MINUTES

PCF OVERSIGHT BOARD

June 5, 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, June 5, 2014.

The following Board members were in attendance:

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

The following Board members were absent:

Mr. Kent Guidry	Mr. Manuel DePascual	Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Mr. Larry Warren
Ms. Barbara Woodard	Ms. Shelly Fowler	Dr. Ward Blackwell
Mr. Kurt Loup	Mr. Dave Woolridge	Ms. Megan Bice

Mr. Cossé called the meeting to order and asked that the record reflect six 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 May 1, 2014 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 update and discussion on the investment portfolio and custodian. Mr. Matt Padberg of Cardinal Investment Advisors advised the Board the process of transferring all funds from the Louisiana State Treasurer's office to the new custodian, Wells Fargo, has been nearly completed. He advised the next step is for the investment managers, GR-NEAM and JP Morgan, to be funded and develop the fixed income portfolios, and that this process will take 18 months to be fully completed. Mr. Padberg provided an update on the performance of the overall portfolio as of March 31, 2014. He advised the portfolio outperformed the benchmark by 6 basis points. Overall, Mr. Padberg expressed, he is pleased with the portfolio selected by the Board. The Board then advised they would like the PCF staff to create a report and/or newsletter for the

public to illustrate what progress the Fund has made over the last few years with the Fund balance and investments as well as rate changes.

Mr. Cossé called for a report from the Executive Compensation Committee. Mr. Hritz advised the committee had met to discuss the merits and benefits of the Executive Director. He advised the committee is very pleased with Mr. Schnauder's performance as Executive Director of the PCF. Mr. Hritz made a motion to approve a 10% increase in Mr. Schnauder's salary to be effective July 1, 2014 and approval to begin a formalized evaluation process for the Executive Director's position. Dr. Breaux seconded the motion. By verbal vote, the motion was approved with no dissenting votes. Then, a discussion ensued on whether or not PCF counsel could be given an increase. Mr. Schnauder advised PCF counsel is under a contract and the Attorney General's office controls the compensation, but Mr. Schnauder agreed to research the issue for discussion at the next meeting.

Mr. Cossé asked for the financial reports and vendor contract discussion. Ms. Woodard informed the Board the fund balance for the FY to date was approximately $859,178,857, the total net collected in surcharge payments to date was approximately $158,557,271, the total net filing fees collected to date was $269,400, the total investment income to date was $14,653,382 the total operating expenses to date were $4,055,088, and the claims expenses to date were $116,865,146. 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 May there were 118 panels filed, 122 panels closed, 104 claims opened and 134 claims closed, ending the month with a total pending claims count of 4,733. Mr. Loup advised that $589,985 in judicial interest was paid for the month and that $321,685 in legal fees and expenses were paid. Mr. Loup presented 28 claims for settlement approval for the month of May in the amount of $6,623,717. 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. Mr. Hritz then made a motion for the Board to move into Executive Session and end the General session, Dr. Culotta seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

Mr. Clark R. Cossé III, J.D., Chairman

7/10/14

Date