

MINUTES

PCF OVERSIGHT BOARD

November 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 November 5, 2009, at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

Mr. Clark Cosse'	Mr. Joe Donchess	Dr. Van Culotta
Dr. Katharine Rathbun	Mr. Kent Guidry	Dr. William LaCorte (late arrival)

The following Board Members were absent:

Mr. James Hritz
Dr. Melanie Firmin
Mr. Manual DePascual

Others present:

Mrs. Lorraine LeBlanc	Mr. Ken Schnauder	Mrs. Annette Droddy
Mrs. Barbara Woodard	Mr. Dave Woolridge	Mrs. Caroline Brock
Mr. John Broussard	Mrs. Lori Pierce	
Mr. Alan Thaes	Mrs. Lynn Duszynski	

Mr. Cosse' called the meeting to order. Mr. Cosse' asked that the record show that five board members were in attendance and 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 October 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 the representatives from the State Treasury Office for their presentation.

Mrs. Lori Pierce and Mr. John Broussard stated they have been managing the PCFOBs account for several years. Mr. Broussard stated the bond market situation made this the worst year for investing in 25 years. Interest rates are near 0 as there is too much cash in the system. Only small, 1 – 2% , increases are expected in the future and investing will be tough. At this point, earning 2.5% would be the most the Board could expect. The good news was that the Board did not lose any money this year. The handout was explained by Mrs. Pierce. The average duration of long term investments is 3.15 years with an average yield of 3.46% with \$154,656,428 invested. High yield investments are being called and the Treasurer's office is finding it difficult to find high quality investments, although they are still trying and hope to get up to another \$150,000,000 invested in the next 6 to 8 months. The majority of the Board's portfolio is in cash and it earn .69% at this point. Mr. Donchess stated he felt the Board was getting a bargain having Mrs. Pierce and Mr. Broussard handling the investments and thanked them for doing a good job. Mr. Cossé stated it was important that the funds be protected and safely invested. He asked if there were any questions and there were none. He thanked them for the presentation and expressed hope that they could locate better opportunities for investment of the Board's funds.

Mr. Cosse' asked for the budget and financial updates. Mrs. Woodard explained the year to date collections and informed the Board that the expenditures were as expected this time of year. Mrs. Woodard also informed the Board that the budget for FY 2010-2011 had been submitted to the Office of Planning and Budget on Wednesday November 4th and the total requested was \$124,233,887, which includes both the claim payments and the administrative costs. This represented an increase due to increases in costs to other state agencies for services. Further, the Division of Administration has reduced the staff by one position. Mr. Cossé asked if there were any questions and there were none.

Mr. Cosse' asked for the claims manager report. Mr. Schnauder stated that of the closed claims, 51 had payments and 246 did not. It was another busy month with more claims closed than opened. The current pending claims total 5283, the lowest number in about 15 years. There was a question regarding the frequency of reserve adjustments and Mr. Schnauder explained that reserves are reviewed and changes made as needed, especially when settlement talks are commenced.

Mr. Cosse' asked if there were any public comments, there were none. Dr. Culotta moved that the Board go into Executive Session to discuss pending and proposed litigation. Dr. LaCorte seconded the motion and the vote was unanimous. Mr. Cosse' thanked the guests for attending the meeting and the General Session was adjourned. The Board moved into the Executive Session.

Mr. Clark Cosse', III, Chairman