

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

NO. 485,005 DIV. ~~X~~ N
19TH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

VERSUS

GULF SOUTH HEALTH PLANS, INC.

JUST OK TO Amt. _____

ORDER

FEB 12 2004
BY Al.
DY, CLERK OF COURT

This matter came before the Court on January 23, 2004 on a Joint Motion By Gulf South Health Plans, Inc. and General Health System to Establish Payment Schedule for

Non-Settling Participating Providers, to Confirm Amounts Due to Non-Provider Creditors, and to Amend Wind Up Plan (the "Motion"). Present in court were: J. Wendell Clark, attorney for Gulf South Health Plans, Inc. ("Gulf South"); Scott Keaty, attorney for General Health System ("General Health"); and Sue Buser, attorney for J. Robert Wooley, Commissioner of Insurance as administrative regulator of Gulf South (the "Commissioner").

Considering the above-described Motion, the appearances, arguments and factual representations of the parties, and the evidence offered and accepted, the Court hereby makes the following findings:

- (a) Movers Gulf South and General Health represent that Gulf South has paid the claims of Gulf South enrollees, subscribers, groups, and non-participating providers as received and verified, and has paid the claims of settling participating providers of Gulf South, in accordance with the Wind Up Plan, as amended, and other prior orders of the Court;
- (b) Movers are now prepared to begin payment of the claim amounts previously established in this Wind Up Proceeding for non-settling participating providers, in accordance with a schedule offered for approval by this Court;
- (c) Among the claims of non-settling participating providers are claims of participating providers which are affiliated with Mover General Health ("GHS Affiliated Providers"); based on the representations of counsel for General Health, the Court finds that General Health has purchased the amounts due to GHS Affiliated Providers or that these amounts have otherwise been transferred to General Health, and that General Health has agreed to subordinate its right to receive payment on these claim amounts pursuant to the General Health Funding Plan approved in this Wind Up Proceeding, and by stipulation before the Court; accordingly, the priority of payment schedule under the current Wind Up Plan is to be amended to allow payments to non-provider creditors under category (f) of the present priority of payment schedule ("Category (f) Creditors") to be made in advance of any payments to GHS Affiliated Providers;
- (d) There are approximately 370 non-settling participating providers of Gulf South which are owed a total of approximately \$10,034,000.00; 330 of the 370 are owed \$10,000.00 or less, each, for a total of approximately

\$418,000.00; the remaining 40 providers are due the balance of the \$10,034,000.00;

- (e) Movers have made a proposal to pay in full the non-settling participating providers with claims of \$10,000.00 or less before paying any amounts on claims in excess of \$10,000.00, in order to reduce the expenses of the Final Provider Distribution Plan; they further propose to pay the claims in excess of \$10,000.00 on a *pro rata* basis, in payments in intervals of two times per year, in accordance with the availability of funds under the General Health Funding Plan and at times left to the discretion of Gulf South and General Health, until the full claim amounts have been paid;
- (f) By oral amendment to the Motion, Movers requested authority to contact all non-settling participating providers with claims in excess of \$10,000.00 to give such providers the option of accepting \$10,000.00 in settlement of their claim amount, which would allow such claims to be paid in the first group of payments, and reduce the overall expenses of the Wind Up Plan;
- (g) In furtherance of this Motion, Movers mailed a Notice approved by the Court to all non-settling participating providers advising them of the proposed payment schedule, evidence of which notice and mailing was confirmed by Movers' Exhibit A accepted into evidence by the Court; said Notice required any such provider to file a written objection with the Court and all counsel on or before December 30, 2003, and to appear at the hearing of this matter on January 23, 2004, if any such provider wished to oppose the Motion;
- (h) Additionally, Movers sent Notices approved by the Court to certain Category (f) Creditors of Gulf South to establish the principal claim amounts due such creditors; said Notices were mailed as established by Exhibit A offered by Movers, to the creditors evidenced by Exhibit E, *in globo*, also offered by Movers and accepted into evidence by the Court; the approved Notices required such Category (f) Creditors to file a written objection with the Court and all counsel on or before December 30, 2003, and to appear at the hearing of this matter on January 23, 2004, if any such Category (f) Creditor wished to oppose the Motion and /or the claim amount sought to be established by Movers;
- (i) The proposed schedule, notices and procedures employed for purposes of the Motion, and as described above, were approved by the Commissioner of Insurance as administrative regulator of Gulf South, as evidenced by the Motion and by representations in **open court**;
- (j) There were no objections filed by non-settling participating providers to the payment schedule proposed in the Motion, and no such providers appeared at the January 23, 2004 hearing to object to the Motion, the proposed payment schedule and/or any matters related thereto;
- (k) One Category (f) Creditor, Wood Resources, Inc., filed an objection to the Motion concerning the claim amount to be established for Wood Resources, Inc., which objection was resolved and a claim amount was set by agreement of Wood Resources, Inc. and Movers, as evidenced by Movers' Exhibit B, accepted into evidence by the Court;
- (l) Two other Category (f) Creditors contacted Gulf South and provided additional information and substantiation of claims to be established in this matter, though no formal objections were filed; by agreement, Movers have established the claim amounts due to Postlethwaite and Netterville and to Thomson West/West Publishing, as evidenced by Movers' Exhibits C and D, accepted into evidence by the Court;

- (m) None of the other Category (f) Creditors notified of the Motion and of the claim amount to be allocated to them has filed any objection to the Motion/claim amount, or appeared to address these issues at the January 23, 2004 hearing.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the Joint Motion of Gulf South and General Health, as orally amended, be and hereby is **GRANTED** to allow the following specific relief:

- (1) Gulf South and General Health are hereby authorized to pay in full the previously-established claim amounts for non-settling participating providers with claims of \$10,000.00 or less prior to paying any amounts on claims in excess of \$10,000.00, in accordance with the terms and conditions of the General Health Funding Plan, the Wind Up Plan, as amended, and other prior orders of this Court, as modified by this Order;
- (2) Gulf South and General Health are authorized to contact non-settling participating providers whose claim amounts exceed \$10,000.00 and offer each of them an opportunity to accept the amount of \$10,000.00 as full and final settlement of their claims, and are allowed to pay any such provider who agrees to accept \$10,000.00 on the schedule described in the previous paragraph;
- (3) After payments to non-settling participating providers with claims of \$10,000.00 or less, and to such providers who agree to accept \$10,000.00 as full and final payment, the remaining non-settling participating providers shall be paid on a *pro rata* basis on intervals of two payments per year, as funds are available under the General Health Funding Plan and at times within the discretion of Movers, in accordance with the terms and conditions of the General Health Funding Plan, the Wind Up Plan, as amended, and other prior orders of this Court, until such providers have been paid in full;
- (4) The Wind Up Plan and other prior orders of this Court, as appropriate, are hereby amended to allow the voluntary subordination of claims of GHS Affiliated Providers, so that such claims will be paid after claims of all other creditors of Gulf South; the priority of payment schedule under the Wind Up Plan is therefore amended to read as follows:
 - 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;
 - f. Claims of all non-provider creditors, not heretofore provided for (based on the date and time the claim is received);

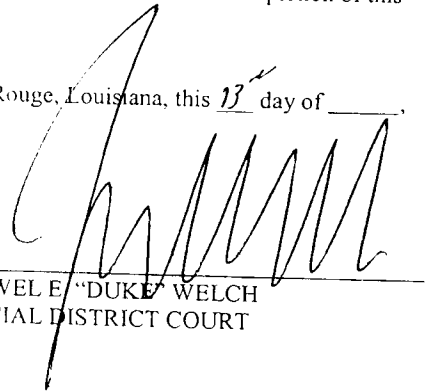
g. Claims of GHS Affiliated Providers.

(5) The final claim amounts due to certain Category (f) Creditors of Gulf South are hereby established and confirmed as follows:

Adams and Reese LLP	\$ 2,307.54
Allied Systems	\$ 0.00
Keubel-Fuchs Company	\$45,803.66
National Yellow Pages	\$ 0.00
Paper Trail Record Service	\$ 0.00
Pitney Bowes Credit Corporation	\$ 0.00
Postlethwaite and Netterville	\$12,000.00
Reed Elsevier-New Providence	\$ 0.00
St. Anthony Publishing	\$ 0.00
St. Bernard News	\$ 0.00
SunGard Corbel	\$ 2,042.78
Thomson West/West Publishing	\$ 1,352.03
Plan Vista Solutions (formerly NPPN)	\$ 0.00
Multiplan, Inc.	\$ 0.00
Evolutions Healthcare Systems	\$ 972.65
Wood Resources, Inc.	\$29,998.16

(6) Gulf South and General Health are hereby relieved of any further responsibility to investigate or reconcile the amounts of the Category (f) Creditor claims listed above, and the listed amounts shall be considered the only amounts due by Gulf South to such creditors in completion of this Wind Up Proceeding.


THIS DONE AND SIGNED in Baton Rouge, Louisiana, this 13th day of _____,

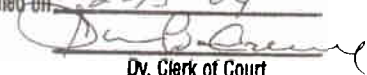

JUDGE JEWEL E. "DUKE" WELCH
19TH JUDICIAL DISTRICT COURT

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DOUG WELBORN
CLERK OF DISTRICT COURT, PARISH

APPROVED AS TO FORM

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J. WENDELL CLARK (#4150)
ATTORNEY FOR GULF SOUTH
HEALTH PLANS, INC.

I hereby certify that on this day a copy of the above judgment was mailed by me, with sufficient postage affixed to: *all known counsel + counsel parties*
Done and signed on 2-13-04

Dy. Clerk of Court

CERTIFIED TRUE COPY

FEB 13 2004


DEPUTY CLERK

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**ATTORNEY FOR J. ROBERT WOOLEY,
COMMISSIONER OF INSURANCE FOR
THE STATE OF LOUISIANA AS
ADMINISTRATIVE REGULATOR
OF GULF SOUTH HEALTH PLANS, INC.**

CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of February, 2004, a true and correct copy of the foregoing pleading was served on Richard C. Stanley, Stanley & Flanagan, L. L. C., 909 Poydras Street, Suite 2636, New Orleans, LA 70112-1099; Mr. Christopher J. Crouch, Babovich, Spedale & Chauvin, 111 Veterans Memorial Blvd., Suite 340, Metairie, LA 70005-3031; Mr. Charles Bruce Colvin, House, Kingsmill & Rice, LLC, 201 St. Charles, Ave., Suite 3300, New Orleans, LA 70170; Ms. Mary H. Thompson, 9000 Airline Highway, Suite 330, Baton Rouge, LA 70815; and Mrs. Arlene Knighten, Office of Attorney General, 301 Main Street, Suite 1250A, Baton Rouge, LA 70801-1916.

Wendell Clark
J. Wendell Clark

FILED
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DOUG WELBORN
CLERK OF COURT E.B.R. PARISH