

MINUTES
PCF OVERSIGHT BOARD

March 5, 2009

WOMAN'S HOSPITAL
BATON ROUGE, LA.

Mr. Clark Cosse', Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday March 5, 2009, at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

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| Mr. Clark Cosse' | Dr. John LaCorte |
| Mr. Kent Guidry | Dr. Katharine Rathbun |
| Dr. Vincent Culotta | Mr. Manual DePascual |
| Dr. Melanie Firmin | |

Board Members absent:

Mrs. Dionne Viator
Mr. Joseph Donchess

Others present:

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| Mrs. Lorraine LeBlanc | Mr. Ken Schnauder |
| Mrs. Barbara Woodard | Mr. Dave Woolridge |
| Mrs. Aminthe Broussard | Mrs. Lynn Duszynski |

Mr. Cosse' called the meeting to order. Mr. Cosse' asked that the record show that seven board members were in attendance and that a quorum was present. Mr. Cosse' welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cosse' asked for public comments. No public comments were made.

Mr. Cosse' called for the approval of the February minutes. Dr. Culotta moved for the minutes to be approved with no corrections. Dr. Rathbun seconded the motion. The minutes were adopted and there were no dissenting votes.

Mr. Cosse' asked for the financial updates. Mrs. Woodard explained the operating budget expenditures and informed the board that the overall operating budget appeared adequate.

Mrs. Woodard explained that the claims budget has expended over \$82,000,000 for the FY and that the BA7 submitted on January 26, 2009 to the state budget office for \$15,000,000 had not been approved yet, but the state budget analyst had informed the PCF that the BA7 would be approved within the next few weeks. Mr. Cosse' asked if the requested \$15,000,000 would be sufficient to carry through to the end of the FY, Mr. Schnauder stated that he felt that it would. However, Mrs. LeBlanc stated the budget office seemed concerned that the request could be too low based on past payments. She asked the Board to consider approval of an increase to \$120,000,000 for this FY if there was an indication from the Budget office that they felt such was necessary. Mrs. Woodard explained that over the last three years the PCF had submitted BA7 requests increasing the total claims budget, thus she recommended the Board discuss approving a request to increase budget authority for the 2009-10 FY at the appropriate time and the 2010-11 budget when it is prepared in October 2009. Dr. Firmin asked why this action had not been taken before. Mrs. LeBlanc explained that it was felt the \$100,000,000 requested in prior years would be sufficient. However the increase in senior claims staff has resulted in more claims being processed and resolved on a yearly basis. Dr. Firmin made the motion for the PCF to increase the budget authority from \$100,000,000 to \$120,000,000 beginning with the 2010 FY, and for the PCF to also increase the BA7 request for this FY from \$15,000,000 to \$20,000,000 if needed. Dr. Culotta seconded the motion. There was a verbal vote which was unanimous. Mr. DePascual asked if the gross collections to date were comparable to last year at this time. Mrs. LeBlanc stated that the figures were higher which was expected since a 5% rate increase went into effect in January. Mr. Cosse' asked if there were more enrollees in the fund than last year and Mrs. LeBlanc stated that there was a slight increase in participation by medical providers. Culotta asked if the unfunded liability was being reduced. Mrs. LeBlanc stated the reserves stay about the same and the funds with the Treasurer's office increase so the unfunded liability is being reduced, but explained that it depended largely on the IBNR and that the actuary could report a more accurate percentage. Mr. Cosse' stated that the Board has adopted a very responsible approach to the unfunded liability and that the gap will close each year due to the rate increases, more collections, and claims being settled at a faster rate which would avoid high interest payouts. Mr. DePascual asked what the judicial interest was. Mr. Schnauder reported that it was 5.5%. Mr. Cosse' asked if there were any other comments on the financial reports or budget. There were none.

Mr. Cosse' asked for the claims manager report. Mr. Schnauder stated that through February 27, 2009 claim expenses totaled over \$82,000,000. Mr. Schnauder informed the board that the claims section has closed 150 more claims than opened, leaving a total of 5755 pending claims. Mr. Schnauder stated that he was presenting 28 claims for approval in the amount of \$7,530,646,000 and that the claims council authority for February was approximately \$8,288,000. Mr. Schnauder stated he did not anticipate spending \$120,000,000 this year and believed that the BA7 in the amount of \$15,000,000 would carry the claims budget to the end of the fiscal year. Mr. Cosse' asked if there were any other questions or comments on the claims report. There were none.

Next on the agenda was a discussion on the custodial care rate. Mrs. LeBlanc stated that the rate paid was based on the consumer price index of each calendar year. Prior years have had an increase, but this year the rate decreased from \$7.18 per hour to \$7.04. She stated she and Mr. Schnauder do not feel that the PCF should lower the rate. The Board was asked to approve the continued use of the current custodial care hourly rate. Dr. Firmin made the motion for the paid rate to remain the same and Dr. Rathbun seconded the motion. Mr. Cosse' asked that the record show that there was a third by Mr. DePascual and a fourth by Dr. Culotta regarding this motion. There was verbal vote which was unanimous.

Mr. Cosse' asked if there were any public comments. There were none.

Mr. Cosse' thanked the guests for attending and the General Session was adjourned. The Board moved into the Executive Session.

Mr. Clark R. Cosse' III, Chairman