MINUTES

PCF OVERSIGHT BOARD

January 9, 2014

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, January 9, 2014.

The following Board members were in attendance:

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

The following Board members were absent:

Mr. James Hritz	Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Ms. Megan Bice
Ms. Barbara Woodard	Mr. Dave Woolridge	Ms. Jennifer Marusak
Mr. Kurt Loup	Mr. Larry Warren	Mr. David Moore
Ms. Shelly Fowler	Mr. Stan Gavin	Mr. Thomas Weaver

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 December 5, 2013 minutes. Dr. Rathbun 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 discussion of the financial audit. Mr. David Moore and Mr. Thomas Weaver of Postlethwaite & Netterville were present to discuss the audit; they presented the Board with a draft of the annual audit report. Mr. Moore advised overall the audit was favorable with two findings; one finding was the need for improved systems and procedures in accounting for the accruals in collections, payments and investments due to the changes in accounting requirements and reporting on an accrual method instead of the cash method previously used by the PCF. The other finding pertained to the unresolved tax status of the PCF originally discussed in the 2012 financial audit. Mr. Donchess made a motion for the audit to be finalized for submission to the Louisiana Legislative Auditor; Dr. Rathbun seconded the motion. By verbal

vote, the motion was approved with no dissenting votes. Dr. Culotta made a motion to set up an accrual for potential tax liability should we receive an adverse ruling from the IRS. Dr. Rathbun made a substitute motion for the PCF staff to hire tax attorneys to provide the Board with a report as to what could potentially be considered taxable funds and scenarios of possible tax liabilities. Dr. Breaux seconded the motion, and by verbal vote, the motion was approved with no dissenting votes.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board the fund balance for the FY to date was approximately $833,108,462, the total net collected in surcharge payments to date was approximately $81,873,171, the total net filing fees collected to date were $143,805, the total investment income to date was $7,007,839, the total operating expenses to date were $2,231,169, and the claims expenses to date were $60,304,222. There were no questions asked and no public comments made.

Mr. Cossé asked for the claims report. Mr. Loup informed the Board that, for the month of December, there were 102 panels filed, 113 panels closed, 76 claims opened and 100 claims closed, ending the month with a total pending claim count of 4,827. He advised that $165,410 in judicial interest was paid for the month and that $300,193 in legal fees and expenses were paid. Mr. Loup presented 18 claims for settlement approval for the month of December in the amount of $5,671,433. 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. Guidry 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.

Clark A. Cossé

Mr. Clark Cossé III, J.D., Chairman

Feb 6, 2012

Date