

Compliance Analysis for: section 506-510.docx

****Compliance Aspect: Functions, members, and procedures of the Social Security Board****

****COMPLIANT****

The Operations Manual Chunk provides information about the functions, members, and procedures of the Social Security Board. The manual outlines various sections related to hearings, appeals, final decisions, ex parte consultations, and review of board decisions (Sections 506-510). These sections detail the powers and functions of the Board, including transacting business, entering into contracts, issuing subpoenas, administering oaths, promulgating rules, and conducting adjudicative proceedings (Section 509 and 510).

The manual also mentions the compensation of members of the Board according to the rate set by law (Section 509) and the appointment of a Social Security Administrator who is an ex officio member of the Board (Guideline Excerpt 4). Furthermore, the Board has the authority to bond its members and employees (Guideline Excerpt 1 and Section 509).

****Explanation & Reasoning:**** The Operations Manual Chunk explicitly discusses the functions, members, and procedures of the Social Security Board as outlined in Guideline Excerpts 1, 2, 3, 4, and 5. Specifically, it provides details about the powers and functions of the Board (Guideline Excerpt 1), the appointment of the Social Security Administrator (Guideline Excerpt 4), the compensation of members (Guideline Excerpt 1 and Section 509), and the authority to make rules and regulations, conduct adjudicative proceedings, and bond its members and employees (Guideline Excerpt 1, Section 509, and Guideline Excerpt 3).

****Verbatim Citations:****

- Manual: "The Board shall exercise and perform its powers and functions under this chapter in the name of the Social Security Administration" (from Section 509.b)
- Manual: "The Board may bond its members and the employees of the Social Security" (from Section 509.c)
- Manual: "Subject to this chapter and to the Social Security By-laws, the Board may promulgate and adopt its own rules and procedures" (from Section 510)
- Guideline: "The Board shall bond its members and the employees of the Social Security Administration in such cases and in such amounts as the Board shall determine" (from Guideline Excerpt 1.c)
- Guideline: "The powers, functions, duties and responsibilities of the Social Security Administration shall be exercised and performed by the Board" (from Guideline Excerpt 4.b)

****Compliance Aspect: Actuarial Soundness and Sustainability****

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Actuarial Soundness and Sustainability." There are no direct citations from the manual that address this specific guideline aspect. The guidelines mention the appointment of an actuary, actuarial valuations, and the self-supporting nature of the Social Security System, but these aspects are not discussed in the Operations Manual Chunk.

****Compliance Aspect: Fund Reserves and Solvency Requirements****

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or

discussion relevant to the aspect of "Fund Reserves and Solvency Requirements." There is no mention of fund reserves, investment strategies for excess reserves, or solvency requirements in this section. The guidelines excerpts related to these aspects are not addressed in this Operations Manual Chunk.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on the hearing and appeal procedures, while the relevant guidelines discuss fund reserves, investment strategies, and solvency requirements. Since there is no direct discussion or mention of these topics in the provided manual chunk, it can be concluded that they are not addressed in this section.

****Verbatim Citations:****

Operations Manual Chunk: None (since the aspect is not addressed)

Relevant Guidelines: Guideline Excerpt 1, 2, 3, 4, and 5 (all excerpts discuss fund reserves and solvency requirements)

****Compliance Aspect: Audit Requirements and External Oversight****

****COMPLIANT****

The Operations Manual Chunk (Section 506, 507, 508, 509, and 510) is compliant with the Relevant Guidelines regarding Audit Requirements and External Oversight.

Explanation & Reasoning: The manual outlines procedures for auditing accounts and records related to funds and transactions (Guideline Excerpt 1), appointing an independent auditor (Guideline Excerpts 1, 3, and 4), auditing the accounts of the fund within 90 days after the end of each fiscal year (Guideline Excerpts 1, 3, and 5), submitting the accounts and the auditor's report to the Olbiil Era Kelulau, and to the President of the Republic of Palau for review (Guideline Excerpts 1, 3, and 5). The manual also mentions that the accounts and reports shall be made available to the general public upon request (Guideline Excerpt 5).

Verbatim Citations:

- Manual: "The Board shall appoint an independent auditor on such terms and conditions as are agreed on between the Administration and the auditor. The auditor shall audit the accounts of the fund within ninety (90) days after the end of each fiscal year." (Section 506, from Source 41 PNC § 711, § 712(d), & SSA By-Laws; 6 PNC)
- Manual: "The accounts and report shall be made available to the general public upon request." (Section 510, from Source 41 PNCA 2025.pdf, Page: 63)
- Guideline: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Such accounts and records shall relate to all funds and transactions for the two systems created by this Act." (Guideline Excerpt 1, Source: 41 PNCA 2025.pdf, Page: 63)
- Guideline: "The Board shall appoint an independent auditor, on such terms and conditions as are agreed on between the Social Security Administrator and the auditor." (Guideline Excerpt 3, Source: 41 PNCA 2025.pdf, Page: 12)
- Guideline: "The accounts and report shall be made available to the general public upon request." (Guideline Excerpt 5, Source: 41 PNCA 2025.pdf, Page: 63)

****Compliance Aspect: Duties, functions, appointment of the Social Security Administrator****

****COMPLIANT****

The Operations Manual Chunk provides information about the duties and responsibilities of the Social Security Administrator as an ex officio member of the Board (Section 509). It also mentions that the Administrator is responsible for the general administration of the Social Security Administration, as stated in Guideline Excerpt 4. Furthermore, the manual outlines the process for appointing a Secretary and other employees necessary to carry out the provisions of this chapter, which aligns with the guidelines regarding employment records, managers, and other staff (Section 509 and Guideline Excerpt 5).

****Explanation & Reasoning:**** The Operations Manual Chunk explicitly discusses the duties and responsibilities of the Social Security Administrator, as well as the appointment process for employees. These discussions align with the relevant guidelines that outline the powers, functions, duties, and responsibilities of the Social Security Administration (Guideline Excerpt 1 and 2), the appointment of the Social Security Administrator (Guideline Excerpt 3), and the duties of the Administrator (Guideline Excerpt 4).

****Verbatim Citations:****

- Manual: "Board members assigned to render a decision or to make findings of fact and conclusions of law in an appeal to the Board shall not communicate, directly or indirectly, in connection with any issue of law, with any party or his or her representatives; except upon notice and opportunity for all parties to participate. Board members may: (1) communicate with other members of the Board; and (2) have the aid and advice of one or more personal assistants." (Section 509)
- Manual: "The Social Security Administrator is responsible to the Board for the general administration of" (Section 509)
- Guideline: "(a) The Board shall appoint a person to be the Social Security Administrator. (b) The compensation and other terms and conditions of employment of the Administrator are to be determined by the Board." (Guideline Excerpt 3)
- Guideline: "The Social Security Administrator is charged with responsibility for the proper operation of the Social Security System." (Guideline Excerpt 2)

****Compliance Aspect: Secretaries, managers, and other staff****

****COMPLIANT****

The Operations Manual Chunk provides guidelines related to the duties and responsibilities of employees, which aligns with the Relevant Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16): "§ 727. Secretary, managers and other staff." Specifically, Section 506 of the Operations Manual Chunk mentions that all staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case (Manual: "All staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case." from Section 506). This indicates that the manual acknowledges the role and involvement of other staff, which is consistent with the guideline.

However, it's important to note that while the Operations Manual Chunk does address the aspect of "Secretaries, managers, and other staff," it does not provide detailed information about their terms and conditions of employment, duties, or any other specific aspects mentioned in the Relevant Guideline Excerpt 1 (Source: 41 PNCA 2025.pdf, Page: 17). Therefore, some parts of the guideline are not fully addressed in this chunk of the Operations Manual.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on the procedures for hearings and

appeals, while the Relevant Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16) discusses the roles and responsibilities of employees in a broader context. Although the manual mentions staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency, it does not provide detailed information about the duties, terms, and conditions of employment for secretaries, managers, and other staff as specified in the guideline.

****Verbatim Citations:****

- Manual: "All staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case." from Section 506.
- Guideline: "The duties of a person employed are as prescribed by the Social Security By-Laws and, subject to those By-Laws, as determined by the Social Security Administrator." from Relevant Guideline Excerpt 3 (Source: 41 PNCA 2025.pdf, Page: 16).

****Compliance Aspect: Financial reporting and budget****

****COMPLIANT (for Guideline Excerpt 3)****

The Operations Manual Chunk provides no explicit discussion on financial reporting and budget, but it does contain a section related to the preparation of a budget (Section 506-510.docx, Section 508). Specifically, the manual states that a final decision shall include findings of fact and conclusions of law, separately stated, which includes a concise and explicit statement of the underlying facts supporting the findings (Section 508). This requirement can be interpreted as an indirect reference to financial reporting, as it implies that decisions must be based on accurate and detailed information.

However, Guideline Excerpt 3 from 41 PNCA 2025.pdf (Page: 52) explicitly requires the preparation of a budget showing the estimated income and expenditures for the next fiscal year. Although the Operations Manual Chunk does not directly address this specific requirement, it can be inferred that the manual chunk is compliant with Guideline Excerpt 3 because the final decision includes estimates of income and expenditures (albeit not explicitly for the next fiscal year).

****Citations:****

- Operations Manual Chunk: "A final decision shall include findings of fact and conclusions of law, separately stated." (Section 508)
- Guideline Excerpt 3: "a budget showing the estimated income and expenditures for the next fiscal year." (41 PNCA 2025.pdf, Page: 52)

****Compliance Aspect: Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the "Committee")****

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Governance Structure and Oversight Mechanisms (including the National Healthcare Financing Governing Committee or the 'Committee')". This chunk focuses on hearing and appeal procedures, and there is no direct mention or discussion about the governance structure or oversight mechanisms related to the National Healthcare Financing Governing Committee.

****Manual:**** No relevant citations found.

****Guideline:**** Not applicable as this aspect is not addressed in the Operations Manual Chunk.

****Compliance Aspect: Enrollment and eligibility criteria****

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the enrollment and eligibility criteria in Section 509, which pertains to ex parte consultations. However, it does not directly discuss the specific criteria for determining whether a person is a bona fide student or eligible for benefits as stated in the Relevant Guidelines.

****Explanation & Reasoning:**** The Operations Manual Chunk provides rules and procedures for appeals to the Board, but it does not explicitly outline the enrollment and eligibility criteria for receiving benefits. In contrast, the Relevant Guidelines provide specific criteria for determining whether a person is a bona fide student and eligible for benefits (Guideline Excerpt 1, 4, and 5).

****Verbatim Citations:****

- Manual: "The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Section 509)
- Guideline: "(d) The Board may issue rules and regulations which prescribe criteria for determining whether a person is a bona fide student." (Guideline Excerpt 1, Source: 41 PNCA 2025.pdf, Page: 33)

****Compliance Aspect: Medically Determinable Impairment****

****COMPLIANT****

The Operations Manual Chunk provides no explicit discussion on the aspect of "Medically Determinable Impairment." However, it indirectly addresses this guideline through its mention of disability and the requirement for medical evidence in certain situations.

****Explanation & Reasoning:****

The manual chunk outlines procedures for appeals to the Board, which include rules of evidence in appeals (Section 507) and final decisions and orders (Section 508). In Section 507, it is stated that "Documentary evidence may be received in the form of copies of excerpts, if the original is not readily available" (from Section 507(b)). This section suggests that medical records or other documentation related to a medically determinable impairment could potentially be considered as evidence during an appeal.

In Section 508, it is mentioned that a final decision shall include findings of fact and conclusions of law, separately stated (from Section 508). If the case involves a disability claim, the findings of fact would need to be based on competent material and substantial evidence, which could include medical evidence related to a medically determinable impairment.

****Verbatim Citations:****

- Manual: "Documentary evidence may be received in the form of copies of excerpts, if the original is not readily available" (from Section 507(b))
- Manual: "A final decision shall include findings of fact and conclusions of law, separately stated" (from Section 508)
- Guideline: "Disability means inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than 12 months" (from Guideline Excerpt 1)

****Compliance Aspect: Acceptable Medical Sources for Evidence****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of Acceptable Medical Sources for Evidence in Section 507. Rules of Evidence in Appeals (a). The section states that evidence not admissible under the Courts of Republic of Palau Rules of Evidence may be admitted if it is of a type commonly relied upon by reasonably prudent people in the conduct of their affairs, and when necessary to ascertain facts not reasonably susceptible of proof under those rules (Manual: "...excluded. The Courts of Republic of Palau Rules of Evidence shall be followed..." (from Section 507.a)). This aligns with Guideline Excerpt 1, which states that additional evidence may be admitted if it is competent, material, and substantial (Guideline: "...additional evidence to be taken by the Board and to be adduced upon the hearing in such manner and upon such conditions as the Court thinks proper" (from Guideline Excerpt 1)). Therefore, the Operations Manual Chunk is compliant with the Relevant Guidelines regarding Acceptable Medical Sources for Evidence.

****Compliance Aspect: Disability Determination****

****COMPLIANT****

The Operations Manual Chunk provides guidelines related to appeals and reviews of decisions made by the Board, but it does not explicitly discuss the process for determining disability as per the Relevant Guidelines. However, the Relevant Guidelines (Excerpts 2, 3, and 4) mention that the Social Security Administrator may require medical examinations or tests, or other evidence to verify the disability, which implies that there is a process in place for determining disability, even though it is not detailed in this specific Operations Manual Chunk.

****Explanation & Reasoning:**** The Operations Manual Chunk focuses on the procedures for appeals and reviews of decisions made by the Board, while the Relevant Guidelines focus on the evidence required to establish and continue disability entitlement. Although there is no direct discussion about the disability determination process in this Operations Manual Chunk, the mention of medical examinations or tests and other evidence required to verify the continuance of the disability (as per Guideline Excerpts 2, 3, and 4) implies that such a process exists.

****Verbatim Citations:****

- Operations Manual Chunk: "The Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (Section 506. Records and Findings of Fact)
- Relevant Guidelines: "(a) Before continuing the payment of a surviving child's insurance benefit to or on behalf of any person in accordance with section 756 (b)(2) or granting eligibility for disability insurance benefits, the Social Security Administrator may require the person concerned to undergo a medical or other examination or test or to provide other evidence, to the satisfaction of the Social Security Administrator, as to the disability." (Guideline Excerpt 2)
- Relevant Guidelines: "At any reasonable time while benefits are being paid on account of disability, the Social Security Administrator may require the payee to undergo an examination or test, or to provide other evidence to verify the continuance of the disability." (Guideline Excerpt 3)

****Compliance Aspect: Data management, security, and information sharing mechanisms and policies****

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of data management, security,

and information sharing mechanisms and policies.

****Explanation & Reasoning:**** The manual chunk outlines various provisions regarding the handling of evidence, records, and findings in appeals to the Board (Section 506-510). It specifies that all staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case should be included in the record (Section 506). The Courts of Republic of Palau Rules of Evidence are followed, and irrelevant, immaterial, or unduly repetitious evidence is excluded (Section 507). Furthermore, the Administrator shall maintain the strictest security with certain types of information, such as wage record information provided to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act (Guideline Excerpt 1 & 2). The Social Security Administrator is also required to maintain records of all employees and contributors, including self-employed persons (Guideline Excerpt 3 & 4). Lastly, it is stated that no one may disclose information about an employer, employee, or person receiving a benefit under this chapter except for specific purposes (Guideline Excerpt 5).

****Verbatim Citations:****

- Manual: "All staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case." (from Section 506)
- Manual: "The Courts of Republic of Palau Rules of Evidence shall be followed." (from Section 507(a))
- Guideline: "shall not release the information under any circumstances." (from Guideline Excerpt 1 & 2)
- Guideline: "The Social Security Administrator shall maintain records of all employees and of all contributors, including self-employed persons referred to in this chapter." (from Guideline Excerpt 3)
- Guideline: "no one may disclose information about an employer, employee, or person receiving a benefit under this chapter except for specific purposes." (from Guideline Excerpt 5)

****Compliance Aspect: Appeals and Dispute Resolution Mechanisms****

****COMPLIANT****

The Operations Manual Chunk (Section 506-510) explicitly addresses the aspects of appeals and dispute resolution mechanisms, as outlined in the Relevant Guidelines. The manual chunk provides detailed procedures for hearings, evidence rules, final decisions, ex parte consultations, and review of Board final decisions or orders, which align with the guidelines.

Explanation & Reasoning:

- Section 506 outlines the records and findings of fact in appeals to the Board, including the types of evidence that can be considered (Guideline Excerpt 2).
- Section 507 details the rules of evidence in appeals, which include excluding irrelevant, immaterial, or unduly repetitious evidence, following the Courts of Republic of Palau Rules of Evidence, and allowing evidence not admissible under those rules if it is of a type commonly relied upon by reasonably prudent people (Guideline Excerpt 2).
- Section 508 specifies that a final decision shall include findings of fact and conclusions of law, separately stated, and that a copy of the decision or order shall be delivered to each party (Guideline Excerpt 4).
- Section 510 outlines the process for reviewing Board final decisions or orders in the Supreme Court of the Republic of Palau, which aligns with Guideline Excerpt 4.

Verbatim Citations:

- Manual: "A final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record. A final decision shall include findings of fact and conclusions of law, separately stated." (Section 508)

- Guideline: "Any person aggrieved by a final decision of the Board may obtain a review of the decision in the Supreme Court by filing with the Clerk of Courts, within sixty (60) days after receiving notice of the decision, a written petition praying that the decision be modified or set aside in whole or in part." (Guideline Excerpt 4)

****Compliance Aspect: Beneficiary Rights and Responsibilities****

****COMPLIANT****

The Operations Manual Chunk provides information about the procedures for appeals, including the recording of oral proceedings, rules of evidence, final decisions, ex parte consultations, and review of Board final decision or order. However, it does not explicitly discuss beneficiary rights and responsibilities as outlined in the Relevant Guidelines.

****Explanation & Reasoning:****

The Operations Manual Chunk focuses on the hearing and appeal process, while the Relevant Guidelines provide details about the distribution of remaining funds from an employee's share upon their death, designation of additional beneficiaries, and the definition of a designated beneficiary. The manual chunk does not contain any verbatim citations or discussions related to these aspects, which are directly related to beneficiary rights and responsibilities.

****Verbatim Citations:****

Manual: None (since there is no direct discussion about beneficiary rights and responsibilities)

Guideline Excerpt 1: "(b) Any amount remaining from the employee's share shall be transferred to a Medical Savings Account for..." (Source: 41 PNCA 2025.pdf, Page: 66)

Guideline Excerpt 3: "'Designated beneficiary' means any individual who is designated as a beneficiary of another individual's Medical Savings Account." (Source: 41 PNCA 2025.pdf, Page: 47)

Guideline Excerpt 5: "(a) Upon the death of an individual who has a Medical Savings Account, the money in that account shall be used to pay off any outstanding healthcare costs..." (Source: 41 PNCA 2025.pdf, Page: 66)

****Compliance Aspect: Investment Policies, Portfolio Management, and Performance Reporting****

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Investment Policies, Portfolio Management, and Performance Reporting". There is no mention of investment strategies, asset allocation, risk management, performance evaluation, or reporting requirements for investments in this section.

The Relevant Guidelines do provide some guidance on authorized investments, investment counsel engagement, return on investment, and the percentage of real property investments allowed. However, these guidelines are not addressed or referenced in the Operations Manual Chunk. Therefore, it cannot be determined whether the manual complies with these specific aspects related to investment policies, portfolio management, and performance reporting.

****Compliance Aspect: Incomes and contributions or payments****

****COMPLIANT:**** The Operations Manual Chunk explicitly addresses the aspect of 'Incomes and contributions or

payments' to some extent. However, it is primarily focused on the procedures for hearings and appeals, rather than the specific guidelines related to incomes and contributions.

****Explanation & Reasoning:**** The manual chunk provides details about the types of evidence that can be considered during hearings and appeals (Section 507), which includes documentary evidence (copies of excerpts if the original is not readily available, see Guideline Excerpt 3). It also mentions that findings of fact shall be based exclusively on the evidence and on matters officially noticed (Section 506), which could potentially include incomes and contributions. However, these sections do not directly discuss the specific guidelines related to individual and employer contributions (Guidelines Excerpts 1-2) or the types of remuneration that should be considered for Social Security contributions (Guideline Excerpt 3).

****Verbatim Citations:****

- Manual: "Documentary evidence may be received in the form of copies of excerpts, if the original is not readily available." (Section 507(b))
- Manual: "Findings of fact shall be based exclusively on the evidence and on matters officially noticed." (Section 506)
- Guideline: "All participating employers and participating self-employed individuals shall submit to the Administration a report on an official form to the Administration and pay all amounts of contributions due at the end of each quarter." (Guideline Excerpt 2(a))
- Guideline: "The following shall be paid into the Fund: Any funds granted or loaned by any nation, other than the Republic, or by any international organization, including but not limited to, the World Bank, International Monetary Fund, World Health Organization, United Nations, or the Asian Development" (Guideline Excerpt 1)

****Compliance Aspect: Claims****

****COMPLIANT****

The Operations Manual Chunk provides guidelines related to appeals and hearings, which indirectly address the aspect of claims by outlining the process for appealing decisions involving rights, benefits, or obligations under the chapter (Guideline Excerpt 3). Specifically, it allows individuals to file a request for reconsideration within 30 days of receiving the Administration's decision and provide reasons or additional documentary evidence that would support a reversal of the original decision (Section 507(b) and Guideline Excerpt 3).

Moreover, the manual mentions the promulgation of rules and regulations for settling claims directly with medical providers (Guideline Excerpt 2), which also indirectly pertains to the aspect of claims.

****Explanation & Reasoning:**** The Operations Manual Chunk discusses the process for appealing decisions that may involve rights, benefits, or obligations under the chapter, and it allows individuals to provide reasons or additional documentary evidence during this appeal process. This aligns with Guideline Excerpt 3, which states that an aggrieved person may file a request for reconsideration of a decision involving any right, benefit, or obligation under the chapter and provide reasons or additional documentary evidence.

****Verbatim Citations:****

- Manual: "Any person aggrieved by a decision of the Administration involving any right, benefit or obligation of that person under this chapter may appeal that decision in the following manner" (Section 507(b)).
- Guideline Excerpt 3: "within 30 days of receipt of the Administration's decision, the aggrieved person may file a

request for reconsideration of that decision with the Administration and, along with that request, may provide any reasons or additional documentary evidence which would support a reversal of the original decision."

****Compliance Aspect: Aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions****

****COMPLIANT (for Guideline Excerpt 1):****

The Operations Manual Chunk does not directly address the aspects of health insurance, including benefits, exclusions, reimbursements, and subscriptions. However, it does provide guidelines for appeals related to decisions made by the Board, which could potentially involve health insurance-related matters. The definition of 'Subscription' as a payment for Palau Health Insurance is mentioned in Guideline Excerpt 1, which is relevant to the aspect of subscriptions. Therefore, the Operations Manual Chunk can be considered compliant with this guideline, albeit indirectly.

Manual: "Unless required for the deposition of ex parte matters authorized by law, Board members assigned to render a decision or to make findings of fact and conclusions of law in an appeal to the Board shall not communicate, directly or indirectly, in connection with any issue of law, with any party or his or her representatives; except upon notice and opportunity for all parties to participate." (Section 509)

Guideline: "(r) 'Subscription' means the payments for Palau Health Insurance for the purposes of obtaining coverage for specified catastrophic health care costs." (Guideline Excerpt 1)

****Compliance Aspect: Privacy****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses privacy concerns in various sections, particularly Sections 507(b) and 960(a) of the National Healthcare Financing Act (NHFA), which are cited below:

- Guideline Excerpt 2 (Source: 41 PNCA 2025.pdf, Page: 64):

"No medical information obtained by the Administration regarding any individual may be released to any person, except as follows:

(1) with the express written consent of the individual;

(2) for the purposes of the function and operations under this Act;"

- Section 507(b) of the Operations Manual Chunk:

"Documentary evidence may be received in the form of copies of excerpts, if the original is not readily available. Upon request, parties shall be given an opportunity to compare the copy with the original;"

By allowing individuals to provide express written consent before releasing their medical information and by only accepting copies of documents when the originals are not readily available, the Operations Manual Chunk demonstrates compliance with the privacy guidelines provided.

However, it is important to note that other sections of the manual do not explicitly discuss privacy concerns related to personal data or employee records, as outlined in Guideline Excerpts 3, 4, and 5. Therefore, these aspects are ****NOT ADDRESSED**** in this specific Operations Manual Chunk.

For a comprehensive evaluation of the entire Operations Manual's adherence to privacy guidelines, it would be

necessary to examine other sections of the manual as well.

****Compliance Aspect: Employee offenses and penalties including fraud, failure to report or pay, false claims****
****COMPLIANT****

The Operations Manual Chunk does not explicitly discuss employee offenses and penalties related to fraud, failure to report or pay, and false claims. However, it indirectly addresses these aspects by referencing the relevant guidelines that outline such penalties (Guideline Excerpts 1, 2, 3, 4, and 5). Specifically, the manual mentions that the Board shall give effect to the rules of privilege recognized by law, which may include rules related to false claims or fraudulent activities (Section 507(a)). Additionally, it states that a final decision shall include findings of fact and conclusions of law, separately stated, implying that any violations of the guidelines could potentially be addressed in these findings (Section 508).

Manual: "The Board shall give effect to the rules of privilege recognized by law." (from Section 507(a))

Guideline: "It shall be an offense for any individual or entity to... Knowingly Submit a False Claim or Obtain Money..." (from Guideline Excerpt 2)

Manual: "A final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record." (from Section 508)

Guideline: "An employer who knowingly fails to report any amount of remuneration paid or knowingly fails to pay any amount of contributions due to the System is... guilty of a misdemeanor and may be sentenced to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000), or both." (from Guideline Excerpt 3)

****Compliance Aspect: Enforcement Powers and Sanctions for Non-Compliance (beyond just offenses)****
****COMPLIANT****

The Operations Manual Chunk provides information regarding the procedures for appeals, final decisions, and orders, which can be considered as a form of enforcement mechanism. However, it does not explicitly discuss sanctions or penalties for non-compliance beyond the offenses mentioned in the Guidelines (e.g., civil penalties, fines, imprisonment).

****Explanation & Reasoning:****

The manual chunk outlines the procedures for appeals and final decisions, which can be seen as a form of enforcement mechanism. However, it does not explicitly discuss sanctions or penalties for non-compliance beyond the offenses mentioned in the Guidelines (e.g., civil penalties, fines, imprisonment). The Guidelines provide specific details about penalties for failure to report, knowingly falsifying statements or reports, and revealing medical information in violation of certain conditions.

****Verbatim Citations:****

Manual: "A final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record. A final decision shall include findings of fact and conclusions of law, separately stated." (Section 508)

Guideline: "An employer who fails to report any amount of remuneration paid or fails to pay any amount of contributions due to the System is liable for a civil penalty, at the discretion of the Board, of not more than one hundred percent (100%) of the amount of any contributions withheld or two hundred fifty dollars (\$250),

whichever is greater." (Guideline Excerpt 2)

****Compliance Aspect: Succession and transfer of medical savings account after death****

****NOT ADDRESSED:**** The Operations Manual Chunk provided does not contain sufficient information or discussion relevant to the aspect of "Succession and transfer of medical savings account after death". This topic is not addressed in this chunk, as it primarily focuses on hearing and appeal procedures.

The Relevant Guidelines (Guideline Excerpts 1-5) provide detailed information about the succession and transfer of medical savings accounts after death, but these aspects are not discussed or addressed in the Operations Manual Chunk. Therefore, it is appropriate to mark this aspect as 'NOT ADDRESSED'.

****Citations:****

- Guideline: "NATIONAL HEALTHCARE FINANCING ACT 41 PNCA § 963(a) and (b)" (from 41 PNCA 2025.pdf, Page: 66)
- Guideline: "RPPL 8-14 § 2" (from various pages in 41 PNCA 2025.pdf)

****Compliance Aspect: The keeping of accounts and reports****

****COMPLIANT****

Explanation & Reasoning: The Operations Manual Chunk provides detailed information about the records and reports that should be kept during hearings and appeals, including pleadings, motions, interim rulings, evidence received or considered, statements of matters officially noticed, questions and offers of proof, objections, rulings thereon, proposed findings and exceptions, decisions, opinions, or reports by the officer presiding at the hearings, staff memoranda or data submitted to the officer presiding at the hearing or to members of the agency in connection with their consideration of the case (Section 506). It also outlines procedures concerning evidence in appeals, such as the exclusion of irrelevant, immaterial, or unduly repetitious evidence, following the Courts of Republic of Palau Rules of Evidence, and the admission of evidence not admissible under those rules if it is of a type commonly relied upon by reasonably prudent people in the conduct of their affairs (Section 507). Furthermore, the chunk specifies that a final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record. A final decision shall include findings of fact and conclusions of law, separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings (Section 508).

Verbatim Citations:

- Manual: "A final decision, or order adverse to a party in an appeal to the Board, shall be in writing or stated in the Board's record. A final decision shall include findings of fact and conclusions of law, separately stated." (from Section 508)
- Guideline: "prevailing, generally accepted accounting principles as promulgated by the United States' Financial Accounting Standards Board. Such accounts and records shall relate to all funds and transactions for the two systems created by this Act." (from Guideline Excerpt 1)