

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.

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

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

4           "Section 403. Eligibility.

5           (1) All full-time employees of the National Government  
6 of the Federated States of Micronesia may participate in  
7 the plan.

8           (2) Other persons who may participate in the plan are:

9           (a) The full-time employees of each participating  
10 agency and business which has entered into a contract  
11 with the Director, as administrator of the plan, whereby  
12 such agencies or businesses have agreed to participate  
13 in the plan.

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

17           (c) Members of an employee's household who are

1 dependent upon the employee, but are not otherwise  
2 defined as 'dependents' under the provisions of this  
3 act, if the employee pays 100 percent of the premiums  
4 for such persons to the plan;

5 (d) Government employees whose State or agency  
6 does not participate in the plan, and their dependents,  
7 if they pay 100 percent of the premium for themselves  
8 and the dependents to the plan; and

9 (e) Former enrollees in the plan, and their  
10 dependents, if they pay 100 percent of the premiums for  
11 themselves and their dependents to the plan.

12 (f) Full-time students enrolled at any post  
13 secondary institution in the FSM, if they pay 100  
14 percent of the premium for themselves to the plan."

15 Section 2. Section 407 of title 52 of the Code of the  
16 Federated States of Micronesia, as amended by Public Law No. 12-  
17 77, is hereby further amended to read as follows:

18 "Section 407. Health Insurance Plan Board of Directors  
19 and Administrator.

20 (1) Creation. There is hereby established a National  
21 Government Employees' Health Insurance Plan Board of  
22 Directors to oversee the Plan and the assets of the  
23 Employee's Health Insurance Fund. There is also hereby  
24 established a new full-time position of National  
25 Government Employees' Health Insurance Plan

1 Administrator. The Administrator shall be appointed by  
2 the Board. The Administrator shall serve at the  
3 pleasure of the Board of Directors and shall be exempt  
4 from the provisions of the National Public Service  
5 System Act.

6 (2) Composition. The National Government Employees'  
7 Health Insurance Plan Board of Directors shall consist  
8 of not less than seven (7) members, including one  
9 representative from each State of the Federated States of  
10 Micronesia, who shall be recommended by the Governor of  
11 the relevant State; one representative from the National  
12 Government of the Federated States of Micronesia; one  
13 representative from the private healthcare sector; and  
14 the Administrator. Each appointed member of the Board  
15 shall be appointed by the President with the advice and  
16 consent of the Congress. The Administrator shall serve  
17 as ex officio member of the Board. All members of the  
18 Board shall be voting members of the Board.

19 (3) Terms. Each appointed member of the Board shall  
20 serve for a period of three (3) years, except that  
21 initial appointments to the Board shall be made as  
22 follows: two members for a period of one year; two  
23 members for the period of two years; and two members for  
24 a period of three years. Successor to the first  
25 appointees hereunder shall be appointed for terms of

1 three years each. Vacancies other than by expiration of  
2 term shall be filled by the President by appointment, in  
3 the same manner as the original appointment was made,  
4 for the unexpired term. Appointed members shall not  
5 hold-over at the expiration of their terms, but may be  
6 reappointed to consecutive terms in the manner set forth  
7 in this section.

8 (4) Organization. The Board shall provide for its own  
9 organization and procedure, except that the Board shall,  
10 at a minimum, designate a Chairman and a Secretary. The  
11 Secretary shall keep all records of, and actions taken  
12 by, the Board. These records shall be open to the  
13 public for public inspection. The Secretary of Justice  
14 of the Federated States of Micronesia shall act as legal  
15 advisor to the Board.

16 (5) Meetings. The board shall meet at least once  
17 every 6 months. Meetings may be held at any time or  
18 place within the FSM to be determined by the Board upon  
19 the call of the Chairman or upon written request of any  
20 four (4) members. All meetings shall be open to the  
21 public and public notice of the time and place of such  
22 meetings shall be posted in public places and shall be  
23 announced on radio and television throughout the FSM and  
24 in newspapers of general circulation in the FSM. Four  
25 (4) members of the Board shall constitute a quorum for

1 the transaction of business.

2 (6) Compensation. Members of the Board shall be paid  
3 at a rate established by the Board when actually  
4 performing their duties under this chapter; provided  
5 that officials and employees of the State governments or  
6 the Government of the Federated States of Micronesia who  
7 are members of the Board shall not receive any  
8 compensation. All members shall be entitled to receive  
9 travel costs and per diem at standard National  
10 Government rates when actually attending Board meetings  
11 or engaged in the performance of duties authorized by  
12 the Board. Any employee of the National Government  
13 shall be granted leave with pay when actually attending  
14 Board meetings or engaged in the performance of duties  
15 authorized by the Board.

16 (7) General powers and duties.

17 (a) It shall be the responsibility of the Board  
18 to promote the soundness, stability, growth and  
19 development of the National Government Employees' Health  
20 Insurance Plan and the National Government Employees'  
21 Health Insurance Fund. To that end, the Board shall  
22 have overall responsibility for administration of the  
23 Plan, PROVIDED, however, that day-to-day operations of  
24 the Plan shall be the responsibility of Administrator.  
25 The Board shall have such other powers and duties as may

1           be necessary to carry out the purpose of this chapter.

2                   (b) Responsibility for the proper day-to-day  
3           operation of the Plan shall be vested in Administrator  
4           who shall have power to delegate duties and  
5           responsibilities to such employees of the Plan as the  
6           Administrator deems feasible and desirable to carry out  
7           the provisions of this chapter.

8                   (c) The Board shall periodically consult with,  
9           and seek the advice of, interested members of the public  
10          in each respective State of the Federated States of  
11          Micronesia regarding the operation of the Plan and shall  
12          endeavor to ensure that such consultations are done with  
13          persons broadly representative of actual and potential  
14          participants in the Plan, including representative of  
15          the medical profession and participating businesses.

16          (8) Time for Implementation.

17                   (a) All nominations for all positions on the  
18          Board shall be transmitted to Congress within ninety  
19          (90) days of the date this act becomes law.

20                   (b) The Board shall appoint an Administrator  
21          within 90 days of the date all Board members have been  
22          appointed by Congress. If no Administrator is appointed  
23          within this time, the Board shall submit to Congress a  
24          detailed account of the steps it is taking to appoint an  
25          Administrator and the reasons why it has not done so.

1                   (c) Immediately upon the appointment of the  
2 Administrator, all employees of the Plan who hold a job  
3 title containing and word 'Chief' shall be given a new  
4 job title and the word 'Chief' shall be deleted from the  
5 job title."

6           Section 3. This act shall become law upon approval by the  
7 President of the Federated States of Micronesia or upon its  
8 becoming law without such approval.

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January 31, 2006

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/s/ Joseph J. Urusemal

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Joseph J. Urusemal

President

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Federated States of Micronesia

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