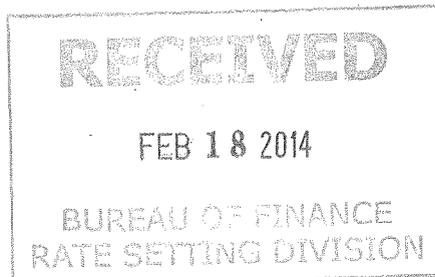




The leader in care and services for ventilator patients

February 11, 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

Ladies and Gentlemen:

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. The application contends that the facility will care for ventilator dependent patients.

Fox Subacute Management, Inc., a provider with 29 years' experience in the care of ventilator dependent patients and which currently provides care for these patients at three facilities located in Warrington (Bucks County), Plymouth Meeting (Montgomery County) and Mechanicsburg (Cumberland County) respectfully provides 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. The Fox Subacute facilities in Bucks and Montgomery Counties already serve this market with 120 beds dedicated to ventilator and tracheotomy care. In addition, two other facilities operated by Genesis Healthcare and Extendicare serve this market with their own ventilator facilities in Philadelphia and Bucks County.
- 2) The applicant has not provided evidence of any experience in the operation of skilled nursing facilities. The applicant has also failed to provide evidence of any experience in the operation of a facility for ventilator dependent patients. To grant approval for 85 new beds to a new operator in a very specialized area of health care would be problematic.
- 3) As evidence of the inexperience of the applicant, their application is markedly deficient of the information the Department requires to make a reasoned decision

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Plymouth Meeting, PA 19462
610 828.2272

AT CLARA BURKE
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Plymouth Meeting, PA 19462
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AT WARRINGTON
2644 Bristol Road
Warrington, PA 18976
215 343.2700

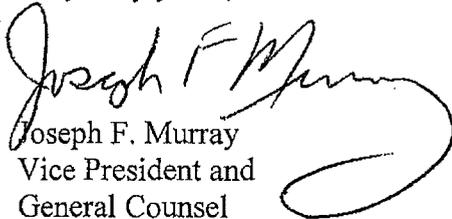
AT MECHANICSBURG
120 S. Filbert Street
Mechanicsburg, PA 17055
717 458.0930

on bed request applications. For the most part the applicant recites the Department of Health licensing and life safety regulations and merely avers that it will comply.

- 4) The application is completely devoid of any information on the experience and /or background of the applicant.
- 5) The application is completely devoid of any financial information as to the applicant or any of its principals. The application does not provide any information on:
 - a. The financial strength or lack thereof of the applicant.
 - b. The capital structure of the applicant or the project.
 - c. The project financing.
 - d. The ownership of the site. The applicant has not provided proof of ownership or any right to occupy the site by lease or otherwise.
 - e. Projections or other evidence of the viability of the project.
 - f. Source and/or access to necessary working capital.

For the reasons set forth above, Fox Subacute respectfully request that the application be denied.

Very truly yours,


Joseph F. Murray
Vice President and
General Counsel

JFM/hs