

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.

200<sup>th</sup> JUDICIAL DISTRICT

Special Deputy Receiver's Statements of Expense for February 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 February 2003, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of February 1, 2003, through February 28, 2003, and are sworn to by the Special Deputy Receiver.

Respectfully submitted,

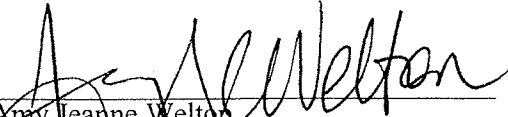
AMY JEANNE WELTON  
ATTORNEY AT LAW  
3214 Raging River Drive  
Austin, Texas 78728-4386  
(512) 246-9707 Telephone  
(512) 255-6237 Facsimile  
email: awelton@austin.rr.com

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MAR 17 REC'D

LIQUIDATION OVERSIGHT

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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CLERK

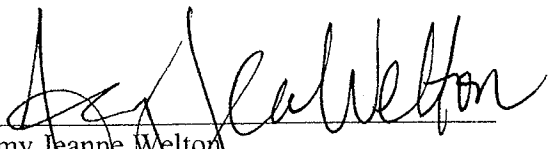
TDI 02929

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.**

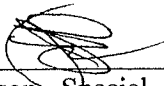
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THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
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v.	§	TRAVIS COUNTY, TEXAS
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OF TEXAS, INC. and	§	
AMCARE MANAGEMENT, INC.	§	200 <sup>th</sup> JUDICIAL DISTRICT

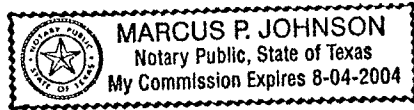
Affidavit

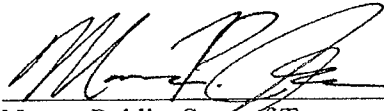
THE STATE OF TEXAS	§
	§
COUNTY OF DALLAS	§

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 February 1, 2003, through February 28, 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 March 13, 2003.



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

**ATTESTED ITEMIZED EXPENSE  
AMCARE HEALTH PLANS OF TEXAS, INC.  
RECEIVERSHIP #512  
FOR THE MONTH ENDING FEBRUARY 28, 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	216	
Reinsurance Expense	1,606	
Subrogation Expense	9,112	
Intercompany Receivable Expenses	-	
Other Receivable Expenses	4,134	
<b>Litigation Receivable</b>		
D&O Litigation Expense	21,727	
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>	36,795	
<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	21,385	*
SDR Subcontractor Fees	22,858	*
Other Non Covered Claims	20,036	
<b>Class II Claims Expenses</b>		
Covered Claims Paid - G/A		
Early Access -G/A		
Non-Covered Claims Paid/Receivership Distribution	-	
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<b>TOTAL CLAIMS EXPENSES</b>	64,279	

TDI 02932

**CLASS I GENERAL ADMINISTRATION EXPENSES**

Takeover Expense	
Liquidation Division Expense-Allocation	12,795
Conservation Division Expenses	758
Bank/Miscellaneous Charges	19
Building/Utilities	1,041
Contract/Employee	12,381
Equipment/Lease/Maintenance	1,632
Employee - Payroll, PRTax, Benefits	44,498
Equipment Lease/Inventory/Storage/Moving	20,833
Mailing/Printing/Postage/Publication	2,712
Office Supplies/Miscellaneous	650
Telephone	5,664
Travel	8,157
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** 111,140

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	5,583
Consulting Fees/Services	9,270
Legal Fees/Services	11,803

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 26,656

**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	6,693
SDR Accounting	4,803
SDR Special Services	2,281
SDR Legal Services	2,183

**CLASS I SDR ADMINISTRATIVE EXPENSES** 15,960

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 153,756

**TOTAL EXPENSE** 254,830

\* 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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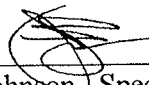
Affidavit

THE STATE OF TEXAS

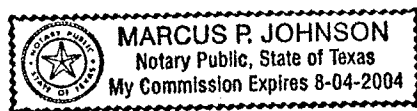
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COUNTY OF DALLAS

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 February 1, 2003, through February 28, 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 March 13, 2003.



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

**ATTESTED ITEMIZED EXPENSE  
AMCARE MANAGEMENT, INC.  
RECEIVERSHIP #512  
FOR THE MONTH ENDING FEBRUARY 28, 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	340
<b>Litigation Receivable</b>	
D&O Litigation Expense	140
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	7,462
Company Real Estate Expense	-
Other Fixed Asset Expense	-
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<b>TOTAL CASH / DATE OF TAKEOVER</b>	7,942
<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	321
SDR Subcontractor Fees	404
Other Non Covered Claims	-
<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>	725

**CLASS I GENERAL ADMINISTRATION EXPENSES**

Takeover Expense	
Liquidation Division Expense	-
Conservation Division Expenses	22,062
Bank/Miscellaneous Charges	-
Building/Utilities	20,000
Contract/Employee	-
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	2,936
Mailing/Printing/Postage/Publication	12
Office Supplies/Miscellaneous	73
Off-site Storage for Records Inventory	-
Telephone	-
Travel	767
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** 45,850

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	1,093
Consulting Fees/Services	3,522
Legal Fees/Services	212

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 4,827

**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	758
SDR Accounting	528
SDR Special Services	253
SDR Legal Services	357

**CLASS I SDR ADMINISTRATIVE EXPENSES** 1,896

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 52,573

**TOTAL EXPENSE** 61,240



**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 17th day of March 2003:

Mr. James Kennedy  
Special Counsel to the Receiver  
Texas Department of Insurance  
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**PRESIDENT, AMCARECO, INC.**

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**ATTORNEYS FOR THE RECEIVER**

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**ATTORNEY FOR AMCARE HEALTH  
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and AMCARE MANAGEMENT, INC.**

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mjohnston@sjrm.com

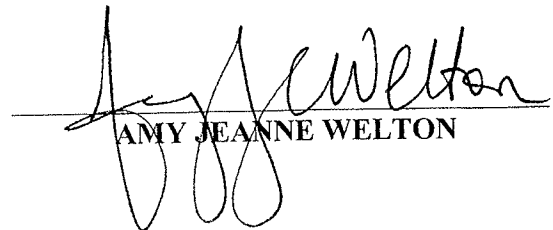
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MEMORIAL**

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FAX 504/849-7001  
billy.bostick@bccg.com

**OKLAHOMA INDEPENDENT MANAGER**

  
AMY JEANNE WELTON