MINUTES

PCF OVERSIGHT BOARD

September 1, 2016

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

Mr. Clark Cossé, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, September 1, 2016.

The following Board members were in attendance:

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

* Arrived after the start of the meeting.

Others present:

Mr. Ken Schnauder	Ms. Shelly Fowler	Mr. Larry Warren
Ms. Barbara Woodard	Mr. Dave Woolridge	
Mr. Kurt Loup	Mr. Matt Padberg	

Mr. Cossé called the meeting to order and asked the record reflect nine 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 August 4, 2016 minutes. Dr. Culotta moved for the minutes to be approved and Dr. Meng seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé 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 the PCF portfolio was well-diversified and doing well, with both NEAM and JP Morgan outperforming by an average of 20 basis points for the quarter. Mr. Padberg then advised JP Morgan had some organizational changes which caused him some concern; he suggested the Board might want to consider switching to another manager. After some discussion, the Board requested that NEAM, Wellington and Baird come and give a presentation at the November, 2016 meeting, after which the Board would decide whether to change investment managers, and in the meantime, the PCF would continue on the same course.

Mr. Cossé called for discussion on LAC 37:III Emergency Rule 5 regarding the August, 2016 flood and subsequent declaration of a State of Emergency by Governor John Bel Edwards. Emergency Rule 5, adopted September 1, 2016 by the Board to provide emergency relief to qualified healthcare providers in flood-affected areas, allows for the suspension of deadlines for these healthcare providers to submit surcharge payments for renewal of premiums. After some discussion, Dr. Culotta moved to approve Emergency Rule 5, adding additional language that allows the Executive Director to have some discretion to extend the deadline if circumstances warrant such extension; Mr. Guidry seconded the motion. By verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé asked for the financial reports. Ms. Barbara Woodard informed the Board the Fund balance for the fiscal year to date was approximately $1,004,216,157, the total net collected in surcharge payments to date was approximately $18,671,835, and the total net filing fees collected to date were $39,200. She advised the reported investment income through July was negative ($4,636,897) due to the sale and rebalancing of the high yield mandate, the total operating expenses to date were $819,210, and the claims expenses to date were $13,456,921. There were no questions asked and no public comments made.

Mr. Cossé asked for the claims report. Mr. Loup informed the Board for the month of August there were 73 panels filed, 103 panels closed, 78 claims opened and 98 claims closed, ending the month with a total pending claims count of 4576. Mr. Loup advised $0 in judicial interest was paid for the month and $131,123 in legal fees and expenses were paid. Mr. Loup presented 19 claims for settlement approval for the month in the amount of $12,856,698. 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. Breaux then made a motion for the Board to move into Executive Session; Dr. Foret 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

Oct 6, 2016

Date