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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 make enrollment in MiCare mandatory for employees of the national government and to require that post secondary institutions enroll in MiCare before students are permitted to enroll, by amending section 406 to delete the requirement that the Fund maintain separate accounts for each State and by amending section 409 to permit the plan to deny claims based on preexisting medical conditions, and for other purposes.

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

1           Section 1. Section 403 of title 52 of the Code of the  
2 Federated States of Micronesia, as amended by Public Law Nos. 8-  
3 53, 8-133 and 14-49 is hereby further amended to read as follows:

4           "Section 403. Eligibility.

5           (1) All full time employees of the National Government  
6 of the Federated States of Micronesia [~~may~~] shall  
7 participate in 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

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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 premiums 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 the post secondary  
14 institution has entered into a contract of participation  
15 with the plan and the students [~~they~~] pay 100 percent of  
16 the premiums for themselves to the plan."

17 Section 2. Section 406 of title 52 of the Code of the  
18 Federated States of Micronesia, as amended by Public Law Nos. 6-  
19 114 and 8-53 is hereby further amended to read as follows:

20 "Section 406. Disposition of fund.

21 (1) All money deposited in the Employees' Health  
22 Insurance Fund shall be used to pay claims, except that  
23 a sum representing not more than ten percent of the  
24 estimated income for that year from contributions and  
25 income on investments may be expended for costs of

1 administration.

2 ~~[(2) The Employees' Health Insurance Fund shall~~  
3 ~~maintain a separate account for each of the States,~~  
4 ~~which shall include all contributions from that State,~~  
5 ~~plus interest, minus administrative costs. A State's~~  
6 ~~account may not be charged for any services rendered to~~  
7 ~~a member who resides in any other State, unless, in the~~  
8 ~~case of a state-wide emergency, both States transmit~~  
9 ~~their agreement in writing to the Plan Director.~~

10 ~~(3) If a State's premium payments are current, the~~  
11 ~~Plan may use any amount which remains in a State's~~  
12 ~~account at the end of the fiscal year, and which exceeds~~  
13 ~~25 percent of the total premium paid by that State in~~  
14 ~~that fiscal year, to purchase hospital supplies,~~  
15 ~~equipment or medicines for that State's hospital.]”~~

16 Section 3. Section 409 of title 52 of the Code of the  
17 Federated States of Micronesia, as amended by Public Law Nos. 8-  
18 53, 8-133, and 12-77, is hereby further amended to read as  
19 follows:

20 “Section 409. Promulgation of regulations.

21 (1) The Board, with the approval of the President,  
22 shall promulgate regulations, pursuant to chapter 1 of  
23 title 17 of this code, governing the amount of the  
24 premium for insurance under the plan, the procedure for  
25 making claims under the plan, the amount and type of

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1           benefits under the plan, the policy limits under the  
2           plan, and such other matters as may be consistent with  
3           the contents and purpose of this chapter, including the  
4           implementation of those provisions of this chapter  
5           pertaining to participating agencies and participating  
6           businesses.

7           ~~[(a) The Board shall promulgate no regulation~~  
8           ~~allowing a claim for benefits under the plan to be~~  
9           ~~denied on the grounds that the medical condition giving~~  
10           ~~rise to the claim existed before the person making the~~  
11           ~~claim began participating in the plan. Any such~~  
12           ~~existing regulation is hereby retroactively repealed for~~  
13           ~~a period of six months from the date this act becomes~~  
14           ~~law.]~~

15           (2) The plan may:

16                   (a) provide, arrange for, pay for, or reimburse  
17           the costs of medical, dental and vision treatment and  
18           care, hospitalization, surgery, prescription drugs,  
19           medicine, prosthetic appliances, out\_patient care, and  
20           other medical care benefits, in cash or the equivalent  
21           in medicines and supplies;

22                   (b) provide life insurance benefits;

23                   (c) contract with private sector insurance  
24           companies to provide benefits; and

25                   (d) contract for other services as needed.”

1           Section 4. This act shall become law upon approval by the  
2 President of the Federated States of Micronesia or upon its  
3 becoming law without such approval.

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5 Date: 7/11/06

Introduced by: /s/ Simiram Sipenuk

Simiram Sipenuk  
(by request)

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