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February 15, 2004

VIA HAND DELIVERY

Honorable Amalia Rodriguez-Mendoza
Travis County District Clerk
Travis County Courthouse
Austin, Texas 78701

Re: Cause No. GV-204523; *State of Texas v. AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.*; In the 200th Judicial District Court of Travis County, Texas.

Subject: Special Deputy Receivers Statement of Expenses for January 2004 and Special Deputy Receiver's Business Plan for January 2004

Dear Ms. Rodriguez-Mendoza:

Enclosed for filing are the Special Deputy Receiver's Statements of Expenses for January 2004 and the Special Deputy Receiver's Business Plans for January 2004. I am also enclosing copies of these filings that I would appreciate you file-marking and returning to the carrier.

By copy of this letter, I am providing a copy of this filing to other interested parties.

If you have any questions relating to this filing, please do not hesitate to contact my office. Thank you for your attention to this matter.

Sincerely,



Steven R. Welch

Enclosures

U:\050\LT\Expense ltr.doc

cc: Ms. Myra Garrett, via hand delivery
All Parties on the Certificate of Service, via email

COPY

GV 204523

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
AMCARE HEALTH PLANS OF TEXAS,	§	
INC. and AMCARE MANAGEMENT, INC.	§	200th JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S
STATEMENTS OF EXPENSE FOR JANUARY 2004**

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver under contract to the Permanent Receiver of Amcare Health Plans of Texas, Inc. and Amcare Management, Inc., pursuant to TEX. INS. CODE ANN. art. 21.28, § 12(b), and presents to this Court STATEMENTS OF EXPENSE FOR JANUARY 2004, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of January 1, 2004, through January 31, 2004, and are sworn to by the Special Deputy Receiver.

Respectfully submitted,


RIEWE & WELCH, P.C.
811 Barton Springs Rd., Suite 740
Austin, Texas 78704
Telephone: 512/482-9291
Facsimile: 512/482-9211
e-mail: brieve@r-wlaw.com

Brian E. Riewe
State Bar No. 16915600

Steven R. Welch
State Bar No. 21126600

By: 

Attorneys for the Special Deputy Receiver

FILED
04 FEB 17 PM 3:16

DISTRICT CLERK
TRAVIS COUNTY, TEXAS

NOTICE

Pursuant to TEX. INS. CODE ANN. art. 21.28, § 12(b), these Statements shall be approved by the court unless objection is filed within ten (10) days after the presentation of the statement. The objection, if any, must be made by a party at interest and shall specify the item or items objected to and the ground of such objection. The court shall set the objection down for hearing. The burden of proof shall be upon the party objecting to show that the items objected to are improper, unnecessary or excessive.

The Special Master has asked that the following rules be provided to you:

1. A copy of any objection shall be served on:
 - (a) Special Master, Tom Collins, 708 Rio Grande, Suite 200, Austin, Texas 78701;
 - (b) The Special Master's Docket Clerk, Ms. Jean Sustaita, Texas Department of Insurance, 333 Guadalupe, Hobby Tower III, Room 540, Austin, Texas;
 - (c) All interested persons, including those listed on the Statement's Certificate of Service; and
 - (d) The undersigned counsel.
2. Any written objection shall specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally at the hearing.
3. Failure to file timely a written objection before the Special Master and appear for hearing constitutes a waiver of the right to object to the Special Master's Order of Recommendation to the District Court.



Steven R. Welch

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the above document was forwarded via electronic mail to the following persons on this the 15th day of February 2004.

Mr. James Kennedy, **Attorney for the Receiver**
Texas Department of Insurance
333 Guadalupe, Tower I
8th Floor, MC-110-1A
Austin, Texas 78701
Email: james.kennedy@tdi.state.tx.us

Ms. Elizabeth Fuller, **Attorney for the Receiver**
Texas Department of Insurance
333 Guadalupe, Tower I
9th Floor, MC-110-1A
Austin, Texas 78701
Email: elizabeth.fuller@tdi.state.tx.us

Ms. Myra Garrett, **Liquidation Oversight**
Texas Department of Insurance
333 Guadalupe St., Tower III
5th Floor, MC-305-1C
Austin, Texas 78701
Email: Myra.Garrett@tdi.state.tx.us

Mr. Thomas S. Lucksinger
President, Amcareco, Inc.
The SLI Group
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Lee Spangler, **Assistant General Counsel**
Texas Medical Association
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Mr. Mike Johnston, **Atty-Hermann Memorial**
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Dallas, Texas 75231
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Kaner Medical Group
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Email: ccox02@7-11.com

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MedicalEdge Healthcare Group
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Mr. Jonathan F. Buck
Catholic Healthcare West d/b/a Mercy Westside
Hospital & St. Rose Dominican Hospital-SienaCampus
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Glendale, California 92103
Email: JBuck@CHW.edu



Steven R. Welch

NO. GV 204523

THE STATE OF TEXAS

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IN THE DISTRICT COURT OF

VS.

TRAVIS COUNTY, TEXAS

AMCARE HEALTH PLANS OF TEXAS,
INC. and AMCARE MANAGEMENT, INC.

200TH JUDICIAL DISTRICT


Affidavit

THE STATE OF TEXAS

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§

COUNTY OF DALLAS

On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Health Plans of Texas, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of January 1, 2004, through January 31, 2004, in the receivership estate of Amcare Health Plans of Texas, Inc. and Amcare Management, Inc., in Cause No. GV-204523 pending in the 200th Judicial District Court of Travis County, Texas, pursuant to TEX. INS. CODE ANN. art. 21.28, § 12(b).

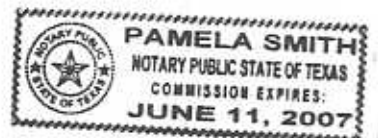


Jean Johnson, Special Deputy Receiver of
Amcare Health Plans of Texas, Inc.

SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson, on this the
10 day of February, 2004.



Notary Public, State of Texas



Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512H
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
ASSET RELATED GROUP			
Premium			
Collection Expense			
SDR	-	-	-
Subcontractor	-	-	-
Receivable			
Agent Balance Expense			
SDR	-	-	-
Subcontractor	-	-	-
Reinsurance Expense			
SDR	-	-	-
Subcontractor	-	-	-
Subrogation Expense			
SDR	-	-	-
Subcontractor	-	591	591
Intercompany Receivable Expenses			
SDR	-	-	-
Subcontractor	-	-	-
Other Receivable Expenses			
SDR	621	-	621
Subcontractor	-	233	233
Litigation Receivable			
D&O Litigation Expense			
SDR	-	-	-
Subcontractor	-	-	-
Judgment Expense			
SDR	-	-	-
Subcontractor	-	-	-
Investment Account Expense			
SDR	-	-	-
Subcontractor	-	-	-
Other Litigation Expense			
SDR	7,959	-	7,959
Subcontractor	-	44,565	44,565
Sale/Conversion of Investment Assets			
Securities/Bonds Sales Expense			
SDR	-	-	-
Subcontractor	-	-	-
Statutory Deposit Expense			
SDR	-	-	-
Subcontractor	-	-	-
Real Estate Sales Expense	-	-	-
Mortgage Note Expense	-	-	-

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512H
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Subsidiary Affiliated Expense	-	-	-
Other Asset Sales Expenses	-	-	-
SDR	-	-	-
Subcontractor	-	-	-
Sale of Company Fixed Assets			
Charter Sales Expense	-	-	-
Furniture, Fixtures & Equipment Expense	-	-	-
SDR	-	-	-
Subcontractor	-	-	-
Company Real Estate Expense	-	-	-
Other Fixed Asset Expense	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSET GROUP EXPENSE	8,580	45,389	53,969
 CLAIMS RELATED GROUP			
Class I Covered Claims Expense			
SDR Fees	-	-	-
SDR Subcontractor Fees	-	-	-
Other Covered Claims	-	-	-
Class I Non Covered Claims Expenses			
SDR Fees	46,296	-	46,296 *
SDR Subcontractor Fees	-	2,679	2,679 *
Other Non Covered Claims	-	-	- *
	<hr/>	<hr/>	<hr/>
TOTAL CLAIMS GROUP EXPENSE	46,296	2,679	48,975
 ADMINISTRATIVE RELATED GROUP			
Class I General Admin Expenses			
SDR	-	-	-
Subcontractor	-	-	-
Accounting/Auditing/Federal Income Tax Services	-	2,044	2,044
Consulting Fees/Services	-	-	-
Legal Fees/Services	-	1,645	1,645
Liquidation Division Allocation	-	6,636	6,636
Bank/Miscellaneous Charges	-	5	5
Building/Utilities	-	-	-
Contract/Employee	-	-	-
Equipment/Lease/Maintenance	-	-	-
Employee - Payroll, PRTax, Benefits	-	487	487
Inventory/Storage/Moving	-	7,048	7,048
Mailing/Printing/Postage/Publication	193	117	310
Office Supplies/Miscellaneous	-	-	-

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512H
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Telephone	-	6	6
Travel		-	-
Class I SDR Admin Expenses			
Administration	5,068	-	5,068
Accounting	1,152	-	1,152
Special Services	500	-	500
Travel	-	-	-
TOTAL GENERAL ADMINISTRATIVE GROUP EXPENSE	<u>6,913</u>	<u>17,988</u>	<u>24,901</u>
GRAND TOTALS	<u>61,789</u>	<u>66,056</u>	<u>127,845</u>

* Includes time spent by contractors and employees to process Medicaid claims for Texas Childrens Health Plans ("TCHP"). TCHP is a contract entered into by the Conservator of Amcare Health Plans of Texas, Inc. to assume Medicaid members and enrollees.

NO. GV 204523

THE STATE OF TEXAS

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IN THE DISTRICT COURT OF

VS.

TRAVIS COUNTY, TEXAS

AMCARE HEALTH PLANS OF TEXAS,
INC. and AMCARE MANAGEMENT, INC.

200TH JUDICIAL DISTRICT


Affidavit

THE STATE OF TEXAS

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§

COUNTY OF DALLAS

On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Management, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of January 1, 2003, through January 31, 2004, in the receivership estate of Amcare Health Plans of Texas, Inc. and Amcare Management, Inc., in Cause No. GV-204523 pending in the 200th Judicial District Court of Travis County, Texas, pursuant to TEX. INS. CODE ANN. art. 21.28, § 12(b).

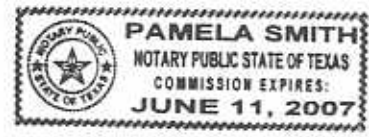


Jean Johnson, Special Deputy Receiver of
Amcare Management, Inc.

SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson, on this the
10 day of February, 2004.



Notary Public, State of Texas



Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512M
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
ASSET RELATED GROUP			
Premium			
Collection Expense			
SDR		-	-
Subcontractor	-	-	-
Receivable			
Agent Balance Expense			
SDR	-	-	-
Subcontractor	-	-	-
Reinsurance Expense			
SDR		-	-
Subcontractor	-	-	-
Subrogation Expense	2	-	2
SDR		-	-
Subcontractor	-		-
Intercompany Receivable Expenses			
SDR	-	-	-
Subcontractor	-	-	-
Other Receivable Expenses			
SDR	11	-	11
Subcontractor	-	-	-
Litigation Receivable			
D&O Litigation Expense			
SDR	-	-	-
Subcontractor	-	-	-
Judgment Expense			
SDR	-	-	-
Subcontractor	-	-	-
Investment Account Expense			
SDR	-	-	-
Subcontractor	-	-	-
Other Litigation Expense			
SDR	753	-	753
Subcontractor	-	3,156	3,156
Sale/Conversion of Investment Assets			
Securities/Bonds Sales Expense			
SDR	-	-	-
Subcontractor	-	-	-
Statutory Deposit Expense			
SDR	-	-	-
Subcontractor	-	-	-
Real Estate Sales Expense	-	-	-
Mortgage Note Expense	-	-	-

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512M
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Subsidiary Affiliated Expense	-	-	-
Other Asset Sales Expenses	-	-	-
SDR	-	-	-
Subcontractor	-	-	-
Sale of Company Fixed Assets			
Charter Sales Expense	-	-	-
Furniture, Fixtures & Equipment Expense	-	-	-
SDR	-	-	-
Subcontractor	-	-	-
Company Real Estate Expense	-	-	-
Other Fixed Asset Expense	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSET GROUP EXPENSE	766	3,156	3,922
		-	
CLAIMS RELATED GROUP		-	
		-	
Class I Covered Claims Expense		-	
SDR Fees	-	-	-
SDR Subcontractor Fees	-	-	-
Other Covered Claims	-	-	-
Class I Non Covered Claims Expenses		-	
SDR Fees	68	-	68
SDR Subcontractor Fees	-	-	-
Other Non Covered Claims	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL CLAIMS GROUP EXPENSE	68	-	68
		-	
ADMINISTRATIVE RELATED GROUP		-	
Class I General Admin Expenses		-	
SDR		-	-
Subcontractor		-	-
Accounting/Auditing/Federal Income Tax Services	-	790	790
Consulting Fees/Services	-	-	-
Legal Fees/Services	-	15	15
Liquidation Division Allocation	-	-	-
Bank/Miscellaneous Charges	-	-	-
Building/Utilities	-	-	-
Contract/Employee	-	-	-
Equipment/Lease/Maintenance	-	-	-
Employee - Payroll, PRTax, Benefits	-	-	-
Inventory/Storage/Moving		799	799
Mailing/Printing/Postage/Publication		6	6

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512M
FOR THE MONTH ENDING JANUARY 31, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Office Supplies/Miscellaneous	-	-	-
Telephone			-
Travel	-	-	-
 Class I SDR Admin Expenses			
Administration	312	-	312
Accounting	243	-	243
Special Services	54	-	54
Travel	-	-	-
 TOTAL GENERAL ADMINISTRATIVE GROUP EXPENSE	<u>609</u>	<u>1,610</u>	<u>2,219</u>
 GRAND TOTALS	<u>1,443</u>	<u>4,766</u>	<u>6,209</u>