A BILL FOR AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended, by amending section 403 to make enrollment in MiCare mandatory for employees of the national government and to require that post secondary institutions enroll in MiCare before students are permitted to enroll, and by amending section 406 to delete the requirement that the Fund maintain separate accounts for each State, and for other purposes.

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

Section 1. Section 403 of the title 52 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 8-53, 8-133 and 14-49 is hereby further amended to read as follows:

"Section 403. Eligibility.

(1) All full-time employees of the National Government of the Federated States of Micronesia [may] shall participate in the plan.

(2) Other persons who may participate in the plan are:

(a) The full-time employees of each participating agency and business which has entered into a contract with the Director, as administrator of the plan, whereby such agencies or businesses have agreed to participate in the plan.

(b) The dependents of full-time employees of the National Government, participating agencies and participating businesses;

(c) Members of an employee's household who are dependent upon the employee, but are not otherwise
defined as "dependents" under the provisions of this act, if the employee pays 100 percent of the premiums for such persons to the plan;

(d) Government employees whose State or agency does not participate in the plan, and their dependents, if they pay 100 percent of the premiums for themselves and the dependents to the plan; and

(e) Former enrollees in the plan, and their dependents, if they pay 100 percent of the premiums for themselves and their dependents to the plan.

(f) Full time students enrolled at any post secondary institution in the FSM, if the post secondary institution has entered into a contract of participation with the plan and the students pay 100 percent of the premiums for themselves to the plan."

Section 2. Section 406 of the title 52 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 6-114 and 8-53 is hereby further amended to read as follows:

Section 406. Disposition of fund.

(1) All money deposited in the Employees' Health Insurance Fund shall be used to pay claims, except that a sum representing not more than ten percent of the estimated income for that year from contributions and income on investments may be expended for costs of administration.
[(2) The Employees' Health Insurance Fund shall maintain a separate account for each of the States, which shall include all contributions from that State, plus interest, minus administrative costs. A State's account may not be charged for any services rendered to a member who resides in any other State, unless, in the case of a state-wide emergency, both States transmit their agreement in writing to the Plan Director.

(3) If a State's premium payments are current, the Plan may use any amount which remains in a State's account at the end of the fiscal year, and which exceeds 25 percent of the total premium paid by that State in that fiscal year, to purchase hospital supplies, equipment or medicines for that State's hospital."

Section 3. 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: 9/19/07

Introduced by: /s/ Joe N. Suka

Joe N. Suka
(by request)