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AN ACT

To establish a National Government Employees' Health Insurance Plan, and for other purposes.

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

1           Section 1. Title. This act shall be known as the National  
2 Government Employees' Health Insurance Plan Act of 1984.

3           Section 2. Definitions.

4                   (1) "Costs of administration" means the following costs of  
5 administering the plan:

6                           (a) Wages or salaries for personnel engaged in adminis-  
7 tering the plan;

8                           (b) Necessary travel for personnel engaged in adminis-  
9 tering the plan;

10                          (c) Costs and expenses for training of personnel  
11 engaged in administering the plan;

12                          (d) The costs of processing claims;

13                          (e) The costs of printing informational booklets, claim  
14 forms, and other necessary materials;

15                          (f) The costs of necessary supplies;

16                          (g) The costs of communications necessary to the  
17 operation of the plan.

18                   (2) "Employee" means an employee of the National Government  
19 of the Federated States of Micronesia or an employee of a participating  
20 agency.

21                   (3) "Full-time employee" means an employee who works at least  
22 40 hours of the regular and scheduled workweek.

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1           (4) "Participating agency" or "participating agencies" means  
2 any public agency, public institution or other public entity, either  
3 State or National, participating in the plan pursuant to section 3 of  
4 this act.

5           (5) "Personnel Officer" means the Personnel Officer of the  
6 National Government of the Federated States of Micronesia.

7           (6) "Plan" means the National Government Employees' Health  
8 Insurance Plan.

9           Section 3. Eligibility. All full-time employees of the National  
10 Government of the Federated States of Micronesia shall be eligible for  
11 participation in the plan. In addition, the Personnel Officer, as  
12 administrator of the plan, may contract with participating agencies  
13 for a period not to exceed 2 years during which time the full-time  
14 employees of each such participating agency may be insured under the plan.

15           Section 4. Establishment of Employees' Health Insurance Fund.  
16 There is hereby established a National Government Employees' Health  
17 Insurance Fund, (hereinafter "Employees' Health Insurance Fund") which  
18 shall be separate from the General Fund or other funds. All Trust  
19 Territory Group Health Insurance Program funds transferred to the  
20 National Government of the Federated States of Micronesia shall be  
21 deposited in the Employees' Health Insurance Fund. All sums appropri-  
22 ated by Congress representing contributions of the National Government  
23 to the plan, all sums representing contributions of participating  
24 agencies to the plan, and all employee contributions to the plan shall  
25 be deposited in the Employees' Health Insurance Fund. Any unexpended

1 money in the Employees' Health Insurance Fund shall not revert to  
2 the General Fund or lapse at the end of the fiscal year, but shall  
3 remain in the Employees' Health Insurance Fund.

4 Section 5. Premium contributions. Employees participating in  
5 the plan shall contribute 48 percent of the premium for insurance  
6 under the plan. The National Government of the Federated States of  
7 Micronesia shall contribute 52 percent of the premium for eligible  
8 employees of the National Government participating in the plan. Any  
9 participating agency shall contribute 52 percent of the premium for  
10 that participating agency's employees participating in the plan.

11 Section 6. Disposition of fund. All money deposited in the  
12 Employees' Health Insurance Fund shall be used to pay claims, except  
13 that a sum representing not more than 10 percent of the balance of the  
14 fund at the end of the preceding fiscal year may be expended for costs  
15 of administration. For the fiscal year ending September 30, 1984, the  
16 sum expended for costs of administration shall not exceed \$15,000.

17 Section 7. Administration of the plan. The plan shall be  
18 administered by the Personnel Officer.

19 Section 8. Reporting. The Personnel Officer shall prepare and  
20 submit an annual report on the status of the plan prior to the  
21 commencement of each regular May session of Congress. This report  
22 shall include a statement of the amount of money on deposit in the  
23 Employees' Health Insurance Fund as of the date of the annual report,  
24 the amount of premiums collected during the preceding fiscal year, the  
25 amount of money disbursed for claims during the preceding fiscal year,

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1 the number of claims paid during the preceding fiscal year, the costs  
2 of administration, and such other information as the Personnel Officer  
3 may deem appropriate.

4 Section 9. Promulgation of regulations. The Personnel Officer,  
5 with the approval of the President, shall promulgate regulations,  
6 pursuant to chapter 1 of title 17 of the Code of the Federated States  
7 of Micronesia, governing the amount of the premium for insurance under  
8 the plan, the procedure for making claims under the plan, the amount  
9 and type of benefits under the plan, the policy limits under the plan,  
10 and such other matters as may be consistent with the contents and  
11 purpose of this act, including the implementation of those provisions  
12 of this act pertaining to participating agencies.

13 Section 10. Effective date. This act shall become law upon  
14 approval by the President of the Federated States of Micronesia or  
15 upon its becoming law without such approval.

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December 26, 1984

  
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Tosiwo Nakayama  
President  
Federated States of Micronesia