

MINUTES

PCF OVERSIGHT BOARD

May 6, 2010

WOMAN'S HOSPITAL
BATON ROUGE, LA.

Mr. Clark Cossé, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday May 6, 2010, at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

Mr. Clark R. Cossé, III
Dr. Melanie Firmin
Dr. Katharine Rathbun
Mr. Joe Donchess
Mr. Kent Guidry
Mr. Jim Hritz
Dr. William LaCorte

The following Board Members were absent:

Dr. Van Culotta
Mr. Manual DePascual

Others present:

Mrs. Lorraine LeBlanc	Mr. Ken Schnauder	Mr. Peter Bundy
Mr. David Woolridge	Mrs. Cindy Amedee	
Mrs. Barbara Woodard	Mrs. Lynn Duszynski	

Mr. Cossé called the meeting to order. Mr. Cossé asked that the record show seven board members were in attendance and a quorum was present. Mr. Cossé welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cossé asked for public comments. No public comments were made.

Mr. Cossé called for the approval of the April 1, 2010 minutes. Mr. Donchess moved for the minutes to be approved. Dr. Firmin seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for the financial reports. Mrs. Woodard explained the surcharge and filing fee collections to date. She informed the Board that the remaining balance in the operating budget would be sufficient for the remaining months of this FY; however the claims budget had expended a little over \$109,000,000 as of this meeting. Mrs. LeBlanc stated that the pending BA-7 was part of a supplemental bill that must be approved by the Legislature. Mr. Guidry questioned if the requested \$15,000,000 would be enough to pay the settlements for this fiscal year. Mrs. LeBlanc stated that although the \$15,000,000 is expected to be sufficient, it would probably be authorized only days from the end of the fiscal year. Mr. Cossé asked if there were any other questions regarding the financial report, there were none. Those present were reminded that the financial data would be posted on the website the next morning.

Mr. Cossé asked for the claims manager report. Mr. Schnauder reported that during the month of April the claims section had opened 129 claim files and closed 158. Twenty seven of those closed were with payment, which represented 17% of the total closed. Mr. Schnauder reported that there are 175 future medical cases to date and a total of 5,224 open claims. . It was estimated that about 25% of the open claims could result in a settlement. It was reported that a total of 478 panels had been filed so far this year. Mr. Schnauder informed the Board that without the approval of the BA-7, the claims section would need to delay the claim settlement payments. At this meeting 20 claims are being presented for approval totaling \$5,000,000. Attorneys involved have been told that until the additional claim money was received payments would probably be delayed until June. Mr. Cossé asked if there were any questions on the claims manager report. There were none.

Mr. Cossé gave a summarization of the 2010 legislation and asked if there was any discussion on any of the pending bills. HB 76 contains the PCF budget, but if the “off-budget” bill passes this bill will not be as important. HB 175 sought to increase the cap and while it was discussed in committee, no vote was taken and the author will not pursue it further in this session. HB 264 adds certain therapist to the definition of health care provider and has passed out of the House. HB 394 is the PCF bill regarding rates and funding level and it passed out to the House with a vote of 93 to 1. All Representatives were sent a letter from Commissioner Donelon asking them to vote against SB 514 and to vote for his bill. A copy was provided to the Board members. HB 427 was an attempt to increase the level of proof of negligence for ER care but was deferred in committee. SB 442 is a bill that mandates an expert report be filled 90 days after a petition is filed and is set to be heard in committee next week. SB 514 is the companion bill to HB 394 and it passed out of the Senate 38 to 0 and is set to be heard in the House soon. SB 586 and HB 1419 are bills supported by the Commissioner of Insurance dealing with the regulation of the PCF rates by the Department of Insurance and changing the makeup of the Oversight Board. The authors of these bills are not pushing them and they are not scheduled in committee. HB 708 increases the filing fee to \$500 and it was voluntarily deferred. HB 746 is described as a holder bill by LAMMICO. HB 1286 is the bill that would make the PCFOB an “off-budget” agency and it has passed out of the House with no objections. HB 1458 is a supplemental budget bill and is the bill that increases the PCF’s claims budget. It has not been scheduled in committee

yet. HB 1453 is a bill that deals with elective abortions, stating there is no coverage under the private or state medical malpractice acts.

Mrs. LeBlanc informed the Board that the March State Treasury report was in each of the folders and for their review. This data should give each member an idea where the PCF money was and the return on the investments. Mrs. LeBlanc stated that if the PCF does become an off budget agency, investment allowances were different and more money in the fund could be invested. Mr. Cossé informed the Board that he thought an investment committee would be a good idea and asked for volunteers to serve on the new committee. Mr. Donchess agreed that the PCF needed to invest more of the portfolio, but needed to be conservative in how it is invested to preserve the principal. Dr. Firmin asked if the Board had to vote to increase the maximum allowed investment. Mrs. LeBlanc stated that the Board must vote and approve any increase in investment. Dr. LaCorte asked that when the PCF becomes an off budget agency, where would the fund balance be secured and Mrs. LeBlanc stated that the fund money would still be in the care of the State Treasury Office and handled in the same way as it is now. Mr. Cossé asked if there were any other questions regarding the PCF investments. There were none.

Mr. Cossé asked if there were any public comments, there were none. Mr. Cossé thanked the guests for attending the meeting and the General Session was adjourned.

Mr. Guidry motioned for the Board to move into Executive Session and Dr. Rathbun seconded the motion. By unanimous vote, the Board moved into the Executive Session to discuss matters in negotiations or litigation and prospective litigation.

Mr. Clark R. Cossé III, Chairman

