

Cause No. 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

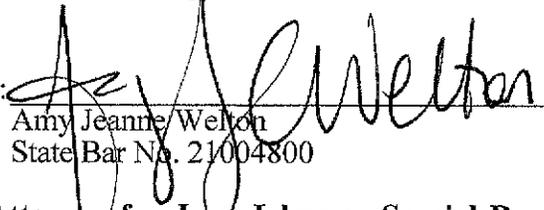
Special Deputy Receiver's Statements of Expense for January 2003

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 January 2003, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of January 1, 2003, through January 31, 2003, 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
State Bar No. 21004800

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

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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.**

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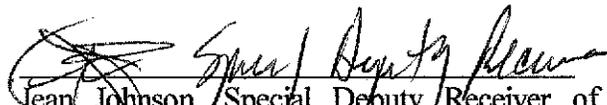
Affidavit

THE STATE OF TEXAS

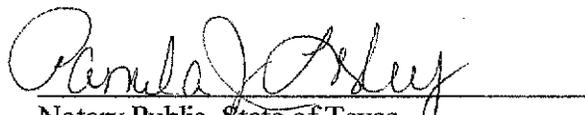
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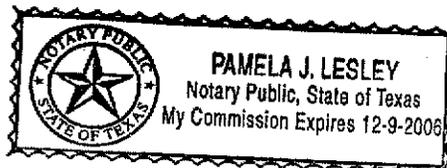
COUNTY OF DALLAS

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, 2003, through January 31, 2003, 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 February 17, 2003.


Notary Public, State of Texas



**ATTESTED ITEMIZED EXPENSE
AMCARE HEALTH PLANS OF TEXAS, INC.
RECEIVERSHIP #512
FOR THE MONTH ENDING JANUARY 31, 2003**

Cash/Date of Takeover		
Funds Held for Others Expense	-	
Premium		
Collection Expense	-	
Litigation Expense	-	
Receivable		
Agent Balance Expense	177	
Reinsurance Expense	1,051	
Subrogation Expense	4,385	
Intercompany Receivable Expenses	-	
Other Receivable Expenses	5,819	
Litigation Receivable		
D&O Litigation Expense	14,859	
Judgment Expense	-	
Investment Account Expense	-	
Other Litigation Expense	-	
Sale/Conversion of Investment Assets		
Securities/Bonds Sales Expense	-	
Statutory Deposit Expense	1,180	
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	-	
	<hr/>	
TOTAL CASH / DATE OF TAKEOVER	27,471	
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	26,851	*
SDR Subcontractor Fees	16,891	*
Other Non Covered Claims	20,757	
Class II Claims Expenses		
Covered Claims Paid - G/A		
Early Access -G/A		
Non-Covered Claims Paid/Receivership Distribution	-	
	<hr/>	
TOTAL CLAIMS EXPENSES	64,499	

CLASS I GENERAL ADMINISTRATION EXPENSES

Takeover Expense	
Liquidation Division Expense-Allocation	2,031
Conservation Division Expenses	8,733
Bank/Miscellaneous Charges	117
Building/Utilities	6,512
Contract/Employee	225,894 *
Equipment/Lease/Maintenance	1,026
Employee - Payroll, PR Tax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	16,434 *
Mailing/Printing/Postage/Publication	3,955
Office Supplies/Miscellaneous	3,498
Telephone	17,441
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 285,641

CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES

Accounting/Auditing/Federal Income Tax Services	13,565
Consulting Fees/Services	45,583
Legal Fees/Services	15,988

CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES 75,136

CLASS I SDR ADMINISTRATIVE EXPENSES

SDR Administration / Federal Income Tax Services	13,876
SDR Accounting	3,537
SDR Special Services	5,937
SDR Legal Services	9,879

CLASS I SDR ADMINISTRATIVE EXPENSES 33,229

TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE 394,006

TOTAL EXPENSE 485,976

* 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.

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Affidavit

THE STATE OF TEXAS

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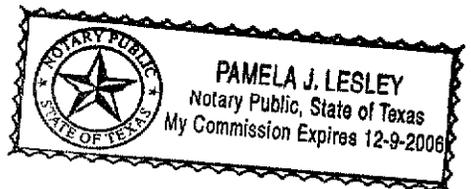
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On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Management, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of January 1, 2003, through January 31, 2003, 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 February 17, 2003.


Notary Public, State of Texas



**ATTESTED ITEMIZED EXPENSE
AMCARE MANAGEMENT, INC.
RECEIVERSHIP #512
FOR THE MONTH ENDING JANUARY 31, 2003**

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	1,559
Litigation Receivable	
D&O Litigation Expense	151
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	3,400
Company Real Estate Expense	-
Other Fixed Asset Expense	-
	5,110
 TOTAL CASH / DATE OF TAKEOVER	 5,110
 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	1,356
SDR Subcontractor Fees	137
Other Non Covered Claims	-
Class II Claims Expenses	-
Covered Claims Paid - G/A	-
Early Access -G/A	-
Non-Covered Claims Paid/Receivership Distribution	-
	1,493
 TOTAL CLAIMS EXPENSES	 1,493

CLASS I GENERAL ADMINISTRATION EXPENSES

Takeover Expense	
Liquidation Division Expense	-
Conservation Division Expenses	-
Bank/Miscellaneous Charges	383
Building/Utilities	-
Contract/Employee	-
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	-
Mailing/Printing/Postage/Publication	-
Office Supplies/Miscellaneous	80
Off-site Storage for Records Inventory	-
Telephone	-
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 463

CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES

Accounting/Auditing/Federal Income Tax Services	534
Consulting Fees/Services	5,012
Legal Fees/Services	4,344

CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES 9,890

CLASS I SDR ADMINISTRATIVE EXPENSES

SDR Administration / Federal Income Tax Services	1,636
SDR Accounting	179
SDR Special Services	445
SDR Legal Services	956

CLASS I SDR ADMINISTRATIVE EXPENSES 3,216

TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE 13,569

TOTAL EXPENSE 20,172

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 19th day of February 2003:

Mr. James Kennedy
Special Counsel to the Receiver
Texas Department of Insurance
333 Guadalupe, Hobby Tower I
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Austin, TX 78701
512/305-8164
FAX 512/475-1843
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Houston, Texas 77007
713/868-4220
FAX 713/868-4220
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**ATTORNEY FOR AMCARE HEALTH PLANS OF TEXAS, INC.
and AMCARE MANAGEMENT, INC.**

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PRESIDENT, AMCARECO, INC.

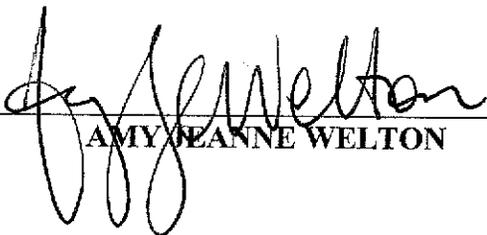
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ATTORNEY FOR HERMANN MEMORIAL


AMY JEANNE WELTON