MINUTES

PCF OVERSIGHT BOARD

July 12, 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 July 12, 2012.

The following Board Members were in attendance:

Mr. Clark Cossé, Chairman
Mr. Kent Guidry
Mr. James Hritz
Dr. Katharine Rathbun
Dr. Patrick Breaux
Mr. Joe Donchess
Mr. Manuel DePascual
Dr. Van Culotta

The following board member was absent:

Dr. Melanie Firmin

Others present:

Mrs. Lorraine LeBlanc
Mr. Ken Schnauder
Ms. Barbara Woodard
Ms. Shelly Fowler
Mr. Dave Woolridge
Mr. Jim Hurley
Mr. Ward Blackwell
Ms. Lynn Duszynski
Mr. Adam Thames
Ms. Cindy Dolan
Mr. Greg Waddell

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

Mr. Cossé asked all present to introduce themselves. He reminded all present to turn cell phones off.

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

Mr. Cossé called for the approval of the June 7, 2012 minutes. Dr. Rathbun moved for the minutes to be approved and Mr. Hritz 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 $734,268,986. Administrative expenditures were in line with expectations and claim expenditures continue to be lower than last year. The total net collected in surcharge payments for FY 12 is approximately $165,854,853, which is in line with an anticipated fiscal year collection of approximately $165,000,000. The total net filing fees that were collected for the year was $319,000. A question was asked whether filing fees are refunded if a complaint is dismissed; Ms. LeBlanc answered that they are not.

Ms. Woodard advised that the unclassified part-time position for Ms. LeBlanc was approved by Civil Service. She stated that $30,000 was in the budget for the position and that 750 hours for a year at $35 an hour amounted to $27,130. Dr. Culotta moved to set Ms. LeBlanc's salary thus and Mr. Hritz seconded the motion; there were no comments and the Board vote was verbal and unanimous.

Ms. Woodard also advised the Board that Postlethwaite & Netterville had been selected, by Ms. LeBlanc, Mr. Schnauder and Ms. Woodard to serve as the auditor for PCF. The agency will no longer be audited by the Louisiana Legislative Auditor. She advised that the firm had been selected from the Legislative Auditor's approved list after proposals were received from only 3 of the 12 CPA firms contacted.

Mr. Schnauder then went over the claims report. He advised that June had been a good month, with 105 claims opened and 108 closed, the total pending decreasing slightly. At this meeting he is presenting 18 claims for settlement approval amounting to approximately $6,300,000. It is anticipated that a total of $110,313,000 will be expended this fiscal year, well below the $135,000,000 budgeted. There were no questions asked and no public comments.

Mr. Jim Hurley, the PCF's actuary, went over the results of the 2011 data study and report. He explained that the processes were the same as prior years and the data did not reveal any changes that caused concerns. The loss experience was stable and in line or below trend. The ultimate losses improved compared to last year. Mr. Cossé informed those present that in past years the Board approved rates including the off balance. He then went over the indicated rate changes for each class of provider per the supplemental report dated 7/10/12. Dr. Rathbun asked about the rate reduction load that had been added in prior years and Mr. Cossé stated that was not felt needed last year and is no longer added in the calculations. There was some discussion on indicated CRNA and advanced practice nurse classes rates and whether there should be further specialties within those classes based on the level of supervision. Mr. Hurley stated while it might be something to look at, there was very limited credible data and such should not be attempted at this time. He also explained that the rates for dentists went up mainly due to the off balance. It was noted that physician class 3 was omitted in the report of 7/10/12 and should have been added to the larger list of physicians. Mr. Donchess made the motion that the Board adopt the rates per option 1 in the 7/10/12 supplemental report, including PH class 3, to be effective for all initial enrollments and renewals after 9/2/12. Mr. Hritz seconded the motion. Mr. Cossé

asked if there were any comments for the members or the public and there were none. By verbal vote, the motion passed unanimously. Those present were informed the rates and the new rate manual would be available on the PCF website by the end of the next day.

It is noted that the July, 2012 Board meeting was to be Ms. LeBlanc's last due to her impending retirement. The public guests thanked her for her many years of dedication and service to the Board and agency.

There being no further general business to discuss, Dr. Rathbun made a motion 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 and the Board moved into Executive Session. All guests were thanked for their attendance.

Clark A. Cossé

Mr. Clark Cossé III, Chairman

August 2, 2012

Date