

the application of the plan. As of January, 1961, the original regulations were abrogated and a new set of regulations instituted in an effort to further improve the plan.

12. The plan is continually under review in an effort to make its application more equitable and its benefits as broad as possible within the actuarial possibilities of the premium payments.

13. It should be remembered that our Hospital Plan is an insurance plan; it is not meant to provide in all cases complete coverage of hospital expenditures. It does, however, reduce the out-of-pocket expenditures to reasonable limits.

14. However, under the new regulations introduced in January, 1961, any F.S.O. or F.S.E. carrying both the Blue Cross and the Group Surgical-Medical Plan supplementary benefits may expect in almost all cases full payment of his hospital disbursements.

15. All hospital claims should be submitted under cover of the F.A. 4 claim form in quadruplicate. Wherever possible, the attending physician should submit a statement indicating the reasons for confinement. Hospital claims should be forwarded by F.S.O.'s and F.S.E.'s abroad to Head Office addressed to the Assistant Director (Personnel), Trade Commissioner Service, Attention: Officer In Charge Medical Claims, for submission to the Department of Finance for payment.

16. Those portions of hospital accounts reimbursed under the Hospital (Outside Canada) Plan may not be claimed as deductions for income tax purposes. Any portion not so reimbursed may be claimed as also any reimbursements made under the Blue Cross supplementary hospital benefits plan or under the optional hospital benefits coverage of the Group Surgical-Medical Plan.

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17. Established in 1960 and in force since July 1 of that year, the Group Surgical-Medical Plan, from experience gained in the first six months of its operation, would appear to provide more extensive benefits at a somewhat reduced premium to the insured than previous plans. The reason for the lower premium is due to the fact that the Federal Government contributes fairly substantially to the payment of the premiums.

18. Here again, it is well to note that this insurance plan is not intended to provide complete payment of all medical expenditures, but rather to reduce medical care costs to the insured so as to avoid financial distress which could otherwise be caused by such costs.