MAXICARE HEALTH PLANS INC
Form 10-Q
November 12, 2003

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

[X]	**Quarterly report pursuant to Section 13 or 15(d) of the Securities Act of 1934 for the quarterly period ended September 30, 2003**
	or
[ ]	**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number: 0-12024

MAXICARE HEALTH PLANS, INC.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**95-9615709** **(I.R.S. Employer Identification No.)**
11231 South La Cienega Boulevard, Los Angeles, California **(Address of principal executive offices)**	**90045** **(Zip Code)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes [X] No [ ]

Common Stock, $.01 par value 9,991,926 shares outstanding as of November 11, 2003.

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PART I: FINANCIAL INFORMATION

Item 1: Financial Statements.

MAXICARE HEALTH PLANS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except par value)

	September 30, 2003	December 31, 2002
	(Unaudited)	
Current Assets		
Cash and cash equivalents	$ 5,961	$ 2,636
Other current assets	5	7
Total Assets	$ 5,966	$ 2,643
Current Liabilities		
Estimated claims and other health care costs payable	$	$ 736
Accounts payable		76
Accrued salary expense	205	328
Other current liabilities	7,062	9,019
Total Current Liabilities	7,267	10,159
Long-Term Liabilities	1,900	2,091
Total Liabilities	9,167	12,250
Shareholders Equity		
Common stock, $.01 par value 80,000 shares authorized, 9,742 shares issued and outstanding at December 31, 2002; 9,992 shares outstanding at September 30, 2002	98	98
Additional paid-in capital	283,466	283,466
Note receivable from shareholder		(3,408)
Accumulated deficit	(286,765)	(289,763)
Total Shareholders Equity	(3,201)	(9,607)
Total Liabilities and Shareholders Equity	$ 5,966	$ 2,643

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MAXICARE HEALTH PLANS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except per share data)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2003	**2002**	**2003**	**2002**
Revenues				
Investment income	$ 8	$ 10	$ 22	$ 40
Other income	13	100	3,413	268
Total Revenues	21	110	3,435	308
Expenses				
Health care expenses			(1,146)	
Salary, general and administrative expenses	537	252	1,333	752
Depreciation and amortization				120
Litigation and contract settlement charges			250	880
Impairment of leased assets				1,036
Total Expenses	537	252	437	2,788
Income (loss) before income taxes	(516)	(142)	2,998	(2,480)
Income tax provision				
Net income (loss)	$ (516)	$ (142)	$ 2,998	$ (2,480)
Net income (loss) per common share:				
Basic income (loss) per common share:				
Basic income (loss) per common share	$ (.05)	$ (.01)	$ .31	$ (.25)
Weighted average number of common shares outstanding	9,992	9,742	9,825	9,742
Diluted income (loss) per common share:				
Diluted income (loss) per common share	$ (.05)	$ (.01)	$ .31	$ (.25)
Weighted average number of common and common dilutive potential shares outstanding	9,992	9,742	9,825	9,742

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MAXICARE HEALTH PLANS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

(Amounts in thousands)

	Number of Common Shares	Common Stock	Additional Paid-in Capital	Other	Accumulated Deficit	Total
Balances at December 31, 2002	9,742	$ 98	$283,466	$(3,408)	$(289,763)	$(9,607)
Net income					2,998	2,998
Common shares issued	250					
Collection of note from shareholder				3,408		3,408
Balances at September 30, 2003	9,992	$ 98	$283,466	$	$(286,765)	$(3,201)

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MAXICARE HEALTH PLANS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the nine months ended September 30,	
	2003	**2002**
Cash Flows from Operating Activities:		
Net income (loss)	$ 2,998	$ (2,480)
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
Depreciation and amortization		120
Impairment of leased assets		1,036
Changes in assets and liabilities:		
Increase (decrease) in estimated claims and other health care costs payable	(736)	113
Decrease in deferred income		(113)
Changes in other miscellaneous assets and liabilities	(2,345)	379
Net cash used for operating activities	(83)	(945)
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of marketable securities		304
Collection of note receivable from shareholder	3,408	
Net cash provided by investing activities	3,408	304
Net increase (decrease) in cash and cash equivalents	3,325	(641)
Cash and cash equivalents at beginning of period	2,636	3,426
Cash and cash equivalents at end of period	$ 5,961	$ 2,785

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MAXICARE HEALTH PLANS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Business Description

Maxicare Health Plans, Inc., a Delaware corporation (MHP), is a holding company that formerly operated subsidiaries, primarily in the field of managed care. As of January 1, 2002 substantially all operations of MHP and its subsidiaries were terminated. Additionally, as of September 30, 2003 we were not engaged in any business activities and we had a substantial working capital deficiency. See Note 5.

The California and Indiana HMOs and Maxicare Life and Health Insurance Company are currently in liquidation. We will receive no distribution of assets from the California HMO, are unlikely to receive any distribution of assets from the Indiana HMO, and may or may not receive a distribution from Maxicare Life and Health Insurance Company. Any distribution from Maxicare Life and Health Insurance Company, if assets ultimately are available for distribution, will require regulatory approval.

We own Health Care Assurance Company, Ltd., a captive insurer that provided certain insurance coverage to MHP and its subsidiaries. Effective January 31, 2002 Health Care Assurance Company, Ltd., ceased providing all such insurance. We also served as administrator of the California Access for Infants and Mothers (AIM) program through another of our subsidiaries. Administration of the AIM program was transferred to another health care provider effective March 15, 2002.

Note 2 Significant Accounting Policies

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. In the opinion of management, all adjustments considered necessary for a fair presentation, which consist solely of normal recurring adjustments, have been included. All significant intercompany balances and transactions have been eliminated.

Basis of Consolidation

The accompanying unaudited consolidated financial statements include the accounts of the Company and its subsidiaries. The accounts of the California HMO, the Indiana HMO and Maxicare Life and Health Insurance Company are not consolidated. All significant intercompany balances and transactions have been eliminated.

Accounting Policies

For further information on MHP and subsidiaries (collectively we or the Company) and our accounting policies refer to the consolidated financial statements and accompanying footnotes included in our annual report on Form 10-K for the year ended December 31, 2002.

Earnings per Share

The denominator used in calculating both basic and diluted earnings per share in the consolidated Statements of Operations is the weighted average number of shares outstanding for each period indicated. All potentially dilutive securities, consisting solely of employee stock options, were antidilutive for each of the periods presented in the consolidated Statements of Operations.

Stock-Based Compensation

We account for stock-based compensation under the recognition and measurement principles (the intrinsic-value method) prescribed in Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees,* and related interpretations. Compensation cost for stock options is reflected in net income and is measured as the excess of the market price of the Company s stock at the date of grant over the amount an employee must pay to acquire the stock.

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SFAS No. 123, *Accounting for Stock-Based Compensation,* established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. In December 2002, SFAS No. 148, *Accounting for Stock-Based Compensation Transition and Disclosure* was issued. SFAS No. 148 amends SFAS No. 123 to provide alternative methods of transition to SFAS No. 123 s fair value method of accounting for stock-based employee compensation. It also amends and expands the disclosure provisions of SFAS No. 123 and APB Opinion No. 28, *Interim Financial Reporting,* to require disclosure in the summary of significant accounting policies of the effects of an entity s accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While SFAS No. 148 does not require companies to account for employee stock options using the fair-value method, the disclosure provisions of SFAS No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair-value method of SFAS No. 123 or the intrinsic-value method of APB Opinion No. 25. The Company has elected to continue to account for stock-based compensation using the intrinsic-value method according to APB Opinion No. 25.

No compensation expense was recorded under the intrinsic value method for the three and nine months ended September 30, 2003 and 2002. Additionally, no material expense would have been recognized under the fair value method for the three and nine months ended September 30, 2003 and 2002.

Reclassifications

Certain items in the consolidated Statements of Operations for the nine months ended September 30, 2002 have been reclassified to conform to the 2003 presentation.

Note 3 Other Income

In or about November 1999, MHP, on its own behalf and also on behalf of various closed and then operating subsidiaries, commenced an action in the United States Court of Federal Claims against the United States, seeking recovery in connection with the underpayment of amounts due for health care coverage provided to employees of the United States Office of Personnel Management.

On or about June 9, 2003 a settlement with the Office of Personnel Management was approved by the Court. The net settlement amount, after payment of attorneys fees and expenses, was approximately $5.3 million. Of this amount, MHP received approximately $3.4 million, which included reimbursement of litigation expenses. The balance of the net settlement amount was payable directly to the liquidators / receivers / debtors in possession of certain subsidiaries. The amount due MHP of $3.4 million was recorded as Other Income in the Consolidated Statements of Operations for the quarter ended June 30, 2003. Funds totaling $3.413 million were received in August 2003. Accordingly, additional Other Income of $.013 million was recorded for the quarter ended September 30, 2003.

Note 4 Health Care Expenses

From February 1, 1997 through May 4, 2001, Health Care Assurance Company provided certain reinsurance coverage to Transamerica, a nonaffiliated company, in connection with excess of loss health care claims and continuation of care / insolvency coverage for Medicaid HMO claims arising under coverage provided by Transamerica to Maxicare Indiana, Inc. This coverage terminated on May 4, 2001, when Maxicare Indiana, Inc. was placed into rehabilitation by the Indiana Department of Insurance. Under the terms of the contract with Transamerica, Transamerica was liable only for claims that were incurred through May 4, 2001 and were reported to Transamerica by April 30, 2003. Health Care Assurance Corporation s contract with Transamerica required it to provide a $600,000 letter of credit to secure its obligations to Transamerica. On October 1, 2001, Transamerica drew down the full amount of the letter based on its estimate of the covered claims which would be payable, and the Company reduced claims liability by the amount of the letter of credit. Through June 30, 2003, Transamerica had paid approximately $190,000 from the proceeds of the letter of credit.

In July 2003 Transamerica informed the Company that it would be returning approximately $410,000, representing the unused portion of the funds drawn from the letter of credit, to Health Care Assurance Company. Additionally, the liquidator of Maxicare Indiana, Inc. stated to the court that no claim on the continuation of care / insolvency portion of the coverage is currently contemplated.

As a result of these events, the Company reduced its claims reserves under this coverage to zero, and recorded a receivable from Transamerica in the amount of $410,000 at June 30, 2003. We collected the receivable of $410,000 from TransAmerica in August of 2003.

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Note 5 Liquidity and Going Concern Issues

At September 30, 2003 we had a consolidated working capital deficiency of approximately $1.3 million, and a deficiency in shareholders equity of approximately $3.2 million. Furthermore, of our total cash of $5.96 million at September 30, 2003, $2.5 million was held at Health Care Assurance Company, Ltd. The transfer of cash to MHP from Health Care Assurance Company, Ltd requires the approval of regulatory authorities. In July 2003 we received approval to transfer $300,000 from Health Care Assurance Company to MHP, of which $200,000 had been transferred at November 1, 2003.

As noted above, we had no continuing business activities after March 15, 2002. We have no access to cash held at Health Care Assurance Company except to the extent regulatory authorities approve the transfer of cash to MHP. We are involved in various legal actions brought against us in the normal course of business, some of which seek damages in amounts that exceed those accrued in our consolidated balance sheets. The ultimate liability for these legal actions cannot be determined and could materially affect our consolidated financial position, results of operations or cash flows, if resolved unfavorably. See Note 6.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties.

Management is exploring possible strategies to realize any possible value remaining in the Company; however, given our financial condition, our stock price and the claims against us, it is very possible that management will not be successful in these efforts, and we may seek protection under the Bankruptcy Code.

Note 6 Commitments and Contingencies

Litigation and Contract Terminations

On or about June 25, 2001, the Commissioner of the Indiana Department of Insurance (the Commissioner), as the rehabilitator of Maxicare Indiana, Inc., the Company s Indiana HMO, filed a complaint (the Complaint) in the Marion County Circuit Court of Indiana against the Company and the five directors of the Indiana HMO, one of whom was a director of the Company. The Commissioner amended the Complaint on February 1, 2002. The Complaint, as amended, alleges, in substance, that: (1) the directors of the Indiana HMO breached their fiduciary duty by failing to maintain a plan providing for continuation of care benefits in the event that the Indiana HMO was placed in receivership, and that the Company is also liable for such failure; (2) the Company fraudulently concealed the financial condition of the Indiana HMO; (3) the Company manipulated the finances of the Indiana HMO for the Company s own benefit; and (4) the Company received preferential and/or fraudulent transfers of money from the Indiana HMO. The amended Complaint requests money damages but does not specify the amount of damages sought, except that it seeks approximately $3.5 million respecting the alleged preferential and/or fraudulent transfers. All defendants answered the amended Complaint on April 5, 2002. Pre-trial discovery is proceeding but is not yet completed. The Company believes that the claims against it are without merit and intends to vigorously defend the suit.

On or about February 10, 2003, Peter J. Ratican, a shareholder and former executive officer and director of MHP, commenced an action against the Company in the Superior Court of the State of California, alleging that the Company had breached his consulting agreement with it and claiming damages in excess of $700,000. On March 11, 2003, Mr. Ratican obtained an attachment in the amount of $767,000 against the Company in connection with his claim. The Company is defending the action. There has been little pre-trial discovery to date. The Company has moved for a declaration regarding certain tax issues relating to Mr. Ratican s consulting contract, and the motion is pending. The attachment has been offset against the liability recorded in connection with this matter.

Effective January 1, 2001, the Company entered into a Pharmacy Benefits Management Agreement (the PBM Agreement) with Medimpact Healthcare Systems, Inc. (Medimpact). The PBM Agreement called for Medimpact to process and fill within its network of contracting pharmacies prescriptions for members of Maxicare Life and Health Insurance Company, Inc., the California HMO and the Indiana HMO. The PBM Agreement called for the Company to reimburse Medimpact for the cost of drugs dispensed and to pay per transaction administrative fees on a bi-weekly basis. As a result of the Indiana HMO being placed in rehabilitation and the California HMO s bankruptcy, Medimpact allegedly has not received reimbursement for certain prescriptions filled on behalf of the members of those subsidiaries. Although it has yet to do so, Medimpact may seek reimbursement from the Company for such costs in an amount not presently known. The Company, in turn, believes that it has claims against Medimpact for rebates due to the Company.

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Effective February 2, 2000, the Company entered into a Services Agreement for back office administration with Nichols TXEN Corporation calling for Nichols TXEN to provided certain claims adjudication services to certain of our subsidiaries in exchange for a predetermined per member per month fee. On September 18, 2002 CSC Healthcare, Inc. (CSC), the successor in interest to Nichols TXEN, filed a complaint in the Circuit Court of Jefferson County, Alabama seeking approximately $880,000 plus interest from the Company under the contract. This action has been stayed and the claim is now being heard in arbitration. Pre-hearing discovery is in progress. The Company believes that the claim against it is without merit and intends to vigorously defend the arbitration. The Company has asserted counterclaims against CSC in the arbitration alleging that it was fraudulently induced to enter into the contract and that CSC failed to perform under the contract, thereby causing damages to the Company in an amount not less than $5 million.

By order dated March 9, 2001, the Missouri Department of Insurance approved the transfer of all of the outstanding shares of Maxicare Life and Health Insurance Company (MLH) from the Company to Maxicare Indiana, Inc., on the condition that control of MLH remain with the Company. The Company believes that this condition has not been complied with and that, accordingly, the transfer of the MLH shares by the Company to Maxicare Indiana, Inc. is null and void. The Company intends to present its position to the Missouri Department of Insurance at the appropriate time.

Under the terms of a lease expiring in May 2004 for 79,000 square feet of industrial space in Los Angeles, we are obligated to surrender that space in its original condition. We have previously made extensive modifications to the leased premises. The ultimate disposition of this matter has yet to be determined. At September 30, 2003 we had not established a liability for this contingency in the consolidated balance sheet.

Other than those noted above, no claims have been filed against the Company by the creditors of Maxicare Life and Health Insurance Company, Inc., the California HMO or the Indiana HMO. However, claims may be filed against us by such creditors in the future.

We are also involved in other legal actions in the normal course of business. We do not believe that any ultimate liability in excess of amounts accrued which would likely arise from these actions would materially affect our consolidated financial position, results of operations or cash flows, except that the matters described above involving the Indiana Department of Insurance, Medimpact and the renovation of leased space, may have such effect.

Note 7 Litigation and Contract Settlement Charges

In March 2003, the TriZetto Group, Inc. (TriZetto) sued the Company in California state court, alleging that the Company breached an information services contract and claiming over $12 million in damages, including over $1 million in amounts due under the contract and $11 million in termination fees. On or about June 30, 2003, this action was settled. Pursuant to the settlement agreement, the Company paid $1.25 million to TriZetto, issued 250,000 shares of the Company s common stock to TriZetto and returned to TriZetto certain warrants which TriZetto had issued to it. The action may be revived in certain circumstances in the event that a judgment is obtained against TriZetto by a third-party based on TriZetto s receipt of the $1.25 million settlement payment.

The consolidated Statements of Operations for the nine months months ended September 30, 2003 reflect a litigation and contract settlement charge of $250,000 recorded in the second quarter of 2003 to record the amount by which the cash settlement paid Trizetto exceeds amounts previously accrued. The Company issued common shares to Trizetto on July 1, 2003, but no cost was recorded in the Consolidated Statements of Operations for the shares issued to Trizetto since the fair value of the shares was immaterial.

Note 8 Impairment of Leased Assets

During the first quarter of 2002 we determined that the termination of our business operations eliminated our need for certain high volume copying equipment held under capital lease agreements. We have returned that equipment to the lessor and have recorded an impairment charge of approximately $1.0 million in our Consolidated Statements of Operations for the three months ended March 31, 2002 to write off the entire net book value of these leased assets. The liability associated with these leased assets remains on our Consolidated Balance Sheets.

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Item 2: Management s Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations, Rehabilitation and Bankruptcy

Current Status

We have had no active business since March 15, 2002 and have no reasonable prospects of obtaining or generating any active business. We have no means of generating additional cash.

We are exploring possible strategies to realize any possible value remaining in the Company. Any such strategy may include the ultimate liquidation of Health Care Assurance Company; however, because of our financial condition and the claims of our creditors, we may seek protection under the Bankruptcy Code.

Liquidity/ Working Capital Deficiency

As noted above, we have terminated all operations. At September 30, 2003, we had a consolidated working capital deficiency of approximately $1.3 million, and a deficiency in shareholders equity of approximately $3.2 million. Furthermore, of our total cash of $5.96 million at September 30, 2003, $2.5 million was held at Health Care Assurance Company, Ltd. The transfer of cash to MHP from Health Care Assurance Company, Ltd requires the approval of regulatory authorities. In July 2003 we received approval to transfer $300,000 from Health Care Assurance Company to MHP, of which $200,000 had been transferred to MHP at November 1, 2003.

MHP has certain contractual undertakings for which it may be liable and there are various alleged claims that may be asserted against it, including, among others, undertakings to and/or purported claims against it by vendors and former employees of its subsidiaries who have provided goods or services to those subsidiaries.

We are involved in various legal actions brought against us in the normal course of business, some of which seek damages in amounts that exceed those accrued in our consolidated balance sheets. The ultimate liability for these legal actions cannot be determined and could materially affect our consolidated financial position, results of operations or cash flows, if resolved unfavorably. See Note 6 Commitments and Contingencies to our Unaudited Consolidated Financial Statements.

Disposition of Subsidiaries

The California and Indiana HMOs and Maxicare Life and Health Insurance Company are currently in liquidation. We will receive no distribution of assets from the California HMO, are unlikely to receive any distribution from the Indiana HMO, and may or may not receive a distribution from Maxicare Life and Health Insurance Company. Any distribution from Maxicare Life and Health Insurance Company, if assets ultimately are available for distribution, will require regulatory approval.

Results of Operations

The Quarter Ended September 30, 2003 Compared to the Quarter Ended September 30, 2002

We reported a loss of approximately $.5 million for the quarter ended September 30, 2003 compared to a loss of approximately $.1 million for the quarter ended September 30, 2002.

The Nine Months Ended September 30, 2003 Compared to the Nine Months Ended September 30, 2002

We reported net income of approximately $3.0 million for the nine months ended September 30, 2003 compared to a loss of approximately $2.5 million for the nine months ended September 30, 2002. During the second quarter of 2003 we recognized other income in the amount of $3.4 million in connection with a settlement recovering the underpayment of amounts due to us for health care coverage provided to employees of the United States Office of Personnel Management. Also during the second quarter of 2003 we recognized approximately $1.1 million of income, reflected as negative health care expense, in connection with the expiration of certain notice periods in connection with certain insurance provided by our Health Care Assurance Company subsidiary. In the second quarter of 2003 we also accrued additional expenses of $.25 million in regards to the settlement of certain litigation (see Notes 3, 4 and 6 to the Consolidated Financial Statements).

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Forward Looking Statements

The statements in this Form 10-Q may be forward-looking statements that are subject to risks and uncertainties. In particular, statements in this Form 10-Q that state our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions are forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond our control, including, but not limited to, those identified under Risk Factors and Management s Discussion and Analysis of Financial Conditions and Results of Operations in our Form 10-K for the year ended December 31, 2002 and Management s Discussion and Analysis of Financial Conditions and Results of Operations in this Form 10-Q, as well as those described in any other filings by us with the Securities and Exchange Commission, as well as general economic conditions, any one or more of which could cause actual results to differ materially from those stated in such statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of September 30, 2003, we had approximately $5.96 million in cash, no marketable securities and no restricted investments. Our investment policies emphasize return of principal and liquidity and are focused on fixed returns that limit volatility and risk of principal. Because of our investment policies, the primary market risk associated with our portfolio is interest rate risk. As of September 30, 2003, the Company did not have any outstanding bank borrowings or debt obligations.

Item 4. Controls and Procedures

Our chief executive officer and chief financial officer have supervised and participated in an evaluation of the effectiveness of our disclosure controls and procedures as of a date within 90 days of the date of this report, and, based on their evaluations, they believe that our disclosure controls and procedures (as defined in Rule 13a-14(c) of the Securities Exchange Act of 1934, as amended) are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission s rules and forms. As a result of the evaluation, there were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

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PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

31.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certificate of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certificate of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAXICARE HEALTH PLANS, INC
(Registrant)

November 11, 2003	/s/ PAUL R. DUPEE, JR
Date	Paul R. Dupee, Jr., Chief Executive Officer
November 11, 2003	/s/ JOSEPH W. WHITE
Date	Joseph W. White Chief Financial Officer