MINUTES

PCF OVERSIGHT BOARD

April 7, 2011

WOMAN'S HOSPITAL
BATON ROUGE, LA.

Mr. Clark **Cossé** Chairman convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday April 7, 2011 at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

Mr. Clark Cossé
Dr. Katharine Rathbun
Mr. Manual DePascual
Mr. Joe Donchess
Mr. Kent Guidry
Dr. Van Culotta
Mr. James Hritz
Dr. Melanie Firmin

The following Board Member was absent:
Dr. John LaCorte

Others present:

Mrs. Lorraine LeBlanc
Mr. Ken Schnauder
Mr. J. M ?(cannot read name)
Mr. John Morgan
Ms. Kathy Chittom
Mrs. Barbara Woodard
Mr. Dave Woolridge
Mrs. Sharon Knight
Mrs. Lynn Duszynski

Mr. Cossé called the meeting to order and asked that the record reflect seven Board Members were in attendance and a quorum was present. Mr. Cossé welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cossé asked for public comments. No public comments were made.

Mr. Cossé called for the approval of the March 3, 2011 minutes. Dr. Rathbun moved for the minutes to be approved and Dr. Culotta seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for the financial and budget reports. Mrs. Woodard went over the reports submitted to the Board which revealed the year to date surcharge and filing fee collections were

approximately $144,813,683 and interest earned was approximately $6,354,293. Expenditures were as expected and the claims balance was about $50,000,000. Mr. Cossé asked if there were any questions regarding the financial reports. There were none. At this point in the meeting, Mr. Donchess entered the room.

Mr. Cossé asked for the claims report. Mr. Schnauder stated he felt the balance in the claims budget would be sufficient for the fiscal year. He stated it was an average month and there were 4982 pending claims. Frequency appears up by about 100 claims, but this was due to a large number of claims against a single provider, without which frequency would be down. There are currently 179 future medical claims pending and none will be added as a result of settlements this month. Tonight, 25 proposed settlements will be discussed totaling approximately $5,700,000. Ken went over the status of older claims, again informing the Board that these are looked at frequently but they are still at the primary level. His review of the claims did not reveal any that should be cap cases, although the interest factor is of concern.

Next, Mr. Cossé informed those present that there was a phone call with members of the LSMS in which legislation involving the cap was discussed. Conversations on this will continue, but it appears there will be no bill introduced by health care providers to change the cap. The LSMS did discuss the possibility and probability of introducing a bill calling for a constitutional amendment to allow the Legislature to set a cap. Mr. Cossé stated he felt it would be a difficult bill to get out of committee as he felt it would be strongly opposed by LAJ. HB 69 allows the PCFOB to remove funds from the Treasury and invest similar to both the Treasurer's Office and LASERS. Basically it allows more flexibility that will hopefully result in higher interest yields. It also allows the PCFOB to employ a money manager. Another bill has been filed that requests a constitutional amendment be presented to the voters which would clarify the state cannot appropriate PCF funds for other uses, clarifies the PCF is not backed by the full faith of the State and the PCF is not required to belong to LIGA. There does not appear to be any opposition to either of these bills by the LAJ.

The Chiropractic Association of Louisiana requested an opportunity to address the Board concerning the current PCF rates. Ms. Chittom, the Executive Director of the CAL stated she had received many calls with complaints about the PCF rates this year. She would like to have the ability to explain or justify the increases in rates for chiropractors to her members. She did request and receive a copy of the PCF actuary report, but wanted to know what other information was accessible to the association for review. Mrs. LeBlanc stated reports that contained non-identifying information, such as the number of claims, amount paid out and the amount paid in over a time frame could be released. Mrs. Chittom stated she would request a report containing this information. Dr. Firmin suggested they retain the services of an actuary to review the information and discuss the rates with the PCFOB's actuary. Mr. Cossé explained that it is the policy of the PCFOB to have each class of providers pay for their own losses. He further stated the PCFOB's actuary is very well respected and the Board feels his recommendations are supported. However, the Board will take the comments and concerns under advisement and continue to work with the CAL on this matter.

Mr. Cossé asked if there were any questions or comments from the public. There were none. Mr. Cossé thanked the guests for attending the meeting..

Dr. Rathbun then motioned for the Board to move into the Executive Session to discuss matters of litigation and Dr. Firmin seconded the motion. The vote was unanimous and the General Session was adjourned. The Board moved into Executive Session.

Mr. Clark Cossé III, Chairman