

MINUTES

PCF OVERSIGHT BOARD

April 2, 2009

WOMAN'S HOSPITAL
BATON ROUGE, LA.

Mr. Clark Cosse', Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board, at 6:30 PM on Thursday April 2, 2009, at the Woman's Hospital Corporate Board Room in Baton Rouge.

The following Board Members were in attendance:

Mr. Clark Cosse'	Dr. William LaCorte
Dr. Melanie Firmin	Mrs. Dionne Viator
Mr. Manual DePascual	Mr. Kent Guidry (late arrival)

Board Members absent:

Dr. Katharine Rathbun
Mr. Joe Donchess
Dr. Van Culotta

Others present:

Mrs. Lorraine LeBlanc	Mr. Ken Schnauder
Mrs. Barbara Woodard	Mr. Dave Woolridge
Mrs. Aminthe Broussard	Mrs. Karen Fontana
Mrs. Patricia Bethancourt	Mrs. Caroline Brock

Mr. Cosse' called the meeting to order. Mr. Cosse' asked that the record show that five board members were in attendance at the start of the meeting and thus a quorum was present. Mr. Cosse' welcomed the guests to the meeting and asked all present to introduce themselves.

Mr. Cosse' asked for public comments. No public comments were made.

Mr. Cosse' called for the approval of the March minutes. Dr. Firmin moved for the minutes to be approved with two corrections noted by Mr. Cosse. Dr. LaCorte seconded the motion. The minutes were adopted and there were no dissenting votes.

Mr. Cosse' asked for the financial updates. Mrs. LeBlanc explained the operating budget expenditures and informed the board that the overall operating budget appeared adequate. Mrs. LeBlanc explained that the claims budget has expended over \$92,000,000 for the FY and that the BA7 submitted on January 26, 2009 to the state budget office for \$15,000,000 had not been officially approved, but that Mr. Ray Stockstill, State Budget Director, telephoned her one hour before this meeting and verified that the BA7 had been approved within his office and was sent for final approval. Mr. Stockstill stated the PCF could continue to make claim settlement payments. Dr. LaCorte asked why the claims budget had been underestimated. Mrs. LeBlanc explained that due to the increase of claim adjusters and increased settlement demands, cases were being settled at a faster rate. Mr. Cosse' reminded the members that the Board discussed and approved the increase in budget authority for the FY 2010 budget from the current \$100,000,000 requested up to \$120,000,000. Mrs. LeBlanc explained that because the FY 2010 budget had been submitted prior to this action, an amendment would be submitted to increase the budget authority for the upcoming budget.

Mr. Cosse' asked if there were any other comments on the financial reports or budget. There were none.

Mr. Cosse' asked for the claims manager report. Mr. Schnauder reported that March was a slow month in that he was presenting 18 claims for approval in the amount of approximately \$7,200,000. The number of claims submitted was 30-40 percent less than the claims that were normally submitted each month to the Board. Mr. Schnauder reported panel filings were down, and that the claim section was still closing more files than were being opened. He reported that reserves were up considerably from one year ago, approximately \$40,000,000. He felt this was more accurate in projecting the monetary value of the pending cases. With the increase in staff more cases are being reviewed and reserves placed on them, and the primary insurers are being more cooperative and interested in doing joint settlements. This has resulted in more cases being resolved in a shorter time frame. Interest paid for the first three months of this calendar year was about \$2,400,000, which was high. The increase was partially due to interest paid on several primary judgments. Mr. Cosse' asked what the panel count was for the first three months of this year. Mr. Schnauder stated that there were around 383 new panels. Mrs. Viator asked why exposures increased if there were fewer overall claims. Mr. Schnauder explained that once the PCF becomes aware of a potential settlement or the panel was lost and the damages could hit the PCF level, then a reserve is set. But with more senior adjusters, the PCF has become pro-active and reviews more cases and those that appear to have the potential to impact the PCF are being singled out and reserves established. So, while we have been weeding out the cases with no merit, we have been finding and reserving those with potential exposure at a quicker pace. Dr. Firmin asked what the age on most of these claims were and what would prevent cleaning out the 1996 and older cases. Mr. Schnauder explained that all old cases are reviewed by the supervisors, but most of these cases are waiting on abandonment or additional information from the primary. It is not the PCF that was delaying the older cases from being concluded. Mr. Cosse' asked if there were any unsettled claims that would explode on the PCF. Mr. Schnauder stated that out of the 5600 claims, there could be three or four that had the potential to be a high payout.

Mr. Cosse' asked if there were any other questions or comments on the claims report. There were none. Mr. Guidry arrived at the Board meeting during this discussion.

Mr. Cosse' then called for a discussion on PCF coverage for students enrolled in medical training schools. Mrs. LeBlanc stated that the problem was with unlicensed allied medical students that were serving an internship. The schools were seeking coverage with the PCF to have the benefit of the medical cap. Mr. Cosse' asked if the PCF had ever paid on any student. Mrs. LeBlanc explained that liability on claims where a student was named usually fell on the enrolled health care provider. Mr. Guidry stated that Acadian Ambulance students are covered by the PCF and they had only one incident involving a student. Mr. Woolridge explained a student that is not licensed or certified as defined by the MMA, was not eligible for PCF coverage. Due to legislation, the exception to this was EMT's as EMT students working for an ambulance company are specifically addressed in the MMA. Mr. Cosse' asked if there were any other comments from the Board before Tulane offered further information. There were none.

Mrs. Bethancourt, counsel from Tulane, stated that Tulane University pays the premiums on staff and residents and that there was no history of claims against any medical students. The student is covered under the physician or residents that are licensed. Mrs. Bethancourt stated that she was speaking on medical students; specifically a student that was receiving training as a medical doctor and that Tulane has had no problem with student coverage in the past. However, Tulane has no allied health programs so coverage for them is not an issue for Tulane. Mrs. Bethancourt explained that the AAMC policy is that the institution sending the student to Tulane must insure the student. Both Mrs. Fontana and Mrs. Bethancourt stated that Tulane University was pleased with the present coverage and were seeking no change in the ways things were done.

Mrs. LeBlanc stated that the inquiries the PCF is receiving are from schools with nursing students and health care support staff such as technicians, not MD students. The PCF does cover medical residents and medical interns obtaining continued MD training. Dr. Firmin stated that students are not the first line of healthcare and should only be performing services under a licensed health care provider. Mr. Cosse' stated the issue was discussed as Dr. Culotta felt it should be if there were gaps in coverage the PCF should address. However, based on discussions and legal findings, the allied medical students seeking PCF certification need to be informed that they are not eligible. If specific groups wish to be added as eligible, they will need to address this through legislation.

Mr. Cosse' asked if there were any public comments. There were none.

Mr. Cosse' thanked the guests for attending and the General Session was adjourned. The Board moved into the Executive Session.

Mr. Clark Cosse' III, Chairman