MINUTES

PCF OVERSIGHT BOARD

August 1, 2019

BENSON CANCER CENTER – OCHSNER MAIN CAMPUS
BENSON BOARD ROOM
JEFFERSON, LA

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, August 1, 2019.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Mr. Robert Ruel	Mr. Marcus Naquin
Mr. Kent Guidry	Dr. Luis Alvarado	Ms. Jennifer DeCuir
Dr. Patrick Breaux		

The following Board members were absent:

Dr. Corey Hebert	Mr. Gregory Waddell

Others present:

Mr. Ken Schnauder	Mr. Matt Padberg	Mr. Jeff Williams
Ms. Barbara Woodard	Ms. Meghan Jones	Mr. Larry Warren
Mr. Kurt Loup	Dr. J. Michael Conerly	Ms. Meredith Miceli
Ms. Betty Patrick	Mr. David Krobert	

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 asked for public comments or questions. Mr. Jeff Williams, EVP and CEO of the Louisiana State Medical Society on behalf of the LSMS, Louisiana Orthopedic Association, LA Chapter of the American Academy of Pediatrics, LA Chapter of the American College of Surgeons, LA Chapter of the American College of Physicians, Louisiana Psychiatric Medical Association, Louisiana Council for Child and Adolescent Psychiatry, Louisiana Anesthesiology Society, Louisiana Dermatology Society, Medicine Louisiana, Louisiana Hospital Association, Louisiana Dental Association and the Louisiana Association of Nurse Anesthetists, requested the PCF Oversight Board reconsider the current surcharge rate increase to be effective September 2, 2019 and consider developing a formal plan for future rates and the level of assets required to keep the Fund financially sound. Mr. Williams was thanked for his comments.

Dr. Foret called for the approval of the July 18, 2019 minutes. Dr. Alvarado moved for the minutes to be adopted and Mr. Ruel 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 portfolio underperformed the benchmark by 13 basis points for the quarter. Mr. Padberg provided asset class education and discussed the current and recommended strategic asset allocation. He advised the Fund's current portfolio lacks new risk-reducing asset classes, low/minimum volatility equities and private real estate. He recommended the Board consider these new asset classes to reduce downside risk given the long-running bull market in equities which cannot continue indefinitely. Dr. Alvarado made a motion to keep approximately the same amount of investment grade bonds and equities, in line with the Similar Return portfolio option presented by Cardinal. Dr. Breaux seconded the motion; by verbal vote, the motion was approved with no dissenting votes.

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 $1,106,819,912, the total net collected in surcharge payments to date was approximately $10,761,788 and the total net filing fees collected to date were $17,395. She advised the investment income through July was not available; the total operating expenses to date were $286,707, and the claims expenses to date were $9,356,898. Ms. Woodard also presented the updated year-end figures for FY 2019. There were no questions asked and no public comments made.

Dr. Foret called for the claims report. Mr. Loup informed the Board for the month of July there were 66 panels filed, 129 panels closed, 96 claims opened, and 97 claims closed, ending the month with total pending claims count of 4,342. Mr. Loup advised $131,084 in judicial interest was paid for the month and $219,374 in legal fees and expenses were paid. Mr. Loup presented 11 claims for settlement approval for the month in the amount of $6,895,000. There were no questions asked and no public comments made.

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. Dr. Breaux then made a motion for the Board to move into Executive Session; Mr. Ruel seconded the motion. The verbal vote was unanimous, and the Board moved into Executive Session to discuss matters of litigation.

Dr. Christopher Foret, Chairman

9/5/19

Date