MINUTES

PCF OVERSIGHT BOARD

September 5, 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, September 5, 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. Van Culotta	Mr. Joe Donchess	

The following Board members were absent:

Mr. Manuel DePascual	Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Mr. Greg Waddell	Mr. Bob MacMillan
Ms. Barbara Woodard	Mr. Tom McCormick	Ms. Megan Bice
Mr. Kurt Loup	Mr. Larry Warren	Mr. Frank Conde
Ms. Shelly Fowler	Mr. Ward Blackwell	Ms. Kate Pizzi
Ms. Betty Patrick	Mr. Adam Thames	
Mr. Dave Woolridge	Ms. Neelm Pradhan	

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 July 11, 2013 minutes. Mr. Donchess 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 called for discussion of the annual election of Board officers. Mr. Jim Hritz advised the Board that Dr. Firmin-McMullen, Mr. Joe Donchess and himself, as nominating committee, had discussed the current Chairman, Vice-Chairman and Secretary positions on the Board and voted to keep the same officers if each agreed to continue in his/her current position. Each did so agree; Mr. Hritz motioned for approval to reelect Mr. Cossé as Chairman, Dr. Culotta as Vice-Chairman and Mr. Guidry as Secretary; Dr. Rathbun seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé began discussion of the annual review of the executive director, Mr. Ken Schnauder. Dr. Breaux informed the Board that a study had been completed by himself and Dr. Culotta as to the salaries of other executive directors in similar capacities and they were recommending an increase to $150,000 per year for Mr. Schnauder to be retroactive to July 1, 2013. Dr. Breaux motioned for approval of the salary increase to $150,000 with the retroactive pay and Mr. Donchess 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. Schnauder advised the Board he had attempted to obtain a copy of the current policy from the Office of Risk Management but was told that ORM does not give out its policies. However, ORM did provide him with an outline of coverage which Mr. Schnauder will provide to each Board member. ORM further advised that if the Board wanted additional coverage, it would have to go through the RFP process through ORM but that it was unlikely authority to do so would be granted.

Mr. Schnauder introduced Mr. Kurt Loup to the Board as the new PCF claims manager effective August 5, 2013. Mr. Schnauder advised the Board Mr. Loup had been with the PCF for twelve years as a senior adjuster with very good negotiating skills, and expressed his full faith in his abilities. The Board welcomed Mr. Loup as claims manager.

Mr. Cossé asked for update and discussion on the investment portfolio and fixed-income RFP. Mr. Matt Padberg of Cardinal Investments advised 42 proposals for fixed income managers had been received and of the 42, seven firms were eliminated for failing to comply with the RFP's basic requirements, which left 35 proposals to be graded. Mr. Schnauder advised the 35 firms had been ranked from best to worst and each evaluated independently, and that upon completion of the grading process, Cardinal recommended interviewing the top six firms. Mr. Schnauder advised he would be setting up the interviews shortly.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board the fund balance for the FY to date was approximately $815,864,606, the total net collected in surcharge payments to date this FY was approximately $26,618,739, the total net filing fees collected to date were $50,600, the total investment income to date was $2,088,520, the total operating expenses to date were $651,431, and the claims expenses to date were $18,860,859. There were no questions asked and no public comments.

Mr. Cossé asked for the claims report. Mr. Schnauder informed the Board that July and August had been fairly busy months. He advised there were 117 claims opened and 111 claims closed, ending the month with a total pending claim count of 4,788, and that 929 panels had been filed to date. He advised the total judicial interest paid for the month was $209,105 and that $409,898 in legal fees and expenses were paid. Mr. Schnauder presented 39 claims for settlement approval for the months of July and August in the amount of $17,967,489. There were no questions asked and no public comments made. At this point Mr. Cossé turned the meeting over to Vice-Chairman Dr. Van Culotta and departed.

Dr. Culotta asked if there were any questions or comments from the public. There were no comments, though a member of the public requested and was given one of the Cardinal Investments booklets which were handed out at the meeting.

Dr. Culotta 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

Oct 3, 2013
Date