MINUTES

PCF OVERSIGHT BOARD

April 5, 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 April 5, 2012.

The following Board Members were in attendance:

Mr. Clark Cossé
Mr. Kent Guidry
Mr. James Hritz
Dr. Katharine Rathbun
Dr. Patrick Breaux
Mr. Joe Donchess

The following Board Members were absent:

Mr. Manuel DePascual
Dr. Van Culotta
Dr. Melanie Firmin

Others present:

Mrs. Lorraine LeBlanc
Mr. Ken Schnauder
Ms. Barbara Woodard
Ms. Jennifer Keel
Ms. Marla Perkins
Mr. Dave Woolridge
Ms. Jennifer Marusak
Ms. Lynn Duszynski
Mr. Adam Thames

Mr. Cossé called the meeting to order and asked that the record reflect six Board Members were in attendance and a quorum was present.

Mr. Cossé asked all present to introduce themselves.

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

Mr. Cossé called for the approval of the March 1, 2012 minutes. Mr. Hritz moved for the minutes to be approved and Dr. Breaux seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Ms. Woodard went over the financial report which showed the Fund balance of approximately $745,659,000. Administrative expenditures were in line with expectations and claim expenditures continue to be lower than last year. The PCF has been informed by DOA and the Legislative Auditor that the agency will no longer be part of the CAFR. Further, the Legislative Auditor's office would no longer be performing the annual financial audit and the PCF would be required to retain the services of an approved CPA to perform this task. Bids will be taken and a contract entered into. The audit will be for the fiscal year 2011-2012. This is in addition to the CPA that compiles the annual financial statement. There were no questions.

Next, Mr. Schnauder requested approval from the Board to add a clerical position to the claims staff. This position would cost a maximum of about $35,000 and would be responsible for processing routine payments, sending letters for status reports on claims and other tasks as needed to support the claims staff. With the increase in the future medical claims and volume of payments, it is felt this position would improve efficiency in the section and allow adjusters to spend more time on more important tasks. The Board felt additional positions may be needed and asked for a status on the work flow in six months. Mr. Guidry moved to approve the request and Dr. Breaux seconded it. There were no comments from the public. By verbal vote, the motion passed.

Mr. Schnauder then went over the claims report. He stated there was an increase this month in the number of claims settled and the total amount. Since the court ruled the cap was constitutional, settlement requests seem to have increased. At this meeting he is presenting 33 claims for settlement approval amounting to approximately $12,500,000. Mr. Schnauder stated he still feels the total paid in claims will be well below the budget. Slightly more claims were closed than opened and the pending is now 4919. There were no questions asked.

Mr. Cossé informed those present that the La. Supreme Court held the cap constitutional and he felt the court's decision was clear. The Arrington case is still pending and the plaintiff attorney has indicated he will still pursue the cap challenge in that case despite this recent decision.

The legislative update was given by Mr. Cossé. Representative Ligi presented HB 766 and Mr. Cossé, Mr. Woolridge and Mrs. LeBlanc testified. There was some concern by the plaintiff attorneys regarding claims involving pregnant women and an amendment was adopted to resolve that issue. There were no other concerns voiced and the bill, as amended, now goes to the House floor. Just prior to the committee meeting, the State requested an amendment to incorporate the same changes in the State Act. Due to the short notice and uncertainty of the bill being passed out of committee, it was agreed that those amendments would be added on the house floor. HB 612 was deferred so there could be further discussion between the health care providers and the plaintiff attorneys. The bill removes the language "as charged in the complaint" from use in the panel opinion.

Also of interest to the PCF, are HB 789 and HB 947. These bills deal with licensure of birth centers and licensed midwives. Licensed midwives are licensed by the Board of Medical Examiners. These bills have not been scheduled in the Health and Welfare Committee yet.

Mrs. LeBlanc informed the Board that proposals from the investment consultants are due by midnight April 9th. Mr. Cossé, Dr. Breaux, Dr. Firmin, Mr. Schnauder, Mrs. Pierce and Mrs. LeBlanc will make up the evaluation team. The meeting date will be set and all proposals must be reviewed prior to April 23, 2012. Interviews of the finalists are scheduled for May 3, 2012. A recommendation by the team could be presented at the May or June Board meeting.

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

There being no further general business to discuss, Mr. Donchess made a motion for the Board to move into the Executive Session to discuss matters of litigation and Dr. Rathbun seconded the motion. The vote was unanimous and the General Session was adjourned. The Board moved into Executive Session.

Mr. Clark Cossé III, Chairman

5/3/12
Date