

MINUTES

PCF OVERSIGHT BOARD

June 7, 2018

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
HEROMAN BOARD ROOM
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 7, 2018.

The following Board members were in attendance:

Mr. Clark Cossé, Chairman	Dr. Christopher Foret	Mr. James Hritz
Dr. Patrick Breaux	Dr. Lesley Meng	Mr. Robert Ruel

The following Board members were absent:

Mr. Kent Guidry	Dr. Luis Alvarado	Mr. Marcus Naquin
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Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Ms. Beth Landers
Ms. Barbara Woodard	Mr. David Woolridge	Mr. Larry Warren
Mr. Kurt Loup	Mr. Matt Padberg	

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

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

Mr. Cossé called for the approval of the May 3, 2018 minutes. Dr. Foret moved for the minutes to be adopted and Dr. Breaux seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé called for discussion on the July 2018 Board meeting date. Mr. Ken Schnauder advised Mr. Jim Hurley, Actuary will attend the July Board meeting but he would not be available on July 5, 2018 and the meeting date needed to be changed. Dr. Breaux moved for the July Board meeting to be changed to July 12, 2018 and Dr. Foret seconded the motion; by verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé called for the investment update. Mr. Matt Padberg of Cardinal Investment Advisors provided the Board with a detailed quarterly report and portfolio update. Mr. Padberg advised

all asset classes outperformed their relative benchmark for the quarter and the PCF's overall portfolio outperformed the benchmark by 15 bps. He advised for the past year the PCF's overall portfolio outperformed the benchmark by 26 bps, returning 2.8%, and both core fixed income composites outperformed by 66 bps, returning 1.12% vs. 0.46% for the benchmark.

Ms. Beth Landers of Cardinal Investment Advisors then reviewed the performance of the international equity managers, advising the PCF currently utilizes Harbor and PIMCO for active managers. She advised Harbor continues to lag the index and their peer group over most time periods as of March 31, 2018, and PIMCO underperformed this past quarter. She advised Cardinal expects this underperformance to persist in the current interest rate environment and therefore they are recommending a change of managers. After some discussion, Mr. Hritz moved to terminate Harbor and PIMCO as managers and reallocate the money to the American Funds and City of London international equity managers. Dr. Meng seconded the motion; by verbal vote, the change was adopted with no dissenting votes.

Mr. Cossé asked for the financial reports. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately \$1,078,538,923, the total net collected in surcharge payments to date was approximately \$125,439,705 and the total net filing fees collected to date were \$255,700. She advised the reported investment income through April was \$31,345,865, the total operating expenses to date were \$5,221,257, and the claims expenses to date were \$124,596,891. There were no questions asked and no public comments made.

Mr. Cossé called for the claims report. Mr. Loup informed the Board for the month of May there were 85 panels filed, 133 panels closed, 94 claims opened and 118 claims closed, ending the month with total pending claims count of 4,595. Mr. Loup advised \$44,068 in judicial interest was paid for the month and \$171,412 in legal fees and expenses were paid. Mr. Loup presented 24 claims for settlement approval for the month in the amount of \$7,641,580. There were no questions asked and no public comments made.

Mr. Cossé asked if there were any questions or comments from the public. There were none.

Mr. Cossé thanked the guests for attending the meeting. Dr. Foret then made a motion for the Board to move into Executive Session; Mr. Hritz seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.


Mr. Clark Cossé, JD Chairman

July 12, 2018
Date