

MINUTES  
PCF OVERSIGHT BOARD

June 7, 2012

WOMAN'S HOSPITAL PHYSICIAN'S TOWER  
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 7, 2012.

The following Board Members were in attendance:

Mr. Clark Cossé, Chairman  
Mr. Kent Guidry  
Mr. James Hritz  
Dr. Katharine Rathbun  
Dr. Patrick Breaux  
Mr. Joe Donchess  
Mr. Manuel DePascual  
Dr. Melanie Firmin

The following board member was absent:

Dr. Van Culotta

Others present:

Mrs. Lorraine LeBlanc	Ms. Jennifer Marusak
Mr. Ken Schnauder	Ms. Annette Drodody
Ms. Barbara Woodard	Ms. Cindy Amedee
Ms. Shelly Fowler	
Mr. Dave Woolridge	

Mr. Cossé called the meeting to order and asked that the record reflect that seven Board Members were in attendance and a quorum was present.

Mr. Cossé asked all present to introduce themselves.

Mr. Cossé asked for public comments or questions. No public comments were made. Mr. Guidry arrived at this point.

Mr. Donchess said that he had attended a DHH meeting at which there was a presentation on Telemedicine and the issue of healthcare providers rendering diagnoses via computer. He asked whether the medical malpractice act was clear enough regarding telemedicine. Mr. Cossé remarked that a conflict situation could arise under these circumstances. Ms. LeBlanc stated that

the PCF does get this type of question and that it does not present a problem if services were rendered in Louisiana and the patients were in Louisiana. LSBME has established rules for telemedicine. Problems increase with services across state lines and differences in State laws. Healthcare providers would have to be licensed in Louisiana in order to be eligible for PCF coverage. Mr. Woolridge stated that coverage decisions are ultimately up to the courts, and while the PCF could collect a surcharge for Telemedicine providers, coverage could be an issue. There is no Louisiana case law on this practice at this time. LAMMICO does provide coverage for Telemedicine for states in which they issue policies. Ms. LeBlanc said there would be no PCF coverage if there was not underlying coverage. Mr. Cossé asked Mr. Woolridge to do some additional research and provide an opinion on this matter. He also stated the PCF needs to stay abreast of technological changes in the practice of medicine.

Mr. Cossé addressed the matter of election of board officers. Dr. Firmin, as a member of the nominating committee, moved that the board keep the same slate of board officers, which are Mr. Cossé, Chairman, Dr. Culotta, Vice Chairman and Mr. Guidry, Secretary. The motion was seconded by Dr. Breaux. Mr. Cossé asked if there were any comments from the public and there were none. The verbal vote was unanimous.

Mr. Cossé called for the approval of the May 3, 2012 minutes. Dr. Rathbun moved for the minutes to be approved and Mr. Donchess seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

The next issue to be addressed was the retention of the investment consultant firm. Ms. LeBlanc went over the selection process used by the investment team, comprised of Mr. Schnauder, Ms. LeBlanc, Mr. Cossé, Dr. Firmin, Dr. Breaux, Dr. Culotta and Lori Pierce of the State Treasurer's office. There were a total of ten proposals, which were scored and narrowed down to four. Those four were interviewed and references checked. The team's recommendation was to retain Cardinal Investment Advisors. There was general discussion among the board as to Cardinal's qualifications and merits. Dr. Rathbun moved that Cardinal be selected, Dr. Breaux seconded, and the verbal vote was unanimous.

Ms. Woodard went over the financial report which showed the Fund balance of approximately \$733,638,581. Administrative expenditures were in line with expectations and claim expenditures continue to be lower than last year. The total collected in surcharge payments is approximately \$151,000,000, which is in line with an anticipated fiscal year collection of approximately \$165,000,000. There were no questions from the Board members.

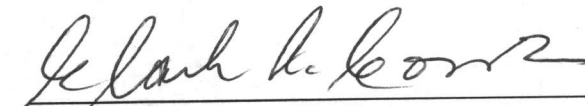
The next matter for discussion was the request for a part-time, unclassified position for Ms. LeBlanc, to commence upon her retirement at the end of July 2012. Mr. Schnauder stated that, as the new PCF Executive Director, he will need to be able to call upon Ms. LeBlanc's experience and expertise and seek advice from her for approximately one year. He stated that he was estimating he would need her for 15 hours per week with a maximum of 750 hours per year, with her pay up for board discussion. Ms. LeBlanc added the position would have no benefits paid and would need approval from the Director of Civil Service. Dr. Firmin asked if guidelines for pay were available; Ms. LeBlanc answered that Civil Service does not provide such

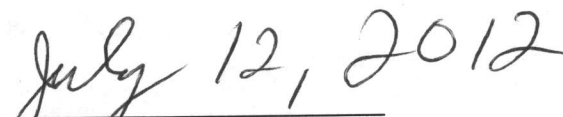
information on unclassified positions. Dr. Firmin made a motion to approve the position with a yearly maximum of \$50,000. Mr. Donchess proposed a substitute motion that the matter be postponed for one month to allow time for an appropriate hourly rate to be determined. Dr. Rathbun also made a substitute motion that \$50 per hour be paid. Mr. Cossé stated there must be a vote on the first substitute motion before any other motions could be considered. Mr. Cossé called for comments from the public and there were none. He then called for a vote by show of hands on the motion to defer the entire matter until the July meeting. There was one vote in favor; therefore, the motion did not carry. Dr. Firmin withdrew her initial motion and moved to have the position approved by Civil Service now and determine the rate of pay at the July meeting. Mr. Donchess seconded the motion. There were no public comments. By unanimous verbal vote, the motion carried. The appropriate forms were signed and will be submitted to Civil Service to establish a part-time unclassified position.

Mr. Schnauder then went over the claims report. There were fewer claims opened than closed this month making the total pending decrease slightly. At this meeting he is presenting 24 claims for settlement approval amounting to approximately \$8,600,000. It is anticipated that a total of \$110,000,000 will be expended this fiscal year, well below the \$135,000,000 budgeted. There were no questions asked and no public comments.

Mr. Cossé informed those present that HB 766 had passed both houses and that the governor was expected to sign it soon. There were no bills passed that would have a negative impact on the PCF. Also, the Supreme Court applied the cap to all health care providers, not just nurse practitioners; the Act is constitutional.

There being no further general business to discuss, Dr. Rathbun made a motion for the Board to move into the Executive Session to discuss matters of litigation and Mr. Hritz seconded the motion. The vote was unanimous and the General Session was adjourned and the Board moved into Executive Session. All guests were thanked for their attendance.

  
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Mr. Clark Cossé III, Chairman

  
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Date