

**COPY**

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

200<sup>th</sup> JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S**  
**STATEMENTS OF EXPENSE FOR JULY 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 JULY 2003, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of July 1, 2003, through July 31, 2003, and are sworn to by the Special Deputy Receiver.

**RECEIVED**  
AUG 15 2003  
LIQUIDATION OVERSIGHT

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 AUG 15 AM 9:41

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 document was forwarded via email to the following persons on this the 15<sup>th</sup> day of August, 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  
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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  
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**Mr. Todd Lucksinger, Attorney for Amcare Health  
Plans of Texas, Inc. & Amcare Management, Inc.**  
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Houston, Texas 77007  
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**Mr. Thomas S. Lucksinger**  
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The SLI Group  
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Dallas, Texas 75231  
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**Kaner Medical Group**  
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Bedford, Texas 76088-7429  
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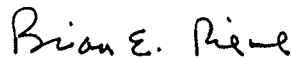
Ms. Tricia Smith  
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Mr. Cosme E. Ramirez  
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Millennium Outpatient Surgery Center  
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Fountain Valley, California 92708  
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Ms. Carleen M. Simon-Yates, RPH  
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Houston, Texas 77077  
email: cmsyjap1@aol.com

Ms. Stellene Cox  
9600 Forest Lane #109  
Dallas, Texas 75243  
email: ccox02@7-11.com



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Brian E. Riewe

NO. GV 204523

THE STATE OF TEXAS

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IN THE DISTRICT COURT OF

VS.

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TRAVIS COUNTY, TEXAS

AMCARE HEALTH PLANS OF TEXAS,  
INC. and AMCARE MANAGEMENT, INC.

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200<sup>th</sup> JUDICIAL DISTRICT

Affidavit

THE STATE OF TEXAS


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COUNTY OF DALLAS


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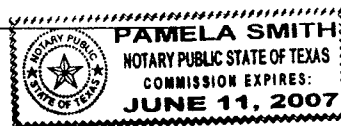
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On this day personally appeared before me, Jean Johnson, in her capacity as Special Deputy Receiver of Amcare Health Plans of Texas, Inc., upon her oath stated that the foregoing is a true and correct copy of the Statement of Expenses for the period of July 1, 2003, through July 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  
13 day of August, 2003.

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



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

|   |          |
|---|----------|
| <b>Cash/Date of Takeover</b>                      |          |
| Funds Held for Others Expense                     | -        |
| <b>Premium</b>                                    |          |
| Collection Expense                                | 961      |
| Litigation Expense                                | -        |
| <b>Receivable</b>                                 |          |
| Agent Balance Expense                             | -        |
| Reinsurance Expense                               | 280      |
| Subrogation Expense                               | 4,339    |
| Intercompany Receivable Expenses                  | -        |
| Other Receivable Expenses                         | 5,278    |
| <b>Litigation Receivable</b>                      |          |
| D&O Litigation Expense                            | 6,182    |
| Judgment Expense                                  | -        |
| Investment Account Expense                        | -        |
| Other Litigation Expense                          | -        |
| <b>Sale/Conversion of Investment Assets</b>       |          |
| Securities/Bonds Sales Expense                    | -        |
| Statutory Deposit Expense                         | 38       |
| 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>              | 17,078   |
| <br>  |          |
| <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  | 33,260 * |
| SDR Subcontractor Fees                            | 13,711 * |
| Other Non Covered Claims                          | 10 *     |
| <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>                      | 46,981   |

**CLASS I GENERAL ADMINISTRATION EXPENSES**

|   |        |
|---|--------|
| Takeover Expense                            |        |
| Liquidation Division Expense-Allocation     | 1,551  |
| Conservation Division Expenses              | -      |
| Bank/Miscellaneous Charges                  | 505    |
| Building/Utilities                          | -      |
| Contract/Employee                           | -      |
| Equipment/Lease/Maintenance                 | -      |
| Employee - Payroll, PRTax, Benefits         | -      |
| Inventory/Storage/Moving                    | -      |
| Mailing/Printing/Postage/Publication        | 1,179  |
| Office Supplies/Miscellaneous               | -      |
| Offsite Storage for Records Inventory       | 12,491 |
| Telephone                                   | 96     |
| 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** 15,822

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

|   |       |
|---|-------|
| Accounting/Auditing/Federal Income Tax Services | 1,985 |
| Consulting Fees/Services                        | 4,032 |
| Legal Fees/Services                             | -     |

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 6,017

**CLASS I SDR ADMINISTRATIVE EXPENSES**

|  |       |
|--|-------|
| SDR Administration / Federal Income Tax Services | 1,454 |
| SDR Accounting                                   | 3,201 |
| SDR Special Services                             | 752   |
| SDR Legal Services                               | 4,438 |

**CLASS I SDR ADMINISTRATIVE EXPENSES** 9,845

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 31,684

**TOTAL EXPENSE** 95,743

\* 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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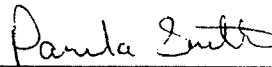
COUNTY OF DALLAS

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 July 1, 2003, through July 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).

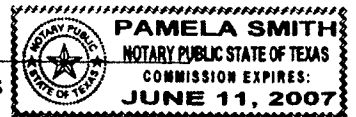


Jean Johnson, Special Deputy Receiver of Amcare Management, Inc.

SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson, on this the 13 day of August, 2003.



Notary Public, State of Texas





**ATTESTED ITEMIZED EXPENSE  
AMCARE MANAGEMENT, INC.  
RECEIVERSHIP #512M  
FOR THE MONTH ENDING JULY 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                         | 75         |
| <b>Litigation Receivable</b>                      |            |
| D&O Litigation Expense                            | 188        |
| 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           | 369        |
| Company Real Estate Expense                       | -          |
| Other Fixed Asset Expense                         | -          |
|   | <hr/>      |
| <b>TOTAL CASH / DATE OF TAKEOVER</b>              | <b>632</b> |
| <br>  |            |
| <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  | 241        |
| SDR Subcontractor Fees                            | 83         |
| 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>                      | <b>324</b> |

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**CLASS I GENERAL ADMINISTRATION EXPENSES**

|   |       |
|---|-------|
| Takeover Expense                            |       |
| Liquidation Division Expense                | 19    |
| Conservation Division Expenses              | -     |
| Bank/Miscellaneous Charges                  | 11    |
| Building/Utilities                          | -     |
| Contract/Employee                           | -     |
| Equipment/Lease/Maintenance                 | -     |
| Employee - Payroll, PRTax, Benefits         | -     |
| Equipment Lease/Inventory/Storage/Moving    | -     |
| Mailing/Printing/Postage/Publication        | 217   |
| Office Supplies/Miscellaneous               | -     |
| Off-site Storage for Records Inventory      | 1,762 |
| Telephone                                   | 1     |
| 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** 2,010

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

|   |     |
|---|-----|
| Accounting/Auditing/Federal Income Tax Services | 776 |
| Consulting Fees/Services                        | -   |
| Legal Fees/Services                             | 68  |

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 844

**CLASS I SDR ADMINISTRATIVE EXPENSES**

|  |     |
|--|-----|
| SDR Administration / Federal Income Tax Services | 227 |
| SDR Accounting                                   | 370 |
| SDR Special Services                             | 64  |
| SDR Legal Services                               | 64  |

**CLASS I SDR ADMINISTRATIVE EXPENSES** 725

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 3,579

**TOTAL EXPENSE** 4,535