MINUTES

PCF OVERSIGHT BOARD

July 10, 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, July 10, 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
Mr. Kent Guidry	Mr. Manuel DePascual	

The following Board member was absent:
Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Mr. Jim Hurley	Mr. David Moore
Ms. Barbara Woodard	Mr. Ward Blackwell	Mr. Roy Chenevert
Mr. Kurt Loup	Ms. Megan Bice	Ms. Margaret Franklin
Ms. Betty Patrick	Mr. Larry Warren	Mr. Jeff Williams
Ms. Shelly Fowler	Mr. Tom McCormick	
Mr. Dave Woolridge	Mr. Greg Wadell	

Mr. Cossé called the meeting to order and asked that the record reflect eight 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 5, 2014 minutes. Dr. Rathbun moved for the minutes to be approved and Mr. Donchess seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for discussion of election of Board Officers. Mr. Donchess advised that the committee had met and reached agreement that the current Board Officers should remain the same: Mr. Cossé as Chairman, Dr. Culotta as Vice Chairman and Mr. Guidry as Secretary. Mr. Donchess moved to keep the current PCF Board Officers; Dr. Breaux seconded the motion. By verbal vote, the motion was approved with no dissenting votes.

Mr. Cossé asked for discussion of the annual actuarial study and rate indications. Mr. Jim Hurley of Towers Watson advised his yearly analysis had been completed and that the results were based upon historical indemnity payments and case reserves, interest payments, actual and future expected medical amounts, legal costs and other expenses of the LPCF. After much discussion by the Board members and the public, Dr. Breaux moved to adopt the rate changes as recommended by Mr. Hurley; Dr. Rathbun seconded the motion. By verbal vote, the motion was approved with no dissenting votes. Dr. Rathbun made a motion to discuss policies for next year's actuarial study at the February, 2015 meeting. Mr. DePascual seconded the motion; by verbal vote, the motion was approved with no dissenting votes.

Mr. Cossé called for an update and discussion on the matter of PCF's current lease and possible purchase/construction of a new building. Mr. Woolridge advised the Board he had completed research on other state agencies that had obtained their own building and learned that legislative statutory authority would be necessary in order for the PCF to do so. Mr. Guidry moved for approval for Mr. Woolridge to draft legislation allowing the PCF to purchase or construct its own building, to be presented to the 2015 Legislature; Dr. Rathbun seconded the motion. By verbal vote, the motion was approved with no dissenting votes.

Mr. Cossé called for discussion of the PCF claims manager compensation review. Mr. Schnauder reminded the Board that they had been provided a copy of Mr. Loup's annual review. He expressed his satisfaction with Mr. Loup's job performance and progress and advised he is recommending a 6% salary increase for him to be effective August 3, 2014. Mr. Donchess moved to approve a 6% salary increase for Mr. Loup; Dr. Breaux seconded the motion. By verbal vote, the motion was approved with no dissenting votes.

Mr. Cossé called for discussion of the PCF general counsel compensation review, for Mr. Dave Woolridge of Roedel Parsons. Mr. Schnauder reminded the Board that at the June 2014 Board meeting a discussion had ensued as to whether PCF general counsel could be given an hourly rate increase. Mr. Schnauder advised he had researched the issue and learned from the Attorney General's office that rates for general counsel are in a different category from general defense services, and are thus not comparable. Mr. Schnauder remarked on the many years Mr. Woolridge has satisfactorily served the PCF Board and himself as Executive Director. He advised he was recommending an increase in Mr. Woolridge's hourly rate to $180.00 with the understanding that a contract would have to be presented to the Attorney General's office for their approval. Dr. Rathbun moved to approve the rate increase with an effective date of July 1, 2014, and also moved for approval for a compensation review of the general counsel to be conducted annually; Dr. Breaux seconded the motion. 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 $864,382,697, the total net collected in surcharge payments to date was approximately $171,342,061, the total net filing fees collected to date was $295,800, the total investment income to date was $16,284,848 the total operating expenses to date were $4,403,903, and the claims expenses to date were $125,755,147. Ms. Woodard also advised the new fiscal year 2015 began July 1, 2014 and that she would present the final figures for FY 2014 at the August 2014 meeting. 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 June there were 125 panels filed, 118 panels closed and 112 claims opened and 125 claims closed, ending the month with a total pending claims count of 4,724. Mr. Loup advised that $191,849 in judicial interest was paid for the month and that $265,936 in legal fees and expenses were paid. Mr. Loup presented 21 claims for settlement approval for the month of June in the amount of $6,446,758. 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. Dr. Rathbun then made a motion for the Board to move into Executive Session; Dr. Breaux seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

Clark R. Cossé

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

8/7/14

Date