

Brian E. Riewe  
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June 16, 2003

Steven R. Welch  
512/226-8802  
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**VIA HAND DELIVERY**

Jennifer Fielder  
Paralegal  
jfielder@r-wlaw.com

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

Andra Gardner  
Paralegal  
agardner@r-wlaw.com

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

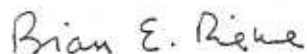
Subject: Special Deputy Receiver's Statements of Expense for May 2003 and Special Deputy Receiver's Business Plan for May 2003

Dear Ms. Rodriguez-Mendoza:

Enclosed for filing are the Special Deputy Receiver's Statements of Expense for May 2003 and the Special Deputy Receiver's Business Plan for May 2003. I am also enclosing copies of these filings which I would appreciate you file-marking and returning to the carrier.

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

S:\Fielder\DOCS\3050-01\Expense ltr.wpd

cc: All Parties on Certificate of Service, via e-mail  
Mr. David Mattax, business plan only - via CM/RRR

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.	§	200 <sup>th</sup> JUDICIAL DISTRICT

SPECIAL DEPUTY RECEIVER'S  
STATEMENTS OF EXPENSE FOR MAY 2003

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 MAY 2003, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of May 1, 2003, through May 31, 2003, 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

FILED #6  
By: Brian E. Riewe  
2003 JUN 16 AM 11:36  
Attorneys for the Special Deputy Receiver

## 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 and foregoing instrument was forwarded via email to the following persons on this the 16<sup>th</sup> day of June 2003:

Mr. James Kennedy, **Attorney for the Receiver**  
Texas Department of Insurance  
333 Guadalupe, Tower I  
9<sup>th</sup> 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  
9<sup>th</sup> Floor, MC-110-1A  
Austin, Texas 78701  
email: elizabeth.fuller@tdi.state.tx.us

Mr. Richard Reed, Liquidation Oversight  
Texas Department of Insurance  
333 Guadalupe St., Tower III  
5<sup>th</sup> Floor, MC-305-1C  
Austin, Texas 78701  
email: Richard.reed@tdi.state.tx.us

Mr. Todd Lucksinger, **Attorney for Amcare Health  
Plans of Texas, Inc. & Amcare Management, Inc.**  
1310 Utah  
Houston, Texas 77007  
email: tluck@evl.net

Mr. Thomas S. Lucksinger  
President, Amcareco, Inc.  
SLI Group  
10200 Old Katy Road  
Houston, Texas 77043  
email: design@thesligroup.com

Lee Spangler, Assistant General Counsel  
Texas Medical Association  
401 West 15<sup>th</sup> Street  
Austin, Texas 78701  
email: lee.spangler@texmed.org

Mr. Charles Bailey, General Counsel  
Texas Hospital Association  
6225 US Hwy 290 E.  
Austin, Texas 78723  
email: cbailey@tha.org

Pat Harris  
Harris County Medical Society  
1515 Hermann Drive  
Houston, Texas 77004  
email: pat\_harris@hcms.org

Mr. Mike Johnston, **Atty for Hermann Memorial  
Sullins Johnston Rohrbach & Magers, P.C.**  
3200 Southwest Freeway, Suite 2200  
Houston, Texas 77027  
email: mjohnston@sjrm.com

Ms. Sue Buser, **Attorney for Louisiana Receiver  
Martinez & Buser, L.L.C.**  
1518 Highway 30 East  
Gonzales, Louisiana 70737  
email: sbuser@eatel.net

Mr. Billy Bostick, **Oklahoma Independent Mngr**  
1555 Poydras Street, Ste. 1150  
New Orleans, Louisiana 70112  
email: billy.bostick@bccg.com

Ms. Karen Colombo  
Bay Area Obstetrics & Gynecology, P.A.  
#17 Professional Park  
Webster, Texas 77598  
email: k.kcolombo@verizon.net

Mr. Leonard Bubis, Director  
COR Specialty Associates of North Texas, P.A.  
1320 Greenway, #200  
Irving, Texas 75038  
email: lbubis@csant.com

Dallas Radiologists  
Attn: T. Raymona Meeks  
7515 Greenville Ave Suite 710  
Dallas, Texas 75231  
email: rmeeks@dallasradiologists.com

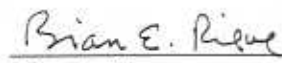
Kaner Medical Group  
Attn: Dana Fannin  
P.O. Box 210429  
Bedford, Texas 76088-7429  
email: dfannin@kanermed.com

Mr. David W. Hobson, M.D.  
1601 Main St., Ste. 302  
Richmond, Texas 77469  
email: frtdesk@women-babies.com

Aquileo N. Hernandez, M.D.  
11914 Astoria Blvd., Ste. 450  
Houston, Texas 77089  
email: profguz@aol.com

Mr. Jon McGough  
Assistant General Counsel  
University of North Texas System  
3500 Camp Bowie Blvd.  
Fort Worth, Texas 76107-2699  
email: jmcgough@hsc.unt.edu

Mr. Thomas L. Weinberg  
Assistant General Counsel  
DaVita, Inc.  
1423 Pacific Avenue  
Tacoma, Washington 98402  
email: rhartman@davita.com

  
\_\_\_\_\_  
Brian E. Riewe

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.

200<sup>th</sup> JUDICIAL DISTRICT

Affidavit

THE STATE OF TEXAS

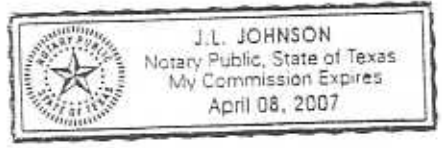
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COUNTY OF DALLAS

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 May 1, 2003, through May 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 by Jean Johnson, on this the 7<sup>th</sup>  
day of June, 2003.



\_\_\_\_\_  
Notary Public, State of Texas

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

<b>Cash/Date of Takeover</b>		
Funds Held for Others Expense	-	
<b>Premium</b>		
Collection Expense	1,525	
Litigation Expense	-	
<b>Receivable</b>		
Agent Balance Expense	-	
Reinsurance Expense	360	
Subrogation Expense	1,429	
Intercompany Receivable Expenses	-	
Other Receivable Expenses	7,877	
<b>Litigation Receivable</b>		
D&O Litigation Expense	25,314	
Judgment Expense	-	
Investment Account Expense	-	
Other Litigation Expense	-	
<b>Sale/Conversion of Investment Assets</b>		
Securities/Bonds Sales Expense	-	
Statutory Deposit Expense	-	
Real Estate Sales Expense	-	
Mortgage Note Expense	-	
Subsidiary Affiliated Expense	-	
Other Asset Sales Expenses	-	
<b>Sale of Company Fixed Assets</b>		
Charter Sales Expense	-	
Furniture, Fixtures & Equipment Expense	-	
Company Real Estate Expense	-	
Other Fixed Asset Expense	-	
	<hr/>	
<b>TOTAL CASH / DATE OF TAKEOVER</b>	36,505	
<b>CLAIMS EXPENSE</b>		
<b>Class I Claims Administrative Expenses</b>		
Covered Claims Expense		
G/A Expense	-	
SDR Fees	-	
SDR Subcontractor Fees	-	
Other Covered Claims		
Non Covered Claims Expenses		
SDR Fees	25,676 *	
SDR Subcontractor Fees	8,449 *	
Other Non Covered Claims	3,613 *	
<b>Class II Claims Expenses</b>		
Covered Claims Paid - G/A		
Early Access -G/A		
Non-Covered Claims Paid/Receivership Distribution	-	
	<hr/>	
<b>TOTAL CLAIMS EXPENSES</b>	37,738	

**CLASS I GENERAL ADMINISTRATION EXPENSES**

Takeover Expense	
Liquidation Division Expense-Allocation	5,521
Conservation Division Expenses	-
Bank/Miscellaneous Charges	165
Building/Utilities	-
Contract/Employee	159
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	1,697
Inventory/Storage/Moving	4,269
Mailing/Printing/Postage/Publication	12,728
Office Supplies/Miscellaneous	-
Offsite Storage for Records Inventory	-
Telephone	350
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** 24,889

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	3,740
Consulting Fees/Services	-
Legal Fees/Services	1,759

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 5,499

**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	3,444
SDR Accounting	8,261
SDR Special Services	3,959
SDR Legal Services	-

**CLASS I SDR ADMINISTRATIVE EXPENSES** 15,664

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 46,052

**TOTAL EXPENSE** 120,295

\* 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.

200<sup>th</sup> JUDICIAL DISTRICT


Affidavit

THE STATE OF TEXAS

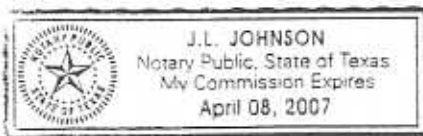
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COUNTY OF DALLAS

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 May 1, 2003, through May 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 by Jean Johnson, on this the 7<sup>th</sup>  
day of July, 2003.



  
\_\_\_\_\_  
Notary Public, State of Texas

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

<b>Cash/Date of Takeover</b>	
Funds Held for Others Expense	-
<b>Premium</b>	
Collection Expense	-
Litigation Expense	-
<b>Receivable</b>	
Agent Balance Expense	-
Reinsurance Expense	-
Subrogation Expense	-
Intercompany Receivable Expenses	-
Other Receivable Expenses	622
<b>Litigation Receivable</b>	
D&O Litigation Expense	80
Judgment Expense	-
Investment Account Expense	-
Other Litigation Expense	-
<b>Sale/Conversion of Investment Assets</b>	
Securities/Bonds Sales Expense	-
Statutory Deposit Expense	-
Real Estate Sales Expense	-
Mortgage Note Expense	-
Subsidiary Affiliated Expense	-
Other Asset Sales Expenses	-
<b>Sale of Company Fixed Assets</b>	
Charter Sales Expense	-
Furniture, Fixtures & Equipment Expense	1,030
Company Real Estate Expense	-
Other Fixed Asset Expense	-
	<hr/>
<b>TOTAL CASH / DATE OF TAKEOVER</b>	1,732
<b>CLAIMS EXPENSE</b>	
<b>Class I Claims Administrative Expenses</b>	
Covered Claims Expense	
G/A Expense	-
SDR Fees	-
SDR Subcontractor Fees	-
Other Covered Claims	-
Non Covered Claims Expenses	-
SDR Fees	136
SDR Subcontractor Fees	-
Other Non Covered Claims	77
<b>Class II Claims Expenses</b>	-
Covered Claims Paid - G/A	-
Early Access -G/A	-
Non-Covered Claims Paid/Receivership Distribution	-
	<hr/>
<b>TOTAL CLAIMS EXPENSES</b>	213

**CLASS I GENERAL ADMINISTRATION EXPENSES**

## Takeover Expense

Liquidation Division Expense	842
Conservation Division Expenses	-
Bank/Miscellaneous Charges	15
Building/Utilities	-
Contract/Employee	18
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	1,662
Mailing/Printing/Postage/Publication	1,216
Office Supplies/Miscellaneous	-
Off-site Storage for Records Inventory	-
Telephone	184
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** 3,937**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	988
Consulting Fees/Services	-
Legal Fees/Services	185

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 1,173**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	170
SDR Accounting	1,176
SDR Special Services	574
SDR Legal Services	-

**CLASS I SDR ADMINISTRATIVE EXPENSES** 1,920**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 7,030**TOTAL EXPENSE** 8,975