

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

NUMBER 485,005 DIV. "N"
19TH JUDICIAL DISTRICT

VERSUS

GULF SOUTH HEALTH
PLANS, INC.

PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

ORDER APPROVING PLAN FOR FINAL DISTRIBUTION OF ASSETS
OF GULF SOUTH HEALTH PLANS, INC. TO NON-SETTLING
PARTICIPATING PROVIDERS

BEFORE THE COURT, on September 3, 2002, came and appeared the
following parties, through their counsel:

GULF SOUTH HEALTH PLANS, INC.
J. Wendell Clark

J. ROBERT WOOLEY, ACTING COMMISSIONER OF INSURANCE
Sue Buser

GENERAL HEALTH SYSTEM
David S. Rubin

concerning a Motion by Gulf South Health Plans, Inc. ("Gulf South") and J. Robert
Wooley in his capacity as Acting Commissioner of Insurance for the State of
Louisiana and court-appointed regulator of Gulf South Health Plans, Inc. (the
"Commissioner") seeking approval of a plan for the final distribution of assets of
Gulf South Health Plans, Inc. to non-settling participating providers of Gulf South;

CONSIDERING the following matters established by the present Motion,
the record in this matter, and certain uncontested evidence proffered by movers:

- (1) movers filed their Motion seeking approval of a plan for final
distribution of assets of Gulf South to non-settling participating
providers on or about May 30, 2002;
- (2) pursuant to an Order of this Court, any non-settling participating
provider of Gulf South which objected to the plan for final distribution
of assets, including but not limited to any objection to the amount
adjudicated by Gulf South as due such provider, was ordered to file a
written objection with the Clerk of this Court on or before July 8, 2002,
with copies of such written objection to be served on counsel for Gulf
South, General Health System, and the Commissioner, and that such
objecting parties were to appear and show cause on September 3, 2002
why the present Motion should not be granted;

- (3) the record in this matter shows that five written objections were timely filed, by Opelousas General Hospital, Dr. Elizabeth McDonald, Dr. James Maher, Infectious Disease Associates, and Northshore Chiropractic Clinic;
- (4) Dr. James Maher and Dr. Elizabeth McDonald have resolved their objections after conferring with Gulf South;
- (5) Opelousas General Hospital, Infectious Disease Associates, and Northshore Chiropractic Clinic are engaged in efforts to resolve their accounts with Gulf South, and these parties have agreed to pass the hearing on their objections, as scheduled on September 3, 2002, to be rescheduled at a later date if necessary, and with all parties reserving their rights in connection with the Motion and objections thereto;
- (6) the Motion of Gulf South and the Commissioner otherwise calls for a fixing of amounts due to non-settling participating providers as reflected in the claims records of Gulf South as of May 13, 2002, shown on Exhibit A to movers' Motion, submitted to the Court under seal with the Motion, except that ten providers, listed on Exhibit C (under seal) to the Motion have been excepted therefrom by agreement, due to ongoing account reconciliation efforts and/or other unique circumstances;
- (7) movers have shown that proper notice was sent out to all non-settling participating providers by mail as of June 7, 2002, and by posting such notices on Gulf South's website, advising affected providers of the requirements for filing objections and appearing at this hearing, as described above;
- (8) movers have shown that Gulf South has diligently engaged in a process of adjudicating amounts due to participating providers for more than twelve months, since this Wind Up Proceeding was initiated;
- (9) Gulf South and the Commissioner have shown that the amounts adjudicated by Gulf South as of May 13, 2002 are accurate within a reasonable, and not material, margin of error;
- (10) movers show there are approximately 1,600 participating providers owed sums by Gulf South, and approximately 1,500 additional participating providers who contracted to provide services to Gulf South during the three years prior to Wind Up, but for whom Gulf South reflects either negative or zero balances in Gulf South's records;
- (11) the costs of engaging in ongoing adjudication of individual claims and individual service amounts for this number of providers, considering the small margins for error, outweigh any benefit to be gained from such continuing efforts, such that movers show it is in the best interests of creditors and other interested parties that the amounts of these accounts be fixed as of May 13, 2002;
- (12) the three providers named above, who have timely objected to fixing such amounts and to approval of the subject Distribution Plan, Opelousas General Hospital, Infectious Disease Associates, and

Northshore Chiropractic Clinic, will be allowed to maintain their objections while these parties and Gulf South attempt to resolve the objections stated, and the providers originally excepted from this Motion, as listed on Exhibit C to the Motion, will continue to be excepted from this Order;

IT IS ORDERED, ADJUDGED AND DECREED that the Motion of Gulf South and the Commissioner for approval of a plan for final distribution of Gulf South assets to non-settling participating providers is hereby granted and approval given as follows:

- (a) the amounts shown as due by Gulf South to non-settling participating providers as of May 13, 2002, as set forth on the Fully Insured Claim Adjudication and Determination Schedule, provided to the Court as Exhibit A under seal with the original Motion, are hereby confirmed and fixed as shown thereon, subject to exceptions for Opelousas General Hospital, Infectious Disease Associates, and Northshore Chiropractic Clinic, and subject to the exceptions listed on Exhibit C to the original Motion;
- (b) the amounts shown on account for all non-settling participating providers, except those described in the previous paragraph, whether shown as due by Gulf South, due to Gulf South, or zero balances, shall be fixed and determined for all purposes in this Wind Up Proceeding;
- (c) Gulf South is allowed to cease any further reconciliation or adjudication efforts for participating provider accounts, except relative to the providers described in item (a), or as hereafter ordered by the Court;
- (d) the amounts as shown shall be approved for payment in accordance with the General Health Funding Proposal and other prior Orders of the Court, as funds become available under the Funding Proposal and Gulf South Wind Up Plan.

THUS DONE AND SIGNED this 14 day of September, 2002, in Baton Rouge, Louisiana.

HONORABLE JUDGE JEWEL E. (DUKE) WELCH
19TH JUDICIAL DISTRICT COURT

By:

J. Wendell Clark
J. WENDELL CLARK (#4150)

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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

known parties
Done and signed on 10-9-04-02

[Signature]
Dy. Clerk of Court

FILED

SEP 14 2002

[Signature]
Dy. Clerk of Court

**CERTIFIED
TRUE COPY**

SEP 14 2002

[Signature]
DEPUTY CLERK