A BILL FOR AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended, by amending section 407 to specify that the Administrator of the National Government Employees' Health Insurance Plan shall be exempt from the National Public System and clarifying that Members of the Board of Directors who are not employees of the National or State Governments shall be paid at a rate established by the Board when actually performing their duties, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Section 407 of title 52 of the Code of the Federated States of Micronesia, as amended by Public Law No. 12-77, is hereby amended to read as follows:

"Section 407. Health Insurance Plan Board of Directors and Administrator.

(1) Creation. There is hereby established a National Government Employees' Health Insurance Plan Board of Directors to oversee the Plan and the assets of the Employees' Health Insurance Fund. There is also hereby established a new full-time position of National Government Employees' Health Insurance Plan Administrator. The Administrator shall be appointed by the Board.

(2) Composition. The National Government Employees' Health Insurance Plan Board of Directors shall consist of not less than seven (7) members, including one
representative from each State of the Federated States of Micronesia, who shall be recommended by the Governor of the relevant State; one representative from the National Government of the Federated States of Micronesia; one representative from the private healthcare sector; and the Administrator. Each appointed member of the Board shall be appointed by the President with the advice and consent of the Congress. The Administrator shall serve as ex officio member of the Board. All members of the Board shall be voting members of the Board.

(3) Terms. Each appointed member of the Board shall serve for a period of three (3) years, except that initial appointments to the Board shall be made as follows: two members for a period of one year; two members for the period of two years; and two members for a period of three years. Successors to the first appointees hereunder shall be appointed for terms of three years each. Vacancies other than by expiration of term shall be filled by the President by appointment, in the same manner as the original appointment was made, for the unexpired term. Appointed members shall not hold-over at the expiration of their terms, but may be reappointed to consecutive terms in the manner set forth in this section.
(4) **Organization.** The Board shall provide for its own organization and procedure, except that the Board shall, at a minimum, designate a Chairman and a Secretary. The Secretary shall keep all records of, and actions taken by the Board. These records shall be open to the public for public inspection. The Secretary of Justice of the Federated States of Micronesia shall act as legal advisor to the Board.

(5) **Meetings.** The board shall meet at least once every 6 months. Meetings may be held at any time or place within the FSM to be determined by the Board upon the call of the Chairman or upon written request of any four (4) members. All meetings shall be open to the public and public notice of the time and place of such meetings shall be posted in public places and shall be announced on radio and television throughout the FSM and in newspapers of general circulation in the FSM. Four (4) members of the Board shall constitute a quorum for the transaction of business.

(6) **Compensation.** Members of the Board shall serve without compensation as such, but shall be entitled to receive travel costs and per diem at standard National Government rates when actually attending Board meetings or engaged in the performance of duties authorized by the Board. Any employee of the National Government
shall be granted leave with pay when actually attending Board meetings or engaged in the performance of duties authorized by the Board.

(7) General powers and duties.

(a) It shall be the responsibility of the Board to promote the soundness, stability, growth and development of the National Government Employees' Health Insurance Plan and the National Government Employees' Health Insurance Fund. To that end, the Board shall have overall responsibility for administration of the Plan, PROVIDED, however, that day-to-day operations of the Plan shall be the responsibility of Administrator. The Board shall have such other powers and duties as may be necessary to carry out the purposes of this chapter.

(b) Responsibility for the proper day-to-day operation of the Plan shall be vested in Administrator who shall have power to delegate duties and responsibilities to such employees of the Plan as the Administrator deems feasible and desirable to carry out the provisions of this chapter.

(c) The Board shall periodically consult with, and seek the advice of, interested members of the public in each respective State of the Federated States of Micronesia regarding the operation of the Plan and shall endeavor to ensure that such consultations are done with
persons broadly representative of actual and potential
participants in the Plan, including representatives of
the medical profession and participating businesses.

(8) **Time for Implementation.**

(a) All nominations for all positions on the
Board shall be transmitted to Congress within ninety
(90) days of the date this act becomes law.

(b) The Board shall appoint an Administrator
within 90 days of the date all Board members have been
appointed by Congress. If no Administrator is appointed
within this time, the Board shall submit to Congress a
detailed account of the steps it is taking to appoint an
Administrator and the reasons why it has not done so.

(c) Immediately upon the appointment of the
Administrator, all employees of the Plan who hold a job
title containing the word 'Chief' shall be given a new
job title and the word 'Chief' shall be deleted from the
job title."

Section 2. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

Date: **10/30/03**

Introduced by: **/s/ Henry C. Asugar**

Henry C. Asugar
(by request)