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March 17, 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 February 2004 and Special Deputy Receiver's Business Plan for February 2004


Dear Ms. Rodriguez-Mendoza:

Enclosed for filing are the Special Deputy Receiver's Statements of Expenses for February 2004 and the Special Deputy Receiver's Business Plans for February 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,



Brian E. Riewe

Enclosures

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cc: Ms. Evelyn Jenkins, via hand delivery
All Parties on the Certificate of Service, via email
Mr. David Mattax, business plan only - via CM/RRR

COPY

GV 204523

THE STATE OF TEXAS

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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 FEBRUARY 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 FEBRUARY 2004, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of February 1, 2004, through February 29, 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: Brian E. Riewe

Attorneys for the Special Deputy Receiver

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W. R. ...

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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.

Brian E. Riewe

Brian E. Riewe

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 17th day of March 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. Evelyn Jenkins, **Liquidation Oversight**
Texas Department of Insurance
333 Guadalupe St., Tower III
5th Floor, MC-305-1C
Austin, Texas 78701
Email: Evelyn.Jenkins@tdi.state.tx.us

Mr. Thomas S. Lucksinger
President, Amcareco, Inc.
The SLI Group
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Lee Spangler, **Assistant General Counsel**
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Mr. Charles Bailey, **General Counsel**
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Mr. Mike Johnston, **Atty-Hermann Memorial**
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Email: mpollard@sjrm.com

Ms. Sue Buser, **Attorney for Louisiana Receiver**
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Webster, Texas 77598
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COR Specialty Associates of North Texas, P.A.
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Irving, Texas 75038
Email: lbubis@csant.com

Dallas Radiologists
Attn: T. Raymona Meeks
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Dallas, Texas 75231
Email: rmeeks@dallasradiologists.com

Kaner Medical Group
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Fountain Valley, California 92708
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Email: ccox02@7-11.com

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Mr. Jonathan F. Buck
Catholic Healthcare West d/b/a Mercy Westside
Hospital & St. Rose Dominican Hospital-Siena Campus
330 North Brand Blvd., 4th Floor
Glendale, California 92103
Email: JBuck@CHW.edu

Brian E. Riewe

Brian E. Riewe

NO. GV 204523

THE STATE OF TEXAS	§	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	§
	§
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 February 1, 2004, through February 29, 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).

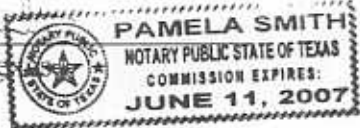


 Jean Johnson, Special Deputy Receiver of
 Amcare Health Plans of Texas, Inc.

SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson, on this the 5 day of March, 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 FEBRUARY 29, 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	8	-	8
Subcontractor	-	7,077	7,077
Intercompany Receivable Expenses			
SDR	-	-	-
Subcontractor	-	-	-
Other Receivable Expenses			
SDR	55	-	55
Subcontractor	-	2,996	2,996
Litigation Receivable			
D&O Litigation Expense			
SDR	1,804	-	1,804
Subcontractor	-	-	-
Judgment Expense			
SDR	-	-	-
Subcontractor	-	-	-
Investment Account Expense			
SDR	-	-	-
Subcontractor	-	-	-
Other Litigation Expense			
SDR	3,810	-	3,810
Subcontractor	-	51,380	51,380
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 FEBRUARY 29, 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	-	-	-
	-	-	-
TOTAL ASSET GROUP EXPENSE	5,677	61,453	67,130
 CLAIMS RELATED GROUP			
Class I Covered Claims Expense			
SDR Fees	-	-	-
SDR Subcontractor Fees	-	-	-
Other Covered Claims		-	-
Class I Non Covered Claims Expenses		-	
SDR Fees	46,150	-	46,150 *
SDR Subcontractor Fees	-	2,550	2,550 *
Other Non Covered Claims	-	-	- *
	-	-	-
TOTAL CLAIMS GROUP EXPENSE	46,150	2,550	48,700
 ADMINISTRATIVE RELATED GROUP			
Class I General Admin Expenses			
SDR		-	-
Subcontractor		-	-
Accounting/Auditing/Federal Income Tax Services	-	1,969	1,969
Consulting Fees/Services	-	-	-
Legal Fees/Services	-	2,955	2,955
Liquidation Division Allocation	-	3,891	3,891
Bank/Miscellaneous Charges	-	228	228
Building/Utilities	-	-	-
Contract/Employee	-	-	-
Equipment/Lease/Maintenance	-	-	-
Employee - Payroll, PRTax, Benefits	-	-	-
Inventory/Storage/Moving	-	6,822	6,822
Mailing/Printing/Postage/Publication	-	274	274
Office Supplies/Miscellaneous	-	-	-

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512H
FOR THE MONTH ENDING FEBRUARY 29, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Telephone	-	30	30
Travel		-	-
Class I SDR Admin Expenses			
Administration	3,895	-	3,895
Accounting	1,111	-	1,111
Special Services		-	-
Travel	-	-	-
TOTAL GENERAL ADMINISTRATIVE GROUP EXPENSES	<u>5,006</u>	<u>16,169</u>	<u>21,175</u>
GRAND TOTALS	<u>56,833</u>	<u>80,172</u>	<u>137,005</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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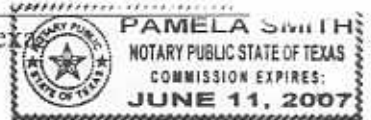
COUNTY OF DALLAS

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 February 1, 2004, through February 29, 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 5 day of March, 2004.

Notary Public, State of Texas



Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512M
FOR THE MONTH ENDING FEBRUARY 29, 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			0
SDR	1	-	1
Subcontractor	-		-
Intercompany Receivable Expenses			
SDR	-	-	-
Subcontractor	-	-	-
Other Receivable Expenses			
SDR		-	-
Subcontractor	-	-	-
Litigation Receivable			
D&O Litigation Expense			
SDR	85	-	85
Subcontractor	-	-	-
Judgment Expense			
SDR	-	-	-
Subcontractor	-	-	-
Investment Account Expense			
SDR	-	-	-
Subcontractor	-	-	-
Other Litigation Expense			
SDR	195	-	195
Subcontractor	-	5,246	5,246
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 FEBRUARY 29, 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	-	-	-
	-	-	-
TOTAL ASSET GROUP EXPENSE	281	5,246	5,527
			-
CLAIMS RELATED GROUP			
			-
Class I Covered Claims Expense			-
SDR Fees	-	-	-
SDR Subcontractor Fees	-	-	-
Other Covered Claims	-	-	-
Class I Non Covered Claims Expenses			-
SDR Fees	91	-	91 *
SDR Subcontractor Fees	-	-	- *
Other Non Covered Claims	-	-	- *
	-	-	-
TOTAL CLAIMS GROUP EXPENSE	91	-	91
ADMINISTRATIVE RELATED GROUP			
Class I General Admin Expenses			
SDR		-	-
Subcontractor		-	-
Accounting/Auditing/Federal Income Tax Services	-	592	592
Consulting Fees/Services	-	-	-
Legal Fees/Services	-	-	-
Liquidation Division Allocation	-	-	-
Bank/Miscellaneous Charges	-	11	11
Building/Utilities	-	-	-
Contract/Employee	-	-	-
Equipment/Lease/Maintenance	-	-	-
Employee - Payroll, PRTax, Benefits	-	-	-
Inventory/Storage/Moving	-	758	758
Mailing/Printing/Postage/Publication	-	1	1

Liquidation Oversight Standardized Attested 12 (b) Expenses
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512M
FOR THE MONTH ENDING FEBRUARY 29, 2004

	<u>SDR</u>	<u>SUB</u>	<u>TOTAL</u>
Office Supplies/Miscellaneous	-	-	-
Telephone			-
Travel	-	-	-
Class I SDR Admin Expenses			
Administration	159	-	159
Accounting	37	-	37
Special Services		-	-
Travel	-	-	-
TOTAL GENERAL ADMINISTRATIVE GROUP EXPENSE	<u>196</u>	<u>1,362</u>	<u>1,558</u>
GRAND TOTALS	<u>568</u>	<u>6,608</u>	<u>7,176</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.