

**COPY**

GV 204523

THE STATE OF TEXAS

v.

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

§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200<sup>th</sup> JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S**  
**STATEMENTS OF EXPENSE FOR JUNE 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 JUNE 2003, for each entity in the above-referenced receivership estate. The Statements of Expense cover the period of June 1, 2003, through June 30, 2003, and are sworn to by the Special Deputy Receiver.

Respectfully submitted,

RIEWE & WELCH, P.C.  
811 Barton Springs Rd., Suite 740  
Austin, Texas 78704  
Telephone: 512/482-9291  
Facsimile: 512/482-9211  
e-mail: brieve@r-wlaw.com

RECEIVED  
JUL 15 2003  
LIQUIDATION OVERSIGHT

Brian E. Riewe  
State Bar No. 16915600

Steven R. Welch  
State Bar No. 21126600

FILED By: Brian E. Riewe

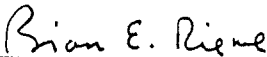
2003 JUL 15 AM 11:28  
Attorneys for the Special Deputy Receiver

**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

**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 July 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

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

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

**Mr. Mike Johnston, Atty-Hermann Memorial**  
**Ms. Margaret A. Pollard, Atty-St. Luke's Episcopal**  
Sullins Johnston Rohrbach & Magers, P.C.  
3200 Southwest Freeway, Suite 2200  
Houston, Texas 77027  
email: mjohnston@sjrm.com  
email: mpollard@sjrm.com

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

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

**Mr. Todd Lucksinger, Attorney for Amcare Health**  
**Plans of Texas, Inc. & Amcare Management, Inc.**  
1310 Utah  
Houston, Texas 77007  
email: tluck@ev1.net

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

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

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

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

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

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

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

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

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

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

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

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

Ms. Tricia Smith  
P.O. Box 589  
Rhome, Texas 76078  
email: bksmom02@aol.com

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

Millennium Outpatient Surgery Center  
Attn: Jean Czinger  
10900 Warner Ave., Suite 124  
Fountain Valley, California 92708  
email: jean\_czinger@yahoo.com

*Brian E. Riewe*

---

Brian E. Riewe

TDI 03109

NO. GV 204523

THE STATE OF TEXAS

§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

VS.

TRAVIS COUNTY, TEXAS

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

200<sup>th</sup> JUDICIAL DISTRICT


Affidavit

THE STATE OF TEXAS

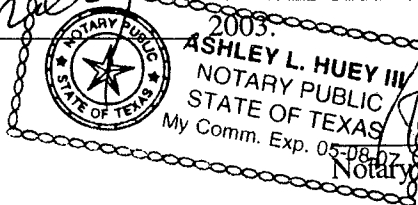
§  
§  
§

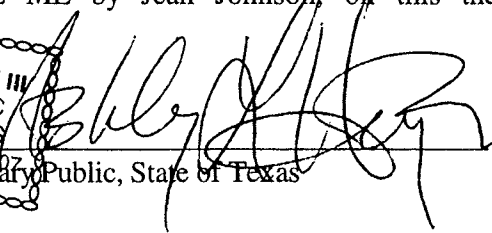
COUNTY OF DALLAS

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 June 1, 2003, through June 30, 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.

14<sup>th</sup> SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson on this the  
day of July 2003.



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

**ATTESTED ITEMIZED EXPENSE  
AMCARE HEALTH PLANS OF TEXAS, INC.  
RECEIVERSHIP #512H  
FOR THE MONTH ENDING JUNE 30, 2003**

<b>Cash/Date of Takeover</b>		
Funds Held for Others Expense	-	
<b>Premium</b>		
Collection Expense	1,040	
Litigation Expense	-	
<b>Receivable</b>		
Agent Balance Expense	-	
Reinsurance Expense	280	
Subrogation Expense	4,654	
Intercompany Receivable Expenses	-	
Other Receivable Expenses	4,267	
<b>Litigation Receivable</b>		
D&O Litigation Expense	32,939	
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>	43,180	
<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	24,463	*
SDR Subcontractor Fees	14,844	*
Other Non Covered Claims	13	*
<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>	39,320	

**CLASS I GENERAL ADMINISTRATION EXPENSES**

Takeover Expense	
Liquidation Division Expense-Allocation	894
Conservation Division Expenses	-
Bank/Miscellaneous Charges	582
Building/Utilities	-
Contract/Employee	211
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Inventory/Storage/Moving	5,091
Mailing/Printing/Postage/Publication	245
Office Supplies/Miscellaneous	-
Offsite Storage for Records Inventory	-
Telephone	96
Travel	952
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** 8,071

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	2,954
Consulting Fees/Services	1,989
Legal Fees/Services	12,880

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 17,823

**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	1,434
SDR Accounting	6,597
SDR Special Services	888
SDR Legal Services	8,314

**CLASS I SDR ADMINISTRATIVE EXPENSES** 17,233

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 43,127

**TOTAL EXPENSE** 125,627

\* Includes time spent by contractors and employees to process Medicaid claims for Texas Childrens Health Plans ("TCHP"). TCHP is a contract entered into by the Conservator of Amcare Health Plans of Texas, Inc. to assume Medicaid members and enrollees.

NO. GV 204523

THE STATE OF TEXAS

§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

VS.

TRAVIS COUNTY, TEXAS

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

200<sup>th</sup> JUDICIAL DISTRICT

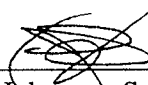
Affidavit

THE STATE OF TEXAS

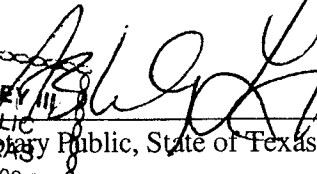
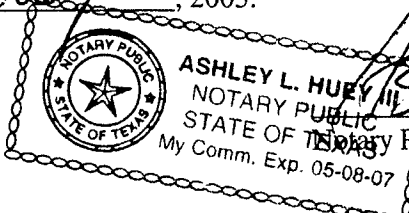
§  
§  
§

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 June 1, 2003, through June 30, 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.

14<sup>th</sup> SWORN TO AND SUBSCRIBED BEFORE ME by Jean Johnson, on this the  
day of July, 2003.

  
  
ASHLEY L. HUEY III  
NOTARY PUBLIC  
STATE OF TEXAS  
My Comm. Exp. 05-08-07

TDI 03113



**ATTESTED ITEMIZED EXPENSE  
AMCARE MANAGEMENT, INC.  
RECEIVERSHIP #512M  
FOR THE MONTH ENDING JUNE 30, 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	414	
<b>Litigation Receivable</b>		
D&O Litigation Expense	1,345	
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	213	
Company Real Estate Expense	-	
Other Fixed Asset Expense	-	
	<hr/>	
<b>TOTAL CASH / DATE OF TAKEOVER</b>	1,972	
<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	83	
SDR Subcontractor Fees	21	
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>	104	

**CLASS I GENERAL ADMINISTRATION EXPENSES**

Takeover Expense	
Liquidation Division Expense	100
Conservation Division Expenses	-
Bank/Miscellaneous Charges	11
Building/Utilities	-
Contract/Employee	-
Equipment/Lease/Maintenance	-
Employee - Payroll, PRTax, Benefits	-
Equipment Lease/Inventory/Storage/Moving	1,200
Mailing/Printing/Postage/Publication	8
Office Supplies/Miscellaneous	38
Off-site Storage for Records Inventory	-
Telephone	-
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** 1,357

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES**

Accounting/Auditing/Federal Income Tax Services	703
Consulting Fees/Services	497
Legal Fees/Services	750

**CLASS I SUBCONTRACTOR ADMINISTRATIVE EXPENSES** 1,950

**CLASS I SDR ADMINISTRATIVE EXPENSES**

SDR Administration / Federal Income Tax Services	116
SDR Accounting	538
SDR Special Services	10
SDR Legal Services	77

**CLASS I SDR ADMINISTRATIVE EXPENSES** 741

**TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE** 4,048

**TOTAL EXPENSE** 6,124

Amcare  
 Schedule of Prosperity Bank  
 TCHP Account  
 For the period since Receivership to June 30, 2003

	<u>12/31/02</u>	<u>1/31/03</u>	<u>2/28/03</u>	<u>3/31/03</u>	<u>4/30/03</u>	<u>5/31/03</u>	<u>6/30/03</u>	<u>Totals</u>
Beginning Balance per Bank	0.00	307,831.74	595,439.39	100,540.00	119,705.82	99,607.93	98,331.73	0.00
Deposits	909,117.22	881,805.06	36,178.82	94,942.76	0.00	0.00		1,922,043.86
Disbursements-Checks	601,285.48	594,197.41	531,078.21	75,776.94	20,097.89	1,276.20	1,596.78	1,825,308.91
Ending Balance Per Bank	307,831.74	595,439.39	100,540.00	119,705.82	99,607.93	98,331.73	96,734.95	96,734.95
Outstanding Checks	307,831.74	595,439.39	100,540.00	119,705.82	99,607.93	98,331.73	96,734.95	96,734.95
Balance per Books	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00