

**Florida Health Maintenance Organization Consumer Assistance Plan
Board of Directors Meeting
Jan. 5, 2012**

Board Members Participating

Lisa Strunk Davies, Chairman
John Hogan, Vice Chairman
Craig Drablos, Secretary/Treasurer
Chris Ciano
David Schandel

Others Participating

Mary Schwantes, Florida Department of Financial Services
Sha'Ron James, Florida Department of Financial Services
E.W. Stewart, Florida Department of Financial Services
Eric Scott, Florida Department of Financial Services
Al Willis, Florida Department of Financial Services
Chris Struk, Florida Office of Insurance Regulation
Joe Erhart, Florida Office of Insurance Regulation
Jim Bracher, Florida Association of Health Plans
Bruce Platt, Akerman Senterfitt
LeShan Smith, Akerman Senterfitt
Sheryl Rosen, Akerman Senterfitt

I. Call to Order

Chairperson Davies noted the presence of a quorum and called the meeting to order.

II. Antitrust Preamble

Chairperson Davies noted the following antitrust preamble and directed the participants to review it:

We are here to discuss and act on matters relating to the business of the Florida Health Maintenance Organization Consumer Assistance Plan ("HMOCAP"). We are not here to discuss or pursue the business of our individual member companies. All of us should proceed with caution and awareness of the requirements and prohibitions of federal and state antitrust laws. We should not engage in discussions, either at this meeting or in private conversation, of our individual companies' plans or contemplated activities. We should concern ourselves only with the business of the HMOCAP as set forth in the agenda for this meeting. Only HMOCAP matters may be discussed at the meeting and each company's business plans cannot be discussed.

III. Approval of Minutes, Sept. 26, 2011 Board Meeting and Nov. 28, 2011 Investment Advisory Committee Meeting

Chairperson Davies asked if the Board had any suggested revisions to the minutes of the Sept. 26, 2011 Board meeting and the Nov. 28, 2011 Investment Advisory Committee meeting. There being none, Mr. Drablos moved to approve the minutes. Mr. Hogan seconded the motion, which passed unanimously.

IV. SunStar Settlement Funds

Mr. Platt informed the Board that in addition to the \$2.4 million in settlement funds from the SunStar estate, the HMOCAP received a subsequent distribution of approximately \$2.3 million. He inquired with the Florida Department of Financial Services ("DFS") as to the reason for the second distribution. DFS later explained the funds were sent in error and requested that the HMOCAP return the funds.

Mr. Platt stated that after investigating the matter, he agreed that the second distribution was erroneous. He noted that the return of the distribution was discussed at the November 28 Investment Advisory Committee meeting, and he proposed that the Board return the distribution amount and the interest it has earned while under the control of the HMOCAP minus bank fees the HMOCAP incurred to receive and transmit the wire transfer.

Mr. Ciano moved to authorize Mr. Platt to return the funds as proposed. Mr. Hogan seconded the motion, which passed unanimously.

Mr. Platt and Ms. Schwantes then agreed to communicate after the Board meeting regarding the process for returning the distribution.

V. UltraMedix Settlement Funds

Mr. Platt stated that the HMOCAP recently received two distributions from the UltraMedix estate. Ms. Schwantes explained that the distributions consisted of a total of \$355,028.86, including \$351,253.72 in Class 1 claims and \$3,775.14 in Class 3 claims.

She also expressed appreciation for the HMOCAP's cooperation regarding the Sunstar erroneous distribution. She stated that DFS is in the process of preparing guidelines to formalize its distribution process based upon the 2003 court order in the SunRise estate that sets forth the process for distributions of estate funds to the HMOCAP.

Mr. Platt asked Ms. Schwantes if the HMOCAP can expect additional distributions. Ms. Schwantes responded that she should have estimates of distributions from other insolvencies within approximately one month.

Mr. Drablos asked if the UltraMedix funds would be deposited in the Special Purpose Investment Account ("SPIA"). Mr. Platt answered that the HMOCAP has a cap on the amount of funds it can invest in SPIA, and the HMOCAP has reached that cap, so the funds could not be placed into SPIA.

VI. Potential Investment Options

Mr. Drablos noted that Mr. Platt and Ms. Smith sought proposals from Wells Fargo and Merrill Lynch regarding options for investing the SunStar distribution and other funds not deposited with SPIA. Both companies responded with similar recommendations, based on the HMOCAP's investment guidelines, to invest the funds in a set of laddered CDs. Because the HMOCAP has an existing relationship with Wells Fargo, Mr. Drablos recommended investing the funds with Wells Fargo pursuant to its proposal. Mr. Drablos noted that Wells Fargo did not recommend that the HMOCAP amend its investment strategy at this time to allow investments in bonds, but he said the HMOCAP may want to revisit this in the future.

Mr. Platt added that he and Ms. Smith researched the other investment options discussed during the November Investment Advisory Committee meeting, but that none provided a more favorable option than laddered CDs.

Mr. Drablos made a motion that the HMOCAP should invest the SunStar distribution and other funds, not invested with SPIA and not necessary for operations, in a CD ladder with Wells Fargo. Mr. Ciano seconded the motion. Mr. Drablos clarified that the motion included moving funds the HMOCAP currently has deposited with other financial institutions (except for SPIA), unless the funds are held in CDs at those institutions. He said that his motion would allow the funds to remain with the CDs until their maturity dates, when they would then move to the Wells Fargo laddered proposal. With this clarification, the motion passed unanimously.

VII. Draft Policy and Procedures Manual

Mr. Platt stated that auditors previously suggested that the HMOCAP develop a policies and procedures manual to govern its operations, and he noted that the draft manual was included with the meeting materials. Mr. Platt asked the Board for suggested revisions or changes. Hearing none, Mr. Platt added that he believes the manual is a good start that can be amended as needed in the future.

Chairperson Davies asked for a motion to approve the draft manual as written. Mr. Hogan moved to do so, and Mr. Schandel seconded the motion, which passed unanimously.

VIII. Adjourn

Chairperson Davies asked if the Board had other matters to discuss. There being no further business, Mr. Drablos moved to adjourn. Mr. Ciano seconded the motion, and the meeting was adjourned.