
A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding new sections 1613 through 1619 to establish the Health Revolving Fund, and for other purposes.

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

1 Section 1. Title 55 of the Code of the Federated States of
2 Micronesia (Annotated), as amended, is hereby further amended by
3 adding a new section 1613 to establish the Health Revolving Fund,
4 to read as follows:

5 "Section 1613. Establishment of a Health Revolving
6 Fund.

7 There is hereby established a Health Revolving Fund,
8 referred to in this subchapter as the "Fund", separate
9 from the General Fund of the Federated States of
10 Micronesia and all other funds, and consisting of sub-
11 funds for each of the following department of the
12 National Government of the Federated States of
13 Micronesia:

- 14 (1) the Department of Finance and Administration; and
15 (2) the Department of Health and Social Affairs

16 Section 2. Tittle 55 of the Code of the Federated States of
17 Micronesia (Annotated), as amended, is hereby further amended to
18 adding a new section 1614, to read as follows:

1 "Section 1614. Definitions.

2 (1) "Non-communicable diseases" (also known as
3 chronic disease) means diseases or conditions which are
4 to passed from person to person. The four main causes
5 of death and illness from Non-Communicable Diseases are:

6 (a) Cardiovascular disease including heart
7 attacks, stroke, and other heart and blood vessel
8 diseases;

9 (b) Cancer including neoplasms;

10 (c) Diabetes which is a major contributing
11 factor to deaths from heart, circulatory, and kidney
12 failure; and

13 (d) Chronic respiratory disease including
14 Chronic Obstructive Pulmonary Disease, asthma, emphysema
15 and chronic bronchitis.

16 Section 3. Tittle 55 of the Code of the Federated Sates of
17 Micronesia (Annotated), as amended, is hereby further amended by
18 adding a new section 1615, to read as follows:

19 Section 1615. Purpose.

20 The purpose of the Fund is to provide reliable funding
21 for the prevention and control of non-communicable
22 diseases and the protection of public health.

23 Section 4. Tittle 55 of the Code of the Federated States of
24 Micronesia (Annotated), as amended, is hereby further amended by
25 adding a new section 1616, to read as follows:

1 Section 1616. Deposits.
2 Payments received pursuant to title 54, section 805 and
3 any other payments received shall be deposited into the
4 Fund of which:

5 (1) 20% will be deposited into the sub-fund of the
6 Department of Finance and Administration; and

7 (2) 80% will be deposited into the sub-fund of the
8 Department of Health and Social Affairs.

9 Section 5. Tittle 55 of the Code of the Federated States of
10 Micronesia (Annotated), as amended, is hereby further amended by
11 adding a new section 1617, to read as follows:

12 Section 1617. Disbursements.

13 (1) The Secretary of the Department of Finance and
14 Administration is hereby authorized to make
15 disbursements of moneys available in the sub-fund
16 allocated to that department, without further
17 authorization or appropriation by the Congress of the
18 Federated States of Micronesia, for the following and no
19 other purposes:

20 (a) providing the resources, including
21 personnel, equipment and systems required for the
22 collection of import duties imposed under subsection
23 221(1), (2), (3), (5), (6), and (8); and

24 (b) developing appropriate systems of
25 surveillance and enforcement, including through

1 implementation of a stamping system for imported
2 products, to minimize illicit or unlawful importation of
3 products and avoidance of the import duties under
4 section 221, and

5 (c) prosecution and enforcement of penalties for
6 smuggling, illicit trade and non-payment or underpayment
7 of duties under section 221.

8 (2) The Secretary of the Department of Health and
9 Social Affairs is hereby authorized to make
10 disbursements of moneys available in the Fund or in the
11 sub-fund allocated to that department, without further
12 authorization or appropriation by the Congress of the
13 Federated States of Micronesia, for the following and no
14 other purposes:

15 (a) Health promotion activities, in particular
16 in relation to prevention of non-communicable diseases,
17 for which funding may be allocated utilizing up to 30%
18 of the collected revenue in the sub-fund;

19 (b) Payment of health care costs, or
20 subscription costs, of citizens of the Federated States
21 of Micronesia who are not working and are at least 60
22 years of age or are disabled, for which funding may be
23 allocated utilizing up to 30% of the collected revenue
24 in the sub-fund;

25 (c) Health scholarship purposes, the recipients

1 of which will be determined by the Secretary of the
2 Department of Health and Social Affairs in his/her
3 discretion, for which funding may be allocated utilizing
4 up to 20% of the collected revenue in the sub-fund; and

5 (d) Non-communicable disease control (inclusive
6 of tobacco control) and coordination mechanisms for the
7 Federated States of Micronesia, for which funding may be
8 allocated utilizing up to 20% of the collected revenue
9 in the sub-fund.

10 (3) moneys in the Fund shall not revert to the
11 General Fund or any other fund, nor lapse at the end of
12 the fiscal year.

13 Section 6. Tittle 55 of the Code of the Federated States of
14 Mcironesia (Annotated), as amended, is hereby further amended by
15 adding a new section 1618, to read as follows:

16 Section 1618. Authorized uses of the sub-funds.

17 (1) Each sub-fund established pursuant to section
18 1613 of this subchapter may be utilized as a source of
19 funding for the purpose for which that sub-fund was
20 established and to make disbursements in accordance with
21 section 1617.

22 (2) The funds shall not be utilized for any other
23 purpose.

24 (3) The Public Auditor may review the administration
25 of the Fund and use and disbursements from sub-funds

1 such intervals as the Public Auditor considers
2 necessary.

3 Section 7. Tittle 55 of the Code of the Federated States of
4 Micronesia (Annotated), as amended, is hereby further amended by
5 adding a new section 1619, to read as follows:

6 Section 1619. Administration.

7 (1) The Fund shall be administered by the Secretary
8 of the Department of Health and Social Affairs, or
9 his/his designee, who shall establish any required
10 Regulations or procedures necessary and appropriate for
11 the effectuation and implementation of the provisions of
12 this subchapter without the requirement for further
13 authorization by the Congress of the Federated States of
14 Micronesia.

15 (2) In recognition that cooperation between all
16 sectors of government and civil society and coordinating
17 strategies across all sectors is key to efficient use of
18 resources and to preventing and controlling non-
19 communicable disease and protecting public health, in
20 allocating funding under section 1617(a) and (d), the
21 Secretary of the Department of Health and Social Affairs
22 or his/her delegate must consult with nominated
23 representatives of the following:

24 (a) the FSM Tobacco Control Council;

25 (b) the FSM Cancer Steering Society;

1 (c) the Secretary of the Department of Resources
2 and Development;

3 (d) the Secretary of the Department of Finance
4 and Administration;

5 (e) the Secretary of the Department of
6 Education;

7 (f) the Secretary of the Department of
8 Transportation, Communication and Infrastructure; and

9 (g) civil society groups and NGO's,

10 where any of the above entities have an interest or

11 expertise is an area for which funding is under

12 consideration and provided that each representative has

13 declared that he/she, and the entity he/she represents

14 have no conflict of interest in any such allocation of

15 funding.

16 (3) If a National Non-Communicable Disease

17 Coordination Committee or equivalent is established for

18 the Federated States of Micronesia which includes the

19 Secretary of the Department of Health and Social Affairs

20 (or his/her delegate) as a member, that Committee shall

21 take over administration of the activities and

22 associated funding in section 1617 (2)(d),

23 only the additional increased in percentage of import

24 taxes collected pursuant to subsections (1), (2), (3),

25 (5), (6) and (8) of section 221 of title 54 shall be

