

J. ROBERT WOOLEY, AS ACTING
COMMISSIONER OF INSURANCE FOR
THE STATE OF LOUISIANA

NO. 485,005 DIV. "N"

19TH JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

GULF SOUTH HEALTH PLANS, INC.

STATE OF LOUISIANA

POSTED
MAY 02 2002

ORDER GRANTING FINAL APPROVAL OF PROPOSAL TO FUND WIND UP
PLAN, APPROVING SETTLEMENTS WITH CERTAIN PARTICIPATING
PROVIDERS, AMENDING THE WIND UP PLAN, AND AUTHORIZING AND
APPROVING NOTICE TO OTHER PARTICIPATING PROVIDERS OF THE
OPPORTUNITY TO SETTLE THEIR CLAIMS ON THE SAME TERMS AND
CONDITIONS

OST OK Amt. ✓

MAY - 2 2002

BY CLERK OF COURT

THIS MATTER came on for hearing on April 29, 2002, to consider the following

matters: The proposal of General Health System ("General Health) to make contributions (the "General Health Proposal") to the wind up of the affairs of Gulf South Health Plans, Inc. ("Gulf South"), and the Joint Motion of Gulf South and General Health to Approve Settlement With Certain Participating Providers, Amend the Wind Up Plan, and Authorize and Approve Notice to Other Participating Providers of the Opportunity to Settle Their Claims on the Same Terms and Conditions (the "Settlement Motion"). All terms defined in the Settlement Motion shall have the same meaning in this Order.

CONSIDERING the Petition (the "Commissioner's Petition") that was filed in this matter by the Honorable J. Robert Wooley, Acting Commissioner of Insurance for the State of Louisiana (the "Commissioner"), which seeks to wind up the affairs (the "Wind Up Plan") of Gulf South in accordance with the Wind Up Plan attached as Exhibit G thereto; and

CONSIDERING that the Commissioner's Wind-Up Plan was approved by this Court's Order of June 19, 2001 (the "Wind Up Order"); and

CONSIDERING General Health's Proposal to make contributions to the Wind Up Plan (the "General Health Proposal") which was preliminarily approved by the Court on June 19, 2001; and

CONSIDERING that all objections to the General Health Proposal have been withdrawn or have not been prosecuted subject to this Court's entry of the Stipulated Order dated April 29, 2002 (the "Stipulated Order");

REC'D C.P.
MAY 02 2002

REC'D C.P.
MAY - 1 2002

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
DECREED** as follows:

1. The General Health Proposal is hereby given final approval and General Health is to fund the obligations of Gulf South in full pursuant to and in accordance with the terms and conditions of the Commissioner's Wind Up Plan for the affairs of Gulf South.
2. The Settlement Motion is approved, and the Settlement Agreements with the Initial Settled Providers as well as those providers described in the First Supplement and Second Supplement to the Settlement Motion are similarly approved, and Gulf South is authorized to take all necessary action to consummate the Settlement Agreements as set forth in the Settlement Term Sheet, which includes, but is not limited to, an offer to pay the Participating Providers a Base Settlement Amount that is one-half of a Participating Provider's Principal Claim Amount. The term Principal Claim Amount is defined in the Settlement Motion as the net contractual principal amount of the Settling Provider's claims against Gulf South, less all copayment amounts, deductibles, member responsibility amounts, and refunds due Gulf South by the Settling Provider. No interest, statutory penalties, or contractual penalties or late payment adjustments of any kind, contractual or otherwise, or reversion to "billed charges" regardless of when accrued, incurred, or assessed, will be included in the Principal Claim Amount.
3. Gulf South and General Health are allowed and authorized to solicit other Participating Providers of Gulf South to accept settlements on the same terms and conditions as set forth in the Settlement Term Sheet, and to execute such settlements, without further notice to parties or order from this Court.
4. The Court approves the form of the Settlement Notice Package and the use and distribution thereof (or such substantially similar documents that do not result in a material substantive deviation from the settlement terms set forth in the Terms of Settlement Offer).
5. In connection with the settlements, Gulf South, subject to the administrative regulation of the Commissioner, and General Health are hereby authorized to

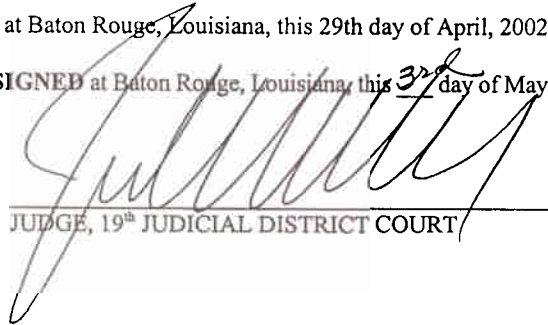
act in all manner as is reasonably consistent with the relief sought in the Settlement Motion and does not result in any substantive alteration thereof.

6. The Commissioner's Wind Up is hereby amended to provide the following priority of payments:
 - a. Administrative expenses of the Wind Up Plan
 - b. Unpaid federal and state employment and withholding taxes
 - c. Accrued annual license taxes due to the State of Louisiana
 - d. Claims by enrollees and subscribers for reimbursement of amounts paid by them
 - e. Claims of providers (in the following order)
 - i. Non-participating providers
 - ii. Participating non-affiliated providers that accept the Settlement Offer
 - iii. Participating non-affiliated providers that do not accept the Settlement Offer
 - iv. Participating affiliated providers
 - f. All other creditors based on the date and time the claim is received
7. The Court refers to and specifically recognizes the entry of the Stipulated Order, and nothing contained herein shall be deemed to alter any of the provisions set forth in the Stipulated Order or the first Joint Stipulation attached thereto and approved in connection therewith.

8. The Court finds, in accordance with La. C.C.P. art. 1915, that this Order and Judgment should be designated as a final judgment, the Court making an express determination that there is no just reason for delay. Further, in Open Court, all parties that are signatory to this Order have stated on the record that they waive their rights of appeal from this Order.

JUDGMENT RENDERED at Baton Rouge, Louisiana, this 29th day of April, 2002.

JUDGMENT READ AND SIGNED at Baton Rouge, Louisiana, this 3rd day of May, 2002.




JUDGE, 19th JUDICIAL DISTRICT COURT

CERTIFIED
TRUE COPY

MAY 03 2002



BY _____
DEPUTY CLERK



19th JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LA.
FILED
2002 MAY -2 AM 8:56
DEPUTY CLERK & RECORDER FOR
DOUG WELBORN
CLERK OF COURT E. R. PARISH

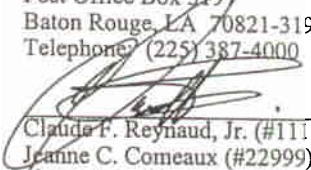
CERTIFIED TRUE COPY
069542
DEPUTY CLERK OF COURT

APPROVED AND AGREED AS TO FORM AND SUBSTANCE:

By Attorneys,

BREAZEALE, SACHSE & WILSON, L.L.P.

23rd Floor, One American Place
Post Office Box 3197
Baton Rouge, LA 70821-3197
Telephone (225) 387-4000



Claude F. Reynaud, Jr. (#11197)

Jeanne C. Comeaux (#22999)

*Counsel for Our Lady of the Lake Hospital, Inc.
d/b/a Our Lady of the Lake Regional Medical Center
and its related entities*

MARTINEZ & BUSER, L.L.C.

1518 Highway 30E
Gonzales, LA-70739

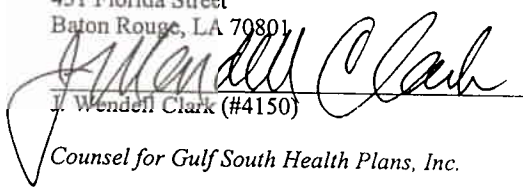


Sue Buser (#18151)

Counsel for Louisiana Department of Insurance

ADAMS & REESE

Bank One Centre, North Tower, 19th Floor
451 Florida Street
Baton Rouge, LA 70801



J. Wendell Clark (#4150)

Counsel for Gulf South Health Plans, Inc.

**KANTROW, SPAHT, WEAVER
& BLITZER (AP LC)**

P.O. Box 2997
445 North Boulevard, Suite 300
Baton Rouge, Louisiana 70821-2997



David S. Rubin (#1525)

Counsel for General Health System

76918

18th JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LA.
FILED
2002 MAY -2 AM 8:55
BY
DEPUTY CLERK & RECORDER FOR
DOUG WELBORN
CLERK OF COURTE 18 PARISH