MINUTES

PCF OVERSIGHT BOARD

June 2, 2016

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
HEROMAN BOARD ROOM
BATON ROUGE, LA

Dr. Vincent "Van" Culotta, Vice Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, June 2, 2016.

The following Board members were in attendance:

Dr. Van Culotta, Vice Chairman	Dr. Christopher Foret	Mr. Joe Donchess
Mr. Kent Guidry	Mr. Jim Hritz	

The following Board members were absent:

Mr. Clark Cossé, Chairman	Dr. Lesley Meng	Mr. Manuel DePascual
Dr. Patrick Breaux		

Others present:

Mr. Ken Schnauder	Mr. Benjamin Sammons	Ms. Ann Wiesler
Mr. Kurt Loup	Mr. David Woolridge	Mr. Jeff Williams
Ms. Barbara Woodard	Mr. Matt Padberg	Mr. Larry Warren
Ms. Betty Patrick		

Dr. Culotta called the meeting to order and asked the record reflect five Board members were in attendance and a quorum was present. Dr. Culotta welcomed the guests to the meeting and asked all present to introduce themselves.

Dr. Culotta asked for public comments or questions. No public comments were made.

Dr. Culotta called for the approval of the May 5, 2016 minutes. Dr. Foret moved for the minutes to be approved and Mr. Donchess seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Dr. Culotta called for the quarterly investment update. Mr. Matt Padberg of Cardinal Investment Advisors provided the Board with a detailed quarterly report and portfolio update. Mr. Padberg advised all asset classes for the quarter were within their policy target ranges and the PCF's overall portfolio slightly outperformed the benchmark by 0.03%, returning 2.06%. He advised with the change in Money Market Fund rules the Wells Fargo Heritage Money Market Fund will no longer be eligible as of October 2016 and recommended changing to the government fund. Mr. Donchess moved to change to the Wells Fargo Government Money Market Fund; Mr. Hritz

seconded the motion. By verbal vote, the change was adopted. Ms. Ann Wiesler discussed Cardinal's review of the investment managers for the high yield bank loan mandate to determine if the PCF should streamline its portfolio. After a discussion of the high yield bank loan managers, Mr. Hritz moved to consolidate the high yield bank loan managers into one manager, Babson. Dr. Foret seconded the motion, and by verbal vote, the motion was adopted with no dissenting votes. Ms. Wiesler then discussed Cardinal's review of the current high yield bond mandate to determine if the PCF should consider moving to a commingled fund, utilizing one manager instead of using the current two mutual funds. Mr. Donchess moved to retain Neuberger Berman via its comingled fund and Mr. Guidry seconded the motion; by verbal vote the motion was adopted with no dissenting votes.

Dr. Culotta called for update on PCF-related legislation pending in the 2016 Legislative Session. Mr. Woolridge provided an update and details of Senate bills SB36 and SB78 and House bills HB195, HB480 and HB570. He advised HB195 has been signed by the Governor and becomes law effective August 1, 2016 and changes to the Panel filing fee notices will be made accordingly. He advised HB480 also has been signed by the Governor and makes changes to telemedicine laws. He advised the other bills are moving through the process and he will continue to watch their progression as the session ends in the next few days and will inform the Board accordingly. It was recommended by the Board that Mr. Woolridge research the statute and current case law regarding telemedicine and report the findings to the Board.

Dr. Culotta asked for the financial reports. Ms. Barbara Woodard informed the Board the Fund balance for the fiscal year to date was approximately $996,547,771, the total net collected in surcharge payments to date was approximately $134,949,268 and the total net filing fees collected to date were $294,600. She further advised the reported investment income through April was $17,412,771, the total operating expenses to date were $5,354,847, and the claims expenses to date were $80,959,217. There were no questions asked and no public comments made.

Dr. Culotta asked for the claims report. Mr. Loup informed the Board for the month of May there were 120 panels filed, 102 panels closed, 113 claims opened and 74 claims closed, ending the month with a total pending claims count of 4,605. Mr. Loup advised $152,401 in judicial interest was paid for the month and $157,848 in legal fees and expenses were paid. Mr. Loup presented 14 claims for settlement approval for the month in the amount of $3,695,600.

Dr. Culotta asked if there were any questions or comments from the public. There were none.

Dr. Culotta thanked the guests for attending the meeting. Dr. Foret then made a motion for the Board to move into Executive Session; Mr. Donchess seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

Dr. Vincent Culotta, Vice Chairman
Kent Gardner Secretary

2/14/16
Date