Amended Statement Cover

I am filing the Notes to Financial, page 25. They were accidently omitted in the original filing. I am filing here.

95448200920100105 2009 Document Code: 201

ANNUAL STATEMENT

For the Year Ending December 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

QCA Health Plan, Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 95448 Employer's ID Number 71-0794605

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]
Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 12615 Chenal Parkway, Suite 300 (Street and Number), Little Rock, AR 72211 (City or Town, State and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300 (Street and Number)

LIttle Rock, AR 72211 (City or Town, State and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 (Street and Number or P.O. Box), Little Rock, AR 72211 (City or Town, State and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300 (Street and Number)

Little Rock, AR 72211 (City or Town, State and Zip Code) (501)228-7111 (Area Code) (Telephone Number)

Internet Website Address www.qcark.com

Statutory Statement Contact Randall Crow (Name) (501)219-5109 (Area Code)(Telephone Number)(Extension)

randall.crow@qcark.com (E-Mail Address) (501)228-0135 (Fax Number)

OFFICERS

Name	Title
Michael Edward Stock	President
James W. Couch	Secretary
Randall Alvin Crow	Treasurer

OTHERS

Miles Haley Wilson, Vice President/CIO-I.T.
Fidel 0 Davila M.D., Vice President - Medical Affairs #
Betty Jo Tatum-Himes, Vice President - Sales & Marketing
James W. Couch J.D., Chief Compliance Officer
Joni Self Daniels, Vice President - Operations
Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

Richard Allen Pierson
Buford Joseph Suffridge DDS, MS,PA
James Arden Tanner M.D. #
Barbara Garner Williams RN, PhD
Raymond Willaim Montgomery II
Patricia Ellen Gorman
Jospeh Patrick Searcy
Charles W. Smith M.D.
Jospeh Maurice Elser M.D.
James Knox Hendren PhD

State of Arkansas
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Edward Stock	James W. Couch	Randall Alvin Crow
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
________ day of ________ , 2010

a. Is this an original filing? Yes[ ] No[X]
b. If no, 1. State the amendment number 1
2. Date filed 03/18/2010
3. Number of pages attached 1

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

Notes to Financial Statements

QCA HEALTH PLAN, INC.

Notes to Financial Statements - Statutory Basis
December 31, 2009 and 2008

(1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Certificates of Deposit with a maturity of one year or less are also considered to be cash equivalents.

Premiums Receivable: Premiums receivable represents medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Certificates of deposit, money market trust accounts, and other interest bearing accounts are stated at cost.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the differences between the treatment of surplus notes payable for financial and income tax reporting and net operating loss carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as premiums received in advance.

***Cost of Benefits Provided*:** Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible. There are a limited number of provider contracts within the network that contain a risk sharing arrangement. The withhold from this arrangement is recorded as an expense and paid out in its entirety at the end of each month.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Notes to Financial Statements

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) Accounting Changes and Corrections of Errors

None.

(3) Business Combinations and Goodwill

None.

(4) Discontinued Operations

None.

(5) Investments

The carrying value and estimated market value of investments in securities as of December 31, 2009 and 2008 are as follows:

2009

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	$ 12,662,030	46,255	-	12,708,285
Corporate bond	999,016	32,834	-	1,031,850
	$ 13,661,046	79,089	-	13,740,135

2008

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Government securities	$ 11,393,476	188,239	-	11,581,715
Corporate bond	997,002	37,098	-	1,034,100
	$ 12,390,478	225,337	-	12,615,815

The carrying value and estimated market value of securities as of December 31, 2009, by contractual maturity, are shown below:

Notes to Financial Statements

		Carrying Value	Market Value
Matures in one year or less	$	4,614,629	4,642,581
Matures in one to four years		9,046,417	9,097,554
	$	13,661,046	13,740,135

Included in the amounts above, the Company holds a U.S. Government debt security that is restricted due to regulatory requirements, which matures in one to three years and is held to maturity. At December 31, 2009 and 2008, the aggregate fair value was $625,197 and $637,500, respectively.

Information pertaining to securities with gross unrealized losses at December 31, 2009 and 2008, aggregated by investment category and length of time individual securities have been in a continuous loss position, is as follows:

	2009					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
None						
	$ -	-	-	-	-	-

	2008					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
None						
	$ -	-	-	-	-	-

All of the securities above are either guaranteed by the U.S. Government or secured by mortgage loans. These unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, no declines are deemed to be other-than-temporary.

(6) Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

(7) Investment Income

The Company's investment income was earned on cash and cash equivalents, and bonds and no investment income was excluded from surplus for the years ending December 31, 2009 and 2008.

Notes to Financial Statements

(8) Derivative Instruments

None.

(9) Income Taxes

The Company's net deferred tax asset account was comprised of the following as of December 31:

		2009	2008
Deferred tax assets	$	733,626	1,486,817
Valuation allowance		-	(862,817)
	$	733,626	624,000

The Company has available as of December 31, 2009 unused operating loss carryforwards that may be applied against future taxable income and that expire as follows:

Year of Expiration		Unused Operating Loss Carryforwards
2020	$	1,735,118
2021		557,462
	$	2,292,580

The provision for income taxes in the financial statements differs from the amount determined by applying the statutory Federal income rate to earnings before income taxes. The reconciling items and amounts as of December 31, 2009 and 2008 are as follows:

		2009	2008
Expected income tax expense	$	852,965	1,046,484
Benefit from net operating loss carryforwards		(810,735)	(955,348)
	$	42,230	91,136

While the Company has unused operating loss carryforwards to offset any regular taxable income, the Company is only allowed a 90% net operating loss reduction in the calculation of the alternative minimum tax (AMT). Thus, in years in which the Company's regular taxable income is offset due to loss carryforwards, the Company will still be subject to some amount of AMT. This has resulted in AMT credit carryovers of approximately $60,000 that may be available to offset future regular income tax.

(10) Information Concerning Parent, Subsidiaries and Affiliates and Other Parties

During 2008, the Company entered into a service agreement with an affiliate whereby the affiliate would provide a full range of administrative, managerial and technological services. The Company paid this affiliate $16,510,178 and $14,678,932 during 2009 and 2008, respectively, for these services.

Notes to Financial Statements

Under the provisions of various provider contracts, the Company paid $31,348,656 and $32,835,885 to hospitals that owned a portion of the Company's common or preferred stock during 2009 and 2008, respectively.

Revenues in the amount of $6,849,603 and $6,428,319 were received from hospitals that either owned a portion of the Company's common or preferred stock during 2009 and 2008, respectively, that relate to risk-based and administrative services only (ASO) lines of business.

The Company was due $186,136 and $155,478 from a stockholder as of December 31, 2009 and 2008, respectively. The balance relates to an agreement between the Company and QualChoice of Arkansas, Inc. ("QualChoice"), for professional services from a network of physicians, in which qualifying fee-for-service medical charges are withheld by QualChoice and remitted to the Company.

The Company owed $971,826 and $276,496 to stockholders as of December 31, 2009 and 2008, respectively, for general expenses paid on behalf of the Company.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups, the Company is to pay QualChoice $650,000 in annual network rental fees for the years ending December 31, 2002 through 2007. The fees can be renegotiated annually. The fee was renegotiated for 2008. The Company paid $250,000 in network rental fees to QualChoice for each of the years ending December 31, 2009 and 2008.

(11) Debt

There were no surplus notes, debentures, or loans in 2009 or 2008.

(12) Retirement Plans, Deferred Compensation, Postemployment Benefit and Compensated Absences and Other Postretirement Benefits Plans

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate. The Company contributes an amount equal to the portion of the employee's contribution which does not exceed 3% of the employee's salary. Contributions to the plan during 2009 and 2008 totaled $211,460 and $178,984, respectively.

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The Company has 50,000 shares of $.10 per share par value common stock authorized and 11,925 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of $1,000 par value preferred stock outstanding. The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future. The Trizetto Group, Inc. which held 1.86% of the shares of common stock also held common stock purchase warrants, which entitle the holder to purchase 9,009 shares of the Company's common stock for $.10 per share. As of the date of the filing, stock had not been issued for the warrants. However, on January 29, 2010, the Company notified the Arkansas Insurance Department of its intent to issue shares of common stock to the Trizetto Group.

The Company's preferred stock structure is as follows as of December 31:

Notes to Financial Statements

		2009	2008
Series A, $1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	$	2,868,000	2,868,000
Series B, $1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.		9,342,808	9,342,808
Series C, $1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.		5,000,000	5,000,000
Series D, $1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.		8,289,238	8,289,238
	$	25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) $1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out on in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(14) Contingent Liabilities

The Company is a defendant in general litigation as of December 31, 2009, in the ordinary course of business. The Company's management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse effect to the financial statements and, accordingly, no contingencies have been recorded.

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2009, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of $625,000.

(15) Leases

None.

(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Notes to Financial Statements

None.

(18) Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans

During 2009 and 2008, the Company had Administrative Services Only (ASO) contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately $7,388,789 and $6,998,808 for 2009 and 2008, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The profit (loss) associated with this line of business was $171,421 and $279,894 for 2009 and 2008, respectively. The claims volume was approximately $96,584,964 and $96,940,691 for 2009 and 2008, respectively. The Company has no Medicare or similarly structured cost based reimbursement contracts.

(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators

None.

(20) Other Items

None.

(21) Events Subsequent

Subsequent events have been considered through February 28, 2010 for the statutory statement issued on February 28, 2010. On January 29, 2010 the Company bought $1,500,000 of preferred stock in QualChoice of Arkansas Insurance Company, Inc., an Arkansas company. As noted in Note 13 on January 29, 2010, the Company notified the Arkansas Insurance Department of its intent to issue the common stock to the Trizetto Group, Inc. As of the date of the filing, the warrants had not been issued

(22) Reinsurance

The Company is covered under a medical reinsurance agreement effective October 1, 2009 through September 30, 2010, that provides annual coverage for eligible in area and out of area hospital services of 90% in excess of $200,000 per member. The policy covers all medical and pharmaceutical services including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, prescription drugs, and physician and other professional services. Certain of the covered services have per unit or annual coverage limits. For example, coverage for inpatient hospital services is limited $4,000 per day and coverage for prescription drugs is limited to $250,000 per contract year. The reinsurance limitation of the maximum average per day is waived for transplant services performed in a hospital whose negotiated arrangement has been approved by the reinsurer. Each insured member's coverage is limited to $5,000,000 in the contract year. The policy is a renewal of an initial contract signed in October 2005, with Allianz Life Insurance Company of North America ("Allianz"). The original agreement provided coverage for only hospital services and high cost specialty pharmaceuticals. During 2007, HCC Life Insurance Company ("HCC") acquired Allianz. The renewal on October 1, 2007 was written with HCC, as is the October 1, 2008 and 2009 renewals.

The reinsurance agreement also includes catastrophic reinsurance coverage. The catastrophic provision provides coverage for the same categories of eligible medical services of 90% in excess of $500,000 per member with a maximum of $5,000,000 per member in the contract year. The Company receives reimbursement under the agreement at the most favorable coverage level.

The reinsurance agreement contains a provision through which the Company may receive an Experience Refund equal to 50% of a realized gain in a contract year. A

Notes to Financial Statements

realized gain is defined as the amount by which the actual claims against policy filed by the Company are less than 70% of total policy premiums for the contract year. The policy must be renewed in a subsequent contract year for the Company to receive a prior year's Experience Refund. At December 31, 2009 the Company recorded a receivable of $254,730 for Experience Refund related to the contract year that began October 31, 2009 and $39,881 for the contract year ended September 30, 2009. At December 31, 2008 the Company recorded no receivable for Experience Refund related to the contract year ended September 30, 2008.

The Company has recorded a no reinsurance receivable for expenses that exceed the limits discussed above.

The reinsurance agreement also contains a Continuation of Coverage endorsement in the event of insolvency on the part of the Company. The limitation on liability to HCC under this endorsement is $5,000,000.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

(23) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(24) Change In Incurred Claims and Claim Adjustment Expenses

None.

(25) Intercompany Pooling Arrangements

None.

(26) Structured Settlements

None.

(27) Health Care Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2009:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Confirmed	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2009	559,077				
9/30/2009	356,137	377,185	377,185		
6/30/2009	372,276	479,255	102,070	377,185	
3/31/2009	489,705	510,791	159,853	102,070	248,868
12/31/2008	505,226	534,924	155,943	159,853	219,128
9/30/2008	396,280	498,151	105,569	155,493	237,089
6/30/2008	179,162	351,514	10,368	105,569	235577
3/31/2008	245,543	375,524	163,703	10,368	201,453
12/31/2007	325,102	317,382	143,205	163,703	10,474
9/30/2007	163,204	299,498	155,670	143,205	623

Notes to Financial Statements

6/30/2007	158,392	355,300	196,503	155,670	3,127
3/31/2007	260,772	564,530	212,357	196,503	155,670

(28) Participating Policies

None.

(29) Premium Deficiency Reserves

None.

(30) Anticipated Salvage and Subrogation

None.