MINUTES

PCF OVERSIGHT BOARD

December 4, 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, December 4, 2014.

The following Board members were in attendance:

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

The following Board members were absent:

Dr. Van Culotta	Dr. Melanie Firmin-McMullen

Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Mr. Stan Gavin
Mr. Kurt Loup	Mr. Matt Padberg	Mr. Greg Waddell
Mr. Dave Woolridge	Mr. David Moore	Ms. Megan Bice
Ms. Shelly Fowler		

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 November 6, 2014 minutes. Dr. Rathbun moved for the minutes to be approved and Dr. Breaux seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for discussion of the January, 2015 Board meeting date. Mr. Cossé advised the next meeting was scheduled to fall on January 1, 2015, and since that date is New Years Day, it should be moved to the following week, on January 8. Dr. Rathbun moved for the meeting date to be changed to January 8, 2015; Mr. Hritz seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé asked for the annual auditor report. Mr. David Moore, CPA with Postlethwaite & Netterville presented the Board with a draft of the annual financial statements and audit for discussion. Mr. Moore advised there were zero findings and all previous findings and recommendations had been resolved. He stated the audit could not have been better. He advised the draft of the report would be finalized the following week and filed with the Louisiana State Legislative Auditor's office. Dr. Breaux moved to express gratitude to Barbara Woodard and PCF staff for the great job that is being done and the excellent audit report; Dr. Rathbun seconded the motion. By verbal vote, the motion was adopted with no dissenting votes. There were no questions asked and no public comments made.

Mr. Cossé asked for the quarterly investment update. Mr. Matt Padberg of Cardinal Investment Advisors provided the Board with a detailed quarterly report. He advised all investments are progressing as expected, and that GR-NEAM and JP Morgan will continue to be funded over the next twelve months as the PCF systematically sells its investment-grade bond mutual fund portfolio. He advised the fixed income portfolio slightly underperformed the benchmark by 10 basis points for the quarter; however, the overall portfolio outperformed the benchmark by 0.02%, returning 3.22% vs. 3.20% for the benchmark, driven by the core bond mutual funds for the year. Mr. Padberg advised the Board he is pleased with the portfolio at this time and all allocations are progressing as expected. There were no questions asked and no public comments made.

Mr. Cossé asked for the financial reports. Mr. Schnauder informed the Board the fund balance for the fiscal year to date was approximately $885,236,530, the total net collected in surcharge payments to date was approximately $66,185,582, and the total net filing fees collected to date was $105,600. He advised the total investment income through October was $4,832,381, the total operating expenses to date were $2,033,467, and the claims expenses to date were $46,969,603. 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 November there were 94 panels filed, 88 panels closed, 81 claims opened and 81 claims closed, ending the month with a total pending claims count of 4,679. Mr. Loup advised that $209,331 in judicial interest was paid for the month and $298,225 in legal fees and expenses were paid. Mr. Loup presented 17 claims for settlement approval for the month of November in the amount of $5,158,513. 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; 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

Jan 8, 2015

Date