

# Patient's Compensation Fund

State of Louisiana  
Division of Administration

JEFF LANDRY  
Governor



P.O. Box 3718  
Baton Rouge, LA 70821  
(225) 342-5200  
(866) 469-9555

November 6, 2025

## MEMORANDUM

TO: Joint Legislative Committee on the Budget  
House Committee on Civil Law and Procedure  
Senate Committee on Judiciary A  
Legislative Fiscal Office  
Legislative Auditor

FROM: Ken Schnauder, Executive Director  
Louisiana Patient's Compensation Fund  
Budget Packet for Fiscal Year 26-27

In accordance with Act 411 of the 2010 Regular Session, The La. Patient's Compensation Fund (PCF) is submitting the agency operating budget for FY 2026-2027.

This budget reflects a continuation budget for operating expenses, professional services and other charges (claim payments). There is self-generated funding for services that will be provided to the PCF by the various state agencies. Form BC 2A provides further details as to which state agencies will be providing services and the cost of those services.

Please contact me if additional information is needed.

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Louisiana Patient's Compensation Fund Annual Budget Approval for the year

7/1/26 – 6/30/27

Budget Authority Requested: \$195,269,588

Mr. Marcus Naquin, Chairman

Mr. Greg Waddell

Dr. R. Reece Newsome

Mr. Robert Ruel

Dr. David Broussard

Mr. John Derenbecker

Ms. Tracy Bordelon

Dr. Christopher Foret

Dr. Luis Alvarado

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## BUDGET REQUEST

Fiscal Year '27

July 1, 2026 – June 30, 2027

Agency: Louisiana Patient's Compensation Fund  
627 North Fourth Street Suite 2-300  
Baton Rouge, LA 70802

Web Address: [www.doa.louisiana.gov/PCF](http://www.doa.louisiana.gov/PCF)

Head of Agency: Ken Schnauder, Executive Director  
225-342-5312  
Ken.schnauder@la.gov

Date:

*Ken Schnauder*  
11-7-2025

Budget Administrator: Barbara Woodard  
225-342-5326  
Barbara.woodard@la.gov

Date:

*Barbara Woodard*  
11-7-25

Financial Plans –To maintain claim exposure estimates (reserves) so the appropriate surcharge rates are set, and the mandated asset level is maintained, while ensuring all valid claims can be promptly paid. Safely invest cash assets to enhance the financial stability of the La. Patient's Compensation Fund.

Policies - To administer the PCF in accordance with La R.S. 40:1231.1 et al and the Oversight Board rules and regulations. To process all applications and provide proof of coverage to providers timely; to process medical review panel requests and send appropriate notices within the time frame allowed; to evaluate claims to determine exposure and set reserves; set rates in accordance with actuarial principles.

Objectives – To administer, manage, operate, and defend the PCF in a timely manner and efficiently meet the needs and interests of Louisiana health care providers, those injured because of medical malpractice incidents and the citizens of Louisiana. It is the agency’s goal to maintain financial stability while keeping rates reasonable but appropriate so the Oversight Board can pay claims timely and fairly. This ensures health care providers will continue to offer services to the citizens of Louisiana and those injured will have a stable source of compensation.

Assumptions – There will continue to be a need for the coverage provided by the La. Patient’s Compensation Fund to the health care providers that are enrolled, and they will continue to enroll in the PCF and new providers will also see the value of the fund and enroll. The PCF will continue to handle claims in a manner that will expedite the prompt and fair resolution of valid claims.

Purpose and Functions of the LPCF Oversight Board:

The LPCF Oversight Board has the responsibility for the management, operation, and defense of the Fund. The LPCF provides medical malpractice coverage to eligible Louisiana health care providers in the amount of \$400,000 over the required \$100,000 primary health care provider level. The LPCF coverage also includes all medical expenses incurred and to be incurred because of medical malpractice incidents. Health care providers pay a yearly surcharge to the fund for this coverage. Rates are set by the Oversight Board based on annual actuarial study and other factors. These rates must be reasonable to encourage health care providers to remain enrolled and practice in Louisiana, but adequate to ensure all valid claims will be paid.

The LPCF also establishes medical review panels when complaints are filed and administers the process. LPCF staff are responsible for timely notifying all parties as provided by statute.

Claims against the LPCF are monitored and evaluated regularly to determine exposure. The LPCF staff works with the parties involved to fairly resolve claims and defend claims as necessary.

**SUMMARY STATEMENT OF ACTUAL AND BUDGETED  
MEANS OF FINANCING FOR YEARS SHOWN**

	07/01/24 - 06/30/25 FY '25 Prior Year Actual	07/01/25 - 06/30/26 Current Year FY '26 Budget	07/01/26 - 06/30/27 Projected Year FY '27 Budget	Total Projected Year Over or Under Current Year
Means of Financing				
STATE GENERAL FUND (Direct)	0	0	0	0
STATE GENERAL FUND BY:	0	0	0	0
<b>FEES &amp; SELF GENERATED REVENUE</b>				
Gross Surcharge Collections	163,027,027	163,027,027	163,027,027	0
Gross Filing Fee Collections	248,900	248,900	248,900	0
Investment Income	59,539,499	59,539,499	59,539,499	0
Surcharge Refunds	(1,638,561)	(1,638,561)	(1,638,561)	0
Filing Fee Refunds	(31,800)	(31,800)	(31,800)	0
Net Revenue				
<b>TOTAL MEANS OF FINANCING</b>	<b>\$ 221,145,065</b>	<b>\$ 221,145,065</b>	<b>\$ 221,145,065</b>	<b>0</b>

NOTE: Indicate your board/commission's fiscal year here: 6/30

## SUMMARY STATEMENT OF ACTUAL AND BUDGETED EXPENDITURES/EXPENSES FOR YEARS SHOWN

Category of Expenditure/Expense	07/01/24 - 06/30/25 FY '25 Prior Year Actual	07/01/25 - 06/30/26 FY '26 Current Year	07/01/26- 06/30/27 FY '27 Projected Year	Total Projected Over or Under Current Year
<b>Salaries:</b>				
Regular	\$ 3,243,948	\$ 3,896,787	\$ 4,183,000	286,213
Other Compensation	\$ 25,648	\$ 106,103	\$ 106,103	0
Related Benefits	\$ 1,808,866	\$ 2,635,265	\$ 2,820,362	185,097
<b>TOTAL SALARIES</b>	<b>\$ 5,078,462</b>	<b>\$ 6,638,155</b>	<b>\$ 7,109,465</b>	<b>\$471,310</b>
<b>Operating Expenses:</b>				
Travel	\$ 21,202	\$ 65,023	\$ 65,023	0
Operating Services	\$ 283,253	\$ 544,500	\$ 544,500	0
Supplies	\$ 22,619	\$ 45,600	\$ 45,600	0
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 327,074</b>	<b>\$ 655,123</b>	<b>\$ 655,123</b>	<b>\$0</b>
<b>Professional Services:</b>				
Acct/Actuary - <b>3400</b>	\$ 245,613	\$ 275,000	\$ 275,000	0
Comp Consult- <b>3410</b>	\$ 22,561	\$ 50,000	\$ 50,000	0
Legal- <b>3430</b>	\$ 156,293	\$ 200,000	\$ 200,000	0
Corvel <b>3440</b>	\$ 11,221	\$ 50,100	\$ 50,100	0
Prof. Services <b>3460</b>	\$ 840,755	\$ 1,364,900	\$ 1,364,900	0
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 1,276,443</b>	<b>\$ 1,940,000</b>	<b>\$ 1,940,000</b>	<b>\$0</b>
<b>Other Charges:</b>				
Claim Payments	\$ 165,000,000	\$ 175,000,000	\$ 185,000,000	10,000,000
<b>TOTAL OTHER CHARGES</b>	<b>\$ 165,000,000</b>	<b>\$ 175,000,000</b>	<b>\$ 185,000,000</b>	<b>\$10,000,000</b>
<b>Acquisitions and Major Repairs:</b>				
Acquisitions	\$ 36,471	\$ 100,000	\$ 100,000	0
Major Repairs	\$ -	\$ -	\$ -	-
<b>TOTAL ACQUISITIONS &amp; MAJOR REPAIRS</b>	<b>\$ 36,471</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$0</b>
Interagency Service Expense	\$ 340,949	\$ 465,000	\$ 465,000	\$0
<b>TOTAL EXPENDITURES/EXPENSES AND TRANSFERS</b>	<b>\$ 172,059,399</b>	<b>\$ 184,798,278</b>	<b>\$ 195,269,588</b>	<b>\$10,471,310</b>
<b>Number of Authorized Positions:</b>				
Classified	57	57	57	0
Unclassified	55	55	55	0
	2	2	2	0
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>0</b>

## SALARIES

Description	7/1/24 - 6/30/25 FY 25 Prior Year Actual	7/1/25 -6/30/26 FY 26 Current Year Budgeted*	7/1/26-6/30/27 FY 27 Projected Year Budget	Total Projected Year Over or Under Current Year
Salaries-Regular	\$3,239,854	\$3,896,787	\$4,183,000	\$286,213
Salaries-Overtime	\$4,095	\$0	\$0	\$0
Wages	\$0	\$20,000	\$20,000	\$0
Other Compensation	\$0	\$56,103	\$56,103	\$0
Compensation of Board Members	\$25,875	\$30,000	\$30,000	\$0
<b>Sub-Total Salaries &amp; Other Compensation</b>	<b>\$3,269,823</b>	<b>\$4,002,890</b>	<b>\$4,289,103</b>	<b>\$286,213</b>
Retirement Contributions-State Employees	\$1,189,086	\$1,617,465	\$1,734,362	\$116,897
Post Retirement Contributions- OGB Retiree	\$116,116	\$275,000	\$275,000	\$0
F.I.C.A. Tax & Medicare Tax	\$49,097	\$74,000	\$74,000	\$0
Unemployment Benefits	\$0	\$0	\$0	\$0
Group Insurance Contributions- State Employees	\$448,088	\$660,800	\$729,000	\$68,200
Other Related Benefits (Specify) Fringe Benefits	\$6,479	\$8,000	\$8,000	\$0
<b>Sub-Total Related Benefits</b>	<b>\$1,808,866</b>	<b>\$2,635,265</b>	<b>\$2,820,362</b>	<b>\$185,097</b>
<b>Total Salaries</b>	<b>\$5,078,689</b>	<b>\$6,638,155</b>	<b>\$7,109,465</b>	<b>\$471,310</b>

\*\* Projected salary increase to include annual market adjustments and salary adjustments for classified and unclassified staff

Projected rate increases for State Group Insurance Program - 2026 and 2027

Agency staff eligible for retirement 2026/2027. Term Payout - employees that resign are paid out annual/leave up to 300 hours.

Premium Pay for Computer Technology, Human Resources, Contracts Grants Reviewer and Claim Adjuster Classifications

## COMPENSATION OF BOARD OR COMMISSION MEMBERS

Name of Member	Statutory Authority For Payment	Authorized Per Diem Rate Per Meeting	What Other Expenses Are Paid With The Exception Of Travel? (Itemize Type and Amount.)	7/1/24- 6/30/25	7/1/25-6/30/26	7/1/26-6/30/27
				FY 25 Prior Year Amount	FY 26 Current Year Amount	FY 27 Projected Year Amount
Dr. Christopher Foret	RS 40:1231.1	75	Conducting Board Business:	\$2,400	\$3,333	12 \$3,333
Mr. John Derenbecker	"	75	Narrative Review & Approval	\$3,000	\$3,333	12 \$3,333
Marcus Naquin	"	75	Narrative Review & Approval	\$3,075	\$3,333	12 \$3,333
Dr. Luis Alvarado	"	75	Narrative Review & Approval	\$2,850	\$3,333	12 \$3,333
Ms. Tracy Bordon	"	75	Narrative Review & Approval	\$3,000	\$3,333	12 \$3,333
Dr. R. Reece Newsome	"	75	Narrative Review & Approval	\$2,925	\$3,333	12 \$3,333
Robert Ruel	"	75	Narrative Review & Approval	\$2,850	\$3,333	12 \$3,333
Dr. David Broussard	"	75	Narrative Review & Approval	\$2,775	\$3,333	12 \$3,333
Greg Waddell	"	75	Narrative Review & Approval	\$3,000	\$3,333	12 \$3,333
Number of Board Members 9						
TOTAL COMPENSATION				\$25,875	\$30,000	\$30,000



## SCHEDULE OF TRAVEL EXPENSE

Description	7/1/24-6/30/25 FY 25 Prior Year Actual	7/1/25-6/30/26 FY 26 Current Year Budgeted*	7/1/26-6/30/27 FY 27 Projected Year Budget	Total Projected Year Over or Under Current Year
<b>In-State:</b>				
Administrative 2500 & 2550	\$3,050	\$7,000	\$7,000	\$0
Conferences & Conventions 2510	\$1,087	\$1,000	\$2,000	\$0
Field Travel 2520	\$2,865	\$7,000	\$6,000	\$0
Board Members 2530	\$6,212	\$8,000	\$8,000	\$0
<b>Sub-Total In-State</b>	<b>\$13,214</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$0</b>
<b>Out-of-State:</b>				
Administrative 2600	\$0	\$6,000	\$6,000	\$0
Conferences & Conventions 2610	\$7,569	\$30,000	\$30,000	\$0
Board Members 2630	\$419	\$3,023	\$3,023	\$0
I.T. Travel/Training 2650	\$0	\$3,000	\$3,000	\$0
<b>Sub-Total Out-of-State</b>	<b>\$7,988</b>	<b>\$42,023</b>	<b>\$42,023</b>	<b>\$0</b>
<b>Total Travel</b>	<b>\$21,202</b>	<b>\$65,023</b>	<b>\$65,023</b>	<b>\$0</b>
<b>Total Miles Reimbursed:</b>	11,350	15,000	15,000	0

\*\*Increase in mileage rates - Field Travel

Travel expected for:

HR Certification Conference and Training

Accounting Training

ARMA for Records

Microsoft Conference/Training for I.T.

Med Mal Conference

Actuary - Atlanta

Lammico - NOLA

## SCHEDULE OF OPERATING EXPENSES

Description	7/1/24 -6/30/25 FY 25 Prior Year Actual	7/1/25-6/30/26 FY 26 Current Year Budgeted*	7/1/26 -6/30/27 FY 27 Projected Year Budget	Total Projected Year Over or Under Current Year
Advertising 2700	\$0	\$300	\$300	\$0
Printing 2710	\$0	\$0	\$0	\$0
Licensing Software 2875	\$29,432	\$50,000	\$50,000	\$0
Automotive Repairs 2770	\$855	\$2,000	\$2,000	\$0
Other Maintenance 2800	\$8,460	\$10,000	\$10,000	\$0
Rentals - Office Bld.	\$223,993	\$425,000	\$425,000	\$0
Dues & Subscriptions 2890	\$2,312	\$6,000	\$6,000	\$0
Postage 2900	\$7,134	\$10,000	\$10,000	\$0
Telephone 2910	\$1,905	\$7,000	\$7,000	\$0
Telephone - Other 2930	\$933	\$1,200	\$1,200	\$0
Other - Miscellaneous 3000	\$8,229	\$33,000	\$33,000	\$0
<b>Total Operating Services</b>	<b>\$283,253</b>	<b>\$544,500</b>	<b>\$544,500</b>	<b>\$0</b>
Office Supplies 3100	\$21,132	\$40,000	\$40,000	\$0
Operating Supplies - Computer 3120	\$0	\$0	\$0	\$0
Operating Supplies - Automotive 3 170	\$989	\$3,600	\$3,600	\$0
Software Supplies - 3320	\$499	\$2,000	\$2,000	\$0
<b>Total Supplies</b>	<b>\$22,619</b>	<b>\$45,600</b>	<b>\$45,600</b>	<b>\$0</b>

## DETAIL OF PROFESSIONAL SERVICE CONTRACTS

CONTRACTOR/PURPOSE OF CONTRACT	7/1/24-6/30/25 Prior Year 25 Actual	7/1/25 -6/30/26 Current Year 26 Budgeted*	7/1/2026-6/30/27 Projected Year 27 Budgeted	Total Projected Year Over or Under Current Year
Accounting/Actuary - 3400	\$ 245,613	\$ 275,000	\$ 275,000	\$ -
Computer Consulting - 3410	\$ 22,561	\$ 50,000	\$ 50,000	\$ -
Legal - 3430	\$ 156,293	\$ 200,000	\$ 200,000	\$ -
Other - 3440	\$ 11,221	\$ 50,100	\$ 50,100	\$ -
Other - 3460	\$ 840,755	\$ 1,364,900	\$ 1,364,900	\$ -
Mariner				
Principal				
GR Neam				
PRISM Maint.				
Canon IRIS				
JP Morgan Chase				
<b>TOTAL</b>	<b>\$ 1,276,443</b>	<b>\$ 1,940,000</b>	<b>\$ 1,940,000</b>	<b>0</b>

List all contracts for \$2,500 or greater. Indicate number only and total amount of contracts less than \$2,500.

**SCHEDULE OF OTHER CHARGES**

Provide description and purpose of each Other Charges expenditure, attach additional sheet as necessary. If an item is discontinued or added, please explain the reasons for this action.	7/1/24 - 6/30/25 FY 25 Prior Year Actual	7/1/25 - 6/30/26 FY 26 Current Year Budgeted*	7/1/26 - 6/30/27 FY 27 Projected Year Budget	Total Projected Year Over or Under Current Year
Medical Malpractice Judgments and Settlements	\$165,000,000	\$175,000,000	\$185,000,000	\$10,000,000

## SCHEDULE OF ACQUISITIONS &amp; MAJOR REPAIRS

Description	7/1/24-6/30/25 FY 25 Prior Year Actual	7/1/25 -6/30/26 FY 26 Current Year Budgeted*	7/1/26-6/30/27 FY 27 Projected Year Budget	Total Projected Year Over or Under Current Year
<b>ACQUISITIONS:</b>				
Land and Buildings				0
Bldgs. Grounds & Gen. Plant				0
Automotive				0
Communications				0
4450 - Software Over 5,000	\$0	\$0	0	0
4451 - Hardware Over 5,000	\$30,551	\$25,000	\$25,000	0
4490 - Office Equip. over 1,000	\$0	\$5,000	\$5,000	0
4492 - Office Equip/Furniture under 1,000	\$1,021	\$15,000	\$15,000	0
4454 - Hardware - Over 1,000	\$4,899	\$55,000	\$55,000	0
<b>TOTAL ACQUISITIONS</b>	<b>\$36,471</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>0</b>
<b>MAJOR REPAIRS:</b>				
Land				0
Buildings				0
Machinery & Equipment:				0
Automotive				0
Bldgs., Grounds, & Gen. Plant				0
Farm & Heavy Movable				0
Household				0
Medical				0
Office				0
Educational, Recreational, & Cultural				0
Boats & Aircraft				0
Communications				0
<b>TOTAL MAJOR REPAIRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**SCHEDULE OF INTERAGENCY SERVICES**

	FY 25 PRIOR YEAR ACTUALS 7/1/24 - 6/30/25	FY 26 CURRENT OPERATING BUDGET 7/1/25 - 6/30/26	FY 27 PROJECTED BUDGET 7/1/26 - 6/30/27	OVER/UNDER EXISTING OPERATING BUDGET
4900 Administrative InterAgency Services:	\$ 86,034	\$ 100,000	\$ 110,000	10,000
Secretary of State - Archives Division				0
Civil Service				0
Supreme Court				0
General Counsel				0
Capitol Police & Bldg. Security				0
Office of State Register				0
4960 - State Printing	\$ 6,797	\$ 10,000	\$ 10,000	0
4970 - OTS - Raised Floor - Internet-Bandwidth	\$ 21,777	\$ 30,000	\$ 30,000	0
4980 - ORM - Insurance	\$ 45,430	\$ 80,000	\$ 80,000	0
5030 - OSM - State Mail Service	\$ 158,798	\$ 175,000	\$ 175,000	0
5040 - OTM - Iberville Bldg.	\$ 22,113	\$ 70,000	\$ 60,000	(10,000)
<b>TOTAL INTERAGENCY SERVICES</b>	<b>\$ 340,949</b>	<b>\$ 465,000</b>	<b>\$ 465,000</b>	<b>0</b>

**\*\*Projecting increases in Administrative Interagency Services\*\***

## MEANS OF FINANCING DETAIL OF SELF-GENERATED REVENUE

<b>Detail of Self-Generated Revenue</b> Give Legal Citation Authorizing the Collection of these Amounts	<b>Revenue Source</b>	<b>FY '25 Prior Year Actual Collections</b>	<b>7/1/25 - 6/30/26 FY 26 Current Year Budgeted*</b>	<b>7/1/26 - 6/30/27 FY 27 Projected Year Budget **</b>	<b>Total Projected Year Over or Under Current Year</b>
La. Revised Statute 40:1231.1 et al Act 967 of the 1990 Regular Legislative Session and Act 411 of the 2010 Regular Session					
<b>Surcharge Collections</b> Act 967 of the 1990 Regular Legislative Session Per La. RS 40:1231.1 et al and Act 411 of the 2010 Regular Session.	1901	\$163,027,027	\$163,027,027	\$163,027,027	\$0
<b>Filing Fee Collections</b> Act 961 of the 2003 Regular Legislative Session, Per La. RS 40:1231.1 et al and Act 411 of the 2010 Regular Session	2901	\$248,900	\$248,900	\$248,900	\$0
<b>Interest - Dividends - Realized Gains</b>	1435	\$59,539,499	\$59,539,499	\$59,539,499	\$0
<b>Refunds</b>		(\$1,670,361)	(\$1,670,361)	(\$1,670,361)	\$0
<b>Total Revenue Collected</b>		\$221,145,065	\$221,145,065	\$221,145,065	\$0

\*Estimated Revenue for current EOB

\*\*Projected Revenue for FY 2026-2027