

MINUTES

PCF OVERSIGHT BOARD

October 7, 2021

Louisiana Hospital Association Conference Center
2334 Weymouth Drive
Baton Rouge, LA 70809

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, October 7, 2021.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Mr. Gregory Waddell	Dr. R. Reese Newsome
Mr. Marcus Naquin	Mr. Scott Guidry	Ms. Jennifer DeCuir
Dr. Luis Alvarado	Mr. Robert Ruel	Dr. David Broussard

Others present:

Mr. Ken Schnauder	Mr. Dave Woolridge	Mr. Larry Warren
Mr. Kurt Loup	Ms. Betty Patrick	Mr. Matt Padberg

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 welcomed new Board member, Dr. David Broussard, to the Board and asked general counsel, Mr. Dave Woolridge of Alexander Sides, to administer the Oath of Office. Dr. David Broussard was sworn in and the meeting proceeded. Dr. Foret then welcomed the guests to the meeting and asked for all present to introduce themselves.

Dr. Foret called for approval of the September 23, 2021, minutes. Dr. Alvarado moved for the minutes to be adopted and Dr. Newsome seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret then asked Mr. Schnauder to explain Emergency Rule 8-A. Mr. Schnauder advised the Insurance Commissioner revised his original Emergency Rule which addresses cancellation of insurance for non-payment during a Declaration of Emergency by granting an additional 30-day grace period to pay insurance premiums. Emergency Rule 8-A grants Mr. Schnauder authority for the PCF to mirror the Department of Insurance Rule which provides an additional 30-day grace period from Emergency Rule 8, approved by the Oversight Board September 23, 2021, for health care providers to pay surcharges due, if in the affected area and formally requested. Mr. Waddell made a motion for the adoption of PCF Emergency Rule 8-A and Dr. Alvarado seconded the motion and by unanimous verbal vote the motion was adopted.

Dr. Foret called for the investment update. Mr. Matt Padberg of Cardinal Investment Advisors, LLC provided a detailed investment report to the Board and advised the PCF portfolio for the quarter underperformed the benchmark by 16 bps. He advised core fixed-income, risky debt,

and private real estate outperformed, while equities lagged, and for the past year, the PCF's overall portfolio underperformed the relative benchmark, returning 7.2%. Mr. Padberg advised Cardinal completed an analysis of the five-year expected net position balance of PCF's overall portfolio. He provided several different portfolio structures and their expected performances. He advised an asset allocation with a higher percentage of both high-yield and private real estate is the only alternative that would improve both median and downside outcomes compared to the current allocation. After some discussion, Dr. Alvarado moved to approve changing the overall asset allocation by reducing the fixed-income allocation and adding a higher percentage of high-yield and private real estate; Dr. Newsome seconded the motion, and by verbal vote, the motion was adopted with no dissenting votes.

Dr. Foret asked for the financial and budget reports. Mr. Schnauder informed the Board the Fund balance for the fiscal year to date was approximately \$1,214,172,435, the total net collected in surcharge payments to date was approximately \$25,336,003 and the total net filing fees collected to date was \$44,105. He advised the investment income through August 2021 was approximately \$7,535,583, the total operating expenses to date were \$1,460,434 and the claims expenses to date were \$20,045,432.

Dr. Foret called for the claims report. Mr. Loup informed the Board for the month of September there were 62 panels filed, 81 panels closed, 66 claims opened, and 86 claims closed, ending the month with a total pending claim count of 4026. He advised \$1,372,895 in judicial interest was paid for the month and \$72,928 in legal fees and expenses were paid. Mr. Loup presented 11 claims for settlement approval for the month in the amount of \$4,690,000. There were no questions asked and no public comments made.

Dr. Foret thanked the guests for attending the meeting. Mr. Naquin 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

11/4/21
Date