

**TITLE 7 – PUBLIC HEALTH, SAFETY AND WELFARE  
CHAPTER 2 - MARSHALL ISLANDS HEALTH FUND**



Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**MARSHALL ISLANDS HEALTH FUND ACT OF 2002**

**Arrangement of Sections**

Section	Page
<b>PART 1-PRELIMINARY</b>	<b>3</b>
§201. Short Title. ....	3
§202. Interpretation. ....	3
§203. Transfer of the Health Fund.....	11
§204. Exclusion from Coverage under this Chapter.....	11
<b>PART II- THE HEALTH AND HUMAN SERVICES BOARD</b>	<b>11</b>
§205. Establishment of the Health and Human Services Board. ....	11
§206. Duties and Responsibilities of the Board. ....	12
§207. Powers of the Board. ....	12
§208. Medical Referral Committee. ....	13
<b>PART III - FINANCIAL MATTERS</b>	<b>14</b>
§209. The Health Fund.....	14
§210. Payments into the Health Fund.....	14
§211. Payments out of the Health Fund. ....	15
§211A. Board’s Authority to Modify the Manner of Payments out of the Health Fund. ....	16
§212. Accounts and Records. ....	16
§213. Bank Accounts. ....	17
§214. Investments. ....	17
§215. Actuary. ....	22
<b>PART IV - REVENUES</b>	<b>22</b>
§216. Workers Contributions. ....	22

§217.	Employer’s Contributions.....	23
§218.	Reports and payments of contributions. ....	23
§219.	Refunds.....	23
§220.	Premiums. ....	23
§221.	Government Subsidy.....	24
§222.	Employer account number and worker account number. ....	25

## **PART V - BENEFITS** **25**

---

§223.	Basic Health Benefits plan. ....	25
§224.	Supplemental Health Benefits Plan.....	28
§225.	Subrogation of rights.....	29
§226.	Evidence of Eligibility. ....	29
§227.	Uniform Billing Practices.....	30
§228.	Pre-Paid Health Maintenance Agreements.....	30
§229.	Section 177 Health Care Program.....	30

## **PART VI - OFFENSES AND PENALTIES** **31**

---

§230.	Fraud against the Health Fund. ....	31
§231.	False statements and reports.....	31
§232.	Liability for the Failure to Report or to remit the quarterly contributions.....	31
§233.	Confidentiality.....	32
§234.	Examination and copying of records. ....	32
§235.	Mismanagement of the Fund. ....	32
§236.	Penalties and interests; attorney, and collection fees; and court costs. ....	33

## **PART VII - MISCELLANEOUS** **33**

---

§237.	Taxation.....	33
§238.	Fund not subject to attachment.....	34
§239.	Service of Process on the Administration.....	34
§240.	Liens.....	34
§241.	Transitional Provisions. ....	34
§242.	Regulations. ....	34
§243.	Repeal. ....	35
§244.	Effective date. ....	35

1  
2

**TITLE 7 – PUBLIC HEALTH, SAFETY AND WELFARE  
CHAPTER 2 - MARSHALL ISLANDS HEALTH FUND**



3  
4

Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**MARSHALL ISLANDS HEALTH FUND ACT OF 2002**

5  
6  
7  
8  
9

**AN ACT** to transfer responsibility for the administration and oversight of the Health Fund and its programs, as set out under Social Security Health Fund Act 1991, 49 MIRC, Chapter 2, to the Ministry of Health Services; and to repeal the Social Security Health Fund Act 1991, 49 MIRC Chapter 2, in its entirety, and all other subsidiary amendments.

10  
11  
12  
13  
14

*Commencement:* May 27, 2002  
*Source:* P. L. 2002-57  
*Amended By:* P. L. 2003-96    P. L.2004-11    P. L.2005-45  
P. L. 2006-64    P. L.2007-93    P. L. 2014-30    P.L 2018-65  
P.L. 2019-109

15

**PART 1-PRELIMINARY**

16

**§201. Short Title.**

17  
18

(1) This Chapter may be cited as the Marshall Islands Health Fund Act of 2002. [P.L. 2002-57, §1.]

19

**§202. Interpretation.**

20  
21  
22  
23

(1) In this Chapter unless the context otherwise requires:  
(a) **“Actuary”** means a member in good standing of any society, institute or organization of qualified actuaries recognized by the International Actuarial Association.

- 1 (b) **“Approved off-island medical referral”** means the referral of  
2 a covered person to an off-island health care facility, by the  
3 Medical Referral Committee pursuant to section 223 of this  
4 Chapter.
- 5 (c) **“Basic health benefits Plan”** means the plan provided for in  
6 section 223 of this Chapter, to provide, pay, arrange for, or to  
7 reimburse all or a determined portion of the cost of basic  
8 health care. The basic health benefits plan shall not provide  
9 approved off-island medical referral for an excluded medical  
10 condition.
- 11 (d) **“Basic health care”** means any health care that:  
12 (i) the Board determines is eligible for benefits under  
13 Section 223 of this Chapter; and  
14 (ii) is obtained at a local health care facility or as an  
15 approved off-island medical referral, or as an  
16 emergency off-island medical care.
- 17 (e) **“Board ”** means the Health Services Board established under  
18 section 205 of this Chapter.
- 19 (f) **“Capitalization fee”** means a stipulated fee that a provider of  
20 health services is paid per covered person for whom such  
21 provider is contracted to provide services during a defined  
22 period of time.
- 23 (g) **“Contributions”** means those amounts of money paid into the  
24 Health Fund by workers, employers and self-employed  
25 workers pursuant to Sections 216 and 217 of this Chapter.
- 26 (h) **“Covered earnings”** means the worker’s or self employed  
27 worker’s gross earnings during any quarter subject to a  
28 maximum of five thousand dollars (US\$5,000) and is that  
29 amount of earnings upon which workers, employers and self-  
30 employed workers make contributions to the Health Fund  
31 pursuant to Sections 216 and 217 of this Chapter. The five  
32 thousand dollars (US\$5,000) shall be increased at a time as  
33 may be determined by the Board as appropriate.
- 34 (i) **“Covered person”** means:  
35 (i) any citizen of the Republic of the Marshall Islands who  
36 is resident in the Republic;

- 1 (ii) any citizen of the Republic who, although not a resident  
 2 in the Republic, is domiciled in the Republic and elects  
 3 coverage under this Chapter before applying for  
 4 benefits under this Chapter; or
- 5 (iii) any non-citizen of the Republic who has been resident  
 6 in the Republic for at least one year immediately before  
 7 applying for the benefits under this Chapter and  
 8 contributes to the Health Fund, including his/her  
 9 spouse, children aged 18 years or younger, and children  
 10 aged 22 years or younger currently attending college  
 11 full-time.

12 Provided however, that “**covered persons**” does not include  
 13 persons who are exempt from coverage pursuant to  
 14 Section 204 of this Chapter. Citizens of the Republic and legal  
 15 residents of the Republic who are not otherwise eligible for  
 16 coverage under this Chapter may become covered persons  
 17 upon payment into the Health Fund of the premiums  
 18 provided for in Section 220 of this Chapter.

19 (j) “**Custodian**” means any person, firm or corporation who is  
 20 qualified and has assumed the responsibility for the  
 21 possession of any or all of the Health Fund’s assets pursuant to  
 22 Section 214 of this Chapter;

23 (k) “**Earnings**” means compensation of any kind including  
 24 without limitation any salary, wage, bonus, tip, stipend,  
 25 allowance or fee, paid by the employer to or on behalf of the  
 26 worker in cash or in any other form, but not including:

27 (i) payments made by the employer as a result of an  
 28 accident or sickness of the worker (other than sick  
 29 leave);

30 (ii) reimbursement of medical or hospitalization expenses;

31 (iii) payments made to or on behalf of the worker or his  
 32 beneficiary from a trust or annuity; and

33 (iv) payments made in cash, or any form other than cash,  
 34 for casual labor not exceeding one week in any month  
 35 of a quarter, if the work is not performed in the course  
 36 of the employer’s trade or business. For purposes of this  
 37 Chapter, earnings shall be computed to the nearest cent.