

# MINUTES

## PCF OVERSIGHT BOARD

June 3, 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 June 3, 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  
Dr. Van Culotta  
Mr. Manual DePascual  
Mr. Jim Hritz  
Dr. William LaCorte

Others present:

Mrs. Lorraine LeBlanc	Mrs. Barbara Woodard	Mr. Peter Bondy
Mr. David Woolridge	Mrs. Lynn Duszynski	
Mr. Adam Thames	Mrs. Annette Droddy	

Mr. Cossé called the meeting to order. Mr. Cossé asked that the record reflect that all board members were in attendance at the meeting tonight. 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 May 6, 2010 minutes. Dr. Culotta moved for the minutes to be approved. Dr. Rathbun seconded the motion. By verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for the financial reports. Mrs. Woodard informed the Board of 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 \$116,252,440 as of this meeting. The request for an additional \$15,000,000

was pending in the legislature. Mrs. LeBlanc informed all attending the meeting that the PCF financial information would be available on the website by tomorrow afternoon.

Mrs. Woodard gave a brief cost summary of the AccuFund Accounting Software. Mrs. LeBlanc explained that the AccuFund Accounting Software was very similar to the state accounting system ISIS, which is currently being utilized by the PCF. AccuFund would allow the internal breakdown for all PCF sections and provide costs expended per section. Mrs. LeBlanc informed the Board that the Division of Administration (DOA) has approved the PCFs request to remain on the ISIS Accounting and Payroll System. The cost for the fiscal year is \$50,000. Dr. Firmin asked if a private contract had been considered versus purchasing a complete new system or staying on the present system. Mrs. LeBlanc explained that the PCF could be self sufficient in providing the accounting, purchasing, payroll and human resource responsibilities internally by purchasing the system and this was one of the goals of being an off-budget agency. Using a service for payroll would still result in an annual cost. Purchasing the new accounting software modules would enable the PCF to provide these services with a onetime purchase cost of about \$39,000 and an annual support/maintenance fee of \$3,600. It was suggested that DOA be contacted and informed that the PCF only wished to utilize the state services for six months. Mrs. LeBlanc stated she felt that six months would be enough time to obtain, install and learn to use the new software for all functions currently being done by DOA. The Board approved a six month transition period through December 31, 2010 and it is felt this is an appropriate timeframe to transition from the state accounting system.

Mr. DePascual asked if any other Patient Compensation Funds had been contacted regarding the accounting software/system used. Mrs. LeBlanc stated that although no other PCF had been contacted, she had contacted and met with other off budget agencies and their accounting, administrative and I.T. staff and in most visits the agencies included their CPA. Mr. DePascual asked if by the PCF going off budget if additional insurance would be required. Mrs. LeBlanc stated that no additional insurance would be required as the PCF was still considered a state agency and covered under the ORM, including E & O.

Mr. Donchess made the motion to buy the entire AccuFund Accounting Software and Dr. Rathbun seconded the motion. The vote was unanimous. Dr. Rathbun then made a motion to negotiate with DOA for a six month transition period regarding the PCF accounting and payroll duties. Dr. Culotta seconded the motion. By a unanimous verbal vote, the motion was passed.

Mr. Cosse' asked if there were any other questions regarding the financial report, there were none.

Mr. Cossé asked for the claims manager report. Mrs. LeBlanc went over the claims handouts. The reports show that during the month of May the claims section had opened 117 claim files and closed 153, of which PCF made payments on twenty nine. There are 178 future medical cases to date and a total of 602 panels had been filed this year. Mrs. LeBlanc informed the Board that 27 claims were being presented at this meeting for approval totaling \$9,102,915. Since budgeted funds are limited at this time, until the additional funds are appropriated, every claim settled would be carefully monitored and reviewed. Mr. Donchess asked why the spike in future medicals from the May meeting. Mrs. LeBlanc stated there was a larger than usual

number of old bills submitted and serious hospitalizations. As some of the future medical patients get older, costs go up due to increased hospital visits. Dr. Rathbun asked if the bills were received directly from the provider of service and Mrs. LeBlanc stated the vast majority are received from and paid to the health care provider. There are very few plaintiff attorneys that remain involved in the claims or collect fees once they become a future medical claim. They only coming back into the claim if there is a problem. Mr. Cosse' asked if there were any questions on the claims manager report. There were none.

Mr. Cosse' gave a summarization of the 2010 legislative update as provided on the handout which included HB 264, SB 514, HB 1286, HB 1358 and HB 1453. He informed the Board that SB 514 dealing with the PCF rates is now Act 78 and becomes law 8/15/10. Procedures will have to be developed to cover the changes in internal processes. Mrs. LeBlanc informed the Board that once HB 1286 is passed and the PCF becomes an off-budget agency, a budget will be prepared and sent to the entities listed in the legislation. It will be a continuation budget and will reflect the additional claims appropriation. This would mean the FY 10-11 budget will be about \$139,000,000. HB 1453 deals with elective abortions and PCF is currently litigating this issue relative to limitations found in La. R.S. 9:2800.12. It does not prohibit the provider from enrolling in the PCF; it only excludes elective abortions from PCF coverage. He asked for any discussion and there was none.

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

Dr. Rathbun made the motion for the Board to move into the Executive Session to discuss pending litigation and settlements. Dr. Culotta seconded the motion. By unanimous vote, the Board moved into the Executive Session.

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Mr. Clark R. Cossé III, Chairman