

MINUTES

PCF OVERSIGHT BOARD

February 7, 2019

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

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, February 7, 2019.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Dr. Corey Hebert	Mr. Robert Ruel
Mr. Kent Guidry	Dr. Luis Alvarado	Mr. Gregory Waddell
Dr. Patrick Breaux	Mr. Marcus Naquin	Ms. Jennifer DeCuir

Others present:

Mr. Ken Schnauder	Mr. Dave Woolridge	Ms. Caroline Fletcher
Mr. Kurt Loup	Mr. Shawn Paretti	Mr. Frank McGee
Ms. Barbara Woodard	Mr. Jeff Williams	Ms. Kristi Verrette
Ms. Betty Patrick	Mr. Larry Warren	Ms. Maria Bowen

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

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

Dr. Foret called for the approval of the January 3, 2019 minutes. Dr. Breaux moved for the minutes to be adopted and Dr. Alvarado seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret asked for discussion of the Louisiana Department of Insurance Examination Report of the Practice Protection Fund. Ms. Caroline Fletcher, Deputy Commissioner, advised the LDI completed an examination of the affairs and financial condition of the Practice Protection Fund. Mr. Frank McGee, who conducted the examination, advised the Practice Protection Fund was in violation of *La. R.S. 22:46 (9)(d)(i)*. Mr. McGee advised the self-insurance trust should be maintained in a financially and actuarially sound manner to be confirmed by providing annual financial statements audited by an independent certified public accountant. He advised the trust fund has not been audited by a CPA or filed CPA-audited financial statements in 3 years. He said the examination report revealed the trust was at least \$4.8MM underfunded for known exposures without any amount considered for incurred but not reported claims. He further advised the trust had unpaid legal expenses of just under \$1 million. After much discussion, Dr.

Breaux made a motion for Dave Woolridge, as Board General Counsel, to send a certified letter to the Practice Protection Fund requesting CPA-audited financial statements within 30 days; Mr. Guidry seconded the motion. Mr. Ruel made an amended motion to give the Practice Protection Fund 21 days to provide audited financial statements and an actuarial report showing financial stability of the trust fund; he further requested an additional letter be sent to each practitioner participating in the trust advising of the concerns regarding the Fund. Dr. Alvarado seconded the amended motion; by verbal vote, the amended motion was approved with no dissenting votes.

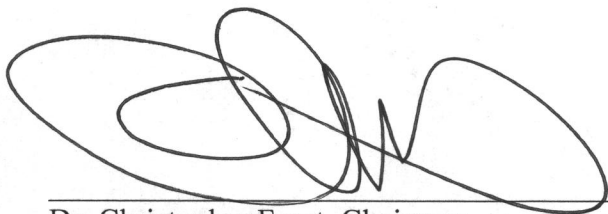
Dr. Foret asked for the financial and budget reports and the administrative contracts. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately \$1,124,023,112, the total net collected in surcharge payments to date was approximately \$107,654,544 and the total net filing fees collected to date were \$170,200. She advised the reported investment income through December was \$17,100,118, the total operating expenses to date were \$3,397,253, and the claims expenses to date were \$78,654,536. There were no questions asked and no public comments made.

Mr. Schnauder advised the Board Cardinal Investment Advisors had submitted a new contract proposal to replace the current contract which expires September 30, 2019. After some discussion, Mr. Naquin made a motion to continue Cardinal Investment Advisors consulting services with fees to be discussed at a later meeting. Dr. Breaux seconded the motion; by verbal vote, the motion was approved with no dissenting votes.

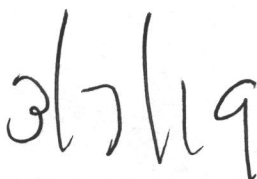
Dr. Foret called for the claims report. Mr. Loup informed the Board for the month of January there were 103 panels filed, 111 panels closed, 122 claims opened, and 122 claims closed, ending the month with total pending claims count of 4,416. Mr. Loup advised \$0 in judicial interest was paid for the month and \$189,420 in legal fees and expenses were paid. Mr. Loup presented 29 claims for settlement approval for the month in the amount of \$10,743,159. There were no questions asked and no public comments made.

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

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



Dr. Christopher Foret, Chairman



Date