

THE STATE OF TEXAS

v.

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

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200th JUDICIAL DISTRICT

Special Deputy Receiver's Statements of Expense for December 2002

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver under contract to the Commissioner of Insurance as 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 December 2002, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of December 16, 2002, through December 31, 2002, and are sworn to by the Special Deputy Receiver.

Respectfully submitted,

AMY JEANNE WELTON
ATTORNEY AT LAW
3214 Raging River Drive
Austin, Texas 78728-4386
(512) 246-9707 Telephone
(512) 255-6237 Facsimile
email: awelton@austin.rr.com

By: Amy Jeanne Welton
Amy Jeanne Welton
State Bar No. 21004800

Attorney for Jean Johnson, Special Deputy Receiver of Amcare Health Plans of Texas, Inc. and Amcare Management, Inc.

FILED #6

2003 JAN 15 PM 11:49

Jean Johnson
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.



Amy Jeanne Welton

**Attorney for Jean Johnson, Special Deputy
Receiver of Amcare Health Plans of Texas,
Inc. and Amcare Management, Inc.**

Cause No. GV 204523

THE STATE OF TEXAS
OF

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IN THE DISTRICT COURT

v.

§

TRAVIS COUNTY, TEXAS

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

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200th JUDICIAL DISTRICT

Affidavit

THE STATE OF TEXAS

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COUNTY OF HARRIS

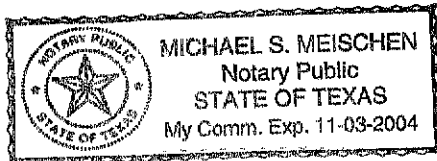
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On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Health Plans of Texas, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of December 16, 2002 through December 31, 2002, 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 Jean Johnson, on January 13, 2003.



Notary Public, State of Texas

**ATTESTED ITEMIZED EXPENSE
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512
FOR THE MONTH ENDING DECEMBER 31, 2002**

Cash/Date of Takeover	
Funds Held for Others Expense	-
Premium	
Collection Expense	-
Litigation Expense	-
Receivable	
Agent Balance Expense	-
Reinsurance Expense	-
Subrogation Expense	-
Intercompany Receivable Expenses	-
Other Receivable Expenses	-
Litigation Receivable	
D&O Litigation Expense	-
Judgment Expense	-
Investment Account Expense	-
Other Litigation Expense	-
Sale/Conversion of Investment Assets	
Securities/Bonds Sales Expense	-
Statutory Deposit Expense	-
Real Estate Sales Expense	-
Mortgage Note Expense	-
Subsidiary Affiliated Expense	-
Other Asset Sales Expenses	-
Sale of Company Fixed Assets	
Charter Sales Expense	-
Furniture, Fixtures & Equipment Expense	-
Company Real Estate Expense	-
Other Fixed Asset Expense	-
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TOTAL CASH / DATE OF TAKEOVER	-
CLAIMS EXPENSE	
Class I Claims Administrative Expenses	
Covered Claims Expense	
G/A Expense	-
SDR Fees	-
SDR Subcontractor Fees	-
Other Covered Claims	-
Non Covered Claims Expenses	
SDR Fees	1,980
SDR Subcontractor Fees	1,444
Other Non Covered Claims	-
Class II Claims Expenses	
Covered Claims Paid - G/A	-
Early Access -G/A	-
Non-Covered Claims Paid/Receivership Distribution	-
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TOTAL CLAIMS EXPENSES	3,424

CLASS I GENERAL ADMINISTRATION EXPENSES

Takeover Expense	
Liquidation Division Expense	-
Conservation Division Expenses	3,111 *
Bank/Miscellaneous Charges	-
Building/Utilities	-
Contract/Employee	70,464 **
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	-
Mailing/Printing/Postage/Publication	-
Office Supplies/Miscellaneous	-
Off-site Storage for Records Inventory	-
Telephone	450
Travel	-
Direct Charge - Storage Cost	-
Direct Charge - Filing and Research Fees	-
Direct Charge - Audits	-
Direct Charge - Site Visit Travel	-
Direct Charge - Special Master's Fees	-
Allocated - Records Center Operations	-
Allocated - Salaries	-
Allocated - Overhead	-
Allocated - Special Master's Fees (General)	-
CLASS I GENERAL ADMINISTRATION EXPENSES	74,025
CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES	
Accounting/Auditing/Federal Income Tax Services	1,981
Consulting Fees/Services	1,205
Legal Fees/Services	947
CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES	4,133
CLASS I SDR ADMINISTRATIVE EXPENSES	
SDR Administration / Federal Income Tax Services	4,361
SDR Accounting	-
SDR Special Services	-
SDR Legal Services	325
CLASS I SDR ADMINISTRATIVE EXPENSES	4,686
TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE	82,844
TOTAL EXPENSE	86,268

* This is the amount of claims paid with funds provided by the Texas Childrens Health Plan ("TCHP"). TCHP entered into a contract with the Conservator of Amcare Health Plans of Texas, Inc. to assume Medicaid members and enrollees.

** Includes time spent by contractors to process Medicaid claims on behalf of TCHP.

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200th JUDICIAL DISTRICT

Affidavit

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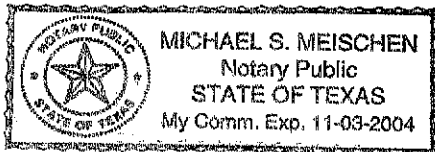
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On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Management, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of December 16, 2002 through December 31, 2002, 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 Jean Johnson, on January 13, 2003.



Notary Public, State of Texas

**ATTESTED ITEMIZED EXPENSE
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512
FOR THE MONTH ENDING DECEMBER 31, 2002**

Cash/Date of Takeover	
Funds Held for Others Expense	-
Premium	
Collection Expense	-
Litigation Expense	-
Receivable	
Agent Balance Expense	-
Reinsurance Expense	-
Subrogation Expense	-
Intercompany Receivable Expenses	-
Other Receivable Expenses	-
Litigation Receivable	
D&O Litigation Expense	-
Judgment Expense	-
Investment Account Expense	-
Other Litigation Expense	-
Sale/Conversion of Investment Assets	
Securities/Bonds Sales Expense	-
Statutory Deposit Expense	-
Real Estate Sales Expense	-
Mortgage Note Expense	-
Subsidiary Affiliated Expense	-
Other Asset Sales Expenses	-
Sale of Company Fixed Assets	
Charter Sales Expense	-
Furniture, Fixtures & Equipment Expense	-
Company Real Estate Expense	-
Other Fixed Asset Expense	-
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TOTAL CASH / DATE OF TAKEOVER	-
CLAIMS EXPENSE	
Class I Claims Administrative Expenses	
Covered Claims Expense	
G/A Expense	-
SDR Fees	-
SDR Subcontractor Fees	-
Other Covered Claims	-
Non Covered Claims Expenses	
SDR Fees	-
SDR Subcontractor Fees	-
Other Non Covered Claims	-
Class II Claims Expenses	
Covered Claims Paid - G/A	-
Early Access -G/A	-
Non-Covered Claims Paid/Receivership Distribution	-
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TOTAL CLAIMS EXPENSES	-
CLASS I GENERAL ADMINISTRATION EXPENSES	
Takeover Expense	

Liquidation Division Expense	-
Conservation Division Expenses	-
Bank/Miscellaneous Charges	-
Building/Utilities	-
Contract/Employee	-
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	-
Mailing/Printing/Postage/Publication	370
Office Supplies/Miscellaneous	-
Off-site Storage for Records Inventory	-
Telephone	150
Travel	-
Direct Charge - Storage Cost	-
Direct Charge - Filing and Research Fees	-
Direct Charge - Audits	-
Direct Charge - Site Visit Travel	-
Direct Charge - Special Master's Fees	-
Allocated - Records Center Operations	-
Allocated - Salaries	-
Allocated - Overhead	-
Allocated - Special Master's Fees (General)	-
CLASS I GENERAL ADMINISTRATION EXPENSES	520
CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES	
Accounting/Auditing/Federal Income Tax Services	203
Consulting Fees/Services	1,437
Legal Fees/Services	2,069
CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES	3,709
CLASS I SDR ADMINISTRATIVE EXPENSES	
SDR Administration / Federal Income Tax Services	2,029
SDR Accounting	-
SDR Special Services	-
SDR Legal Services	325
CLASS I SDR ADMINISTRATIVE EXPENSES	2,354
TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE	6,583
TOTAL EXPENSE	6,583

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the above and foregoing instrument was forwarded via hand delivery, regular mail, certified mail/return receipt requested, facsimile, email, or overnight delivery to the following persons on this the 15th day of January 2003:

Mr. James Kennedy
Special Counsel to the Receiver
Texas Department of Insurance
333 Guadalupe, Hobby Tower I
Suite 940-A
Austin, TX 78701
512/305-8164
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Ms. Elizabeth Fuller
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512/322-4157
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email: elizabeth.fuller@tdi.state.tx.us

ATTORNEYS FOR THE RECEIVER

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Attorney General's Office
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AMY JEANNE WELTON