

STANDING COMMITTEE REPORT NO. 17-132

RE: C.B. NO. 17-67/H&SA

SUBJECT: TO AMEND CHAPTER 4 OF TITLE 52 OF THE
CODE OF THE FEDERATED STATES OF
MICRONESIA

SEPTEMBER 17, 2012

The Honorable Isaac V. Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Fifth Regular Session 2012

Dear Mr. Speaker:

Your Committee on Health & Social Affairs, to which was
referred C.B. No. 17-67, entitled:

"A BILL FOR AN ACT TO AMEND CHAPTER 4 OF TITLE 52 OF
THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS
AMENDED BY PUBLIC LAWS NOS. 12-77, 14-49, 15-52, AND
15-82, BY AMENDING SECTIONS 401, 402, 404, 407, 408 AND
409, TO CLARIFY THE NAME OF THE PLAN AND THE ROLE OF
THE ADMINISTRATOR, AND TO IMPROVE THE MANAGEMENT AND
OVERSIGHT OF THE PROGRAM, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

Your Committee emphasizes its commitment to ensuring that
our Nation's health insurance system, FSM MiCare, is
financially viable and meets the needs of our citizens. In
order for MiCare to succeed in this mission it must continue
to operate with efficiency, integrity and the highest levels
of expertise. Therefore, it is important to make a detailed
investigation into each individual proposed amendment to be
confident that it is appropriate and that it accords with
our Nation's goals for both the health care and insurance
industries.

Your Committee has held extensive public hearings and meetings regarding C.B. 17-67, including public hearings with MiCare on March 23 and May 23, 2012, and public hearings in the four States beginning on April 23, 2012. After these exhaustive investigations it was determined by the Committee to recommend filing this bill at this time for the reasons set forth below.

During both formal and informal meetings with the Administrator and staff of MiCare your Committee raised several concerns regarding the substantive amendments in the proposed bill. Among these concerns were: potential conflict of interest in MiCare running clinics and pharmacies, the cost and possible risk of making its own investment decisions, concerns regarding proposed power of "decertification" of doctors, definition of minors covered as dependents while off island, and the cost and necessity of hiring in-house legal counsel. Your Committee does not agree with the inclusion of these amendments as drafted and communicated this to the MiCare Administrator.

It became clear during the course of your Committee's hearings that MiCare was agreeable to the deletion of the provisions your Committee objects to, however, both MiCare and the Justice Department requested that the current C.B. 17-67 be filed and a new bill would be submitted to Congress as it is clear substantial revisions will be made. MiCare also alluded to the possibility of a new proposed amendment regarding coverage for FSM citizens regarding in Guam and Saipan in the forthcoming bill.

Your Committee on Health & Social Affairs is not in accord with the intent and purpose of C.B. No. 17-67, so that in its current form attached hereto and it is now filed, and no further action will be taken on it.

Respectfully submitted,

/s/ Tony H. Otto

Tony H. Otto, chairman

/s/ Yosiwo P. George

Yosiwo P. George, vice-chairman

/s/ Tiwiter Aritos

Twiter Aritos, member

Dohsis Halbert, member

/s/ Berney Martin

Berney Martin, member

/s/ Joseph J. Urusemal

Joseph J. Urusemal, member

/s/ Florencio S. Harper

Florencio S. Harper, member