A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding new sections 1613 through 1619 to establish the Health Revolving Fund, and for other purposes.

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

Section 1. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 1613 to establish the Health Revolving Fund, to read as follows:

"Section 1613. Establishment of a Health Revolving Fund.

There is hereby established a Health Revolving Fund, referred to in this subchapter as the "Fund", separate from the General Fund of the Federated States of Micronesia and all other funds, and consisting of sub-funds for each of the following department of the National Government of the Federated States of Micronesia:

(1) the Department of Finance and Administration; and
(2) the Department of Health and Social Affairs

Section 2. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended to adding a new section 1614, to read as follows:
“Section 1614. Definitions.

(1) “Non-communicable diseases” (also known as chronic disease) means diseases or conditions which are not passed from person to person. The four main causes of death and illness from Non-Communicable Diseases are:

(a) Cardiovascular disease including heart attacks, stroke, and other heart and blood vessel diseases;

(b) Cancer including neoplasms;

(c) Diabetes which is a major contributing factor to deaths from heart, circulatory, and kidney failure; and

(d) Chronic respiratory disease including Chronic Obstructive Pulmonary Disease, asthma, emphysema and chronic bronchitis.

Section 3. Tittle 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 1615, to read as follows:

Section 1615. Purpose.
The purpose of the Fund is to provide reliable funding for the prevention and control of non-communicable diseases and the protection of public health.

Section 4. Tittle 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 1616, to read as follows:
Section 1616. Deposits.

Payments received pursuant to title 54, section 805 and any other payments received shall be deposited into the Fund of which:

(1) 20% will be deposited into the sub-fund of the Department of Finance and Administration; and

(2) 80% will be deposited into the sub-fund of the Department of Health and Social Affairs.

Section 5. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 1617, to read as follows:

Section 1617. Disbursements.

(1) The Secretary of the Department of Finance and Administration is hereby authorized to make disbursements of moneys available in the sub-fund allocated to that department, without further authorization or appropriation by the Congress of the Federated States of Micronesia, for the following and no other purposes:

(a) providing the resources, including personnel, equipment and systems required for the collection of import duties imposed under subsection 221(1), (2), (3), (5), (6), and (8); and

(b) developing appropriate systems of surveillance and enforcement, including through
implementation of a stamping system for imported
products, to minimize illicit or unlawful importation of
products and avoidance of the import duties under
section 221, and

(c) prosecution and enforcement of penalties for
smuggling, illicit trade and non-payment or underpayment
of duties under section 221.

(2) The Secretary of the Department of Health and
Social Affairs is hereby authorized to make
disbursements of moneys available in the Fund or in the
sub-fund allocated to that department, without further
authorization or appropriation by the Congress of the
Federated States of Micronesia, for the following and no
other purposes:

(a) Health promotion activities, in particular
in relation to prevention of non-communicable diseases,
for which funding may be allocated utilizing up to 30%
of the collected revenue in the sub-fund;

(b) Payment of health care costs, or
subscription costs, of citizens of the Federated States
of Micronesia who are not working and are at least 60
years of age or are disabled, for which funding may be
allocated utilizing up to 30% of the collected revenue
in the sub-fund;

(c) Health scholarship purposes, the recipients
of which will be determined by the Secretary of the
Department of Health and Social Affairs in his/her
discretion, for which funding may be allocated utilizing
up to 20% of the collected revenue in the sub-fund; and

(d) Non-communicable disease control (inclusive
of tobacco control) and coordination mechanisms for the
Federated States of Micronesia, for which funding may be
allocated utilizing up to 20% of the collected revenue
in the sub-fund.

(3) moneys in the Fund shall not revert to the
General Fund or any other fund, nor lapse at the end of
the fiscal year.

Section 6. Title 55 of the Code of the Federated States of
Micronesia (Annotated), as amended, is hereby further amended by
adding a new section 1618, to read as follows:

Section 1618. Authorized uses of the sub-funds.

(1) Each sub-fund established pursuant to section
1613 of this subchapter may be utilized as a source of
funding for the purpose for which that sub-fund was
established and to make disbursements in accordance with
section 1617.

(2) The funds shall not be utilized for any other
purpose.

(3) The Public Auditor may review the administration
of the Fund and use and disbursements from sub-funds
such intervals as the Public Auditor considers necessary.

Section 7. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by adding a new section 1619, to read as follows:

Section 1619. Administration.

(1) The Fund shall be administered by the Secretary of the Department of Health and Social Affairs, or his/her designee, who shall establish any required Regulations or procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter without the requirement for further authorization by the Congress of the Federated States of Micronesia.

(2) In recognition that cooperation between all sectors of government and civil society and coordinating strategies across all sectors is key to efficient use of resources and to preventing and controlling non-communicable disease and protecting public health, in allocating funding under section 1617(a) and (d), the Secretary of the Department of Health and Social Affairs or his/her delegate must consult with nominated representatives of the following:

(a) the FSM Tobacco Control Council;

(b) the FSM Cancer Steering Society;
(c) the Secretary of the Department of Resources and Development;

(d) the Secretary of the Department of Finance and Administration;

(e) the Secretary of the Department of Education;

(f) the Secretary of the Department of Transportation, Communication and Infrastructure; and

(g) civil society groups and NGO’s,

where any of the above entities have an interest or expertise is an area for which funding is under consideration and provided that each representative has declared that he/she, and the entity he/she represents have no conflict of interest in any such allocation of funding.

(3) If a National Non-Communicable Disease Coordination Committee or equivalent is established for the Federated States of Micronesia which includes the Secretary of the Department of Health and Social Affairs (or his/her delegate) as a member, that Committee shall take over administration of the activities and associated funding in section 1617 (2)(d), only the additional increased in percentage of import taxes collected pursuant to subsections (1), (2), (3), (5), (6) and (8) of section 221 of title 54 shall be
deposited in the Health Revolving Fund account and shall
be administered by the Secretary of the Department of
Health and Social Affairs (DHSA). Seventy percent of
the collected revenue specified above shall be used for
health promotion activities, twenty five percent shall
be used for health scholarship purposes, and the
remaining five percent shall be used for the NCD tobacco
control and coordination mechanisms.

Section 8. 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: 10/30/17

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper
(by request)