

MINUTES

PCF OVERSIGHT BOARD

July 13, 2017

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, July 13, 2017.

The following Board members were in attendance:

Mr. Clark Cossé, Chairman	Dr. Christopher Foret	Mr. James Hritz
Dr. Patrick Breaux	Mr. Marcus Naquin	Mr. Manuel DePascual
Mr. Kent Guidry		

The following Board members were absent:

Dr. Lesley Meng	Dr. Van Culotta
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Others present:

Mr. Ken Schnauder	Mr. Jim Hurley	Mr. Jeff Williams
Ms. Barbara Woodard	Mr. Jacob Meese	Mr. Larry Warren
Mr. Kurt Loup	Mr. Ed Jacobs	Mr. David Moore
Ms. Betty Patrick	Dr. Thomas Grimstad	Ms. Amanda Strebeck
Mr. David Woolridge	Mr. Tom McCormick	Ms. Annette Drodgy

Mr. Cossé called the meeting to order and asked the record reflect seven 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 June 1, 2017 minutes. Mr. Hritz moved for the minutes to be adopted and Dr. Foret seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Mr. Cossé asked for discussion of the annual actuary rates. Mr. Jim Hurley of Willis Towers Watson provided the Board with the annual actuary report based on data received through December 31, 2016. Mr. Hurley advised there was a total of \$33,000,000.00 in improved claims development over the last year. He presented 3 rate options for the Board to consider using \$15,000,000, \$19,000,000 and \$26,000,000 of the improved development to reduce rates as done in previous years. After much discussion from the Board and the public, Mr. Hritz made a

motion for approval of rate changes consistent with Option 3, using \$30,000,000 of the improved development instead of using \$26,000,000 which Mr. Hurley had recommended. Mr. Hurley advised he was comfortable with the use of \$30,000,000 to reduce rates and would have no problem with the Board approving such a motion. Dr. Breaux seconded the motion; by verbal vote, the motion was adopted with no dissenting votes.

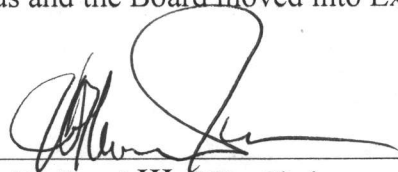
Mr. Cossé called for the IPS discussion and update. Mr. Jacob Meese and Mr. Ed Jacobs of Cardinal Investment Advisors provided the Board with a detailed report for an Emerging Market Debt Investment manager search as requested during the June 2017 Board meeting. After much discussion, Dr. Breaux moved to split the 4% allocation for Emerging Market Debt between two managers: Goldman Sachs and SSgA. Mr. Naquin seconded the motion; by verbal vote, the change was adopted with no dissenting votes. Mr. Meese then presented the Board with a revised Investment Policy Statement including a 4% allocation to emerging market debt. Mr. Breaux moved to adopt the new Investment Policy Statement. Mr. Naquin seconded the motion and by verbal vote, the motion was adopted with no dissenting votes.

Mr. Cossé called for the financial reports. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately \$1,051,004,329, the total net collected in surcharge payments to date was approximately \$148,890,905, and the total net filing fees collected to date were \$287,800. She advised the reported investment income through May was \$16,042,231, the total operating expenses to date were \$5,580,305, and the claims expenses to date were \$113,054,452. There were no questions asked and no public comments made.

Mr. Cossé asked for the claims report. Mr. Loup informed the Board for the month of June there were 103 panels filed, 133 panels closed, 124 claims opened and 127 claims closed, ending the month with a total pending claims count of 4,562. Mr. Loup advised \$421,327 in judicial interest was paid for the month and \$328,518 in legal fees and expenses were paid. Mr. Loup presented 27 claims for settlement approval for the month in the amount of \$11,678,000. 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. Breaux then made a motion for the Board to move into Executive Session; Mr. Naquin seconded the motion. The verbal vote was unanimous and the Board moved into Executive Session to discuss matters of litigation.



Mr. Clark R. Cossé III, J.D., Chairman

Aug 3, 2017

Date