

MINUTES

PCF OVERSIGHT BOARD

July 1, 2021

Crowne Plaza Hotel – Cypress II
4728 Constitution Avenue
Baton Rouge, LA

Dr. Christopher Foret, Chairman, convened the meeting of the Patient’s Compensation Fund Oversight Board at 6:30 PM on Thursday, July 1, 2021.

The following Board members were in attendance:

Dr. Christopher Foret, Chairman	Mr. Gregory Waddell	Dr. Corey Hebert
Mr. Marcus Naquin	Mr. Scott Guidry	Dr. R. Reese Newsome

Board members absent:

Ms. Jennifer DeCuir	Dr. Luis Alvarado	Mr. Robert Ruel
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Others present:

Mr. Ken Schnauder	Ms. Betty Patrick	Mr. Jeff Williams
Mr. Dave Woolridge	Mr. Larry Warren	Mr. Matt Padberg

Dr. Foret called the meeting to order and asked that the record reflect six Board members were in attendance and a quorum was present. Dr. Foret then welcomed the guests to the meeting and asked for all present to be introduced.

Dr. Foret called for approval of the June 17, 2021 minutes. Dr. Newsome moved for the minutes to be adopted and Mr. Guidry seconded the motion; by verbal vote, the minutes were adopted with no dissenting votes.

Dr. Foret called for investment update. Matt Padberg of Cardinal Investment Advisors, LLC provided a detailed investment report to the Board and advised the PCF portfolio for the quarter underperformed the benchmark by 26 bps. He advised the one-year return was 10.8% but the overall portfolio underperformed the relative benchmark. Core fixed income outperformed, while risky debt, equity and private real estate lagged. Mr. Padberg advised Cardinal is recommending, based on the deviation between last year’s results and the long-term results for private real estate funds, a change from using the REIT index to the ODCE index. After some discussion, Mr. Naquin moved to approve changing to the ODCE index for private real estate instead of the REIT index; Dr. Newsome seconded the motion; by verbal vote, the motion was adopted with no dissenting votes.

Dr. Foret called for discussion on the unclassified staff annual evaluation and compensation review. Mr. Naquin advised the compensation committee met for the annual evaluation and compensation review of the PCF Executive Director, Ken Schnauder and Claims Manager, Kurt

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Loup; he advised the committee did research on comparable salaries of Claims Manager positions within the State and abroad as well as other executive directors. The committee members were very pleased with Mr. Schnauder and Mr. Loup's performance and recommended an increase in the annual salary of Mr. Loup by 4% and Mr. Schnauder by 3% effective July 15, 2021. Mr. Waddell moved to approve the recommended increase in the salaries, beginning July 15, 2021. Dr. Newsome seconded the motion; by verbal vote, the motion was approved with no dissenting votes. Mr. Schnauder thanked the Board for their confidence and support.

Dr. Foret asked for the financial and budget reports. Mr. Schnauder informed the Board the Fund balance for the fiscal year to date was approximately \$1,219,925,426, the total net collected in surcharge payments to date was approximately \$153,461,349 and the total net filing fees collected to date was \$236,400. He advised the investment income through May 2021 was approximately \$44,749,996, the total operating expenses to date were \$6,683,004 and the claims expenses to date were \$120,228,761.

Dr. Foret called for the claims report. Mr. Schnauder informed the Board for the month of June there were 55 panels filed, 98 panels closed, 104 claims opened, and 134 claims closed, ending the month with a total pending claim count of 4,098. Mr. Schnauder advised \$0 in judicial interest was paid for the month and \$251,277 in legal fees and expenses were paid. Mr. Schnauder presented 13 claims for settlement approval for the month in the amount of \$5,380,000. There were no questions asked and no public comments made.

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



Dr. Christopher Foret, Chairman

August 5, 2021

Date