-original minutes

MINUTES

PCF OVERSIGHT BOARD

May 5, 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 May 5, 2011 at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

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

The following Board Member was absent:
Dr. William LaCorte
Mr. Manual DePascual

Others present:

Mrs. Lorraine LeBlanc	Mrs. Barbara Woodard
Mr. Ken Schnauder	Mr. Dave Woolridge
Mrs. Sharon Knight	Mr. Adam Thames
Mr. John Morgan	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 April 7, 2011 minutes. Dr. Culotta moved for the minutes to be approved and Dr. Firmin 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 financial report with the Board. The year to date surcharge and filing fee collections were approximately

$49,650,005 and interest earned was approximately $7,691,784. Expenditures were as expected and the claims balance was about $43,000,000. At the time the budget is created, it is placed in different categories, such as salaries, professional contracts, acquisitions, repairs, supplies and travel. It appears some money will need to be shifted to salaries from other categories to meet payroll needs. A report will be prepared for the next Board meeting outlining the needed changes. Ms. LeBlanc informed the members that the contract for the general counsel appears to be insufficient this year and an amendment is needed in the amount of $20,000. Dr. Culotta made a motion to increase the Roedel Parsons contract to $170,000 and Dr. Firmin seconded the motion. By a unanimous verbal vote, the motion passed. Mr. Cossé asked if there were any questions regarding the financial reports. There were none.

Mr. Cossé asked for the claims report. Mr. Schnauder stated April was a good month. More claims were closed than opened and the total number of open claims remains under 5,000. There is approximately $43,000,000 left in the claims budget which is sufficient for the fiscal year. Tonight, 20 proposed settlements will be discussed totaling approximately $6,603,345. There was no further discussion regarding the report.

Next, Mr. Cossé went over legislation involving the PCF. HB 69 which allows the PCFOB to invest similar to both the Treasurer's Office and LASERS moved out of Civil Law Committee without any objections. The bill allows the PCFOB to retain the services of an investment manager and a RFP will be required to accomplish this. HB 287 and HB 341 involve constitutional amendments stating the State cannot take the PCFOB money, nor is the State liable for the PCFOB's claims. These bills are in Appropriations Committee and there has been no opposition voiced. Mr. Cossé did explain both bills to the committee staff and the Governor's office. SB 61 was sponsored by the LSMS and it calls for a constitutional amendment to allow the Legislature to set a cap and it is pending in Judiciary A.

Mr. Cossé asked if there were any questions or comments from the public. Mr. Morgan with the Legislative Auditor's office asked why HB 341 has a statement that the Legislature can appropriate funds. Mr. Cossé explained the provision allows the Legislature to step in and help the health care providers in the future should it become necessary to attract health care providers by assisting with payments to the PCF.

Mrs. LeBlanc stated HB 73 would allow imaged documents to replace microfilmed documents. This would reduce the PCF's costs by eliminating the need to send files to Archives to be microfilmed. Microfilmed documents are of poor quality and finding a film reader is getting difficult. Mr. Cossé stated the press association was objecting to the bill.

Dr. Culotta stated Pharmacies are increasing their role with injections and DHH does not appear to be objecting. This needs to be monitored to see if increase in rates or formation of a different Pharmacy class is needed.

Next on the agenda was a discussion of part-time discounts. Mrs. LeBlanc stated the discounts were established in 1990 and were based on the LAMMICO discounts. LAMMICO has since changed their discounts, decreasing the percentage allowed. Discounts are based on the number of hours worked per month. Dr. Rathbun prepared an outline of some possible changes the

Board could consider. She did research and spoke to some insurers in other states. One of them was Kansas which has only one discount which is 50% if practicing 20 hours or less per week. Part-time discounts encourage providers to continue to see patients when they really want to cut back on hours worked. Discounts also are available to employed providers that also have a second part-time practice and want coverage or the provider that wants incidental coverage. Dr. Rathbun's proposal was to establish only one part-time discount of 50% if working less than 20 hours per week and for only non-procedural practices. This could even be phased in over time. Dr. Culotta asked about the surgeon that is actually working full time, just not in Louisiana. Dr. Rathbun made a motion to have the actuary review discounts and determine the impact to a change to only a 50% discount if working 20 hours or less per week. Dr. Culotta seconded the motion. The motion passed with a unanimous verbal vote.

Dr. Rathbun made a second motion to investigate the feasibility of a policy for incidental coverage at a minimal rate to encourage providers to obtain coverage for work such as research, volunteering, free clinic situations. Proof of underlying coverage would still be needed. Dr. Firmin seconded the motion. The motion passed with a unanimous verbal vote.

Mr. Cossé asked if there were any public comments. 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 Mr. Donchess seconded the motion. The vote was unanimous and the General Session was adjourned. The Board moved into Executive Session.

Mr. Clark Cossé III, Chairman