



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 20-198
FSM CONGRESS

February 15th, 2018

The Honorable Wesley W. Simina
Speaker
Twentieth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941

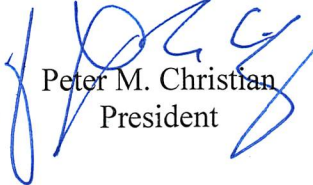
Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed into Public Law No. 20-72:

CONGRESSIONAL ACT NO. 20-72, ENTITLED: "AN ACT TO FURTHER AMEND TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY AMENDING SECTIONS 401 TO 409, TO REALIGN THE NAME OF THE PLAN, THROUGH CLARIFY THE ROLES OF THE ADMINISTRATOR, AND TO EXPAND THE ELIGIBILITY REQUIREMENTS, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,


Peter M. Christian
President

Enclosure:

xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

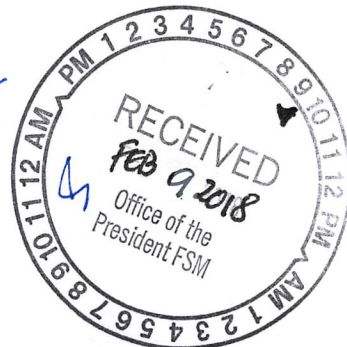
CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 20-198
FSM CONGRESS



February 09, 2018

His Excellency Peter M. Christian
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Christian:

I have the honor to transmit herewith Congressional Act No. 20-72, "AN ACT TO FURTHER AMEND TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY AMENDING SECTIONS 401 TO 409, TO REALIGN THE NAME OF THE PLAN, THROUGH CLARIFY THE ROLES OF THE ADMINISTRATOR, AND TO EXPAND THE ELIGIBILITY REQUIREMENTS, AND FOR OTHER PURPOSES.", which was passed by the Twentieth Congress of the Federated States of Micronesia, Third Regular Session, 2018, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 20-190
FSM CONGRESS

TWENTIETH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
THIRD REGULAR SESSION
JANUARY 29 – FEBRUARY 17, 2018

An Act

TO FURTHER AMEND TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY AMENDING SECTIONS 401 TO 409, TO REALIGN THE NAME OF THE PLAN, THROUGH CLARIFY THE ROLES OF THE ADMINISTRATOR, AND TO EXPAND THE ELIGIBILITY REQUIREMENTS, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: SEPTEMBER 25, 2017

REFERRED TO: COMMITTEE ON HEALTH AND SOCIAL AFFAIRS

S.C.R NO. 20-50 – FEBRUARY 05, 2018

FIRST READING: – FEBRUARY 06, 2018

SECOND READING: – FEBRUARY 07, 2018

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis", is written over a horizontal line.

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 20198
FSM CONGRESS

ACT NO. 20-72

(CONGRESSIONAL BILL NO. 20-89)

We hereby certify that on February 7 the foregoing act passed Second and Final Reading of the Twentieth Congress of the Federated States of Micronesia, Third Regular Session, 2018, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in black ink, appearing to be "Wesley W. Simina".

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in black ink, appearing to be "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia (Annotated), as amended, by amending sections 401 to 409, to realign the name of the Plan, through clarify the roles of the Administrator, and to expand the eligibility requirements, and for other purposes.

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

2 Section 1. Section 401 of title 52 of the Code of the
3 Federated States of Micronesia (Annotated), as amended, is hereby
4 amended to read as follows:

5 "Section 401. Short Title. This chapter shall be known
6 as the 'MiCare Health Insurance Plan Act of 1984.'"

7 Section 2. Section 402 of title 52 of the Code of the
8 Federated States of Micronesia (Annotated), as amended, is hereby
9 amended to read as follows:

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

11 (1) "Administrator" means the Administrator appointed
12 by the Board of Directors of MiCare Health Insurance
13 Plan established by the provisions of this chapter.

14 (2) "Agency" means any municipal, State or National
15 Government public agency, institution or entity.

16 (3) "Board" or "Board of Directors" means the MiCare
17 Health Insurance Plan Board of Directors established
18 under the provisions of this chapter.

19 (4) "Business" means any quasi-public or private

1 business entity which is duly licensed to do business
 2 under, and doing business under, the laws of the
 3 Federated States of Micronesia or its political
 4 subdivisions, which is also a participant in the Social
 5 Security system of the Federated States of Micronesia,
 6 and which has been qualified to participate in the
 7 MiCare Health Insurance Plan pursuant to the regulations
 8 promulgated by the Board of Directors under section 409
 9 of this chapter.

10 (5) "Costs of administration" means the following
 11 costs of administering the Plan:

12 (a) wages or salaries for personnel engaged in
 13 administering the Plan;

14 (b) necessary travel for personnel engaged in
 15 administering the Plan;

16 (c) costs and expenses for training of personnel
 17 engaged in administering the Plan;

18 (d) the costs of processing claims;

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

21 (f) the costs of necessary supplies and
 22 equipment;

23 (g) the costs of communications necessary to the
 24 operation of the Plan;

25 (h) the costs of professional services necessary

1 to the operation of the Plan.

2 (6) "Dependents" means the members of an employee's
 3 immediate family, including grandchildren, dependent
 4 parents, and dependent parents-in-law.

5 (7) "Employee" means an employee of the National
 6 Government of the Federated States of Micronesia, an
 7 employee of a participating agency, or an employee of a
 8 participating business.

9 (8) "Full-time employee" means an employee who works
 10 at least 32 hours of the regular and scheduled workweek.

11 (9) "Full-time student" means a student who currently
 12 enrolled in classes totaling 12 or more semester units
 13 at an accredited post-secondary educational institution.

14 (10) "Participating agency" or "participating
 15 agencies" means any public agency, public institution or
 16 other public entity, either municipal, State or
 17 National, participating in the Plan pursuant to section
 18 403 of this chapter.

19 (11) "Participating business" or "participating
 20 businesses" means any business entity, whether quasi-
 21 public or privately owned, participating in the Plan
 22 pursuant to section 403 of this chapter.

23 (12) "Plan" means the MiCare Health Insurance Plan."

24 Section 3. Section 403 of title 52 of the Code of the
 25 Federated States of Micronesia (Annotated), as amended, is hereby

1 amended to read as follows:

2 "Section 403. Eligibility.

3 (1) All full-time employees of the National
 4 Government of the Federated States of Micronesia shall
 5 participate in the Plan.

6 (2) Other persons who may participate in the Plan
 7 are:

8 (a) The full-time employees of each
 9 participating agency and business which has entered into
 10 a contract with the Plan whereby such agencies or
 11 businesses have agreed to participate in the Plan.

12 (b) The dependents of full-time employees of the
 13 National Government, participating agencies and
 14 participating businesses;

15 (c) Members of an employee's household who are
 16 dependent upon the employee, but are not otherwise
 17 defined as "dependents" under the provisions of this
 18 Act, if the employee pays 100 percent of the premiums
 19 for such persons to the Plan;

20 (d) Government employees whose State or agency
 21 does not participate in the Plan, and their dependents,
 22 if they pay 100 percent of the premiums for themselves
 23 and the dependents to the Plan;

24 (e) Former enrollees in the Plan, and their
 25 dependents, if they pay 100 percent of the premiums for

1 themselves and their dependents to the Plan; and

2 (f) Full-time students enrolled at any
3 postsecondary institution in the FSM, if the
4 postsecondary institution has entered into a contract of
5 participation with the Plan and the students pay 100
6 percent of the premium for themselves to the Plan.

7 (g) Individuals who were previously enrolled in
8 the Plan as dependents of primary enrollees if they pay
9 100 percent of the premiums."

10 Section 4. Section 404 of title 52 of the Code of the
11 Federated States of Micronesia (Annotated), as amended, is hereby
12 amended to read as follows:

13 "Section 404. Establishment of MiCare Health Insurance
14 Fund.

15 (1) There is established a MiCare Health Insurance
16 Fund, (hereinafter MiCare Health Insurance Fund) which
17 shall be separate from the General Fund or other
18 funds. All sums appropriated by Congress representing
19 contributions of the National Government to the Plan,
20 all sums representing contributions of participating
21 agencies and participating businesses to the Plan, and
22 all employee contributions to the Plan, shall be
23 deposited in the MiCare Health Insurance Fund. Any
24 unexpended money in the MiCare Health Insurance Fund
25 shall not revert to the General Fund or lapse at the end

1 of the fiscal year, but shall remain in the MiCare
2 Health Insurance Fund.

3 (2) The Board of Directors shall have the sole
4 authority to administer the MiCare Health Insurance Fund
5 in accordance with regulations promulgated under this
6 Act. The Board shall maintain this MiCare Health
7 Insurance Fund in a separate custodial trust account and
8 may, from time to time, invest such moneys that are in
9 excess of the amount deemed necessary for the operation
10 of the Plan during the reasonable future. Such
11 investments shall be low-risk and made in consultation
12 with the Secretary of the Department of Finance. The
13 investments shall at all times be made so that all of
14 the assets of the MiCare Health Insurance Fund shall be
15 readily convertible into cash when needed for the
16 purpose of this Act. All income earned on these
17 investments shall be deposited into the MiCare Health
18 Insurance Fund."

19 Section 5. Section 405 of title 52 of the Code of the
20 Federated States of Micronesia (Annotated), as amended, is hereby
21 amended to read as follows:

22 "Section 405. Premium Contributions.

23 Employees participating in the Plan shall contribute the
24 percentage of the premium not paid by their employer for
25 insurance under the Plan. The National Government of

1 the Federated States of Micronesia shall contribute at
2 least 52 percent of the premium for eligible employees
3 of the National Government participating in the
4 Plan. Any participating agency or participating
5 business shall contribute at least 50 percent of the
6 premium for their employees participating in the Plan,
7 or may at their request contract with the Board to
8 contribute more than 50 percent. All contributions,
9 including premium contributions by participating
10 agencies, individual insureds and participating
11 businesses shall be deposited in the MiCare Health
12 Insurance Fund on a timely bi-weekly basis or monthly
13 basis, or at any timely intervals or frequency as
14 required by Regulations of the Board."

15 Section 6. Section 406 of title 52 of the Code of the
16 Federated States of Micronesia (Annotated), as amended, is hereby
17 amended to read as follows:

18 "Section 406. Disposition of Fund.

19 All money deposited in the MiCare Health Insurance Fund
20 shall be used to pay claims, except that a sum
21 representing not more than ten percent (10%) of the
22 estimated income for that year from contributions and
23 income on investments may be expended for costs of
24 administration."

25 Section 7. Section 407 of title 52 of the Code of the

1 Federated States of Micronesia (Annotated), as amended, is hereby
2 amended to read as follows:

3 "Section 407. Health Insurance Plan Board of Directors
4 and Administrator.

5 (1) *Creation.* There is hereby established a Board of
6 Directors to oversee and govern the Plan and MiCare
7 Health Insurance Fund established under section
8 404. There is also hereby established the
9 Administrator's full-time position for the MiCare Health
10 Insurance Plan. The Administrator shall be appointed by
11 the Board and serve at the pleasure of the Board. The
12 Administrator shall be exempt from the provisions of the
13 National Public Service System Act.

14 (2) *Composition.* The MiCare Health Insurance Plan
15 Board of Directors shall consist of not less than seven
16 members, including one representative from each State of
17 the Federated States of Micronesia, who shall be
18 recommended by the Governor of the relevant State; one
19 representative from the National Government of the
20 Federated States of Micronesia; one representative from
21 the private sector; and the Administrator. Each
22 appointed member of the Board shall be appointed by the
23 President with the advice and consent of the
24 Congress. The Administrator shall serve as ex
25 officio member of the Board. All members of the Board

1 shall be voting members of the Board.

2 (3) *Terms.* Each appointed member of the Board shall
3 serve for a period of three years, except that initial
4 appointments to the Board shall be made as follows: two
5 members for a period of one year; two members for the
6 period of two years; and two members for a period of
7 three years. Successor to the first appointees
8 hereunder shall be appointed for terms of three years
9 each. Vacancies other than by expiration of term shall
10 be filled by the President by appointment, in the same
11 manner as the original appointment was made, for the
12 unexpired term. Appointed members shall not hold-over
13 at the expiration of their terms, but may be reappointed
14 to consecutive terms in the manner set forth in this
15 section.

16 (4) *Organization.* The Board shall provide for its
17 own organization and procedure, except that the Board
18 shall, at a minimum, designate a Chairman and a
19 Secretary. The Secretary shall keep all records of, and
20 actions taken by, the Board. These records shall be
21 open to the public for public inspection. The Secretary
22 of Justice of the Federated States of Micronesia shall
23 act as legal advisor to the Board.

24 (5) *Meetings.* The board shall meet at least once
25 every six months. Meetings may be held at any time or

1 place within the FSM to be determined by the Board upon
2 the call of the Chairman or upon written request of any
3 four members. All meetings shall be open to the public
4 and public notice of the time and place of such meetings
5 shall be posted in public places and shall be announced
6 on radio and television throughout the FSM and in
7 newspapers of general circulation in the FSM, provided
8 such meetings are matters of public information and
9 shall not relate to matters that reveal confidentiality
10 of health records of a member of the Plan. Four members
11 of the Board shall constitute a quorum for the
12 transaction of business.

13 (6) *Compensation.* Members of the Board shall be paid
14 at a rate established by the Board when actually
15 performing their duties under this chapter; provided
16 that officials and employees of the State governments or
17 the Government of the Federated States of Micronesia who
18 are members of the Board shall not receive any
19 compensation. All members shall be entitled to receive
20 travel costs and per diem at standard National
21 Government rates when actually attending Board meetings
22 or engaged in the performance of duties authorized by
23 the Board. Any employee of the National Government
24 shall be granted leave with pay when actually attending
25 Board meetings or engaged in the performance of duties

1 authorized by the Board.

2 (7) *General powers and duties.*

3 (a) It shall be the responsibility of the Board
4 to promote the soundness, stability, growth and healthy
5 development of the Plan. To that end, the Board shall
6 have overall responsibility for administration of the
7 Plan and Fund, PROVIDED, however, that day-to-day
8 operations of the Plan shall be the responsibility of
9 Administrator. The Board shall have such other powers
10 and duties as may be necessary to carry out the purpose
11 of this chapter.

12 (b) Responsibility for the proper day-to-day
13 operation of the Plan shall be vested in Administrator
14 who shall have power to establish contractual service
15 arrangements with healthcare providers, to determine
16 types and forms of services, to oversee the financial
17 accounting and auditing responsibilities, and to
18 delegate duties and responsibilities to such employees
19 of the Plan as the Administrator deems feasible and
20 desirable to carry out the provisions of this chapter.

21 (c) The Board shall periodically consult with,
22 and seek the advice of, interested members of relevant
23 government authorities, the public in each respective
24 State of the Federated States of Micronesia regarding
25 the operation, safety, soundness, protection, and

1 survivability of the Plan and shall endeavor to ensure
2 that such consultations are done with persons broadly
3 representative of actual and potential participants in
4 the Plan, including representatives of the medical
5 profession and participating businesses.

6 (d) Plan shall conduct claim audit to identify
7 possible claim frauds and abuses, and findings shall be
8 reported to the Board of Directors, to the Office of the
9 Public Auditor of the Federated States of Micronesia and
10 the Department of Justice of the Federated States of
11 Micronesia for appropriate review and action.

12 (e) If the result of the investigation is
13 conclusive that the insured or provider engaged in
14 insurance fraud activity, the Plan may terminate the
15 insurance policy and institute means to recover any or
16 all of the expenses it incurred, or in the case of a
17 provider, the Plan may terminate its agreement with the
18 provider and institute means and mechanism to recover
19 any or all payments made to the provider.

20 (f) Plan shall establish a formulary with prices
21 of all covered medicine and pharmaceutical supplies.
22 Likewise, a Relative Unit Value (RUV) schedule shall be
23 established and updated from time to time as required to
24 guide the costs of medical services covered under the
25 Plan;

1 (8) *Time for Implementation.*

2 (a) All nominations for all positions on the
3 Board shall be transmitted to Congress within 90 days of
4 the date this Act becomes law.

5 (b) The Board shall appoint an Administrator
6 within 90 days of the date all Board members have been
7 appointed by Congress. If no Administrator is appointed
8 within this time, the Board shall submit to Congress a
9 detailed account of the steps it is taking to appoint an
10 Administrator and the reasons why it has not done so.

11 (c) Immediately upon the appointment of the
12 Administrator, all employees of the Plan who hold a job
13 title containing the word "Chief" shall be given a new
14 job title and the word "Chief" shall be deleted from the
15 job title."

16 Section 8. Section 408 of title 52 of the Code of the
17 Federated States of Micronesia (Annotated), as amended, is hereby
18 amended to read as follows:

19 "Section 408. Reporting.

20 Prior to the commencement of each regular May session
21 of Congress, the Administrator through the Board, shall
22 prepare and submit to the President of the Federated
23 States of Micronesia and to the Speaker of the Congress
24 an annual report on the status of the Plan. This report
25 shall include a statement of the amount of money on

1 deposit in the MiCare Health Insurance Fund as of the
 2 date of the annual report, the amount of premiums
 3 collected and interest earned during the preceding
 4 fiscal year, the amount of money disbursed for claims
 5 during the preceding fiscal year, the number of claims
 6 paid during the preceding fiscal year, the costs of
 7 administration, and such other information as the Board
 8 may deem appropriate."

9 Section 9. Section 409 of title 52 of the Code of the
 10 Federated States of Micronesia (Annotated), as amended, is hereby
 11 amended to read as follows:

12 "Section 409. Promulgation of regulations.

13 (1) The Board, with the approval of the President,
 14 shall promulgate regulations, pursuant to chapter 1 of
 15 title 17 of the Code of the Federated States of
 16 Micronesia, governing the amount and payment for
 17 insurance premium for insurance under the Plan, the
 18 procedure for making claims under the Plan, the amount
 19 and type of benefits under the Plan, the policy limits,
 20 exclusions, conditions, and coverages under the Plan,
 21 and such other matters as may be consistent with the
 22 contents and purpose of this chapter, including the
 23 implementation of those provisions of this chapter
 24 pertaining to participating agencies and participating
 25 businesses.

1 (a) The Board shall promulgate no regulation
2 allowing a claim for benefits under the Plan to be
3 denied on the grounds that the medical condition giving
4 rise to the claim existed before the person making the
5 claim began participating in the Plan. Any such
6 existing regulation is hereby retroactively repealed for
7 a period of six months from the date this Act becomes
8 law.

9 (2) The Plan may:

10 (a) provide, arrange for, pay for, or reimburse
11 the costs of medical, dental and vision treatment and
12 care, hospitalization, surgery, prescription drugs,
13 medicine, prosthetic appliances, out-patient care, and
14 other medical care benefits, in cash or the equivalent
15 in medicines and supplies;

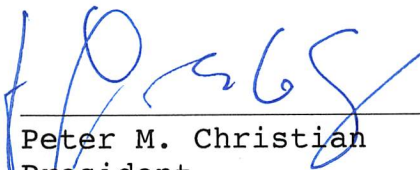
16 (b) provide life insurance benefits;

17 (c) contract with private sector insurance
18 companies to provide benefits; and

19 (d) contract for other services as needed."
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1 Section 10. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon becoming
3 law without such approval.
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February 15th, 2018


Peter M. Christian
President
Federated States of Micronesia