

# MINUTES

## PCF OVERSIGHT BOARD

June 1, 2017

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, June 1, 2017.

The following Board members were in attendance:

Mr. Clark Cossé, Chairman	Dr. Christopher Foret	Mr. James Hritz
Dr. Van Culotta	Dr. Patrick Breaux	Mr. Marcus Naquin
Mr. Kent Guidry		

The following Board members were absent:

Dr. Lesley Meng	Mr. Manuel DePascual
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Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Mr. Jeff Williams
Ms. Barbara Woodard	Ms. Shelly Fowler	Mr. Larry Warren
Mr. Kurt Loup	Mr. David Woolridge	

Mr. Cossé called the meeting to order and asked the record reflect seven Board members were in attendance and a quorum was present. Mr. Cossé then 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 May 4, 2017 minutes. Mr. Hritz moved for the minutes to be adopted and Dr. Foret seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for the legislative update. Mr. David Woolridge advised House Bill HB137 continues to move forward and Senate Bill SB232 with preferred amendments has been delayed and may not be an issue with the legislative session coming to a close shortly. Mr. Woolridge advised he will continue to watch the progression of the bills and inform the Board accordingly.

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. He advised the PCF portfolio earned 1.32% for the 1<sup>st</sup> quarter, outperforming the benchmark by 6 basis points. Mr. Padberg then reviewed the performance of the international equity managers,

advising Allianz NFJ had had poor performance and staff changes, and recommending a change of managers. After some discussion, Mr. Guidry moved to terminate Allianz NFJ and allocate the money from Allianz NFJ equally into the other three international equity managers: Harbor, PIMCO and Vanguard. Dr. Breaux seconded the motion; by verbal vote, the change was adopted with no dissenting votes. Mr. Padberg then discussed revisiting the PCF strategic asset allocation, advising the PCF balance sheet strength had improved markedly over the past few years and therefore the risk tolerance and views on the best way to manage the portfolio may have changed. Mr. Hritz moved to have Cardinal investigate the risk equivalent portfolio and report back to the Board with a detailed allocation under this scenario. Dr. Foret seconded the motion and by verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé asked for discussion of the annual election of Board officers. Mr. Hritz advised the nominating committee, made up of Mr. Hritz, Dr. Meng and Mr. DePascual had discussed the matter and advised they are very pleased with the current slate of officers and would like to re-nominate the current members as officers for the next year: Mr. Cossé – Chairman, Dr. Culotta – Vice-Chairman and Mr. Guidry – Secretary. Dr. Breaux moved to approve that the current officers be re-elected and Dr. Foret seconded the motion. By verbal vote, the motion to keep the current Board officers for another fiscal year was adopted with no dissenting votes.

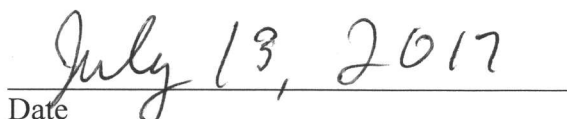
Mr. Cossé called for the financial reports. Mr. Schnauder informed the Board the Fund balance for the fiscal year to date was approximately \$1,045,596,354, the total net collected in surcharge payments to date was approximately \$135,181,870, and the total net filing fees collected to date were \$255,600. He advised the reported investment income through April was \$13,392,731, the total operating expenses to date were \$5,146,438, and the claims expenses to date were \$102,505,559. 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 May there were 100 panels filed, 119 panels closed, 100 claims opened and 110 claims closed, ending the month with a total pending claims count of 4,558. Mr. Loup advised \$19,841 in judicial interest was paid for the month and \$426,850 in legal fees and expenses were paid. Mr. Loup presented 17 claims for settlement approval for the month in the amount of \$4,990,675. 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. Guidry then made a motion for the Board to move into Executive Session; Mr. Hritz seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.

  
Mr. Clark R. Cossé III, J.D., Chairman

  
Date