsured Patient Eligibility

**Grantor:** Health Resources and Services Administration ("HRSA")  
**Program:** COVID-19 HRSA Claims for the Uninsured Program  
**Assistance Listing #:** 93.461  
**Title:** HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund  
**Award Year:** Fiscal year 2021 9/1/2020 – 8/31/2021  
**Award Number:** None listed

Management understands the importance of verifying insurance upon registration as well as completing a Medicaid eligibility verification. At the time of service, the registration team is expected to verify health insurance coverage and confirm the patient is indeed uninsured. Based on the documentation available for these sample selections, this verification process is not always documented within the patient accounting system.

### Corrective Action Plan and Anticipate Completion Date

Management's corrective action plan includes:

- Within the patient accounting system, the Registration team will document in the patient notes that an insurance verification was completed, and if no insurance coverage was found, confirm that the patient is indeed uninsured.
- Review of HRSA uninsured claims received - Management completed a Medicaid eligibility check on all patients in which a HRSA uninsured reimbursement for Covid-19 was received. The Medical Center has begun to refund HRSA for these claims and anticipates having all funds returned by May 31, 2022.
- Future HRSA claims – In addition to the changes within the registration team, Management will also complete a separate Medicaid eligibility verification check on a monthly basis for any patient with a HRSA uninsured payment. For any patients identified as having retroactive Medicaid coverage, a refund will be submitted back to HRSA. This monthly review will begin in May 2022 and continue moving forward.

### Finding 2021-002 – Claim reimbursement for an uninsured patient was not reviewed for backdated Medicaid coverage

**Grantor:** Health Resources and Services Administration ("HRSA")  
**Program:** COVID-19 HRSA Claims for the Uninsured Program  
**Assistance Listing #:** 93.461  
**Title:** HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund  
**Award Year:** Fiscal year 2021 9/1/2020 – 8/31/2021  
**Award Number:** None listed

Management understands the importance of reviewing for backdated Medicaid coverage for uninsured patients.

### Corrective Action Plan and Anticipated Completion Date:



Management's correction action plan includes:

- Review of HRSA uninsured claims received - Management completed a Medicaid eligibility check on all patients in which a HRSA uninsured reimbursement for Covid-19 was received. The Medical Center has begun to refund HRSA for these claims and anticipates having all funds returned by May 31, 2022.
- Future HRSA claims – In addition to the changes within the registration team, Management will also complete a separate Medicaid eligibility verification check on a monthly basis for any patient with a HRSA uninsured payment. For any patients identified as having retroactive Medicaid coverage, a refund will be submitted back to HRSA. This monthly review will begin in May 2022 and continue moving forward.

For follow up questions and information, please contact Ron Blaustein, Chief Financial Officer, at [rblaustein@luriechildrens.org](mailto:rblaustein@luriechildrens.org).

Sincerely,  
DocuSigned by:

*Ron Blaustein*

AD1370164E25408...

Ron Blaustein  
Chief Financial Officer

[rblaustein@luriechildrens.org](mailto:rblaustein@luriechildrens.org)