

Cause No. GV 204523

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

**APPLICATION TO SET CLAIM FILING DEADLINE,
PROVIDE NOTICE, AND DETERMINE CANCELLATION OF COVERAGE**

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver (“SDR”) under contract to the Texas Commissioner of Insurance as Permanent Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc. (“Amcare ” and “AMI”, respectively), making this *Application To Set Claim Filing Deadline, Provide Notice, And Determine Cancellation Of Coverage* (“Application”), and respectfully shows the Court the following:

I. Authority

Amcare and AMI have been placed in permanent receivership by this Court’s order dated January 21, 2003, and the SDR has been designated as Special Deputy Receiver by the Commissioner of Insurance as Permanent Receiver of Amcare and AMI. The SDR is authorized to file this Application pursuant to TEX. INS. CODE. ANN. art. 21.28, §3(a), which provides that this Court shall fix the time for filing claims and determine the adequacy of notice regarding the need to file a claim, and TEX. INS. CODE. ANN. art. 21.28, §2(c), which allows this Court to fix the rights of creditors. The subject matter of this Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III, subsections (3) and (6) of the *Order of Reference to Master* entered on December 16, 2002.

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Special Master appointed in this proceeding in accordance with Paragraph III, subsections (3) and (6) of the *Order of Reference to Master* entered on December 16, 2002.

II. Background

Amcare was an HMO authorized in Texas. It had benefit plans and provider networks for commercial, Medicare, and Medicaid health coverage. Most of its benefit plans were based in Houston. Prior to receivership, assumption agreements were entered into for the Medicare and Medicaid lines of business. The commercial business was allocated pursuant to TEX. INS. CODE ANN. art. 20A.13(m). AMI was a management company that held the management contract for Amcare, as well as Amcare Health Plans of Louisiana, Inc. and Amcare Health Plans of Oklahoma, Inc.

III. Claims Filing Deadline

In order to expedite the processing and payment of claims, the SDR has determined that it is in all interested parties best interest to set a claims filing deadline--a date by which all POCs must be postmarked or presented to the SDR ("POC filing deadline"). TEX. INS. CODE ANN. art. 21.28, §3(a). Section 3(a) authorizes the Court to set a POC filing deadline, which date must be no less than ninety (90) days after the date of the entry of the order setting the date. The SDR proposes that this Court establish 11:59 p.m. C.S.T. on October 1, 2003, as the POC filing deadline for Amcare and AMI. The SDR requests that this Court require all claims either be mailed and postmarked by 11:59 p.m. on October 1, 2003, or hand delivered by 5:00 p.m. on October 1, 2003.

IV. Termination of Coverage

The SDR further moves the Court to find that all health plans created, sold, or issued by Amcare ("benefit plans") were terminated effective December 16, 2002, pursuant to the

provisions of TEX. INS. CODE ANN. art. 21.28, §2(c). Section 2(c) states that, unless otherwise directed by the court, all rights are fixed as of the date of the receivership:

[T]he rights and liabilities of any such insurer and of its creditors, policyholders, members, officers, directors, stockholders, agents, and all other persons interested in its estate, shall, unless otherwise directed by the court, be fixed as of the date of the commencement of the delinquency proceedings, subject, however, to the provisions of Section 3 with respect to the rights of claimants holding unliquidated or undetermined claims or demands, and as otherwise expressly provided in this Article.

As mentioned earlier, all benefit plans should have been assumed or allocated prior to receivership.

V. Notice to Claimants

The SDR is required to provide notice to all persons who may have claims against the estate, as disclosed in the books and records of Amcare and AMI of the POC filing deadline. TEX. INS. CODE ANN. art. 21.28, §3(a). The SDR requests authority to provide notice of the receivership and the POC filing deadline to the claimants and other potential creditors as set out below.

TEX. INS. CODE ANN., art. 21.28, §3(a) requires the SDR to provide notice to all persons who may have claims as disclosed by the companies' records. The SDR has reviewed the books and records of Amcare and AMI that are available to her, and proposes to use such business records to identify the recipients of the proposed notice. The SDR has identified the following categories of persons who may have claims (the "known potential claimants"):

- a) members and their employers, if applicable;
- b) healthcare providers that provided services to the members as shown by pending claims filed;

- c) the federal government, including any federal agencies with which Amcare filed periodic reports;
- d) the Health and Human Service Corporation;
- e) any state and local taxing authorities;
- f) any vendors, employees and other parties to whom Amcare and AMI owed payment at the time of receivership; and
- g) any shareholders or other equity owners of Amcare and AMI.

TEX. INS. CODE ANN. art. 21.28, § 3(a) requires the SDR to provide notice in a manner determined by the Court. The SDR proposes to provide notice to the known potential claimants with a postcard, addressed to the person's last known address as shown in the books and records of Amcare and AMI in the possession of the SDR in the form set out in Exhibit A and incorporated by reference as if fully set out. Exhibit A directs the known potential claimants to obtain a copy of the POC and other notices discussed below on the internet at www.amcaretexasreceiver.com . Exhibit A provides an address so that a known potential claimant may write the SDR and ask for a POC to be mailed if they do not have internet access. The SDR will mail a POC to all claimants who request one.

The SDR requests that this Court approve the manner of notice as described above pursuant to TEX. INS. CODE ANN., art. 21.28, §3(a). The SDR further requests that this Court find that the mailing of notice in such manner constitutes prima facie evidence of receipt by the recipient to whom the notice is addressed.

TEX. INS. CODE ANN. art. 21.28, §3(c) requires that a proof of claim must be in a form designated by the SDR. Attached as Exhibit B, and incorporated by reference as if fully set out, is copy of the proposed notice of receivership proceedings, notice of the POC filing deadline,

notice of the cancellation of the benefit plans, and POC form with instructions. The SDR requests this Court to approve the notice and claim form as set out in Exhibit B, or a form that is substantially similar.

TEX. INS. CODE ANN. art. 21.28, §3(c) provides that a proof of claim shall contain any other matters required by the Court. The SDR would show that health care providers may attempt to collect unpaid charges from both the receivership estate and the members or enrollees under the benefit plans (“members”) to whom services were provided. In order to avoid any possibility of duplicative payment, and to mitigate any additional hardship on the members, the SDR proposes that the POC require providers to release any claims against the members in order to claim payment from the receivership estate by filing a POC. The SDR requests that this Court approve this release by providers under TEX. INS. CODE ANN. art. 21.28, §3(c).

Further, the POC contains an assignment of rights that any claimants may have against any former officers, directors, or employees in order that the SDR may prosecute any necessary actions on their behalf for the benefit of all of the creditors. The SDR requests that this Court approve this assignment of rights under TEX. INS. CODE ANN. art. 21.28, §3(c).

TEX. INS. CODE ANN. art. 21.28, §12(b) provides for the filing and approval of statements of expenses. This Court, in its *Standing Order Regarding Compliance with TEX. INS. CODE ANN. art. 21.28, §12(b)* (“Standing Order”), requires the SDR to provide notice of the procedure relating to the statements of expense with the POC. The SDR proposes to provide notice regarding the process for the filing of statements of expenses by including the notice included in Exhibit B. The SDR requests that this Court approve Exhibit B, or a form substantially similar.

In order to provide notice of receivership and the POC filing deadline to persons whose addresses have changed, and to unknown parties who may have claims against Amcare and AMI

("unknown claimants"), the SDR proposes to post Exhibit B on the internet at www.amcaretexasreceiver.com . Further, the SDR intends to provide notice to unknown claimants by publishing a notice in newspapers of general circulation in Houston and Dallas in a form substantially similar to the notice attached as Exhibit C and incorporated by reference as if fully set out. The SDR requests that this Court find that these two manners of noticing unknown claimants are sufficient notice under TEX. INS. CODE ANN., art. 21.28, §3(a). The SDR requests that this Court approve the form of Exhibit C, or a form substantially similar and authorize her to publish it as set out above.

VI. Notice to Interested Parties

The SDR is required to provide notice to interested parties regarding receivership pleadings and other matters before the Special Master. This Court is charged with determining the appropriate method and manner of notice. TEX. INS. CODE ANN. art. 21.28, § 3(a). The *Order of Reference to Master* charges the Special Master with ensuring that proper notice is given to all interested parties. *Order of Reference to Master*, p. 3, paragraph 1. As shown in Exhibit B, the SDR is requesting that any interested parties who wish to be on the certificate of service for the estate must email their request to the undersigned counsel. Exhibit B.

In order to provide proper notice to interested parties of these receivership proceedings, the SDR has contacted persons at the Texas Medical Association ("TMA"), the Texas Hospital Association ("THA"), and the Harris County Medical Society ("HCMS") and secured their agreement to assist the SDR in providing information to their members regarding the receivership proceedings. TMA, THA, and HCMS have all agreed to be on the certificate of service and assist the SDR in notifying their respective group's members of the status of the

receivership proceedings. The TMA has created a page on its web site to notify its members of the status of the receivership proceedings.

The SDR proposes to provide notice of receivership proceedings to interested parties by email. The SDR will email a PDF format of the file-stamped Applications and other court ordered reports to the interested parties. Further, the SDR will maintain the pleadings for this estate on a website located at www.amcaretexasreceiver.com . Any interested party without email will have to obtain the pleadings from the website or the courthouse. Providing notice of receivership proceedings in this way will save the estate the cost of copying and delivering the documents in another manner. The SDR recommends that providing notice in this manner is in the best interest of the receivership estate because it appropriately balances the need of the interested parties to have notice with the need to conserve the assets of the estate. The SDR requests approval of this Court for the method of noticing creditors of receivership proceedings by email.

VII. Notice of this Application

The SDR has provided notice by email of the submission of this Application to all known parties of interest as shown on the Certificate of Service attached to this Application and incorporated by reference as if fully set out.

VIII. Prayer

WHEREFORE, premises considered, the SDR respectfully requests that this Court enter an Order:

1. approving this Application in all respects;
2. establishing 11:59 p.m. C.S.T. on October 1, 2003, as the POC filing deadline for claims to be mailed and postmarked;

3. establishing 5:00 p.m. C.S.T. on October 1, 2003, as the POC filing deadline for claims to be hand delivered;
4. finding that the Amcare benefit plans, if any, are terminated effective December 16, 2002;
5. approving the form of postcard notice set out in Exhibit A;
6. authorizing the SDR to mail out Exhibit B only to those claimants who request a POC in writing;
7. approving the POC form, instructions and notices set out in Exhibit B, or a form substantially similar;
8. authorizing the SDR to mail Exhibit A to the known potential claimants in the manner described in this Application, and finding that the mailing of notice in such manner constitutes prima facie evidence of receipt by the recipient to whom the notice is addressed;
9. approving the release by providers contained in Exhibit B;
10. approving the assignment of rights contained in Exhibit B;
11. authorizing the SDR to post Exhibit B as notice of the receivership on the internet as described in this Application;
12. authorizing the SDR to publish the notice set out in Exhibit C or a form substantially similar;
13. approving the method and manner of notice to unknown claimants as set out in the Application;
14. authorizing the SDR to provide notice of receivership proceedings to interested parties by email; and

15. authorizing the SDR to take any actions necessary to effectuate the purposes of this Application.

AMY JEANNE WELTON
ATTORNEY AT LAW
3214 Raging River Drive
Austin, Texas 78728-4386
(512) 246-9707 Telephone
(512) 255-6237 Facsimile

By: 

Amy Jeanne Welton
State Bar No. 21004800

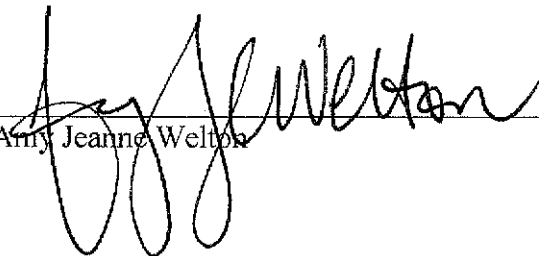
**Attorney for Jean Johnson, Special Deputy
Receiver of Amcare Health Plans of Texas,
Inc. and Amcare Management, Inc.**

Notice of Hearing by Submission

Pursuant to the terms of the *Order of Reference to Master* entered by the District Court in this cause, the *Application To Set Claim Filing Deadline, Provide Notice, And Determine Cancellation Of Coverage* is set for written submission before the Special Master, Tom Collins, on March 10, 2003.

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

1. Any objection must be filed with the Travis County District Clerk at least seven calendar days before the hearing date.
2. A copy of any objection shall be served by such date on:
 - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita, Texas Department of Insurance, (**HAND DELIVERY**) 333 Guadalupe, Hobby Tower III, 5th Floor, Room 260-C, Austin, Texas; or (**MAIL**) P.O. Box 149104, Austin, Texas 78714-9104; and
 - (b) All interested parties, including those listed on the Applicant's Certificate of Service and the undersigned counsel.
3. The objecting party shall coordinate with opposing counsel and the Docket Clerk (512/463-6450) to obtain an oral hearing setting the argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must 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.
5. Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.
6. Any Acknowledgment of Notice and Waiver of Objection to be filed by an insurance guaranty association or other interested party should be filed at least three calendar days before the submission or hearing date.



Amy Jeanne Welton

**AmCare Health Plan of Texas, Inc. in Receivership
AmCare Management, Inc. in Receivership**

"NOTICE OF CLAIMS FILING DEADLINE"

Do you believe AmCare in Receivership owes you money?

To obtain information and the necessary form for submitting your claim access us on the Web at:
www.amcaretexasreceiver.com

-OR-

Submit your request for a hard copy by mailing your request to:

Amcare Proof of Claims Department
3767 Forest Lane #124-425
Dallas, Texas 75244-7100

All proof of claims must be filed by **October 1, 2003 by 11:59 p.m.** by order of the Court

NOTICE TO MEMBERS AND CLAIMANTS

RE: *The State Of Texas v. Amcare Health Plans Of Texas, Inc. and Amcare Management, Inc.* ; Cause No. GV204523 in the 200th Judicial District Court of Travis County, Texas, R512

Please be advised that AmCare Health Plans of Texas, Inc. and AmCare Management, Inc. were placed in permanent receivership by order of the above referenced Court on December 16, 2002. Please note that the Court has canceled all Amcare benefit plans as of December 16, 2003. The Commissioner of Insurance, as Permanent Receiver, has designated Jean Johnson as Special Deputy Receiver to conduct the business of AmCare. All claims against AmCare will now be claims against the receivership estate and all proceedings are governed by TEX. INS. CODE ANN. art. 21.28

To receive further consideration of your claim, a proof of claim form must be filed with your claims documentation. Claims should be filed with the Special Deputy Receiver prior to the expiration of the claims filing deadline. Claims filed with the Special Deputy Receiver will be claims against the assets of the receivership estate.

A Proof of Claim Form is required for filing your claim. This form can be obtained through the Special Deputy Receiver's web site at www.amcaretexasreceiver.com or by writing to the Special Deputy Receiver's address: Amcare Proof of Claim Department, 3767 Forest Lane # 124-425, Dallas, Texas 75244.

The Receivership Court has set the **DEADLINE FOR FILING ALL CLAIMS AS, 11:59 p.m. CST, OCTOBER 1, 2003**. Accordingly, any and all claims against AmCare in receivership must be postmarked by 11:59 p.m. October 1, 2003 to the Special Deputy Receiver's address: Amcare Proof of Claim Department; 3767 Forest Lane # 124-425; Dallas, Texas 75244. Please follow the instructions and use the appropriate forms for submitting your claims found on the Special Deputy Receiver's web site www.amcaretexasreceiver.com. Failure to properly complete and submit the forms according to the instructions may cause your claim to be rejected or delayed.

We regret any difficulties that this situation may have caused you. If you have any questions, please contact our customer service department at 877-819-7263. Thank you for your time and patience.

Jean Johnson
Special Deputy Receiver of
AmCare Health Plans of Texas, Inc. and
AmCare Management, Inc.

CLAIM FILING INSTRUCTIONS

READ CAREFULLY BEFORE COMPLETING THE ENCLOSED FORM

THE FILING DEADLINE IS OCTOBER 1, 2003 AT 11:59 P.M.

Please take a moment to complete the Proof of Claim Form before submitting your claim for consideration. By accurately completing this form you can protect your interests, help us identify your claim and allow us the opportunity to properly consider your claim. *It is very important that you complete all the sections applicable to you, sign, and have your form notarized.*

Please follow these instructions to complete your Proof of Claim Form correctly.

1. Please indicate which AmCare receivership you are making a claim against. The Health Plan or the Management Company.
2. The area starting with "Person Filing POC" would be the name of the Provider, Provider Group, Hospital or Member filing the POC (proof of claim form).
3. The address lines are for the address of the "Person Filing".
4. Name of Member, Name of Patient and the Social Security Number are for the individual who incurred the expense.
5. Please complete section, Claim Filed By:
If you are a Provider take special note of the additional information needed e.g. the TIN, and the line of business. Also, only UB92's and HCFA 1500 will be accepted.
If you are a Member filing your own claims, please know, all bills must be itemized showing dates of service and type of service rendered, "balance forward statements" are not acceptable.
6. If you are a vendor for AmCare with a claim for unpaid goods or services rendered, you should mark the line for the receivership as Management and in the section, Claim Filed By, as a General Creditor.
7. Please be sure to complete the section General Questions and if your answer is YES, please attach the supporting documentation for accurate processing of your claim.
8. If you are submitting a claim that was previously processed and you would like it to be considered as an appeal, please attach all supporting documentation and mark the claim(s) as an appeal.
9. Please read the proof of claim statement, sign, date and have the form notarized.
10. Mail all proof of claim forms to; AmCare Proof of Claims Department, 3767 Forest Lane #124-425 Dallas, Texas 75224-7100.

PLEASE REMEMBER THE FILING DEADLINE IS OCTOBER 1, 2003 AT 11:59 P.M.

PROOF OF CLAIM

Claim Filing Deadline October 1, 2003

PROOF OF CLAIM NO. _____
Internal Use Only

DATE POSTMARKED/HAND DELIVERED ____/____/03
Internal Use Only

AmCare Management, Inc. in Receivership, R 512
AmCare Health Plans of Texas, Inc in Receivership, R 512

Indicate which receivership claims are being filed against: _____ AMCARE Health Plans _____ AMCARE Management

Read all materials before completing. Please print or type.

Person Filing POC: _____ Phone: (____) _____

Address: _____

City/State/Zip: _____

Name of Plan Member: _____ Name of Patient: _____

Member Social Security #: _____ Patient Social Security #: _____

CLAIM FILED BY: Check one of the following and ATTACH SUPPORTING DOCUMENTATION.

PROVIDER OF SERVICES TIN: _____ Amount of Claim: \$ _____
_____ Commercial _____ Medicaid _____ Medicare

Providers must file a separate POC for each line of business.
Claims from Providers must be filed using UB92 or HCFA 1500 forms.

MEMBERS (People enrolled in AmCare Health Plans of Texas, Inc.) Amount of Claim: \$ _____

AGENT BALANCES (Agent's Earned Commissions) Amount of Claim: \$ _____

GENERAL CREDITORS (e.g. Attorney fees, Vendors, Landlords, Reinsurers) Amount of Claim: \$ _____

ALL OTHERS (Please describe.) Amount of Claim: \$ _____

GENERAL QUESTIONS: If your answer is "yes", ATTACH SUPPORTING DOCUMENTATION.

Have you paid or settled any part of this claim? Yes No

Providers, have you turned this claim over to a collection agency? Yes No

Is this claim covered by other insurance? Yes No

This Proof of Claim asserts a claim against a member or beneficiary covered by AmCare Health Plans of Texas, Inc. in Receivership and the undersigned claimant releases any and all claims which have been or could have been made against the member or beneficiary of AmCare Health Plans of Texas, Inc. in Receivership based on or arising out of the facts supporting the above Proof of Claim, subject to coverage limits accepted by the Special Deputy Receiver and approved by the Court regardless of whether any compensation has actually been paid to the undersigned.

The undersigned claimant hereby assigns to the Special Deputy Receiver any rights claimant may have arising out of any acts or services by former officers, directors, employees of Amcare Health Plans of Texas, Inc. and/or Amcare Management, Inc. and their successors.

I affirm, under penalty of perjury, that I have read the foregoing Proof of Claim and understand the contents thereof. This claim against AmCare Health Plans of Texas, Inc. in Receivership and/or AmCare Management, Inc. in Receivership is justly owing to me after all offsets, that I alone am entitled to file this claim, that the matters set forth above and any accompanying statements and documents are true to my own knowledge.

NOTARY:

CLAIMANT SIGNATURE: _____

PRINT NAME: _____

DATE SIGNED: _____

BY COURT ORDER all claims must be postmarked by 11:59 p.m. CST on October 1, 2003

or submitted by hand delivery by 5:00 p.m. CST on October 1, 2003.

CLAIMS SHOULD BE SUBMITTED TO: AmCare Proof of Claims Department

3767 Forest Lane #124-425

Dallas, TX 75244-7100

**THIS NOTICE IS FOR YOUR INFORMATION ONLY
IT IS NOT RELATED TO ANY CLAIM THAT YOU MIGHT HAVE**

NOTICE REGARDING REPORTING OF EXPENSES

In accordance with Texas Insurance Code, Article 21.28, §12(b), a statement of expenses incurred in the Amcare Health Plans of Texas, Inc. and Amcare Management, Inc. (“Amcare”) receivership is filed each month in Cause No. GV 204523 in the 200th Judicial District Court of Travis County, Texas. In accordance with the *Standing Order Regarding Compliance With Tex. Ins. Code Art. 21.28, §12(b)*, the statement is filed on the 15th day of the month, or the next working day in the event that the 15th day of the month falls on a weekend, or a national or state holiday. The statement is available at the Travis County Courthouse, 1000 Guadalupe, Austin, Texas or on the internet at www.amcaretexasreceiver.com. The statement is intended to provide interested persons with information about the receivership’s expenses, and is available for review at the courthouse or on the internet. You have no obligation to review the statement of expenses, or to take any action regarding the statement.

If you have a specific objection to the expense report, you must file such objection with the court in the receivership proceeding within the ten (10) days of the filing of the statement of expenses. A copy of the objection must be provided to the following at the time the objection is filed:

1. Receivership Special Master c/o Jean Sustaita, MC 305-1D, P. O. Box 149104, Austin, Texas 78714-9104.
2. Amy Jeanne Welton, counsel for the Special Deputy Receiver of Amcare at 3214 Raging River Drive, Austin, Texas 78728.
3. James Kennedy, counsel for the Receiver of Amcare, MC 110-1A, P. O. Box 149104, Austin, Texas 78714-9104.
4. Myra Garrett, Liquidation Oversight Analyst, MC 305-1D P.O. Box 149104, Austin, Texas 78714-9104.
5. Any other party on the certificate of service for the Statement of Expenses.

Any person filing an objection must contact the Receivership Special Master's Docket Clerk, Jean Sustaita, MC 305-1D, P. O. Box 149104, Austin, Texas 78714-9104, and obtain a hearing date before the Receivership Special Master in Austin, Texas. A person filing an objection must also notify the parties listed above of the time, date and place of such hearing.

You need to follow these procedures only if you are objecting to expenses. If you have any questions about this notice, please call Jean Johnson at 877-819-7263.

**THIS NOTICE IS FOR YOUR INFORMATION ONLY
IT IS NOT RELATED TO ANY CLAIM THAT YOU MIGHT HAVE**

NOTICE TO INTERESTED PARTIES

RE: *State of Texas v. AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.*; Cause No. GV204523; In the 200th Judicial District Court of Travis County, Texas

You can receive all pleadings filed in the above-referenced cause by email by sending an email request to Amy Jeanne Welton to awelton@austin.rr.com. Please state that you would like to be placed on the certificate of service and include your name, address, phone number, and fax number, and email address. (If you are an attorney please include your client's name.) You must make this request in writing, but you are not required to file a notice of appearance with the Travis County District Clerk. In order to be removed from the certificate of service, you will have to ask in writing, preferably by email, that your name be removed.

If your name is on the certificate of service, you will receive a copy of every pleading, motion, notice of hearing, and other document submitted to the receivership court, whether it relates to your specific claim or not. Being on the certificate of service will not increase or decrease the likelihood of your claim being approved or denied. It will provide you with detailed record of the actions taken in the receivership proceeding but will not provide you with any additional information about your claim. If you do not want to receive every pleading, or do not have email, all pleadings are available at the Travis County Courthouse, 1000 Guadalupe, Austin Texas or on the internet at www.amcaretexasreceiver.com.

All interested parties have the right to object or respond to any proposed action submitted to the receivership court. If you are on the certificate of service, you will have an opportunity to object or respond to any proposed action within the deadline established by the receivership court. If you are not on the certificate of service, you maintain your right to object or respond, but will only know what actions have been proposed by viewing the pleadings on file at the courthouse or at www.amcaretexasreceiver.com.

If you have any questions about this notice, please contact Jean Johnson, SDR 877-819-7263.

Yours truly,

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

NOTICE TO
AMCARE HEALTH PLANS OF TEXAS, INC. AND AMCARE
MANAGEMENT, INC. MEMBERS, PROVIDERS, AND CREDITORS

RE: *State of Texas v. AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.*; Cause No. GV204523; In the 200th Judicial District Court of Travis County, Texas

Please be advised that AmCare Health Plans of Texas, Inc. and AmCare Management, Inc. were placed into receivership in the State of Texas on December 16, 2002. Jean Johnson has been designated to act as Special Deputy Receiver and administrator of the receivership estate according to Article 21.28 of the Texas Insurance Code. All claims against AmCare Health Plans of Texas, Inc. and AmCare Management, Inc. must be filed with the Special Deputy Receiver before **October 1, 2003 at 11:59 P.M.**

A proof of claim form may be obtained by accessing the Special Deputy Receiver's web site at www.amcaretexasreceiver.com or mail a request to AmCare Proof of Claims Department 3767 Forest Lane #124-425 Dallas, Texas 75244-7100.

Jean Johnson
Special Deputy Receiver of
AmCare Health Plans of Texas, Inc. and
AmCare Management, Inc.

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 24th day of February 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
FAX 512/475-1843
email: james.kennedy@tdi.state.tx.us

Mr. Thomas S. Lucksinger
SLI Group
10200 Old Katy Road
Houston, Texas 77043
713/465-4650
FAX 713/465-8555
email: design@thesligroup.com

PRESIDENT, AMCARECO, INC.

Ms. Elizabeth Fuller
Texas Department of Insurance
333 Guadalupe, Hobby Tower I
Suite 950-E
Austin, TX 78701
512/322-4157
FAX 512/475-1843
email: elizabeth.fuller@tdi.state.tx.us

Lee Spangler
Assistant General Counsel
Texas Medical Association
401 West 15th Street
Austin, Texas 78701
512/370-1632
FAX 512/370-1632
email: lee.spangler@texmed.org

ATTORNEYS FOR THE RECEIVER

Ms. Myra Garrett
Texas Department of Insurance
Liquidation Oversight
333 Guadalupe St., Hobby Tower III
Suite 550-H
Austin, TX 78701
512/305-7255
FAX 512/305-6799
email: myra.garrett@tdi.state.tx.us

Charles Bailey
General Counsel
Texas Hospital Association
6225 US Hwy 290 E.
Austin, Texas 78723
512/465-1000
FAX 512/465-1090
email: cbailey@tha.org

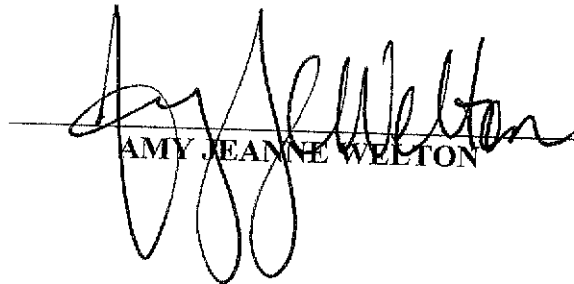
Mr. Todd Lucksinger
1310 Utah
Houston, Texas 77007
713/868-4220
FAX 713/868-4220
email: tluck@ev1.net

Pat Harris
Harris County Medical Society
1515 Hermann Drive
Houston, Texas 77004
713/524-4267
FAX 713/942-7072
email: pat_harris@hcms.org

**ATTORNEY FOR AMCARE HEALTH
PLANS OF TEXAS, INC.
and AMCARE MANAGEMENT, INC.**

Mike Johnston
Sullins Johnston Rohrbach & Magers, P.C.
2200 Phoenix Tower
3200 Southwest Freeway
Houston, Texas 77027
713/521-0221
FAX 713/521-3242
mjohnston@sjrm.com

**ATTORNEY FOR HERMANN
MEMORIAL**


AMY JEANNE WELTON