MINUTES

PCF OVERSIGHT BOARD

February 2, 2012

WOMAN'S HOSPITAL PHYSICIAN'S TOWER
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday, February 2, 2012.

The following Board Members were in attendance:
Mr. Clark Cossé
Mr. Kent Guidry
Mr. Joe Donchess
Mr. James Hritz
Dr. Van Culotta
Dr. Melanie Firmin
Dr. Katharine Rathbun
Mr. Manuel DePascual

The following Board Members were absent:
Dr. Patrick Breaux

Others present:
Mrs. Lorraine LeBlanc
Mr. Ken Schnauder
Ms. Barbara Woodard
Mr. Dave Woolridge
Mr. Bruce Binzel
Mr. James R. Kennedy
Ms. Ruth Ryan
Lynn Duszynski
Ms. Jennifer Marusak
Mr. Adam Thames
Ms. Annette Droddy
Mr. Dawer Azizi

Mr. Cossé welcomed the guests to the meeting and asked all present to introduce themselves. He then called the meeting to order and asked that the record reflect eight Board Members were in attendance and a quorum was present.
Mr. Cossé asked for public comments or questions. No public comments were made.

Mr. Cossé called for the approval of the January 5, 2011 minutes. Mr. Hritz moved for the minutes to be approved and Dr. Culotta seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

The next item on the agenda was a presentation by Medical Interactive. As there were no further questions, Mr. Cossé thanked them for the information provided in the presentation. They provided a presentation booklet for the board and guests. The online educational program was explained, as well as the abilities of the system. They further stated the program can be customized to meet the needs of the PCF. They did state it is difficult to provide clear evidence of a reduction in claims in a short timeframe, but possibly could be tracked over a longer timeframe. Costs would be based on the number of courses taken or "seats" purchased. LAMMICO uses the program and offers discounts to those to take the online courses.

The next item on the agenda was a discussion regarding the Elm risk management online program. Dr. Firmin did take the online course and earned CMEs for doing such. While the courses were pertinent to her field, they were not based towards risk management. Dr. Rathbun did not see any courses for family practitioners.

Ms. LeBlanc then asked the Board if there was any interest in continuing to investigate the availability of such online courses. Several members felt the programs presented so far were more educational than risk management oriented and were concerned about the costs of a discount, especially if there was no real way to prove such courses would reduce severity and/or frequency of claims. Ms. LeBlanc was asked to discuss discounts with Mr. Hurley and the impact on the surcharge rates.

Ms. Woodard went over the financial report which showed the Fund balance to have reached the $730,000,000 level. Administrative expenditures were in line with expectations and claim expenditures are lower than the same period last year. There was a question concerning the UAL. Since the IBNR amount is a large factor in determining this, the UAL cannot be determined until after the actuary report has been compiled. However it should be lower given the relative flat line in severity and frequency compared to the fund balance growth.

Next, Mr. Schnauder went over the claims report. He stated the funds would not continue to grow as the collections in next few months are expected to be lower than the claim payouts. This is normal for this time of the year. There are 19 claims for approximated $4,600,000 being presented for settlement at this meeting. There were no questions asked.

The next item on the agenda was a report of the current status of the case challenging the constitutionality of the cap, the *Oliver* case. Oral arguments took place at Supreme Court on January 23, 2012. There will probably not be a decision for two to three months. The main issue centers on nurse practitioners, but the larger issue is the impact on the decision on provider classes added after 1975 and their protection under the MMA.

Then the discussion turned to possible legislation. There is a list of items the PCF staff felt needed clarification and these were discussed. Dr. Culotta moved that the general counsel be authorized to draft a bill to incorporate all the items and this motion was seconded by Dr. Rathbun. By unanimous vote, the motion carried. Mr. Cossé stated he would discuss these proposed changes with the LAJ.

The final item on the agenda for the general session was the Request for Proposals for an investment consultant. Ms. LeBlanc had previously provided the draft RFP to the Board members. Once this is reviewed and approved by the Office of Contractural Review, it will be posted in the newspaper. It must be posted for 30 days.

Mr. Cossé asked if there were any comments or questions from the public and there were none. All were thanked for their attendance.

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

Following a motion and vote to return to the General Session, there was a discussion concerning the self-insured securities being held by the Treasurer's office. These documents are used as proof of financial responsibility for providers that are self-insured. They generally consist of letters of credit and documents from financial institutions confirming the appropriate security is in place. These documents are not negotiable. The Treasurer's office has agreed that there is no need for them to be kept by the Treasurer's office, but requested a resolution by the Board or letter stating the Board has authorized the documents be moved to the PCF. Dr. Culotta moved that all non-negotiable securities be moved and retained in a secure place at the PCF. By unanimous verbal vote, the motion passed. Ms. LeBlanc will send the appropriate letter to the Treasurer's office.

Dr. Rathbun moved to adjourn the meeting and Mr. Guidry seconded the motion. By unanimous verbal vote, the motion passed and the meeting was adjourned.

Mr. Clark Cossé III, Chairman

3/1/2012
Date