

WIND UP PLAN FOR GULF SOUTH HEALTH PLANS, INC. SUBMITTED
BY THE COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA

The affairs of Gulf South Health Plans, Inc. ("Gulf South") will be wound up under the administrative regulation of the Commissioner of Insurance for the State of Louisiana ("the Commissioner") in accordance with the terms of this Wind Up Plan ("the Wind-Up Plan"), as follows:

1. Gulf South will remain in existence as a separate corporation during the period of wind up and retain such staff as is necessary to implement the Wind Up Plan, which staff will be subject to the administrative regulation of the Commissioner. The costs of such staff and the operating expenses of Gulf South during the Wind Up Plan, including the expenses of the Commissioner, which shall include, but not be limited to, attorneys fees and all other out of pocket expenses for implementation of the Wind Up Plan, will be an administrative expense of the Wind Up Plan.
2. The Court will retain jurisdiction over Gulf South and the Wind Up Plan, and Gulf South will remain subject to the administrative regulation of the Commissioner, until all payments required to be made to enrollees, subscribers, providers and other creditors of Gulf South under the Wind Up Plan have been made.
3. The Court will set a cut off date by which claims of enrollees, subscribers, providers and other creditors of Gulf South must be submitted (the "Claims Bar Date"), which date shall be the date that is sixty (60) days from the date of the signing of the order filed with the petition filed by the Commissioner for the wind up of the affairs of Gulf South, a Louisiana health maintenance organization. All timely filed submitted claims shall be adjudicated by the Gulf South staff under the administrative regulation of the Commissioner and all such claims shall be extinguished upon payment thereof in accordance with the Wind Up Plan.
4. Quarterly periodic reports on the status of the Wind Up Plan, prepared by the Gulf South staff subject to the administrative regulation of the Commissioner, will be filed with the Court at such times and containing such information as the Court may require.
5. All policies and plans of Gulf South pursuant to which Gulf South is required to provide coverage to enrollees and subscribers, other than under the contract (the "EBRPSB Contract") between Gulf South and the East Baton Rouge Parish School Board (the "School Board"), have been assumed, and pursuant to an agreement between the School Board and

Gulf South, the EBRPSB Contract terminated May 15, 2001. Accordingly, Gulf South shall provide no further coverage to any enrollee or subscriber.

6. All obligations of Gulf South will be paid as funds become available, subject to the administrative regulation of the Commissioner, and pursuant to the orders of this Court, in accordance with a schedule of priorities, 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 the State of Louisiana
- d) Claims by enrollees and subscribers for reimbursement of amounts paid by them
- e) Claims of providers

Claims of non-participating providers (Those providers who do not have a contract with Gulf South for the provision of services to Gulf South enrollees and subscribers)

Claims of participating non-affiliated providers (Those providers who have a contract with Gulf South for the provision of services to Gulf South enrollees and subscribers but are not affiliates of the General Health System, other than First Care, Inc. and the home health care division of Behavioral Health, Inc., which claims shall be paid in the same manner as the claims of participating non-affiliated providers)

Claims of participating affiliated providers (Those providers who have a contract with Gulf South for the provision of services to Gulf South enrollees and subscribers and are affiliates of the General Health System, other than First Care, Inc. and the home health care division of Behavioral Health, Inc.)

- f) All other creditors based on the date and time the claim is received.

The March 31, 2001 Quarterly Statement of Gulf South, reflecting cash on hand, assets and known liabilities of Gulf South as of March 31, 2001 is attached hereto and incorporated herein and marked **Exhibit A**.

7. Pursuant to the excerpt of the meeting of the Board of Directors/Trustees of General Health System of September 11, 1997 and the letter by the chief executive officer of General Health System dated September 17, 1997, copies of which are attached hereto and incorporated herein and marked **Exhibit B**, and in accordance with the terms and conditions of the General Health System proposal for its contributions to the Wind Up Plan, which is attached as Exhibit 1 to the petition for intervention filed herein by General Health System, subject to the approval of such proposal by the Court, General Health System will pay to Gulf South such amounts so that all of the obligations of Gulf South under this Wind Up Plan are paid in full.

8. It is anticipated that the claims of participating providers will be paid at agreed upon contract rates, or settled for amounts below agreed upon contract rates with the consent of the providers and that interest will be paid on the amounts due by Gulf South only under the terms of the General Health System proposal for its contributions to the Wind Up Plan, which is submitted to the Court by General Health System in its Petition for Intervention filed in this matter.
9. Distributions of funds under the Wind Up Plan will be made in the manner, at the time, and in the amounts to be approved by the Court.
10. Gulf South's subsidiary, Gulf South Administrators, which entity holds and will continue to hold a third party administrator license from the Louisiana Department of Insurance, will continue the servicing of plans where Gulf South Administrators acts as third party administrator until such time as all such plans can be moved to other third party administrators, which is estimated to take about sixty to ninety days from the date of approval of the Wind Up Plan.