

STANDING COMMITTEE REPORT NO. 15-178

RE: C.B. NO. 15-34/HESA

SUBJECT: PROPOSED AMENDMENTS TO TITLE 52, MICARE  
HEALTH INSURANCE PLAN

FEBRUARY 04, 2009

The Honorable Isaac V. Figir  
Speaker, Fifteenth Congress  
Federated States of Micronesia  
Sixth Regular Session, 2009

Dear Mr. Speaker:

Your Committee on Health, Education and Social Affairs, to which was referred C.B. No. 15-34, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND TITLE 52 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY AMENDING SECTION 405 TO REDUCE THE MINIMUM PREMIUM CONTRIBUTION FOR HEALTH INSURANCE OF PARTICIPATING AGENCIES OR PARTICIPATING BUSINESSES FROM FIFTY-TWO PERCENT TO FIFTY PERCENT OF THE PREMIUM PAYMENT FOR THEIR ELIGIBLE EMPLOYEES, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The proposed bill seeks to amend Section 405 of Title 52, which currently reads as follows:

**Section 405. Premium Contributions.**

Employees participating in the plan shall contribute the percentage of the premium not paid by their employer for insurance under the plan. The National Government of the Federated States of Micronesia shall contribute at least 52 percent of the premium for eligible employees of the National Government participating in the plan. Any participating agency or participating business shall contribute at least 52 percent of the premium for their employees participating in the plan, or may at their request contract with the Director to contribute more than 52 percent.

The proposed amendment to Section 405 of Title 52 will not alter the existing textual provision requiring "the National Government of the Federated States of Micronesia to contribute at least 52 percent of the premium for eligible employees of the National Government participating in the plan." The proposed amendment will only touch upon the

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specific provision requiring participating agencies and businesses to contribute a set minimum percentage in premium.

What the proposed amendments to Section 405 seeks to accomplish is to allow *participating agency or business* a **2%** reduction in contribution. The proposed amendment will enable such agency or business to contribute a minimum of **50%** of the premium, in lieu of the 52% currently fixed statutory amount. The proposed 2% reduction in minimum contribution by agency or business is an *incentive* designed to increase health care insurance membership and to limit mandatory premium contribution assessed on agency or business given the state of our stagnant economy.

This is only a slight reduction in contribution by agency or business, and the attempt here is to offer a more innovative health insurance plan for the many agencies and businesses in the nation that have yet to take advantage of the health care coverage provided by MiCare.

The option for participating agency or business to negotiate directly with the Director to allow them to contribute more than 50% in premium will remain intact. This is an option that will allow agencies or businesses the flexibility of increasing their share of premium contribution, in the event agency or business elects. This option will further eliminate any restrictions on increased contribution if moved upon by agencies or businesses.

Your Committee trusts that this being more of an equitable distribution in premium contributions and will create a financial-friendly health care package that will beckon more membership by the agencies and businesses, thereby lifting some of the pressures off the hospital or health care providers, and assuring that more of our citizens in the

