MINUTES

PCF OVERSIGHT BOARD

June 4, 2015

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 4, 2015.

The following Board members were in attendance:

Mr. Clark Cossé, Chairman	Mr. Manuel DePascual	Dr. Lesley Meng
Mr. Kent Guidry	Mr. Joe Donchess	Dr. Christopher Foret
Dr. Patrick Breaux	Mr. Jim Hritz	

The following Board member was absent:
Dr. Van Culotta

Others present:

Mr. Ken Schnauder	Ms. Shelly Fowler	Mr. Matt Padberg
Mr. Kurt Loup	Ms. Betty Patrick	Mr. Ward Blackwell
Ms. Barbara Woodard	Mr. David Woolridge	Mr. Larry Warren

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 called for a motion to amend the agenda to include a discussion of PCF Executive Director, Ken Schnauder's yearly evaluation and compensation review. Dr. Meng moved for the agenda to be amended and Dr. Foret seconded the motion. By verbal vote, the agenda was amended with no dissenting votes. Dr. Breaux and Mr. Hritz arrived late to the meeting due to heavy traffic.

Mr. Cossé asked for public comments or questions. No public comments were made.

Mr. Cossé called for the approval of the May 7, 2015 minutes. Mr. Guidry moved for the minutes to be approved and Mr. DePascual seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé gave the Board an update on Legislative Session 2015. He advised SB 158, which involves reporting claims to the Health and Welfare Committees, had passed the House and Senate. He advised the bill was amended to apply only to practitioners who have five or more

claims paid on their behalf during the previous year; the PCF would be required to report this information to the Health and Welfare Committees. Mr. Cossé also advised of the progression of HB 843 which would provide that dietitians/nutritionists working as employees of a physician/group be covered under the Act.

Mr. Cossé asked for an update on investments. Mr. Matt Padberg of Cardinal Investment Advisors informed the Board the law will soon change regarding money market funds: starting in October 2016, many institutional money markets funds will begin trading at market prices instead of a fixed $1.00 price. He advised PCF's current money market fund, Wells Fargo's Heritage Money Market Fund, will trade at NAV, so its price will fluctuate, though the PCF could switch to Wells Fargo's Government Money Market Funds, which will be held at a $1.00 price. After some discussion among the Board, Mr. Cossé concluded it was too early to vote on this change and advised the Board would discuss the matter further when the time nears. Mr. Padberg then provided the Board with a portfolio update: GR NEAM and JP Morgan will be completely funded in June 2015 as the PCF systematically sells its investment-grade bond mutual funds. He advised that overall, the PCF's portfolio slightly outperformed the benchmark by ~12 basis points and all composites outperformed for the quarter except high yield bank loans and high yield bond funds.

Mr. Cossé asked for the financial reports. Ms. Barbara Woodard informed the Board the fund balance for the fiscal year to date was approximately $930,979,890, the total net collected in surcharge payments to date was approximately $155,884,493, and the total net filing fees collected to date were $252,300. She advised the reported investment income through April was $17,453,079, the total operating expenses to date were $4,697,075, and the claims expenses to date were $101,028,944. 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 110 panels filed, 76 panels closed, 106 claims opened and 310 claims closed, ending the month with a total pending claims count of 4,429. Mr. Loup advised that $0 in judicial interest was paid for the month and $270,451 in legal fees and expenses were paid. Mr. Loup presented 21 claims for settlement approval for the month of June in the amount of $6,805,000. There were no questions asked and no public comments made.

Mr. Cossé called for a report from the executive compensation committee, comprised of Dr. Breaux, Mr. Donchess and Mr. Hritz. Mr. Hritz advised the committee had met for the annual evaluation and compensation review of PCF Executive Director Ken Schnauder. He advised the committee was very pleased with Mr. Schnauder's performance, and was recommending a 4% increase in his annual salary. Mr. Hritz then made a motion for the Board to approve a 4% increase in Mr. Schnauder's salary, to be effective July 1, 2015. Dr. Meng seconded the motion; by verbal vote, the motion was approved with no dissenting votes.

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. Foret 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

July 2, 2015

Date