

**CHAPTER 3.****HEALTH CARE REVENUE FUND**

## ARRANGEMENT OF SECTIONS

**Section**

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An Act to repeal and re-enact the Health Care Revenue Fund Act 1986 to control the expenditure of funds and for related purposes. [This Chapter was previously codified as Chapter 3 under Title 49]. The section numbering style modified to conform to Code format. (Rev.2003)]

Commencement:	18 September 1989
Source:	P.L. 1989-59
	P.L. 1992-28
	P.L. 1993-62
	P.L. 1994-91
	P.L. 1994-99
	P.L. 2001-35
	P.L. 2003-91

**§301. Short title.**

This Chapter may be cited as the Health Care Revenue Fund Act of 1989. [P.L. 1989-59, §1.]

**§302. The Health Service Revenue Fund.**

The Health Care Revenue Fund (Fund) is hereby established. [P.L. 1989-59, §2.]

**§303. Payments into the Fund.**

There shall be paid into the Fund:

- (1) any money appropriated by the Nitijela for payment into the Fund;
- (2) all money appropriated by the Nitijela which was identified by the Ministry of Health and Environment in submissions made pursuant to the Financial Management Act 1990 for the purchase of drugs and medical supplies;
- (3) revenue received from hospital charges and other health care charges collected by the Ministry of Health Services (the Ministry);

(4) other amounts received by the Ministry for payment into the Fund, including grants, gifts and donations.

(5) any money transferred from the Social Security Health Fund for payment into the Fund. [P.L. 1989-59, §3 amended by P.L. 1992-28, §2(2).][new subsection (5) inserted by P.L. 2001-35, §2(A)]

**§304. Payments out of the Fund.**

(1) Payments may be made out of the Fund only for:

(a) the purchase of drugs and medical and dental supplies and equipment of any description; and

(b) the provision and administration of other health services; provided, however, that all sums received for a specific purpose or purposes may and shall be used only for said purpose or purposes; and provided further, that the total amount of funds expended in any financial year relating to the provision and administration of other health services shall, excluding sums received and expended for specific purposes, not exceed five percent (5%) of the sums expended from the Fund.

(2) The Health Services Board, as defined in Section 305 of this Chapter, or, in the event that the Health Services Board fails to act in a timely manner, the Secretary of Health Services, shall in advance of each financial year prepare and present to the Minister of Health Services, for his approval, a budget for the withdrawal and expenditure of monies out of the Fund for that financial year. The budget may, with the approval of the Minister of Health Services, be revised from time to time as the Secretary of Health Services, in consultation with the Board, deems necessary.

(3) The Fund shall be administered by the Secretary responsible for Health Services, who shall perform such duties under the control and supervision of the Health Services Board. No money may be withdrawn from the Fund except with the authority of the Secretary responsible for Health Services who shall be satisfied that the withdrawal is made in accordance with this Chapter, the budgets provided for in Subsection (2) of this Section, and any other applicable law; provided however that, monies in the Fund in excess of \$1.25 million, excluding grants, gifts, and donations received for a specific purpose, shall be withdrawn and paid into the Marshall Islands General Fund.

(4) A delegation under Article VIII, Section 5(1) of the Constitution of the Republic of the Marshall Islands, to expend money out of the Fund is given to the Health Services Board, or its designee in writing. [P.L. 1989-59, §4. Original Section 4 has been split, creating a new Section 5 infra. The split was made to separate two distinct matters that were originally combined into Section 4; amended by P.L. 1992-28, §2(3); P.L. 1993-62, §5(1); 1994-91, §2; amended by P.L. 1994-99, §3(27)(a-b).](3) and (4) amended by P.L. 2001-35, §2(B) and (C) Oct. 18, 2001]

**§305. Health Services Board.**

As used in this Chapter, "Health Services Board" refers to the board created under the Marshall Islands Health Fund Act of 2002, Part II section 5. [P.L. 1989-59, §4(2). Subsection 4(2) of this Chapter was divided into two sections, creating new Section 5 for purposes of clarity.][amended by P.L. 2001-35, §2 (D) Oct 18, 2001][further amended by P.L. 2003-91] to refer to the Board created under the HF Act, 2002]

**§306. Bank accounts; investment.**

(1) The Secretary responsible for Health Services shall, with the approval of the Minister of Health Services, open and maintain as few bank accounts as is necessary for the efficient implementation of this Chapter.

(2) Except as provided for in Subsection (3) of this Section, any money other than petty cash that is withdrawn from the Fund and is not immediately required, shall be kept in an account opened under Subsection (1) of this Section.

(3) Money not immediately required may be invested in any manner in which money in the Marshall Islands General Fund may be invested. [P.L. 1989-59, §5; amended by P.L. 1994-99, §3(27)(c).][Subsection (1) amended by PL2001-35, §2 (D) Oct. 18, 2001]

**§307. Accounts and records.**

(1) The Secretary responsible for Health Services shall cause to be maintained accounts and records in accordance with generally accepted accounting principles for government funds, as adopted and occasionally amended by the Government Accounting Standards Board, consisting of:

- (a) the Fund;
- (b) the disposition of money paid out of the Fund; and
- (c) the property purchased with money from the Fund.

(2) The accounts and records referred to in Subsection (1) of this Section are subject to audit under Article VIII, Section 15 of the Constitution of the Republic of the Marshall Islands. [P.L. 1989-59, §6. Section has been renumbered Amended by P.L. 1994-99, §3(27)(c).][subsection (1) amended by P.L. 2001-35, §2(E) Oct. 18,2001]

**§308. Taxation.**

The Fund and related transactions are not subject to any tax, rate, charge or impost under any other law. [P.L. 1989-59, §7. Section has been renumbered]

**§309. Reports.**

(1) The Secretary responsible for Health Services shall, at least quarterly and at such other times as the Minister of Health Services directs, make a report to the Minister on the operation and transactions of the Fund.

(2) The Minister of Health Services shall present any report made by the Secretary responsible for Health Services under Subsection (1) of this Section, to the Cabinet quarterly and to the Nitijela annually, together with his comments. [P.L. 1989-59, §8. Section has been renumbered Amended by P.L. 1994-99, § 3(27)(c).][amended by P.L. 2001-35, §2(F) Oct. 18, 2001]

**§310. Regulations.**

The Cabinet may make regulations, not inconsistent with this Chapter, prescribing all matters that are necessary or convenient to be prescribed in the operation of the Fund. [P.L. 1989-59, §9. Section renumbered]

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