

METROPOLITAN HEALTH NETWORKS INC
Form S-1/A
June 24, 2003

As filed with the Securities and Exchange Commission on _____, 2003

Registration No. 333-102208

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

METROPOLITAN HEALTH NETWORKS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Florida <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	8011 (Primary Standard Industrial Classification Number)	65-0635748 (I.R.S. Employer Identification No.)
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**250 Australian Avenue South, Suite 400
West Palm Beach, FL 33401**

(561) 805-8500

(Address and Telephone Number of Principal Executive Offices)

Michael M. Earley, President and Chief Executive Officer

250 Australian Avenue South, Suite 400

West Palm Beach, FL 33401

(561) 805-8500

(Name, Address and Telephone Number of Agent For Service)

Copies of all communications to:

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Approximate Date of Proposed Sale to the Public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed of continuous basis pursuant to rule 415 under the Securities Act of 1933, check the following box []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

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CALCULATION OF REGISTRATION FEE

Title of Each	Proposed	Proposed			
Class of Securities	Maximum	Maximum	Amount of		
to be Registered	Registered	Per Security	Offering Price	Aggregate	Registration
	be	Price	Offering Price	Fee	Fee
Common Stock, par value \$.001 per share (1) (11)	8,691,553	\$2.18	\$18,947,585	\$4,736.90	
Common Stock, par value \$.001 per share (2) (11)	2,643,445	\$2.18	\$5,762,710	\$1,440.68	
Common Stock, par value \$.001 per share (3) (11)	54,167	\$3.00	\$162,501	\$40.63	
Common Stock, par value \$.001 per share (3) (11)	4,167	\$3.50	\$14,584	\$3.65	
Common Stock, par value \$.001 per share (3) (11)	54,166	\$4.00	\$216,664	\$54.17	
Common Stock, par value \$.001 per share (3)(11)	50,000	\$5.00	\$250,000	\$62.50	

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Common Stock, par value \$.001 per share (3)(11)	50,000	\$6.00	\$300,000	\$75.00
Common Stock, par value \$.001 per share (4) (12)	7,074,968	\$0.60	\$4,244,981	\$390.54
Common Stock, par value \$.001 per share (5) (13)	3,674,419	\$0.46	\$1,690,233	\$155.50
Common Stock, par value \$.001 per share (6) (13)	650,000	\$0.68	\$442,000	\$40.65
Common Stock, par value \$.001 per share(7)	3,303,869	\$0.19	\$627,735	\$58.00
Common Stock, par Value \$.001 per share (8)	100,000	\$0.18	\$1,800	\$1.00
Common Stock, par value \$.001 per share (9)	300,000	\$0.63	\$189,000	\$18.00
Common Stock, par Value \$.001 per share(10)	240,625	\$0.39	\$93,844	\$8.64
Total Registration Fee				\$7,084.87 (14)

(1)

Estimated solely for purposes of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on May 22, 2001. Includes 3,000,000 shares issuable under a common stock purchase agreement. The price per each of these shares issuable under the equity line will vary based on the volume-weighted average daily price of the common stock during the drawdown periods described in the SB-2 (No. 333-61566) filed on May 27, 2001.

(2)

Shares issuable upon exercise of options and conversion of promissory notes. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on May 22, 2001.

(3)

Shares issuable upon exercise of options and conversion of promissory notes. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457. Based upon the exercise price of the shares of common stock underlying convertible securities which is higher than the average of the closing bid and asked prices for the common stock on May 22, 2001.

(4)

Estimated solely for purpose of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on May 3, 2002.

(5)

Estimated solely for purpose of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on May 30, 2002. All listed shares are issuable upon conversion of a convertible note.

(6)

Shares issuable upon exercise of common stock purchase warrants. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(g). Based upon the exercise price of the shares of common stock underlying convertible securities which is higher than the average of the closing bid and asked prices for the common stock on May 30, 2002.

(7)

Shares issuable upon conversion of convertible notes. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on December 20, 2002.

(8)

Estimated solely for purposes of calculating the registration fee pursuant to Rule 457. Based upon the average of the closing bid and asked prices for the common stock on January 17 , 2003.

(9)

Shares issuable upon exercise of common stock purchase warrants. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(g). Based upon exercise price of the shares of common stock underlying convertible securities which is higher than the average of the closing bid and asked prices for the common stock on December 20, 2002.

(10)

Shares issuable upon exercise of common stock purchase warrants. Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(g). Based upon the weighted average of the exercise price of the shares of common stock underlying convertible securities which is higher than the average of the closing bid and asked prices for the common stock on January 17 , 2003.

(11)

Shares initially registered on Form SB-2 filed May 24, 2001 (No. 333-61566), and incorporated herein pursuant to Rule 429 of the Securities Act of 1933, as amended.

(12)

Shares initially registered on Form SB-2 filed March 13, 2002 (No. 333-84220), and incorporated herein pursuant to Rule 429 of the Securities Act of 1933, as amended.

(13)

Shares initially registered on Form SB-2 filed July 5, 2002 (No. 333-92046), and incorporated herein pursuant to Rule 429 of the Securities Act of 1933, as amended.

(14) \$7,129.54 of which was previously paid.

We hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until we file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting under Section 8(a), may determine.

This post-effective amendment No. 1 to Form S-1 incorporates pursuant to Rule 429 of the Securities Act of 1933, as amended, shares initially registered on this registration statement No. 333-102208, as well as shares initially registered on Registration Statements No. 333-61566, 333-84220, and 333-92046.

Registration No. 333-102208

PROSPECTUS

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

SUBJECT TO COMPLETION

**METROPOLITAN HEALTH
NETWORKS, INC.**

26,891,379 Shares of Common Stock

This prospectus covers the 26,891,379 shares of common stock of Metropolitan Health Networks, Inc. being offered for resale by certain selling security holders.

Our common stock is traded on the OTCBB under the trading symbol "MDPA". On May 29, 2003, the closing price for our common stock was \$0.18.

This investment involves a high degree of risk. You should purchase shares only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should rely only on the information contained in this document or that we have referred you to. We have not authorized anyone to provide you with information that is different. This prospectus does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of any offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create an implication that the information set forth herein is correct as of any time subsequent to the date hereof.

_____, 2003

PROSPECTUS SUMMARY

This summary contains what we believe is the most important information about us and the offering. You should read the entire document for a complete understanding of our business and the transactions in which we are involved. The purchase of the securities offered by this prospectus involves a high degree of risk. Risk factors include the lack of revenues and history of loss, and the need for additional capital. See the "Risk Factors" section of this prospectus for additional risk factors.

The Company

Business Description

We are an integrated healthcare company whose mission is to provide medical, pharmacy and related services to patients. We operate a Provider Service Network in Florida and provide managed care pharmacy operations. Through our Provider Service Network, we manage the provision of health care services for patients through agreements with HMOs for a significant portion of the insurance premiums. We currently have pharmacy operations in Florida, New York, and Maryland.

We have agreements with HMOs to manage the financial risk for managed care organizations in South and Central Florida and are responsible for providing healthcare services to approximately 45,000 patients. We provide our services through a network of primary care physicians, specialists, hospitals and ancillary facilities. These providers have contracted to provide services to our patients agreeing to certain fee schedules and care requirements.

We have developed management expertise in the fields of:

Quality management—a review of overall patient care by physicians by reviewing referrals measured against standard industry guidelines, which provide the basis to determine that patient care meets the highest standards of medical care.

Utilization management-a daily review of the physicians care and services through statistical data created by patient visits, referrals, hospital admissions and nursing home information that enables us to monitor effective medical care. The methods used also provide disease management for the benefit of the high-risk patients.

Claims adjudication and payment to physicians and hospitals.

Under our model, the physicians maintain their independence but are aligned with a professional staff to assist in providing cost effective medicine. Each primary care physician provides direct patient services as a primary care doctor including referrals to specialists, hospital admissions and referrals to diagnostic services.

We believe our expertise allows us to provide a service and manage the risk that health insurance companies cannot provide on an efficient and economic level. Health insurance companies are typically structured as marketing entities to sell their products on a broad scale. Due to mounting pressures from the industry, managed care organizations have altered their strategy, returning to the traditional model of selling insurance and transferring the risk to a provider service network. Under such arrangements, managed care organizations receive premiums from the government Centers for Medicare and Medicaid Services (CMS) and commercial groups and pass a significant percentage of the premium on to a third party such as us, to provide covered benefits to patients, including pharmacy and other enhanced services. After all medical expenses are paid, any surplus or deficit remains with the provider service network. When managed properly, accepting this risk can create significant surpluses.

We also use the Internet to help process referral claims between network primary care physicians and specialists. This process helps reduce the paperwork in the physician's office as well as provide a more efficient method for the patient in our network. Our utilization management team communicates with the physicians on a daily basis to provide overall management of the patient.

Our executive offices are located at 450 Australian Avenue South, Suite 400, West Palm Beach, Florida 33401, and our telephone number is (561) 805-8500.

References throughout this prospectus to "we", "us" and "our" are to Metropolitan Health Networks, Inc. and its subsidiaries.

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The Offering

Selling Shareholders

This prospectus covers up to 26,891,379 shares of our common stock which may be sold by the selling stockholders identified in this prospectus.

Summary financial data

The following summary of our financial information has been derived from our audited financial statements that are included in this prospectus.

Results of Operation

	Yar		Year		Year	6 Months		Year
	Ended		Ended		Ended	Ended		Ended
	<u>December 31,</u>		<u>December 31,</u>		<u>Dec. 31, 2000</u>	<u>December 31,</u>		<u>June 30, 1999</u>
	<u>2002</u>		<u>2001</u>			<u>1999</u>		
Revenues	\$ 152,938,762	\$		\$		\$ 10,020,795	\$	18,501,497

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		130,967,732	119,047,520		
Expenses	<u>170,019,649</u>	<u>131,336,978</u>	<u>114,724,369</u>	<u>\$ 16,235,281</u>	<u>\$ 28,821,313</u>
Net Income (Loss)	(17,080,887)	(369,241)	4,323,151	\$ (6,214,486)	(10,319,816)
Net earnings (loss)					
Per Share (basic)	(0.56)	(0.02)	0.25	(0.58)	(1.44)
(diluted)	<u>(0.56)</u>		<u>0.21</u>	<u>(0.58)</u>	<u>(1.44)</u>
		<u>(0.02)</u>			

Balance Sheet Data

	As Of	As of	As of	As of	As of
	<u>December 31,</u>	<u>December 31,</u>	<u>Dec. 31, 2000</u>	<u>Dec. 31, 1999</u>	<u>June 30, 1999</u>
	<u>2002</u>	<u>2001</u>			
Working Capital					
(Deficit)	\$ (8,129,027)	\$ 3,125,927	\$ (1,133,782)	\$ (12,543,611)	\$ (9,131,345)
Total Assets	\$ 10,158,911	\$ 17,379,262	\$ 11,159,834	\$ 7,033,580	\$ 11,944,747
Total Liabilities	\$ 17,027,204	\$ 10,683,441	\$ 10,924,619	\$ 16,546,186	\$ 15,445,546
Shareholder's \$		\$ 6,695,821	\$ 235,215	\$ (9,512,606)	\$ (3,500,799)
Equity	(6,868,293)				

Results of Operation Quarterly 2003 and 2002

Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
3 Months	3 Months	3 Months	3 Months	3 Months
Ended	Ended	Ended	Ended	Ended
<u>March 31,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>June 30, 2002</u>	<u>March 31, 2002</u>

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	<u>2003</u>	<u>2002</u>	<u>2002</u>			
Revenues	\$ 40,783,111	\$ 37,329,224	\$ 37,709,460	\$ 39,885,362	\$ 38,014,716	
Expenses	<u>\$ 40,067,414</u>	<u>\$ 50,781,181</u>	<u>\$ 39,698,685</u>			