

MINUTES

PCF OVERSIGHT BOARD

June 6, 2019

OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER
HEROMAN BOARD ROOM
BATON ROUGE, LA

Dr. Christopher Foret, Chairman, convened the meeting of the Patient's Compensation Fund Oversight Board at 6:30 PM on Thursday, June 6, 2019.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Mr. Robert Ruel	Mr. Gregory Waddell
Dr. Patrick Breaux	Ms. Jennifer DeCuir	

The following Board members were absent:

Mr. Kent Guidry	Dr. Luis Alvarado	Dr. Corey Hebert
Mr. Marcus Naquin		

Others present:

Mr. Ken Schnauder	Mr. Dave Woolridge	Mr. Jacob Meese
Ms. Barbara Woodard	Mr. Matt Padberg	Mr. Larry Warren
Ms. Betty Patrick		

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

Dr. Foret asked for public comments or questions. No public comments were made.

Dr. Foret called for the approval of the May 2, 2019 minutes. Dr. Breaux moved for the minutes to be adopted and Mr. Waddell seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret asked for discussion on the 2019 legislative update. Mr. Waddell provided an update to the Board and advised the 2019 legislative session is now over with no significant changes in law to the healthcare industry or the Fund.

Dr. Foret called for the quarterly investment update. Mr. Matt Padberg of Cardinal Investment Advisors presented the Board with a detailed quarterly report and portfolio update. Mr. Padberg advised the portfolio underperformed the benchmark by 2 basis points for the quarter; however, he advised, the portfolio has matched the benchmark (+ 4.1%) over the year. Mr. Meese of Cardinal then presented the Board with an overview of NEAM on the performance of core bonds as their contract is due to renew in the coming months. He advised Cardinal recommends the

PCF retain NEAM at the proposed (current) fee structure. He advised NEAM has outperformed the benchmark since inception 6 years ago and their fee structure is extremely competitive. Dr. Breaux moved to approve NEAM as the core bond manager for another 3-year period at the current fee structure; Mr. Waddell seconded the motion, and by verbal vote the motion was approved. Mr. Padberg then gave a presentation on private real estate investments and low volatility investments with recommendations for possible changes to the asset allocation if the Board wishes to change the current allocations. The Board deferred decisions on changes in investment strategy to a future date when more members would be in attendance.

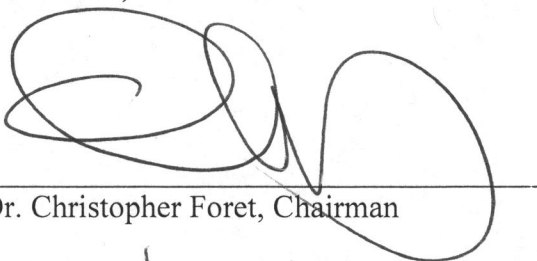
Dr. Foret asked for the financial and budget reports. Ms. Woodard informed the Board the Fund balance for the fiscal year to date was approximately \$1,103,428,720, the total net collected in surcharge payments to date was approximately \$126,603,425 and the total net filing fees collected to date were \$257,800. She advised the reported investment income through April was \$26,913,947, the total operating expenses to date were \$5,376,945, and the claims expenses to date were \$126,109,546. There were no questions asked and no public comments made.

Mr. Schnauder advised the Board the current General Counsel contract and budget for Roedel, Parsons, Koch, Blache, Balhoff & McCollister is \$125,000 and, given the current expenditures, would be exhausted before the fiscal year ends. He requested the Board increase the PCF general counsel's contract and budget to \$142,065. After some discussion, Dr. Breaux moved to approve the \$17,065 increase; Mr. Waddell seconded the motion, and by verbal vote, the motion was approved with no dissenting votes.

Dr. Foret called for the claims report. Mr. Schnauder informed the Board for the month of May there were 85 panels filed, 121 panels closed, 120 claims opened, and 117 claims closed, ending the month with total pending claims count of 4,343. Mr. Schnauder advised \$0 in judicial interest was paid for the month and \$193,760 in legal fees and expenses were paid. Mr. Schnauder presented 29 claims for settlement approval for the month in the amount of \$16,191,677. There were no questions asked and no public comments made.

Dr. Foret asked if there were any questions or comments from the public. There were none.

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



Dr. Christopher Foret, Chairman



Date