

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Second Regular Session, 2017

Dear Mr. Speaker:

Your Committee on Health and Social Affairs, to which was jointly referred the National Government's proposed Fiscal Year 2018 budget, begs leave to report as follows:

Presidential Communication No. 19-579 was transmitted to Congress with the National Government Fiscal Year 2018 Recommended Budget on April 1, 2017. Pursuant to Rule 7, Section 3(b) of the Official Rules of Procedure of the Twentieth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the budget relating to matters under its jurisdiction. Your Committee shall review the following departments and divisions of the Department of Health and Social Affairs for the Fiscal Year 2018 budget items:

- I. Department of Health and Social Affairs
 - A. Office of the Secretary
 - B. Division of Health System Support
 - C. Division of Environmental Health Services Unit
 - D. Gender Development Unit
 - E. Sport & Youth Unit
 - F. Human Rights & Social Development
 - G. Disability & Aging Support Services

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDIENTAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

II. Office of National Archives, Culture and Historic
Preservation

III. Grants, Subsidies & Contributions

A. Department of Health and Social Affairs

1. Grants

a. National Board of Nursing & Medical
Licensing

b. FSM Red Cross

c. National Therapeutics & Standards Committee

2. Contributions

a. United Nations Fund for Population
Activity (UNFPA)

b. World Health Organization (WHO)

c. FSM Amateur Sports Association

d. Pacific Islands Health Officer Associations
(PIHOA)

e. Association of Territorial Health
Organizations

f. Vaccine & TB Drug Purchasing Scheme

g. U.N. Women

h. Investing in the Youth through Sports &
Health

i. Maintenance Effort

B. Office of National Archives, Culture and Historic
Preservation

1. Contributions

a. UNESCO Membership Fee

b. NCSHPO

c. PARBICA

d. PIALA

e. WHC Membership Fee

C. FSM Social Security Administration

D. FSM National Government Employee's Health
Insurance Plan

IV. Capital and Human Resource Development

A. Department of Health and Social Affairs

1. Health Services Special Pathologist

2. Environment (Food & Water Lab Testing)

3. Medical Specialist Team

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

4. Doctors for Tomorrow Program
5. MOE-BHWP Medicine
6. National Vector Control
7. Drug Testing Program
5. National NGO & Civil Society

The Committee notes there are some minor inaccuracies in the President's budget book for FY2018, and will analyze each in the relevant category below.

This report, and all previous and subsequent reports of your Committee, should be treated as reflecting policies of the Federated States of Micronesia, as defined by Congress. It is the intent of your Committee that any commentary found in this report should be treated as policy for the guidance of the department, agencies and entities.

Your Committee is guided specifically by the decision taken by the Congress as a whole to hold all salaries and compensation to previous year's levels, and not to increase the number of employees in the National Government, unless there is urgent need.

Your Committee on Health and Social Affairs held public hearings on September 15 and 18, 2017 regarding the above budget items for the National Department of Health and Social Affairs. The Committee has previously held hearings with the Office of the National Archives, Culture and Historic Preservation on September 18, 2017. And, public hearings were held during the April and May 2017 sessions of Congress with the FSM Social Security Administration, and the FSM National Government Employee's Health Insurance Plan.

Present at the hearings for the Department of Health & Social Affairs were the Secretary and key staff from all of her relevant divisions, representatives from the Department of Justice, the Office of the President, the Department of Finance and Administration, and the Office of Personnel.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

1. DEPARTMENT OF HEALTH AND SOCIAL AFFAIRS

A. Administration-Office of the Secretary

| | FY17 Appropriated | FY18 President Recommends | FY18 Committee Recommends |
|------------------------|----------------------|---------------------------------|---------------------------------|
| Personnel | 71,675 | 84,014 | 71,675 |
| Travel | 48,000 | 54,000 | 48,000 |
| Contract | 19,602 | 19,602 | 19,602 |
| OCE | 20,700 | 20,700 | 20,700 |
| Fixed Assets | -0- | -0- | -0- |
| Total | 159,997 | 178,316 | 159,977 |
| Number of Employees | 3 | 3 | 3 |

The President's Budget Book recommends funding for FY2018 for the Office of the Secretary at \$178,316. The commentary from your Committee is as follows:

Personnel:

The President recommends \$84,014 for this category for FY18. During the hearing with the Department the Committee first questioned the Department regarding the difference in the amount requested under this category for the coming year. The Secretary stated that she was requesting a step increase for two of her employees and the accompanying salary increase.

At the onset your Committee notes that it is deeply concerned that with the potential dramatic decrease in funding in 2023, and strongly believes that more must be done to maintain fiscal discipline at the National Government level. At this time the Committee is not recommending salary increases or level/step increases for the Office of the Secretary. Your Committee is resolved to recommend funding for the coming fiscal year for Personnel in the Office at FY17 levels.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDIENTAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

In consideration of the decision described above the Committee recommends \$71,675 for the Personnel category for the Office of the Secretary for the Fiscal Year 2018.

Travel: For several years now the budget for this category has been \$48,000. The Committee questioned the proposed increase to \$54,000 for the coming FY18 and the Department responded that additional trips to Guam and Manila have been proposed for the purposes of capacity building and training. Your Committee believes the current travel budget and travel under the U.S. federally funded programs provides sufficient funding for these activities, and that no change is warranted at this time.

Your Committee recommends \$48,000 for the Travel category for the Office of the Secretary for Fiscal Year 2018.

Contract: The contracts for rent, maintenance of equipment and internet remain the same as in years past. The budget for FY18 is again recommended at \$19,602. Your Committee is satisfied, at this time, with continuing with the same budget for this category, and therefore, recommends the \$19,602 for Contract Services for the Office of the Secretary for Fiscal Year 2018.

OCE: The President has recommended funding remain the same for OCE for the coming year at \$20,700. Your Committee believes this amount will meet the needs of the Department and recommends the budget of \$20,700 for Fiscal Year 2018 for OCE for the Office of the Secretary.

Fixed Assets: No budget for fixed assets was proposed by the President or recommended by the Committee for the Office of the Secretary for Fiscal Year 2018.

In accordance with the above analysis your Committee recommends a total of \$159,997 for the Fiscal Year 2018 for the Office of the Secretary of Health and Social Affairs.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

B. Division of Health System Support

| | FY17 Appropriated | FY18 President Recommends | FY18 Committee Recommends |
|------------------------|----------------------|---------------------------------|---------------------------------|
| Personnel | 107,683 | 101,287 | 107,683 |
| Travel | 27,715 | 66,000 | 27,715 |
| Contract | 45,000 | 120,000 | 45,000 |
| OCE | 26,701 | 26,701 | 26,701 |
| Fixed Assets | -0- | -0- | -0- |
| Total | 207,099 | 313,988 | 207,099 |
| Number of Employees | 6 | 6 | 6 |

The President's Budget Book recommends funding for Fiscal Year 2018 for the Division of Health System Support at \$313,988. The full commentary of the Committee is as follows:

Personnel: The President proposes a slight decrease in this category for the coming year, down to \$101,287 for FY18. Your Committee noted and the Department concurred that there is a slight error in the President's Budget Book. The current personnel cost is \$107,287 and it is the intention of the Department to maintain the same number of positions in FY18. All witnesses agreed that the correct proposed funding level for FY18 is \$107,287.

For the reason stated above, your Committee recommends \$107,683 for Personnel for the Division of Health System Support for the Fiscal Year 2018.

Travel: For the Fiscal Year 2018 the President proposes to almost triple the travel budget for this Division to \$66,000.

Your Committee requested detailed information from the Department regarding this substantial proposed increase.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

The Department advised the Committee this was due to the addition of three new trips this year. The most expensive of these trips is for a domestic trip to monitor activities in the States regarding the data collection and management project that has been funded under a U.S. federal grant. The other two trips are international for a grantee meeting and a WHO meeting. The Committee does not believe that an increase in the travel funding is appropriate at this time, and requests the Department to prioritize its travel to work within current funding levels.

Upon review of the budget for this category your Committee has determined that no increase in travel funding is necessary for this coming year, and therefore, recommends funding for Travel for the Division of Health System Support at \$27,715 for travel for Fiscal Year 2018.

Contract: The Committee notes that this category is proposed at \$120,000 for FY18, which is almost three times the amount for the previous year, \$45,000. The Committee accepts that the lease agreement for space for the Department should continue as in years past, however, it does not agree with the addition of contacts for a health consultant and lawyer. Particularly, as to the request for a separate legal counsel, the Committee strongly urges the executive departments to utilize only the Department of Justice. With this reasoning, the Committee recommends \$45,000 for Contract Services for the Division of Health System Support for Fiscal Year 2018.

OCE: The proposed budget for this category for FY18 is \$26,701, which is the same as the previous year. The Department stated that it believed that this budget was sufficient for the coming year.

Therefore, your Committee recommends funding of \$26,701 for OCE for Fiscal Year 2018 as recommended by the President for the Division.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDIENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

Fixed Assets: No budget for fixed assets was proposed by the President or recommended by the Committee for the Division of Health System Support for Fiscal Year 2018.

After a detailed review your Committee advises the slight adjustments noted above and recommends a total of \$207,099 for Fiscal Year 2018 for the Division of Health System Support.

C. Division of Environmental Health Services

| | FY17 Appropriated | FY18 President Recommends | FY18 Committee Recommends |
|------------------------|----------------------|---------------------------------|---------------------------------|
| Personnel | 200,293 | 250,158 | 200,293 |
| Travel | 38,031 | 38,000 | 38,000 |
| Contract | 36,000 | 36,000 | 36,000 |
| OCE | 29,700 | 29,730 | 29,700 |
| Fixed Assets | 1,500 | 26,000 | 26,000 |
| Total | 305,24 | 376,888 | 329,993 |
| Number of Employees | 12 | 15 | 12 |

The President's Budget Book recommends funding for Fiscal Year 2018 for the Division of Environmental Health Services at \$376,888. The commentary of your Committee follows:

Personnel: Your Committee notes that three new positions are proposed for the Division of Environmental Health Services for FY18, these positions are National Food Inspectors. Although your Committee has strongly disagreed with the addition of new positions the Department gave a detailed explanation that the positions are necessary to comply with European Union requirements for exporting fish. Although the Committee believes that this may be one of the few instances where new proposed positions could be justified, it has several issues with this proposal. Currently, other departments have submitted proposed increases for their coming FY18 budgets that appear to

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

touch on this issue, and the Committee does not want a duplication of funding. Further, the Committee believes very high-level assistance is needed to achieve the type of inspection standards necessary for the EU. At this time the Committee is not recommending the additional positions, but would entertain future funding requests if accompanied by a detailed plan, one integrated with other departments in the executive.

As discussed in detail above, your Committee recommends funding for Personnel for the Division of Environmental Health Services at \$200,293 for Fiscal Year 2018.

Travel: The President's recommended travel budget for this Division is approximately the same as the previous fiscal year, and your Committee concurs with a \$38,000 for Travel budget for the Division of Environmental Health Services for FY18.

Contract: The Committee recommends funding of the full \$36,000 for Contractual Services for FY 18 as recommended by the President for the Division of Environmental Health Services. This funding level is the same as the previous year.

OCE: The President recommends a budget of \$29,730 for OCE for this Division. During the public hearing the Secretary and the staff from this Division confirmed that this would adequately meet their needs. It is, therefore, for this reason the Committee recommends \$29,700 for the OCE category for the Division of Environmental Health Services for FY18.

Fixed Assets: The President recommended \$26,000 in Fixed Assets for FY18 for a new vehicle for the Chuuk field office. Your Committee understands this has been an issue for two years now, and is necessary at this time, as the Division is unable to work effectively in the state of Chuuk without transportation. For this reason, the

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

Committee recommends \$26,000 for the Fixed Assets for the Division of Environmental Health Services for FY18.

For the above stated reasons, your Committee advises the adjustments noted above and recommends a total of \$329,993 for Fiscal Year 2018 for the Division of Environmental Health Services.

D. Gender Development Unit

| | FY17 Appropriated Domestic | FY18 President Recommend Total | FY18 Committee Recommend Domestic |
|------------------------|----------------------------------|---|--|
| Personnel | 22,724 | 64,100 | 22,724 |
| Travel | 5,000 | 65,000 | 5,000 |
| Contract | -0- | 5,000 | -0- |
| OCE | 6,300 | 32,500 | 6,300 |
| Fixed Assets | -0- | 3,000 | -0- |
| Total | 34,024 | 169,600 | 34,024 |
| Number of Employees | 1 | 3 | 1 |

The President's Budget Book recommends funding for the FY2018 budget for the Gender Development Unit at \$169,600. The commentary from your Committee is as follows:

Your Committee understands the concerns that the Department has raised regarding the need for our Nation to meet the obligations under CEDAW and the other important treaties and conventions it has undertaken, however, the Committee believes that the current staffing is sufficient to do this. The Committee also strongly disagrees with any additional administrative positions being added to the Unit, as typified by the addition of an Assistant Secretary.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

As to requests for funding a national women's conference this coming year the Committee does believe that this gathering is beneficial to the promotion of women's rights and access in all parts of society, however, it believes the proper placement for funding is under Section 9, Capital and Human Resource Development, and therefore, moves funding for this item to that section.

In light of the above analysis, your Committee recommends \$34,024 for the Gender Development Unit for the Fiscal Year 2018.

E. Sport & Youth Unit

| | FY2017 Appropriation | FY2018 President Recommends | FY2018 Committee Recommends |
|--------------|-------------------------|-----------------------------------|-----------------------------------|
| Personnel | 46,390 | 49,618 | 19,070 |
| Travel | 11,500 | 36,500 | 11,500 |
| Contract | 8,015 | 8,015 | 8,015 |
| OCE | 6,750 | 6,750 | 6,750 |
| Fixed Assets | -0- | -0- | -0- |
| Total | 72,655 | 100,883 | 45,335 |
| # Employees | 2 | 2 | 1 |

The President's Budget Book recommends funding for the FY2018 budget for the Sport & Youth Unit at \$100,883. The commentary from your Committee is as follows:

At our public hearing regarding the budget for this Unit your Committee was reminded that one position for a sports program manager was moved to the Department of Education by Presidential Executive Order for the coming FY18. The Department has requested a new sports program manager as a replacement. The Committee does not approve of this duplication, and therefore, only recommends funding for the National Youth Coordinator position. The Committee does recognize that as to the position of National Youth Coordinator, additional responsibilities are required now that only one employee remains in this small Unit. It is

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

for that reason that the Committee does recommend a level/step increase with the accompanying salary raise.

Your Committee does not recommend any additional travel for the coming fiscal year, particularly in light of the reduced size of this small division.

The Committee, therefore, recommends \$45,335 as budget for the Sport & Youth Unit for Fiscal Year 2018.

F. Human Rights & Social Development Unit

The President proposes a new Human Rights & Social Development Unit under the Department of Health & Social Affairs. This new unit is proposed to have a budget of \$19,739, and one employee, the Program Manager.

At a time when our Nation faces a substantial decrease in funding your Committee does not believe that it is prudent to create a new division in the Department of Health & Social Affairs. Your Committee further notes that additional work in the area of human rights should be divided between the Departments of Justice; Foreign Affairs and Health & Social Affairs. Should a consultant be necessary for a specific project at a later date, your Committee would be willing to entertain that request.

Therefore, your Committee recommends no new Human Rights & Social Development Unit be created, and no budget is recommended.

G. Disability & Aging Support Services Unit

The President proposes a new Disability & Aging Support Services Unit under the Department of Health & Social Affairs. This new unit is proposed to have a budget of \$29,463, and one employee, the Support Coordinator.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

The Committee noted at the public hearing that most of the work done regarding disability and aging support is done at the state and municipal level. Any reporting work necessary at the National level should be divided between the relevant departments. And, as stated in the above section your Committee would entertain a request for funding for a short-term consultant should the need arise.

For the above reasons your Committee recommends no new Disability & Aging Support Services Unit be created, and no budget is recommended.

II. Office of the National Archives, Culture and Historic Preservation

| | FY2017 Appropriated | FY2018 President Recommends | FY2018 Committee Recommends |
|-----------------|------------------------|-----------------------------------|-----------------------------------|
| Personnel | 123,701 | 137,641 | 123,701 |
| Travel | 34,503 | 55,393 | 34,503 |
| Contract | 10,425 | 10,475 | 10,425 |
| OCE | 19,892 | 33,622 | 19,892 |
| Fixed Assets | 7,297 | 7,298 | 7,297 |
| Total | 195,818 | 244,429 | 195,818 |
| # Employees | 6 | 7 | 6 |

Your Committee, during its September 18, 2017 public hearing with the Office of the National Archives, Culture and Historic Preservation, conducted a detailed oversight and budget investigation with the Office. The President recommends a budget of \$244,429 for FY18 for the Office of the National Archives, Culture and Historic Preservation.

Although the Committee is impressed with the work that the Office has done over the years regarding historic preservation it can not recommend additional positions or funding at this time, as it believes that the Office is in

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

urgent need of funding under Section 8, Grants, Subsidies & Contributions for UNESCO repayment under one of its important programs. Your Committee is willing to entertain that request as stated below.

For the reasons stated above, your Committee recommends \$195,818 as the Fiscal Year 2018 budget for the Office of the National Archives, Culture and Historic Preservation.

III. Grants, Subsidies & Contributions

A. Department of Health and Social Affairs

| | FY2017 Appropriated | FY2018 President Recommends | FY2018 Committee Recommends |
|-----------------------|------------------------|-----------------------------------|-----------------------------------|
| UNFPA | 3,000 | 3,000 | 3,000 |
| WHO | 4,000 | 4,000 | 4,000 |
| FSM Sport Assoc. | 20,000 | 20,000 | 20,000 |
| PIHOA | 20,000 | 20,000 | 20,000 |
| Territorial Health | 7,000 | 4,000 | 4,000 |
| Nurse Licensing | 20,000 | 20,000 | 20,000 |
| Red Cross | 70,000 | 70,000 | 70,000 |
| Vaccine Purchase | 50,000 | 50,000 | 50,000 |
| UN Women | 1,000 | 1,000 | 1,000 |
| Standards Comm. | -0- | 78,200 | -0- |
| TOTAL | 195,000 | 270,200 | 192,000 |

The requested Grants, Subsidies & Contributions for Fiscal Year 2018 are \$270,200. The Committee reiterates the need to maintain or decrease funding levels at the National Government level. Your Committee does not recommend funding for a new committee "National Therapeutics & Standards Committee". The Committee is recommending

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDIENTAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

maintaining the previous year's funding levels, apart from the requested reduction in funding for the Territorial Health fees.

After making its review your Committee advises the adjustments as set forth above and recommends a total of \$192,000 for Fiscal Year 2018 for the Grants, Subsidies & Contributions for the Department of Health and Social Affairs.

**B. Office of National Archives, Culture and
Historic Preservation**

| | FY2017 Appropriated | FY2018 President Recommends | FY2018 Committee Recommends |
|----------------------|------------------------|-----------------------------------|-----------------------------------|
| UNESCO | 4,000 | 4,000 | 4,000 |
| NCSHPO | 2,760 | 2,760 | 2,760 |
| PARBICA | 100 | 100 | 100 |
| PIALA | 100 | 100 | 100 |
| WHC | 54 | 54 | 54 |
| Library fee | | 50 | 50 |
| Prior UNESCO fees | | 84,000 | 84,000 |
| Total | 7,014 | 91,064 | 91,064 |

C. Other Grants, Subsidies & Contributions

FSM Social Security Administration

Your Committee held public hearings with the Social Security Administration in April 2017 regarding their requested grant for Fiscal Year 2018 and the President's recommendation in his budget book.

The President did not recommend any subsidy for the FSM Social Security Administration for this coming fiscal year, however, after a detailed meeting with the Administration

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

which included the most recent financial analysis for the organization your Committee has determined that subsidy is necessary. The Administration continues to face a short fall between the amount of contributions collected and the benefits paid out. The Committee also notes that the Administration has submitted new proposed legislation to the President for review and action in an effort to remain solvent, however, no legislation has been transmitted to Congress.

Continuing oversight should be done on this issue, however, your Committee has taken decision to include a subsidy for the Social Security Administration of \$1,000,000 at this time.

**FSM NATIONAL GOVERNMENT EMPLOYEE'S HEALTH INSURANCE
PLAN**

A public hearing was conducted on September 18, 2017, with the FSM National Government Employee's Health Insurance Plan. A \$290,923 subsidy was recommended by the President for the FSM National Government Employee's Health Insurance Plan for FY18. The Plan advised your Committee that \$40,000 would be used for an actuarial study and \$40,000 for a public awareness campaign. The additional funding would be used to write off outstanding debt owed by insured members who are now deceased.

Your Committee questioned the Department of Justice if the past due promissory notes were collectable from the deceased. The Department of Justice stated that they were collectable against the deceased's estate for only two years after the death of the insured member. The Committee strongly urged the Plan to revise its debt collection practices to reflect both the law and the reality of collection from a largely low income population. The Committee suggests that the Plan concentrate its efforts on more recent debt owed by insured members living, and able to pay.

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

The Committee also made inquiries as to the outstanding debt owed by the Plan to Medical City in Manila. The current outstanding balance to that healthcare provider is \$395,384. Your Committee voiced its strong preference that the Plan pay the outstanding owed to Medical City as soon as possible, rather than reimburse itself for bad debts owed by its deceased. To that end, the Committee recommends that the full amount, \$395,384, be appropriated in FY18 to satisfy the debt to Medical City.

The Committee recommends that the \$40,000 for the actuarial study be funded, as well as, the \$40,000 for the public awareness campaign. Together with the \$395,384 for the debt owed to Medical City the Committee recommends a **subsidy to the FSM National Government Employee's Health Insurance Plan of \$475,384 for FY18.**

IV. Capital and Human Resource Development

Department of Health and Social Affairs

| | FY2017 Appropriated | FY2018 President Recommends | FY2018 Committee Recommends |
|-------------------------------------|------------------------|-----------------------------------|-----------------------------------|
| Pathologist | 58,000 | 91,000 | 58,000 |
| Food/Water Lab | 78,000 | 78,000 | 78,000 |
| Medical Team | 195,000 | 200,000 | 195,000 |
| Health Sector Arrears Project | 208,500 | -0- | -0- |
| Food Safety Office Chuuk | 50,000 | -0- | -0- |
| Doctors: Foundation Project | 127,500 | 250,500 | 127,500 |
| MOE-BHWP Med | -0- | 22,200 | -0- |
| Empower Youth | -0- | 60,000 | -0- |

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDIENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

| | | | |
|-----------------------|---------|-----------|---------|
| Nat'l Surveillance | -0- | 369,750 | -0- |
| Drug Testing | -0- | 20,250 | -0- |
| Nat'l NGO | -0- | 50,000 | -0- |
| Women Conf | -0- | -0- | 90,000 |
| Total | 717,000 | 1,141,700 | 548,500 |

The President has recommended funding for several new projects for the Department of Health & Social Affairs for the coming FY18 with a substantial increase in requested funding at \$1,141,700.

The funding for the women's conference in 2018 has been moved from the Gender Development Unit to this section. The recommended funding for this is \$90,000.

Your Committee, again, stresses the necessity of fiscal discipline. It strongly urges recommends that this section of the budget remain at the previous fiscal year's level.

Your Committee recommends \$548,500 for the Department of Health and Social Affairs for its items under Capital and Human Resource Development for the Fiscal Year 2018.

V. Summary

This completes the recommendations of your Committee for the budgets for the Fiscal Year 2018 for the National Department of Health and Social Affairs offices and divisions under its jurisdiction. With the elimination of the National share of the Compact Health Sector Grant four years ago the entire budget for Fiscal Year 2018 is to be funded from Domestic Revenue. **While consideration was given to the budget as transmitted by the President your Committee on Health and Social Affairs has departed from the President's recommendations in several instances. Your Committee, for the reasons stated above, recommends funding of \$3,279,194 for the Department of Health and Social**

STANDING COMMITTEE REPORT NO. 20-19

RE: PRESIDENTIAL COMMUNICATION NO. 19-579

SUBJECT: FISCAL YEAR 2018 BUDGET/HEALTH AND SOCIAL
AFFAIRS

SEPTEMBER 21, 2017

**Affairs and other agencies under its jurisdiction for the
Fiscal Year 2018.**

Subject to the conditions and limitations set forth herein,
and subject to the concurrence of your Committee on Ways
and Means, your Committee recommends approval of the
amounts and source of funds identified as Committee
Recommendations.

Respectfully submitted,

/s/ Ferny S. Perman
Ferny S. Perman, chairman

/s/ Alik L. Alik
Alik L. Alik, vice chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

Florencio S. Harper, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

/s/ Derensio S. Konman
Derensio S. Konman, member