

A BILL FOR AN ACT

To further amend title 52 of the Code of the Federated States of Micronesia, as amended, by amending section 407 to specify that the Administrator of the National Government Employees' Health Insurance Plan shall be exempt from the National Public System and clarifying 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 407 of title 52 of the Code of the  
2 Federated States of Micronesia, as amended by Public Law No. 12-  
3 77, is hereby amended to read as follows:

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

6           (1) *Creation.* There is hereby established a National  
7 Government Employees' Health Insurance Plan Board of  
8 Directors to oversee the Plan and the assets of the  
9 Employees' Health Insurance Fund. There is also hereby  
10 established a new full-time position of National  
11 Government Employees' Health Insurance Plan  
12 Administrator. The Administrator shall be appointed by  
13 the Board.

14           (2) *Composition.* The National Government Employees'  
15 Health Insurance Plan Board of Directors shall consist  
16 of not less than seven (7) members, including one

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1 representative from each State of the Federated States  
2 of Micronesia, who shall be recommended by the Governor  
3 of the relevant State; one representative from the  
4 National Government of the Federated States of  
5 Micronesia; one representative from the private  
6 healthcare sector; and the Administrator. Each  
7 appointed member of the Board shall be appointed by the  
8 President with the advice and consent of the Congress.  
9 The Administrator shall serve as ex officio member of  
10 the Board. All members of the Board shall be voting  
11 members of the Board.

12 (3) *Terms.* Each appointed member of the Board shall  
13 serve for a period of three (3) years, except that  
14 initial appointments to the Board shall be made as  
15 follows: two members for a period of one year; two  
16 members for the period of two years; and two members for  
17 a period of three years. Successors to the first  
18 appointees hereunder shall be appointed for terms of  
19 three years each. Vacancies other than by expiration of  
20 term shall be filled by the President by appointment, in  
21 the same manner as the original appointment was made,  
22 for the unexpired term. Appointed members shall not  
23 hold-over at the expiration of their terms, but may be  
24 reappointed to consecutive terms in the manner set forth  
25 in this section.

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1           (4) *Organization.* The Board shall provide for its own  
2 organization and procedure, except that the Board shall,  
3 at a minimum, designate a Chairman and a Secretary. The  
4 Secretary shall keep all records of, and actions taken  
5 by the Board. These records shall be open to the public  
6 for public inspection. The Secretary of Justice of the  
7 Federated States of Micronesia shall act as legal  
8 advisor to the Board.

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

20           (6) *Compensation.* Members of the Board shall serve  
21 without compensation as such, but shall be entitled to  
22 receive travel costs and per diem at standard National  
23 Government rates when actually attending Board meetings  
24 or engaged in the performance of duties authorized by  
25 the Board. Any employee of the National Government

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1 shall be granted leave with pay when actually attending  
2 Board meetings or engaged in the performance of duties  
3 authorized by the Board.

4 (7) *General powers and duties.*

5 (a) It shall be the responsibility of the Board  
6 to promote the soundness, stability, growth and  
7 development of the National Government Employees' Health  
8 Insurance Plan and the National Government Employees'  
9 Health Insurance Fund. To that end, the Board shall  
10 have overall responsibility for administration of the  
11 Plan, PROVIDED, however, that day-to-day operations of  
12 the Plan shall be the responsibility of Administrator.  
13 The Board shall have such other powers and duties as may  
14 be necessary to carry out the purposes of this chapter.

15 (b) Responsibility for the proper day-to-day  
16 operation of the Plan shall be vested in Administrator  
17 who shall have power to delegate duties and  
18 responsibilities to such employees of the Plan as the  
19 Administrator deems feasible and desirable to carry out  
20 the provisions of this chapter.

21 (c) The Board shall periodically consult with,  
22 and seek the advice of, interested members of the public  
23 in each respective State of the Federated States of  
24 Micronesia regarding the operation of the Plan and shall  
25 endeavor to ensure that such consultations are done with

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1 persons broadly representative of actual and potential  
2 participants in the Plan, including representatives of  
3 the medical profession and participating businesses.

4 (8) *Time for Implementation.*

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

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

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

19 Section 2. This act shall become law upon approval by the  
20 President of the Federated States of Micronesia or upon its  
21 becoming law without such approval.

22  
23 Date: 10/30/03

Introduced by: /s/ Henry C.

24 Asugar

Henry C. Asugar  
(by request)

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