MINUTES

PCF OVERSIGHT BOARD

February 6, 2020

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
HEROMAN BOARD ROOM
BATON ROUGE, LA

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, February 6, 2020.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Dr. Luis Alvarado	Mr. Marcus Naquin
Mr. Kent Guidry	Dr. Corey Hebert	Mr. Gregory Waddell
Mr. Robert Ruel		

The following Board members were absent:

Dr. Patrick Breaux	Ms. Jennifer DeCuir

Others present:

Mr. Ken Schnauder	Mr. Matt Padberg	Mr. Larry Warren
Ms. Barbara Woodard	Ms. Meghan Jones	
Mr. Kurt Loup	Mr. Dave Woolridge	

Dr. Foret called the meeting to order and asked that the record reflect seven Board members were in attendance and a quorum was present. Dr. Foret then welcomed the guests to the meeting and asked all present to introduce themselves.

Dr. Foret called for approval of the January 9, 2020 minutes. Mr. Guidry moved for the minutes to be adopted and Dr. Alvarado seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret called for the quarterly investment update. Ms. Meghan Jones of Cardinal Investment Advisors presented the Board with a detailed quarterly report and portfolio update. Ms. Jones advised the overall portfolio underperformed the benchmark by 21 basis points for the quarter, though she further advised overall the portfolio is doing well and there are no concerns at this time. Mr. Matt Padberg then presented the quarterly report from NEAM, the core fixed income manager. He advised although returns were slightly below the benchmark for the quarter and full year, the long-term returns have beaten the benchmark. He advised the main reason for an off year was due to their overweighting in mortgage securities which were outperformed by corporates last year. He advised he feels they are doing a good job with the portfolio and performing as required by the PCF investment guidelines.

Dr. Foret asked for the financial and budget reports. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately $1,126,832,282, the total net collected in surcharge payments to date was approximately $93,086,802 and the total net filing fees collected to date were $170,795. She advised the investment income through December was approximately $25,141,157, the total operating expenses to date were $3,418,237, and the claims expenses to date were $93,047,537. There were no questions asked and no public comments made.

Mr. Schanuder advised the bid process on the IT project to overhaul the coding of the PCF operating system was underway and he would be presenting the recommended software company at the March meeting for approval.

Dr. Foret called for the claims report. Mr. Loup informed the Board for the month of January there were 94 panels filed, 92 panels closed, 124 claims opened, and 101 claims closed, ending the month with a total, pending claims count of 4,318. Mr. Loup advised $0 in judicial interest was paid for the month and $109,033 in legal fees and expenses were paid. Mr. Loup presented 22 claims for settlement approval for the month in the amount of $11,343,643. There were no questions asked and no public comments made.

Mr. Schnauder advised with 5 months remaining in the 2020 fiscal year the claims budget was down to $36,000,000 and would be inadequate. He advised he will be asking the Board for a budget increase at the March meeting.

Dr. Foret asked if there were any questions or comments from the public; there were none.

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

3/5/2020

Date