

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

**APPLICATION FOR ALTERNATIVE CLAIM
ADJUDICATION PROCEDURE**

TO THE HONORABLE JUDGE OF SAID 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., (hereinafter collectively referred to as "AmCare"), who files this Application for Alternative Claim Adjudication Procedure. In support of this Application the Special Deputy Receiver would respectfully show the Court the following:

FILED
ON MAR 17 PM 2:14
District Clerk
TRAVIS COUNTY TEXAS

I. BACKGROUND

1. Pursuant to Article 21.28 of the Texas Insurance Code (hereinafter the "Code"), this Court placed AmCare in temporary receivership on December 16, 2002, and appointed Jose Montemayor Temporary Receiver. On January 21, 2003, the receivership was made permanent and Jose Montemayor was appointed Permanent Receiver. Jean Johnson was appointed Special Deputy Receiver on December 23, 2002, and she is fully authorized to file this Application.

2. On March 11, 2003, the Court entered its Order Setting Claims Filing Deadline, Approving Notice, and Canceling Coverage in this cause. The claim filing deadline was October 1, 2003. The Special Deputy Receiver sent postcard notice of the receivership and of the claims filing deadline to 221,164 potential claimants. The notice advised recipients that they could obtain a proof of claim by sending a written request to the Special Deputy Receiver or by downloading a proof of claim from her website. The Special Deputy Receiver sent a proof of

claim packet to all potential claimants requesting same. The proof of claim packet included a Notice to Interested Parties, a copy of which is attached as Exhibit A. This notice explains the process for being placed on the receivership certificate of service and that a copy of all pleadings, motions, notices, and other documents filed in the receivership proceeding will be sent to the certificate of service list.

II. ANALYSIS AND RECOMMENDATION

3. AmCare was a health maintenance organization providing both Medicaid and Non-Medicaid healthcare benefit coverages. AmCare entered into provider contracts with hundreds of separate physicians, hospitals, and other healthcare providers. Additionally, AmCare acquired other blocks of business that had different provider contracts. In short, AmCare entered into numerous different agreements with different descriptions of service and coverage with a multitude of physicians and healthcare providers. In many instances, multiple agreements may be applicable to a single physician or healthcare provider depending on the date services were provided. Samples of many of these agreements have not been located.

4. These problems make it extremely difficult and costly to adjudicate claims of members, physicians and healthcare providers according to the provisions of the applicable agreements. Indeed, as described above, it is difficult if not impossible to determine with certainty which agreement, if it can be found, is applicable to a particular claim.

5. Further, a portion of the claims are for services provided by out of network physicians and healthcare providers. Solvent health maintenance organizations would pay such claims in accordance with the terms of the specific applicable agreements. The Special Deputy Receiver represents that adjudicating these claims in such manner is not cost effective for the same reasons cited above.

6. To address these issues, the Special Deputy Receiver reviewed AmCare agreements available to her in the company records and developed a list of exclusions that she represents to the court are standard exclusions for AmCare contracts with members. The Special Deputy Receiver also represents to the court that these exclusions are, in her opinion, typical and generally accepted in the health maintenance organization industry. A copy of the proposed standard exclusions is attached hereto as Exhibit B. The Special Deputy Receiver proposes that the claims of members, physicians, and healthcare providers be adjudicated using this set of exclusions.

7. To further address the issue of adjudicating claims in a cost effective way, the Special Deputy Receiver reviewed AmCare's historic paid to billed claims ratio for the Medicaid and Non-Medicaid lines of business. As expected, based on her experience in the healthcare industry, the Special Deputy Receiver found that the paid to billed claims ratios were substantially less than 100%. The payment of less than 100% of the billed amounts indicate cumulative reductions in payments on individual claims based upon, among other things, fee discounts negotiated with physicians and healthcare providers. To substantiate these initial findings, the Special Deputy Receiver engaged the services of Edward A. Mire, F.S.A., M.A.A.A. Mr. Mire conducted an extensive review of the claims records of AmCare. Mr. Mire determined that AmCare's historical paid to billed claims ratio for Medicaid claims is 43% and for Non-Medicaid claims is 64%. Based on her experience and the work done by Mr. Mire, the Special Deputy Receiver believes that substantially similar reductions would be obtained on physician and healthcare provider claims filed in the receivership if each claim filed was adjudicated with reference to the specific applicable physician or healthcare provider agreement.

8. The Special Deputy Receiver represents to the court that a claims adjudication procedure that utilizes a set of standard exclusions to determine coverage and paid to billed claim ratio to determine the amount of payment rather than adjudicating claims with reference to the specific applicable physician and healthcare provider contract is in the best interest of the estate, its members, physicians, healthcare providers, creditors, and other claimants. Such an alternative procedure will minimize the cost of adjudicating claims, maximize the distribution of limited estate assets, and provide a fair and equitable treatment for disparate claimants. The Special Deputy Receiver therefore proposes to implement the following general procedures for adjudicating members, physicians, and healthcare provider claims. The Special Deputy Receiver will: (1) eliminate all duplicate and previously paid claims; (2) determine eligibility; (3) verify charges were incurred while coverage was active; (4) apply the exclusions listed on Exhibit B; and (5) apply, with respect to all remaining claims, the payment percentage of 43% for Medicaid claims and 64% for Non-Medicaid claims

III. PRECEDENTS

9. This Application follows previous Texas receivership court precedents; specifically, *State of Texas v. Comprehensive Health Services of Texas, Inc.*, No. 99-01313, 353rd Judicial District Court, Travis County, Texas, and *State of Texas v. American Benefit Plans, et al*, No. GV2-00903, 53rd Judicial District Court, Travis County, Texas.

IV.

NOTICE

10. The Special Deputy Receiver sent notice of the submission of this Application to all known parties of interest shown on the Certificate of Service. As stated above, the Certificate of Service includes all who have requested to be placed on the Certificate of Service. The

Special Deputy Receiver will also post this Application on its website located at www.amcaretexasreceiver.com.

V. RELIEF REQUESTED

11. Based on the foregoing, the Special Deputy Receiver requests that the court enter an order authorizing her to institute and utilize an alternative, simplified claims adjudication procedure and approving notice as described herein.

Respectfully submitted,

BRIAN E. RIEWE, P.C.
1801 South MoPac, Suite 300
Austin, Texas 78746
Telephone: 512/236-9955
Facsimile: 512/236-9966

Brian E. Riewe
State Bar No. 16915600

Gregory C. Douglass
State Bar No. 06049200

By: Brian E. Riewe

Attorneys for the Special Deputy Receiver

APPLICANT'S NOTICE OF SUBMISSION

In accordance with the Order of Reference to Master entered by the District Court in this cause, the **Application for Alternative Claim Adjudication Procedure** is hereby set for written submission before the Special Master, Tom Collins, on **Monday, April 4, 2005**.

Pursuant to Rule 171 of the Texas Rules of Civil Procedure, the Special Master has required that the following rules be followed:

1. Any objections must be filed with the Travis County District Clerk at least seven (7) calendar days before the submission date.
2. A copy of any objection shall be served by such date on:
 - (a) Special Master's Docket Clerk, Mrs. Jean Sustaita, Texas Department of Insurance, 333 Guadalupe, Hobby Tower III, Room 550, Austin, Texas **(by Hand Delivery)** or P.O. Box 149104, Mail Code 305-1D, Austin, Texas 78714-9104 **(by Mail)**, and
 - (b) All interested parties, including those listed on the Applicant's Certificate of Service.
3. The objecting party shall coordinate with opposing counsel and the Docket Clerk [(512) 463-6450] to obtain an oral hearing setting for 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 state 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 to be filed by a Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

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 2005.

Mr. Tom Collins, Special Master
Texas Department of Insurance
333 Guadalupe St., Tower III
5th Floor, MC-305-1C
Austin, Texas 78714

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. Joan Lockorn, Liquidation Oversight
Texas Department of Insurance
333 Guadalupe St., Tower III
5th Floor, MC-305-1C
Austin, Texas 78701
Email: Joan.Lockorn@tdi.state.tx.us

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

Lee Spangler, Assistant General Counsel
Texas Medical Association
401 West 15th 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-Hermann Memorial
Ms. Margaret A. Pollard, Atty-St. Luke's Epis.
Sullins Johnston Rohrbach & Magers, P.C.
3200 Southwest Freeway, Suite 2200
Houston, Texas 77027
Email: mjohnston@sjrm.com
Email: mpollard@sjrm.com

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

Mr. Billy Bostick, OK-Deputy Asst. Receiver
3530 Forest Lane, Suite 300
Dallas, Texas 75234-7910
Email: billy.bostick@bccg.com

Ms. Karen Colombo
Bay Area Obstetrics & Gynecology, P.A.
#17 Professional Park
Webster, Texas 77598
Email: kcolombo@baobgyn.com

Ms. Kathleen S. Carrigan, Director
COR Specialty Assoc. of North Texas, P.A.
1320 Greenway, #200
Irving, Texas 75038
Email: kcarrigan@csant.com

Southwest Imaging and Interventional
Specialists f/k/a Dallas Radiologists
Attn: T. Raymona Meeks
7515 Greenville Ave., Suite 710
Dallas, Texas 75231
Email: rmeeks@siis.md

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 Street, Suite 302
Richmond, Texas 77469
Email: ofcmgr@women-babies.com

Aquileo N. Hernandez, M.D.
11914 Astoria Blvd., Ste. 450
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Email: jmcgough@hsc.unt.edu

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1423 Pacific Avenue
Tacoma, Washington 98402
Email: rhartman@davita.com

Ms. Tricia Smith
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Rhome, Texas 76078
Email: bksmom02@aol.com

Mr. Cosme E. Ramirez
16110 Herngrif St.
Houston, Texas 77032-1334
Email: cosmeeramirez@yahoo.com

Ms. Carleen M. Simon-Yates, RPH
12335 Kingsride, Suite 366
Houston, Texas 77024
Email: cmsyjap1@aol.com

Ms. Stellene Cox
2331 County Road 1076
Celeste, Texas 75423
Email: ccox02@7-11.com

Mr. Samuel Owolabi
16714 Cheshire Place Dr.
Houston, Texas 77083
Email: oblow1@yahoo.co.uk

Dr. Clay Heighten
VP Managed Care
MedicalEdge Healthcare Group
9229 LBJ Freeway, Suite #250
Dallas, Texas 75243
Email: cheighte@med-edge.com

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

Ms. Traci L. Cotton, Attorney
The University of Texas System
Office of General Counsel
201 W. 7th Street
Austin, Texas 78701
Email: tcotton@utsystem.edu

Brian E. Riewe

Brian E. Riewe

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, 2002. 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 (Vernon Supp. 1998)

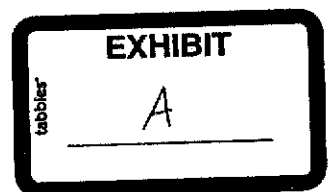
To receive further consideration of your claim, a proof of claim form must be filed with your claim documents. Claims should be filed with the Special Deputy Receiver prior to the expiration of the claims filing deadline. Claims filed with the Special Deputy Receiver will be claims against the assets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

A Proof of Claim Form is required for filing your claim. This form can be obtained through the receiver's web site at www.amcaretexasreceiver.com or by writing to; the Special Deputy Receiver, 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 filing your claims. The forms and instructions can be found on the Special Deputy Receiver's web site www.amcaretexasreceiver.com or are included in the packet mailed to you. Failure to properly complete 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 214-339-2186. 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 his/her cause of action arising out of the failure of AmCare Health Plans of Texas Inc. in Receivership and AmCare Management, Inc. in Receivership to timely pay any and all contractual obligations.

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 such date.

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 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 sending an email request to Amy Jeanne Welton, at awelton@austin.rr.com or the statement is available at Travis County Courthouse, 1000 Guadalupe, Austin Texas or on the internet at www.amcaretexasreceiver.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. (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.

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 but will not provide you with any additional information about your claim.

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 not know what actions have been proposed. In order to be removed from the certificate of service, you will have to ask in writing that your name be removed.

If you have any questions about this notice, please contact Jean Johnson, SDR 214-339-2186

Yours truly,

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

**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 Texas 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.

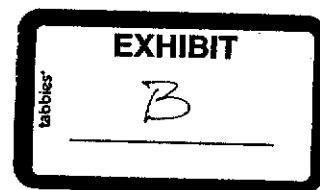
You need to follow these procedures only if you are objecting to expenses. If you have any questions about this notice, please call Jean Johnson at 877-819-7263.

EXHIBIT B

Summary of Exclusions

The HMO Plan does not cover:

- Cosmetic procedures, including reconstructive procedures that are not medically necessary.
- Custodial care (inpatient or outpatient).
- Care for chronic disorders that cannot be relieved or improved by medical treatment.
- Some organ and tissue transplants.
- Experimental or investigational treatments.
- Treatment for certain work-related injury or illness.
- Disposable or consumable outpatient supplies (except as used in the treatment of diabetes).
- Whole blood, blood derivatives and blood components.
- Charges for normal delivery of a baby outside your plan's service area.
- Educational testing and therapy.
- Treatments and evaluations required by employers, insurers, schools, camps, courts, licensing authorities and other third parties.
- Sex-change surgery.
- Acupuncture, naturopathy and hypnotherapy.
- Routine foot care.
- Anti-smoking treatments and programs, such as nicotine patches.
- Televisions, telephones, guest beds and other items for your comfort or convenience in an inpatient facility.
- Mechanical organ replacement devices.
- Private room accommodations and special duty nursing.
- Services primarily to treat obesity.
- Transportation, except for an ambulance in a medical emergency.
- Dental care.
- Medications for use outside an inpatient facility, except as used in the treatment of diabetes.
- Durable medical equipment.
- Eyeglasses, contact lenses and services for correction of eyesight.
- Voluntary termination of pregnancy.
- Charges for missed appointments.
- Reversal of voluntary sterilization.
- In vitro fertilization.
- Inpatient mental health.
- Allergy serum.
- Preservation and storage of sperm, eggs or embryos.
- Surrogate parenting.
- Growth hormone treatments.
- Long-term mental health treatment.
- Treatment for which the member has no legal obligation to pay.
- Family planning and contraceptives
- Infertility



BRIAN E. RIEWE, P.C.

ATTORNEYS & COUNSELORS AT LAW
SMITHVILLE • AUSTIN

Brian E. Riewe
briewe@riewelaw.com

Gregory C. Douglass
gdouglass@riewelaw.com

March 17, 2005

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.

Dear Ms. Rodriguez-Mendoza:

Enclosed for filing is the Special Deputy Receiver's **Application for Alternative Claim Adjudication Procedure**. I am also enclosing copies of these filings, which 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 the other interested parties herein.

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

Enclosure
UA3050LTClerk.doc

cc: Mr. Tom Collins, via hand delivery
Remaining Certificate of Service, via e-mail

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

ORDER AUTHORIZING ALTERNATIVE CLAIM ADJUDICATION PROCEDURE

On this day came on to be heard the Application for Alternative Claim Adjudication Procedure filed by Jean Johnson, Special Deputy Receiver under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc. for authority to institute and utilize an alternative, simplified claims adjudication procedure in the AmCare receivership proceedings. The Special Deputy Receiver represented to the Court that it is in the best interest of the receivership estate to institute this procedure as set out in the Application. Having considered the Application, the Court is of the opinion and finds that the Application is in all things well taken.

It is therefore ORDERED, ADJUDGED and DECREED that the Special Deputy Receiver is authorized to institute and utilize an alternative, simplified claims adjudication procedure as set out in the Application.

It is further ORDERED, ADJUDGED and DECREED that the notice of service of the Application as set forth in the Application is approved.

SIGNED this ____ day of _____, 2005.

JUDGE PRESIDING