

EXTENDICARE®

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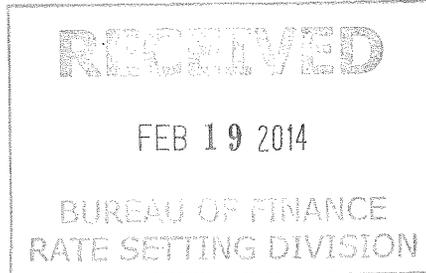
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LTC RATES

REFER TO _____

February 17, 2014

Commonwealth of Pennsylvania
Department of Public Welfare
Bureau of Finance
Forum Place, 6th Floor
555 Walnut Street
Harrisburg, PA 17101
ATTN: Participation Review Unit



RE: TULIP SPECIAL CARE
JD13004

To whom it may concern:

The above-referenced application was filed on December 31, 2013, requesting that the Department approve 85 new Medical Assistance beds in Philadelphia County. According to the application, these beds would be located at 2301 East Allegheny Avenue in Northeast Philadelphia. This application contends that the facility will care for ventilator dependent patients.

Northern Health Facilities, Inc. d/b/a Statesman Health and Rehabilitation Center, a subsidiary of Extendicare Health Services, Inc. ("Statesman"), located in Lower Bucks County provides these same services. In fact, Statesman has provided services to the ventilator dependent population identified in the application for over 25 years. We respectfully provide the following comments to the application.

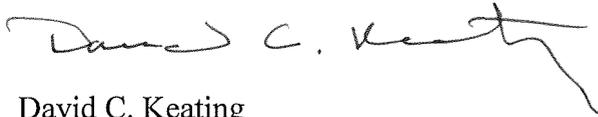
1. The market for ventilator dependent patients in Northeast Philadelphia is already being adequately served by current providers in the area with experience in the operation of skilled nursing facilities serving ventilator dependent patients. Statesman operates a 30 bed ventilator dependent unit at our 101 bed facility. Genesis Healthcare Corp. and Fox Chase Subacute Management, Inc. provide the same services at their locations in Bucks, Montgomery and Philadelphia Counties. The applicant failed to demonstrate the need for 85 additional beds for the identified population.
2. The application fails to provide any information on the experience and/or background of the applicant.
3. The applicant fails to provide any information on experience relative to operating a facility providing the very specialized services required by ventilator patients.

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4. The application provides no information on the financial strength of the applicant, capital structure of the project, project financing, or working capital necessary for the project.

Statesman respectfully requests that the application be denied.

Very truly yours,

A handwritten signature in black ink, appearing to read "David C. Keating". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

David C. Keating
Vice President and General Counsel

cc: J. Ricchio