MINUTES

PCF OVERSIGHT BOARD

March 7, 2013

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, March 7, 2013.

The following Board Members were in attendance:

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

Board members absent:

Dr. Patrick Breaux	Mr. Manuel DePascual

Others present:

Mr. Ken Schnauder	Mr. Greg Waddell	Mr. Jeff Dunbar
Ms. Barbara Woodard	Mr. Larry Warren	Mr. Thomas Klem
Ms. Shelly Fowler	Mr. Matt Padberg	Mr. Patrick Tuohy
Ms. Betty Patrick	Mr. Adam Thames	Ms. Neelm Pradhan
Mr. Dave Woolridge	Mr. Ira Feld	

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 or questions. No public comments were made.

Mr. Cossé called for the approval of the February 7, 2013 minutes. Dr. Culotta moved for the minutes to be approved and Dr. Rathbun seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for discussion of Financial Disclosure Forms. Mr. Schnauder advised the Board that the disclosure forms must be submitted to the Ethics Board by May 15, 2013. He also reminded the Board that the Ethics course has to be completed by each member every year.

Mr. Cossé asked for update and discussion on the PCF Investment Portfolio. Mr. Matt Padberg of Cardinal Investments advised the Board that the Treasurer's Office has agreed to purchasing

mutual funds on PCF's behalf. Therefore, Cardinal Investments presented two timelines for selection and implementation of these temporary investments: a longer approach which would take up to four months to complete, or an accelerated approach which would take only two months. Mr. Hritz moved for the accelerated approach to be taken and Dr. Firmin-McMullen seconded the motion. By unanimous verbal vote the motion passed. Mr. Padberg then discussed investment performance to-date; he advised that PCF has earned 1.5% in the fixed income portfolio. Investment in Vanguard was started in November and, to date, total invested is $11 million; $2.75 million per month for 18 months will be the total investment for Vanguard. There were no questions asked and no public comments.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board that the fund balance for the FY to date was approximately $813,791,957, the total net collected in surcharge payments to date was approximately $137,822,224, the total net filing fees collected to date were $165,000, the total interest earned to date was $7,196,922, the total operating expenses to date were $2,699,177, and the claims expenses to date were $62,956,026. Mr. Guidry stated that the fund has never, in the time he has served on the Board, exceeded the $800,000,000 mark. Mr. Schnauder advised the Board that most of the surcharges have been collected for the year, with March, April and May being smaller than average months. Therefore, he advised, the fund balance will not change much from this point until the end of the fiscal year. There were no questions asked and no public comments.

Mr. Cossé asked for the claims report. Mr. Schnauder informed the Board that February had been a good month. He advised there were 92 claims opened and 139 claims closed, ending the month with a total pending claim count of 4,853, the lowest pending number of claims in decades. He advised the total judicial interest paid for the month was $287,249, and that $272,877 in legal fees and expenses were paid. He informed the Board that all reports are being finalized to send to Mr. Jim Hurley, PCF Actuary. Dr. Culotta brought to the Board's attention that there are 12 older claims still pending from prior to 1996 and asked the value of closing these claims out. Mr. Schnauder advised that he reviews these cases often and at this point there is no significant exposure to the Fund on these claims. Mr. Schnauder presented 15 claims for settlement approval for the month in the amount of $4,729,371. There were no questions asked and no public comments made.

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

Clark A. Cossé

Mr. Clark Cossé III, J.D., Chairman

April 4, 2013

Date