

STANDING COMMITTEE REPORT NO. 14-6

RE: C.B. NO. 14-27/HESA

SUBJECT: AMENDMENTS TO HEALTH INSURANCE LAW

MAY _____, 2005

The Honorable Peter M. Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
First Regular Session, 2005

Dear Mr. Speaker:

Your Committee on Health, Education and Social Affairs ("HESA"),
to which was referred C.B. No. 14-27 entitled:

"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 ALLOW FULL TIME STUDENTS AT POST SECONDARY INSTITUTIONS
TO BE ELIGIBLE TO ENROLL IN THE NATIONAL GOVERNMENT EMPLOYEES'
HEALTH INSURANCE PLAN, BY AMENDING SECTION 407 TO STATE THAT
THE ADMINISTRATOR SHALL BE EXEMPT FROM THE NATIONAL PUBLIC
SERVICE SYSTEM AND 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.",

begs leave to report as follows:

The intent and purpose of the bill are expressed in its title.

The subject bill proposes three changes to the existing law.
First, it would permit students at post secondary educational
institutions to join the National Government Employees' Health
Insurance Plan ("the Plan"), second, it would make the Plan
Administrator exempt from the National public Service System and
third, it would enable board members to be remunerated for the
performance of their duties.

Your Committee considers that permitting post secondary students
to join the Plan will have a number of positive outcomes. It is
anticipated that the amendments will generate increased revenues
by way of premium payments without a significant increase in
costs. This is because college students would generally incur
lower medical costs than other classes of members. It is
anticipated that this amendment will also increase the level of
access to health insurance among college students. Your Committee
has been advised that although the College of Micronesia

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currently requires all students to have health insurance, it has not been possible to enforce this requirement because of a lack of insurance options for students.

Your Committee supports the exemption of the Administrator from the National Public Service System, as this would be consistent with the position of other administrators of similar entities such as the Social Security System. Your Committee likewise supports the remuneration of those board members who are not employees of the National or State governments, for undertaking board activities.

Thus, your Committee on Health, Education and Social Affairs is in accord with the intent and purpose of C.B. No. 14-27 and recommends its passage on First Reading, and that it be placed on the Calendar for Second and Final Reading.

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Respectfully submitted,

Resio S. Moses, chairman

Tiwiter Aritos, vice
chairman

Dohsis Halbert, member

Roosevelt D. Kansou, member

Manny Mori, member

Ramon Peyal, member

Claude H. Phillip