

A BILL FOR AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-21, 6-114, 7-16, 7-90 and 7-121, by amending sections 403, 404, 405, 407, 408, and 409; by further amending section 402, as amended by Public Law No. 7-16; by further amending section 406, as amended by Public Law No. 6-114; and by adding a new section 410 to improve the Plan and to provide the Director with the necessary flexibility; and for other purposes.

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

1 Section 1. Section 402 of title 52 of the Code of the Federated
2 States of Micronesia, as amended by Public Law No. 7-16, is hereby
3 further amended to read as follows:

4 "Section 402. Definitions. As used in this chapter:

5 (1) 'Agency' means any municipal, State or National
6 Government public agency, institution or entity.

7 (2) 'Costs of administration' means the following
8 costs of administering the plan:

9 (a) wages or salaries for personnel engaged in
10 administering the plan;

11 (b) necessary travel for personnel engaged in
12 administering the plan;

13 (c) costs and expenses for training of personnel
14 engaged in administering the plan;

15 (d) the costs of processing claims;

16 (e) the costs of printing informational booklets,
17 claim forms, and other necessary materials;

18 (f) the costs of necessary supplies and equipment;

19 (g) the costs of communications necessary to the
20 operation of the plan;

21 (h) the costs of professional services necessary
22 to the operation of the plan.

23 (3) 'Dependents' means the employee's:

24 (a) lawful spouse;

25 (b) dependent unmarried children who are less than

1 22 years of age;

2 (c) Handicapped dependent children with disabilities
3 regardless of age, who are unmarried and physically or
4 mentally incapable of earning a living and who have been
5 continuously incapacitated and dependent on the insured
6 employee from the limiting age of 22; and

7 (d) dependent parents.

8 (4) 'Director' means the Director of the Office of
9 Administrative Services of the Federated States of
10 Micronesia.

11 (5) 'Employee' means an employee of the National
12 Government of the Federated States of Micronesia or an
13 employee of a participating agency.

14 (6) 'Full-time employee' means an employee who works
15 at least thirty-two hours of the regular and scheduled
16 workweek.

17 (7) 'Participating agency' or 'participating agencies'
18 means any public agency, public institution or other public
19 entity, either State or National, participating in the plan
20 pursuant to section 403 of this chapter.

21 (8) ~~'Personnel Officer' means the Personnel Officer of~~
22 ~~the National Government of the Federated States of~~
23 ~~Micronesia.~~

24 (8) 'Plan' means the National Government Employees'
25 Health Insurance Plan."

1 Section 2. Section 403 of title 52 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 403. Eligibility. All full-time employees of the
4 National Government of the Federated States of Micronesia
5 shall ~~be eligible for participation~~ participate in the
6 plan. In addition, the ~~Personnel Officer~~ Director, as
7 administrator of the plan, may contract with ~~participating~~
8 other agencies ~~for a period not to exceed two years during~~
9 ~~which they are~~ so that all full-time employees of each such
10 participating agency ~~may~~ shall may be insured under the plan.
11 The dependents of employees may be ~~ensured~~ insured under
12 the plan. Government employees whose State or agency does
13 not participate in the plan, and their dependents, may be
14 insured under the plan if they pay 100 percent of the
15 premiums for themselves and their dependents to the plan."

16 Section 3. Section 404 of title 52 of the Code of the
17 Federated States of Micronesia is hereby amended to read as follows:

18 "Section 404. Establishment of Employees' Health Insurance
19 Fund.

20 (1) There is established a National Government
21 Employees' Health Insurance Fund, (hereinafter 'Employees'
22 Health Insurance Fund') which shall be separate from the
23 General Fund or other funds. ~~All Trust Territory Group~~
24 ~~Health Insurance Program funds transferred to the National~~
25 ~~Government of the Federated States of Micronesia shall be~~

1 ~~deposited in the Employees' Health Insurance Fund.~~ All sums
2 appropriated by Congress representing contributions of the
3 National Government to the plan, all sums representing
4 contributions of participating agencies to the plan, and
5 all employee contributions to the plan, shall be deposited
6 in the Employees' Health Insurance Fund. Any unexpended
7 money in the Employees' Health Insurance Fund shall not
8 revert to the General Fund or lapse at the end of the fiscal
9 year, but shall remain in the Employees' Health Insurance
10 Fund.

11 (2) The Director shall have the sole authority to
12 administer the Employees' Health Insurance Fund in
13 accordance with regulations promulgated under this act. The
14 Director shall maintain this Employees' Health Insurance
15 Fund in a separate custodial trust account and may, from
16 time to time, invest such moneys that are in excess of the
17 amount deemed necessary for the operation of the plan during
18 the reasonable future. Such investments shall be low-risk
19 and made in consultation with the Secretary of the
20 Department of Finance. The investments shall at all times
21 be made so that all of the assets of the Employees' Health
22 Insurance Fund shall be readily convertible into cash when
23 needed for the purpose of this act. All income earned on
24 these investments shall be deposited into the Employees'
25 Health Insurance Fund."

1 Section 4. Section 405 of title 52 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 405. Premium contributions. Employees
4 participating in the plan shall contribute ~~forty-five percent~~
5 ~~of the~~ the percentage of the premium not paid by their
6 employer for insurance under the plan. The National
7 Government of the Federated States of Micronesia shall
8 contribute at least fifty-two percent of the premium for
9 eligible employees of the National Government participating
10 in the plan. Any participating agency shall contribute at
11 least fifty-two percent of the premium for the participating
12 agency's employees participating in the plan, or may at its
13 request contract with the Director to contribute more than
14 fifty-two percent."

15 Section 5. Section 406 of title 52 of the Code of the Federated
16 States of Micronesia, as amended by Public Law No. 6-114, is hereby
17 further amended to read as follows:

18 "Section 406. Disposition of fund.
19 (1) All money deposited in the Employees' Health
20 Insurance Fund shall be used to pay claims, except that a
21 sum representing not more than ~~seven eleven~~ ten percent of
22 the estimated income for that year from contributions and
23 income on investments may be expended for costs of
24 administration.

25 (2) The Employees' Health Insurance Fund shall

1 maintain a separate account for each of the States, which
2 shall include all contributions from that State, plus
3 interest, minus administrative costs. A State's account may
4 not be charged for any services rendered to a member who
5 resides in any other State, unless, in the case of a State-
6 wide emergency, both States transmit their agreement in
7 writing to the Plan Director.

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

14 Section 6. Section 407 of title 52 of the Code of the
15 Federated States of Micronesia is hereby amended to read as follows:

16 "Section 407. Administration of the plan. The plan shall
17 be administered by the ~~Personnel Officer~~ Director."

18 Section 7. Section 408 of title 52 of the Code of the Federated
19 States of Micronesia is hereby amended to read as follows:

20 "Section 408. Reporting. The ~~Personnel Officer~~ Director
21 shall prepare and submit an annual report on the status of
22 the plan prior to the commencement of each regular May
23 session of Congress. This report shall include a statement
24 of the amount of money on deposit in the Employees' Health
25 Insurance Fund as of the date of the annual report, the

1 amount of premiums collected and interest earned during the
2 preceding fiscal year, the amount of money disbursed for
3 claims during the preceding fiscal year, the number of
4 claims paid during the preceding fiscal year, the costs of
5 administration, and such other information as the ~~Personnel~~
6 ~~Office~~ Director may deem appropriate."

7 Section 8. Section 409 of title 52 of the Code of the Federated
8 States of Micronesia is hereby amended to read as follows:

9 "Section 409. Promulgation of regulations. The ~~Personnel~~
10 ~~Office~~ Director, with the approval of the President, shall
11 promulgate regulations, pursuant to chapter 1 of title 17 of
12 this Code, governing the amount of the premium for insurance
13 under the plan, the procedure for making claims under the
14 plan, the amount and type of benefits under the plan, the
15 policy limits under the plan, and such other matters as may
16 be consistent with the contents and purpose of this chapter,
17 including the implementation of those provisions of this
18 chapter pertaining to participating agencies. The plan may
19 provide, arrange for, pay for, or reimburse the costs of
20 medical, dental and vision treatment and care,
21 hospitalization, surgery, prescription drugs, medicine,
22 prosthetic appliances, out-patient care, and other medical
23 care benefits, in cash or the equivalent in medicines and
24 supplies, and may provide life insurance benefits. The plan
25 may contract with private sector insurance companies to

1 provide benefits, and may contract for other services as
2 needed."

3 Section 9. Title 52 of the Code of the Federated States of
4 Micronesia is hereby further amended by adding a new section 410 to
5 read as follows:

6 "Section 410. Off-island medical referral.

7 (1) No payment shall issue for any off-island medical
8 referral unless:

9 (a) The procedure is one which must or may be
10 performed off-island under the standard medical referral
11 criteria, or cannot be effectively performed at the
12 referring hospital, and the referral conforms to all
13 referral procedures set forth in the regulations; or

14 (b) The Director determines that a medical
15 emergency existed, the necessary surgery or treatment could
16 not have been performed effectively at the referring
17 hospital, and the delay necessary to follow proper
18 procedures would have resulted in death or permanent serious
19 damage to the health of the patient; or

20 (c) The patient is outside of the Federated
21 States of Micronesia when a medical emergency arises, or is
22 covered by a supplemental or non-resident plan, as set forth
23 in the regulations.

24 (2) The Director shall consult with the Directors of
25 the member States' Health Services, and shall develop

1 standard medical referral criteria within six months of the
2 date this act becomes law, to be applied to all off-island
3 medical referrals."

4 Section 10. This act shall become law upon approval by the
5 President of the Federated States of Micronesia or upon its becoming
6 law without such approval.

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8 Date: 06-02-93

 Introduced by: /s/Joseph J. Urusemal
 Joseph J. Urusemal
 (by request)

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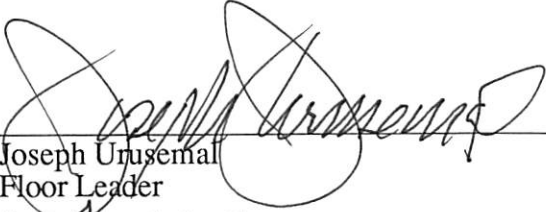
FLOOR AMENDMENT TO C.B. NO. 8-76, C.D.1

Proposed by Floor Leader Joseph Urusemal

1. Page 1, line 25 - delete "unmarried".
2. Page 2, line 3- delete "unmarried and".
3. Page 2, line 19 - after "either" insert "municipal,"

Amendments 1 and 2 allow dependent children who are married to be included in the definition of employees' "dependents" under the National Government Employees' Health Insurance Plan.

Amendment 3 makes the definition of "participating agency" consistent with the definition of "agency" on page 1 of this bill.


Joseph Urusemal
Floor Leader
By Request