

* * * HOSPITAL AND MEDICAL INSURANCE * * *

1. It will be remembered by most officers that, up until 1959, hospital insurance as well as medical insurance coverage was offered under a variety of plans.
2. None of these plans, however, was specifically designed for the foreign service. Each was a mere extension of plans available in Ottawa.
3. On January 1, 1959, the Canadian Government (outside Canada) Hospital Plan was instituted as a result of the establishment in the Province of Ontario of the Ontario Hospital Plan supported by the Provincial as well as the Federal Government.
4. Other basic hospitalization plans were terminated at that time.
5. On July 1, 1960, the Group Surgical-Medical Insurance Plan for the Employees in the Public Service of Canada became effective.
6. This plan, to which the Government of Canada makes a substantial contribution, was designed to extend surgical and medical benefits not only to home based staff but to F.S.O.'s and F.S.E.'s abroad as well.
7. Supplementary hospital coverage (originally \$3.00 now \$3.75 per diem at no increase in premium), as of July 1, 1960, was available through the Blue Cross. As of the same date, supplementary hospital coverage (\$3.00 per diem) became available as well under the Group-Surgical Medical Insurance Plan for the employees in the Public Service of Canada.
8. These plans provided a more comprehensive coverage than any previously available and were extended as of right to the foreign service officer rather than as a privilege as had been the case with previous plans.
9. In view of the extensive changes there have been in the regulations governing hospital and medical insurance, Trade Commissioners will be interested in the following summary which reflects the Department's experience to date.

HOSPITAL (OUTSIDE CANADA) PLAN

10. Originally established to extend to the Foreign Service Officer abroad the equivalent coverage enjoyed by head office staff, the same principles of settlement were applied to claims submitted from abroad as to head office claims.
11. It soon became evident that it would not be possible to satisfy equitably a goodly number of overseas claims if these principles were strictly adhered to. In November of 1959, changes were introduced to improve