

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

JUL - 2 2012

PATRICIA PRESLEY, COURT CLERK
By _____
DEPUTY

STATE OF OKLAHOMA, ex rel.,)
JOHN DOAK, Insurance Commissioner for)
the State of Oklahoma, as Receiver for)
AmCare Health Plans of Oklahoma, Inc.)
)
Plaintiff,)
)
vs.)
)
AmCare HEALTH PLANS OF OKLAHOMA,)
INC.,)
)
Defendant.)

Case No. CJ-2003-5311
The Honorable Lisa T. Davis

**ASSISTANT RECEIVER'S COMBINED REPORT
AND RECOMMENDATIONS ON RESUBMITTED CLAIMS AND
APPLICATION FOR DISTRIBUTION OF APPROVED AMOUNTS**

Billy Bostick, as duly appointed Assistant Receiver for AmCare Health Plans of Oklahoma, Inc. ("AmCare"), respectfully submits to the Court the Combined Report and Recommendations on Resubmitted Claims and Application for Distribution of Approved Amounts and states as follows:

BACKGROUND

1. AmCare formerly conducted business within the State of Oklahoma as a licensed Health Maintenance Organization ("HMO") under the regulatory supervision and jurisdiction of the Oklahoma State Department of Health ("OSDH"). AmCare's license expired on April 30, 2002, whereupon it filed an application with the OSDH for renewal of its HMO license. AmCare's renewal application was denied effective October 1, 2002, upon a finding by the OSDH that AmCare was financially impaired.

2. On June 25, 2003, the Insurance Commissioner for the State of Oklahoma filed an

Application to show cause why an Order of Receivership should not be granted against AmCare.

3. On July 8, 2003, this Court entered an Order (the “Liquidation Order”) appointing a Receiver for AmCare and directing the Receiver to liquidate or rehabilitate AmCare pursuant to the laws of the State of Oklahoma. Additionally, the Court determined that AmCare was financially impaired or insolvent. The Court also appointed Billy Bostick as Assistant Receiver for AmCare.

4. By virtue of the Liquidation Order, title to all property of AmCare was vested in the statutory Receiver of AmCare.

5. In the Liquidation Order, the Court set a January 9, 2004, deadline for the filing of claims in the estate.

6. The Receiver mailed Proof of Claim forms to all known creditors of AmCare. The Receiver also published notice of the proof of claim filing period in several newspapers designed to provide notice to those creditors and beneficiaries of which the Receiver was unaware. The Notice recited that the deadline for submitting Proof of Claim forms in the Receivership was January 9, 2004.

7. The Assistant Receiver received approximately 3429 claims against the AmCare Estate. Of those, approximately 2607 proofs of claim were timely filed.

8. On February 28, 2005, the Assistant Receiver filed the *Assistant Receiver’s Revised Report on Claims against the Estate, And Recommendation to the District Court on the Priority and Amount of Allowance of Such Claims* (“February 28, 2005 Report”). Through the February 28, 2005 Report, the Assistant Receiver presented his recommendations as to each of claims received.¹

¹ On January 18, 2005 the Assistant Receiver filed the *Assistant Receiver’s Report on Claims Against the Estate and Recommendation to the District Court on the Priority and Amount of Allowance of Such Claims*. (“January 18, 2005 Report”). The January 18, 2005 Report was set for

9. Within the February 28, 2005 Report, the Assistant Receiver references 247 incomplete proof of claim forms that are set forth in Exhibit 1 to the Report. A form is “incomplete” when required information has been entered incorrectly or has been omitted. The February 28, 2005 Report recommends that no allowance be given to incomplete Proof of Claim forms, whether filed before or after the claims deadline.

10. Following a hearing on February 28, 2005, the Court entered an Order Approving Assistant Receiver’s Report on Claims and Recommendations on Priority and Allowance on Such Claims. The Order of the Court became final on March 30, 2005. No appeal was filed seeking review of the Court’s Order entered on February 28, 2005.

**REPORT AND
RECOMMENDATIONS AS TO RESUBMITTED CLAIMS**

11. Of the 247 claims presented through incomplete forms, 42 were resubmitted for reconsideration. The Assistant Receiver has reviewed those resubmitted claims and sets forth his recommendation as to those claims in the attached Exhibit 1.²

12. As to each of the resubmitted claims, Exhibit 1 contains three columns of information. The first column with the heading “POC NO” sets forth the Proof of Claim number assigned to the claim. The second column entitled “Amount Claimed” sets forth the amount that the claimant seeks from the AmCare receivership Estate through the resubmitted proof of claim. The third column entitled “Amount Allowed” is the amount that the Assistant Receiver

hearing on February 28, 2005. On the date of the hearing, the Assistant Receiver filed the February 28, 2005 Report to update amounts for objections on various claims that been resolved prior to the Court hearing.

² On May 11, 2012, the Receiver filed the Receiver’s Application for Order Approving Second Partial Distribution. In numbered paragraph 15.5 of that filing, the Receiver recommends payment of Class 3 Re-evaluated Claims. Those claims are the resubmitted claims made the subject of this Report for which the Receiver recommends an allowance.

recommends the Court allow as to the resubmitted claim.

13. The Assistant Receiver recommends that each of the resubmitted claims referenced on Exhibit 1 be treated as a Class 3 claim under 36 O.S. § 1927.1.

14. Attached as Exhibit 2 is the proposed Notice of Hearing on the Assistant Receiver's Report on Resubmitted Claims Against the Estate and Recommendation to the District Court on the Priority and Amount of Allowance of Such Claims.

15. The Receiver requests the Court approve the recommendations for the resubmitted claims.

**APPLICATION FOR ORDER
APPROVING DISTRIBUTION OF APPROVED AMOUNTS**

16. The Receiver further requests that the Court approve the immediate distribution of the amounts the Court allows as to each of the resubmitted claims addressed above.

17. The AmCare Estate has assets available to make a full distribution of all amounts the Court allows as to the resubmitted claims.

18. This recommended distribution is in the best interests of the AmCare Receivership Estate, its creditors and beneficiaries, and the public in general.

REQUEST FOR RELIEF

WHEREFORE, the Receiver requests that the Court:

- a. order the Receiver to provide notice of opportunity to object and be heard to each of the claimants resubmitting a claim reflected on the attached Exhibit "1" and find that the proposed form of notice attached hereto as Exhibit "2" is proper in all respects;
- b. establish a date for filing an objection to the recommendations of the Assistant Receiver and a date for the Assistant Receiver to file a response to any objections;
- c. establish a date for hearing the Assistant Receiver's recommendations to the Court and any objections thereto;

- d. establish a date for filing an objection to the Receiver's Application for Order of Distribution of Approved Amounts and date for the Assistant Receiver to file a response to any objection;
- e. establish a date for hearing the Receiver's Application For Order of Distribution of Approved Amounts;
- f. upon hearing any objections thereto, enter an order approving (i) the Assistant Receiver's Report and the recommendations contained therein; and (ii) the distribution of each of the amounts the Court allows be paid as to the resubmitted claims reflected on the attached Exhibit 1; and
- g. grant the Receiver such other relief as the Court deems appropriate.

Respectfully submitted,



John M. O'Connor, OBA No. 6741
William W. O'Connor, OBA No. 13200
Jon M. Payne, OBA No. 17910
NEWTON, O'CONNOR, TURNER & KETCHUM, P.C.
15 West Sixth Street, Suite 2700
Tulsa, OK 74119
Phone: (918) 587-0101
Facsimile: (918) 587-0102
joconnor@newtonoconnor.com

-AND-

Mark A. Willingham, OBA # 22769
3613 NW 56th Street, Ste. 330
Oklahoma City, OK 73112
(405) 947-0022 – telephone
(405) 947-0046 – facsimile
mark.willingham@oid.ok.gov

**ATTORNEYS FOR PLAINTIFF, STATE OF
OKLAHOMA, ex rel., JOHN DOAK, Insurance
Commissioner for the State of Oklahoma, as
Receiver for AmCare Health Plans of Oklahoma,
Inc., in Liquidation**

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of ~~June~~ ^{July} ~~2012~~ ²⁰¹², a true and correct copy of the above and foregoing instrument was sent via U.S. Mail, postage paid, to:

AmCare Health Plans of Oklahoma, Inc.
c/o Billy Bostick
Bostick/Crawford Consulting Group
720 Mountain Terrace
Hurst, Texas 76053

Ancareco, Inc.
c/o Thomas S. Lucksinger, President
10200 Old Katy Road
Houston, TX 77043

Owen Laughlin, General Counsel
Oklahoma Insurance Department
3625 NW 56th Street, Ste. 100
Oklahoma City, OK 73112

Oklahoma Receivership Office
Donna Wilson / Debra Crowe
3613 NW 56th Street, Ste. 330
Oklahoma City, OK 73112

James W. Rhodes
Kerr, Irvine, Rhodes & Ables, P.C.
201 Robert S. Kerr Ave., Suite 600
Oklahoma City, Oklahoma 73102

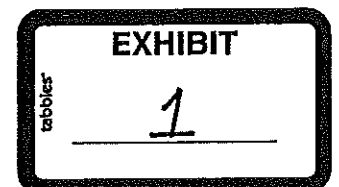
MedImpart Healthcare Systems, Inc.
c/o Kenneth N. Russak
Frantzel Robins Bloom & Csato, L.C.
6500 Wilshire Blvd., 17th Floor
Los Angeles, CA 90048-4920



John M. O'Connor

**AMCARE HEALTH PLANS OF OKLAHOMA INC
PROOF OF CLAIMS RESUBMITTED**

POC NO	AMOUNT CLAIMED	AMOUNT ALLOWED
202	\$229.00	\$0.00
218	\$2,255.00	\$2,255.00
227	\$602.00	\$0.00
603	\$5,507.70	\$5,507.70
611	\$245.00	\$131.34
703	\$182.85	\$0.00
1190	\$2,400.00	\$0.00
1256	\$565,538.56	\$109,481.55
1435	\$39,892.37	\$39,892.37
1453	\$839.16	\$839.16
1664	\$4,521.00	\$2,098.07
1694	\$14,436.40	\$14,436.40
2072	\$1,089.53	\$84.43
2131	\$2,472.78	\$2,472.78
2132	\$8,673.92	\$8,673.92
2133	\$253,423.42	\$253,423.42
2282	\$186.00	\$0.00
2292	\$10,727.65	\$8,803.51
2392	\$33.00	\$0.00
2403	\$48,807.58	\$48,508.63
2436	\$10,045.72	\$10,045.72
2445	\$478.80	\$478.80
2756	\$698.92	\$686.12
2767	\$459.50	\$0.00
2787	\$2,588.48	\$0.00
2995	\$2,747.64	\$2,722.02
2999	\$60.00	\$60.00
3005	\$85,000.00	\$50,010.97
3028	\$1,010.43	\$0.00
3029	\$2,084.64	\$2,084.64
3030	\$616.00	\$275.81
3032	\$33,795.91	\$0.00
3331	\$80.00	\$0.00
3332	\$90.00	\$0.00
3333	\$110.00	\$0.00
3422	\$65.99	\$0.00
3436	\$40,400.83	\$40,400.83
3437	\$8,945.09	\$8,945.09
3446	\$315.00	\$0.00
3475	\$2,557.50	\$2,557.50
3476	\$605.00	\$605.00
3477	\$2,604.00	\$2,604.00
TOTAL 42 Records	\$1,157,422.37	\$618,084.78



STATE OF OKLAHOMA, ex rel.,)
 JOHN DOAK, Insurance Commissioner for)
 the State of Oklahoma, as Receiver for)
 AmCare Health Plans of Oklahoma, Inc.)
)
 Plaintiff,)
)
 vs.)
)
 AmCare HEALTH PLANS OF OKLAHOMA,)
 INC.,)
)
 Defendant.)

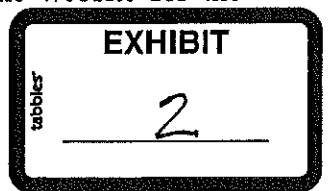
Case No. CJ-2003-5311
The Honorable Lisa T. Davis

NOTICE OF OBJECTION DEADLINE AND HEARING ON THE ASSISTANT RECEIVER’S REPORT AND RECOMMENDATIONS ON RESUBMITTED CLAIMS

You are hereby notified that on **September 7, 2012 at 1:30 p.m.** a hearing will be held before the Honorable Lisa T. Davis, District Court Judge of Oklahoma County, Oklahoma, at which time the Assistant Receiver’s Report and Recommendations on Resubmitted Claims (“Report and Recommendations”) shall be heard. **The hearing will be conducted at the Oklahoma County Courthouse, 321 Park Ave., Room # 325, Oklahoma City, Oklahoma.**

You are receiving this Notice because the Assistant Receiver has evaluated your resubmitted claim and such claim has been adjudicated. The Exhibit enclosed with this Notice sets forth the Assistant Receiver’s recommendations to the Court in relation to your claim.¹ Your claim has been assigned the Proof of Claim number (“POC #”) indicated on the enclosed Exhibit. The attached Exhibit also provides information specific to your claim including the amount of your claim, the Assistant Receiver’s recommendation as to the amount of your claim to be

¹ The Assistant Receiver’s recommendations to the Court regarding your resubmitted claim and other resubmitted claims set for hearing on the referenced hearing date are set forth in the Report and Recommendations on Resubmitted Claims contained in the Assistant Receiver’s Combined Report and Recommendations on Resubmitted Claims and Application for Distribution of Approved Amounts (“Combined Report and Application”), which was filed in the above-entitled matter. A copy of the Combined Report and Application is available on the website for the Oklahoma Receivership Office at www.okaro.org.



allowed, if any, and the Assistant Receiver's recommendation regarding the classification of your claim, which classification reflects the nature of your claim and the priority the Assistant Receiver recommends be given to your claim under Oklahoma law, 36 O.S. § 1927.1.

IF YOU DO NOT WISH TO OBJECT TO THE ASSISTANT RECEIVER'S RECOMMENDATION, YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT THIS TIME. IF YOU WISH TO OBJECT TO THE ASSISTANT RECEIVER'S RECOMMENDATION, YOU MUST FILE A PROPER, WRITTEN OBJECTION WITH THE COURT NO LATER THAN AUGUST 6, 2012. To be a proper, written objection:

- (1) **the objection must contain the case information located at the top of this Notice** (State of Oklahoma, ex. rel. John Doak, Insurance Commissioner v. AmCare Health Plans of Oklahoma, Inc. Case No. CJ-2003-5311, Judge Lisa T. Davis);
- (2) **the objection must be filed with the Clerk of the Oklahoma County District Court**, 320 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, and a copy mailed to the Assistant Receiver's counsel at the address shown below;
- (3) **the objection must be signed by the claimant or the claimant's representative;**
- (4) **the objection must be typewritten on a good grade of white paper size 8 ½ by 11 inches, give the name, current address and telephone number of the claimant making the objection, including the name and position of the person signing the objection, if the claimant is a business; and**
- (5) **the objection must state the exact grounds on which the objection is based and be accompanied by a concise brief that contains (a) a written statement of material facts as to which the objecting party contends no genuine issue exists verified by a person with knowledge of the facts; (b) references to supporting documentation submitted with the proof of claim; and (c) citation to applicable authority supporting the objection;**
- (6) **if you wish to present the Court with oral argument on your objection at the hearing, the objection must indicate your intention to appear at the hearing and make such oral argument. Failure to expressly state an intention to make oral argument in your objection may be deemed by the Court to be a waiver of the right to oral argument.**

Failure to file a timely and proper written objection as described above may result in your objection being denied. If the Court approves your claim in whole or in part, it does not mean that you will actually receive the allowed amount as ordered by the Court. The amount of payment on your claim, if any, is dependent upon the class or priority the Court assigns your claim based on Oklahoma law, and the assets in the estate available for payment. Any questions regarding this Notice, the Assistant Receiver's Recommendations as to your resubmitted claim or any of the other claims to be heard during the hearing on the date referenced above should be directed to the Oklahoma Receivership Office. Contact information for the Oklahoma Receivership Office is set forth below.

Oklahoma Receivership Office

3613 NW 56th, Suite 330
Oklahoma City, OK 73112
Phone: (405) 947-0022
Fax: (405) 947-0046;

Receiver's Counsel Address:

John M. O'Connor
William W. O'Connor
Newton O'Connor Turner & Ketchum
15 West Sixth Street, Suite 2700
Tulsa, OK 74119
(918) 587-0101 (telephone)
(918) 587-0102 (facsimile).