MINUTES

PCF OVERSIGHT BOARD

July 11, 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, July 11, 2013.

The following Board members were in attendance:

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

Others present:

Mr. Ken Schnauder	Ms. Berkley Durbin	Mr. Frank Conde
Ms. Barbara Woodard	Mr. Tom McCormick	Mr. Bob MacMillan
Ms. Shelly Fowler	Dr. Ward Blackwell	Mr. Jeff Williams
Ms. Betty Patrick	Mr. John Parker	Ms. Heather Taylor
Mr. Dave Woolridge	Mr. David Moore	Mr. Jim Hurley

Mr. Cossé called the meeting to order and asked that the record reflect nine 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 June 6, 2013 minutes. Dr. Breaux moved for the minutes to be approved and Dr. Culotta seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for update and discussion of the annual actuarial report and rates. Mr. Jim Hurley of Towers Watson informed the Board of their annual findings which were based upon historical indemnity payments, case reserves, interest payments, actual and future expected medical amounts, legal costs and other expenses of the PCF. Mr. Hurley presented two options for rate structures to be effective September 2, 2013. The first option was an increase for some providers and a decrease for others; and the second option being no increase for any provider and decreases for many. Mr. Donchess motioned for approval of Mr. Hurley's second option and Dr. Firmin-McMullen seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé called for discussion on the award of the investment consultant contract. Mr. Schnauder advised the PCF had received eight investment consultant proposals and that all eight proposals were reviewed and scored by himself, Dr. Firmin-McMullen, Mr. Cossé and Mr. Donchess. He advised, according to the RFP, the company with the highest score should be considered, and that out of the eight proposals, Cardinal Investment Advisors, LLC had scored the highest. Mr. Hritz motioned to approve the contract being awarded to Cardinal Investment Advisors, LLC and Dr. Breaux seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé asked for update and discussion on D & O coverage for Board members. Mr. DePascual advised the Board that he needed a copy of the current policy to provide to his contact as the policy needs to be reviewed in order to obtain quotes on excess coverage. Mr. Cossé advised that a copy of the policy will be provided and asked that this matter be deferred to a later meeting for further discussion.

Mr. Cossé called for discussion and update on obtaining a private letter ruling from the IRS regarding PCF's tax status. Mr. Schnauder advised that before the IRS private letter ruling can be requested, House Bill 216, an amendment that clarifies the legislative intent that any balance left in the Fund upon the dissolution or liquidation of the PCF would be paid to the state general fund must be in effect, and that house Bill 216 will go into effect on August 1, 2013.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board the fund balance for the FY ending June 30, 2013 was approximately $827,025,871, the total net collected in surcharge payments to date was approximately $165,727,449, the total net filing fees collected to date were $265,000, the total investment income to date was $34,940,938, the total operating expenses to date were $4,149,512, and the claims expenses to date were $104,020,818. There were no questions asked and no public comments made.

Mr. Cossé asked for the claims report. Mr. Schnauder informed the Board June had been a fairly busy month. He advised there were 106 claims opened and 89 claims closed; ending the month with a total pending claim count of 4,743 and 676 panels had been filed to date. He advised 5 future medicals claims had been added with potential for high volume and exposure to the Fund. He advised the total judicial interest paid for the month was $0, and $194,328 in legal fees and expenses were paid. Mr. Schnauder presented 33 claims for settlement approval for the month in the amount of $12,283,711. 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. Dr. Rathbun then made a motion for the Board to move into the Executive Session and Dr. Breaux seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

Mr. Clark Cossé III, J.D., Chairman

9/6/2013
Date

Sept 6, 2013