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Rm 1A14, Hqs

ext 7274

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55A/1005

DISPATCH	CLASSIFICATION	PROCESSING ACTION	
	SECRET	MARKED FOR INDEXING	4-5
TO	All Chiefs [redacted]	25X1A	X
INFO.			NO INDEXING REQUIRED
FROM	Chief, [redacted]	25X1A	ONLY QUALIFIED DESK CAN JUDGE INDEXING
SUBJECT	Insurance		MICROFILM

ACTION REQUIRED - REFERENCES
 REFERENCE: [redacted], 22 November 1963
 25X1A 25X1A

1. [redacted] told about the announced increase for in-patient hospitalization charges [redacted] as of 1 January 1964. As a result of this announcement, the underwriter of the Association Benefit Plan was asked to provide a schedule for reimbursement. The underwriter has established the following schedule for reimbursement, applicable only to hospitalization charges described above:

25X1C

APPORTIONMENT OF DAILY CHARGE OF \$37.00 FOR IN-PATIENT SURGICAL OR NON-SURGICAL SERVICES

a. High Option

Plan will pay \$20.00 per day as allowance for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for each 90 day confinement.

The 20% in excess of the \$202.50 may be applied to the major medical benefits. (\$100 deductible)

b. Low Option (NOTE: \$20.00 of the \$37.00 daily charge has been established by the underwriter as the assessment for room and board, i.e., as if there was a daily charge for room and board of \$20.00)

Plan will pay \$13.50 per day as allowance for room and board for up to 90 days.

Employee will pay \$6.50 per day for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

DOC	REV DATE	31 AUG
ORIG COMP	BY	020700
ORIG CLASS	TYPE	01
JUST	CLASS	C
NEXT REV	AUTH	

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
25X1A	[redacted]	23 DEC 1963

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25X1A

CONTINUATION OF DISPATCH	CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NUMBER <div style="background-color: black; width: 100px; height: 15px; margin: 0 auto;"></div>																																
<p>Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for charges represented by the daily charge (\$37.00) minus \$20.00 times the number of days hospitalized for each confinement. The employee will pay the remainder.</p> <p>c. <u>Maternity Benefits (Normal Delivery)</u></p> <p>(1) <u>High Option</u></p> <p>Plan will pay \$16.00 per day up to 8 days for room and board.</p> <p>Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.</p> <p>(2) <u>Low Option</u></p> <p>Plan will pay \$10.00 per day up to 8 days for room and board.</p> <p>Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.</p> <p>NOTE: In case of Caesarean Section or miscarriage, rates of reimbursement will be made as shown in 1a and 1b for surgical or non-surgical services.</p> <p>2. <u>EXAMPLES:</u></p> <p>a. Assume 11 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;"></th> <th style="width:30%; text-align: center;"><u>HIGH OPTION</u></th> <th style="width:35%;"></th> <th style="width:30%; text-align: center;"><u>LOW OPTION</u></th> </tr> </thead> <tbody> <tr> <td><u>Charges</u></td> <td></td> <td><u>Charges</u></td> <td></td> </tr> <tr> <td>11 x \$37.00</td> <td style="text-align: right;">\$407.00</td> <td>11 x \$37.00</td> <td style="text-align: right;">\$407.00</td> </tr> <tr> <td><u>Reimbursement</u></td> <td></td> <td><u>Reimbursement</u></td> <td></td> </tr> <tr> <td>Room & Board 11 x \$20.00</td> <td style="text-align: right;">\$220.00</td> <td>Room & Board allowance 11 x \$13.50</td> <td style="text-align: right;">\$148.50</td> </tr> <tr> <td>Hospital Extras</td> <td style="text-align: right;">187.00 <u>\$407.00</u></td> <td>Room & Board paid by employee 11 x \$6.50</td> <td style="text-align: right;">71.50 <u>\$220.00</u></td> </tr> <tr> <td></td> <td></td> <td>Balance (paid as hospital extras)</td> <td style="text-align: right;">187.00 <u>\$407.00</u></td> </tr> <tr> <td></td> <td></td> <td><u>Total to be paid by employee</u></td> <td style="text-align: right;"><u>\$ 71.50</u></td> </tr> </tbody> </table>				<u>HIGH OPTION</u>		<u>LOW OPTION</u>	<u>Charges</u>		<u>Charges</u>		11 x \$37.00	\$407.00	11 x \$37.00	\$407.00	<u>Reimbursement</u>		<u>Reimbursement</u>		Room & Board 11 x \$20.00	\$220.00	Room & Board allowance 11 x \$13.50	\$148.50	Hospital Extras	187.00 <u>\$407.00</u>	Room & Board paid by employee 11 x \$6.50	71.50 <u>\$220.00</u>			Balance (paid as hospital extras)	187.00 <u>\$407.00</u>			<u>Total to be paid by employee</u>	<u>\$ 71.50</u>
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FORM 50a USE PREVIOUS EDITION. (49)	CLASSIFICATION S-E-C-R-E-T	<input checked="" type="checkbox"/> CONTINUED	PAGE NO. 2																															

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25X1A

CONTINUATION OF DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NUMBER [REDACTED]	
<p>b. Assume 20 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY</p>				
<u>HIGH OPTION</u>		<u>LOW OPTION</u>		
<u>Charges</u>		<u>Charges</u>		
20 x \$37.00	\$740.00	20 x \$37.00		\$740.00
<u>Reimbursement</u>		<u>Reimbursement</u>		
Room & Board 20 x \$20.00	<u>400.00</u>	Room & Board 20 x \$13.50		<u>270.00</u>
Balance	340.00	Balance		470.00
Hospital Extras	<u>202.50</u>	Room & Board to be paid by employee 20 x \$6.50		<u>130.00</u>
Balance	137.50	Balance		340.00
80% x \$137.50	<u>110.00</u>	Hospital Extras		<u>202.50</u>
To be applied by employee toward \$100 deductible	\$ <u>27.50</u>	Balance		137.50
		80% x \$137.50		<u>110.00</u>
		Hospital Extras to be paid by employee		<u>27.50</u>
				\$130.00
				<u>27.50</u>
		<u>Total to be paid by employee</u>		<u>\$157.50</u>
<p>c. NORMAL DELIVERY MATERNITY BENEFITS</p>				
<p>Assume SIX DAYS IN-PATIENT CARE</p>				
<u>HIGH OPTION</u>		<u>LOW OPTION</u>		
<u>Charges</u>		<u>Charges</u>		
6 x \$37.00	\$222.00	6 x \$37.00		\$222.00
<u>Reimbursement</u>		<u>Reimbursement</u>		
6 x \$16.00	\$ 96.00	6 x \$10.00		\$ 60.00
Supplemental allowance	<u>100.00</u>	Supplemental allowance		<u>100.00</u>
	\$196.00			<u>\$160.00</u>
To be paid by employee	\$ <u>26.00</u>	To be paid by employee		\$ <u>62.00</u>
<p>3. When hospitalization expenses of an eligible dependent are reimburseable under the provisions of [REDACTED], the employee is required to pay the first \$35.00. If the dependent is covered by the Association Benefits Plan and the hospital is in a [REDACTED] the \$35.00 will be reimbursed as follows:</p>				
<p>a. High Option - the plan will pay the \$35.00</p>				
<p>b. Low Option - the plan will pay \$28.50 and the employee will pay \$6.50</p>				

25X1A

25X1C4a

CONTINUATION OF
DISPATCH

CLASSIFICATION
S-E-C-R-E-T

DISPATCH SYMBOL AND NUMBER

[REDACTED]

25X1A

4. Advance Authority

An employee may request an advance of official funds, subject to approval by an authorized approving official, for hospitalization and related expenses in an amount net in excess of that for which, in the opinion of the approving official, the employee may expect reimbursement under his health benefits plan. The appropriate [REDACTED]

25X1A

25X1A

[REDACTED] will be amended to specifically authorize this type of advance; pending the issuance of such amendment this dispatch may be cited as authorization for such advances. Such advances must be repaid by the employee promptly upon his receipt of notification that his claim has been settled. Authority for advances for hospitalization and related expenses for which reimbursement is due an employee under the provisions of [REDACTED]

25X1A

25X1A

FOR THE CHIEF [REDACTED]

25X1A2d1

[REDACTED] 25X1A2e

25X1A

TO : All Chiefs

FROM : Chief,

25X1A2d1

SUBJECT : Insurance

25X1A REFERENCE: - 22 November 1963

25X1A 1. told about the announced increase for 25X1C4a

in-patient hospitalization charges for

25X1C4a as of 1 January 1964. As a result of this announcement, the underwriter of the Association Benefit Plan was asked to provide a schedule for reimbursement. The underwriter has established the following schedule for reimbursement; applicable only to hospitalization charges described above:

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IN-PATIENT SURGICAL OR NON-SURGICAL SERVICES

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b. Low Option (NOTE: \$20.00 of the \$37.00 daily charge has been established by the underwriter as the assessment for room and board, i. e., as if there was a daily charge for room and board of \$20.00)

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The Employee will pay the remainder.

c. Maternity Benefits (Normal Delivery)

(1) High Option

Plan will pay \$16.00 per day up to 8 days for room and board.

Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.

(2) Low Option

Plan will pay \$10.00 per day up to 8 days for room and board.

Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.

NOTE: In case of Caesarean Section or miscarriage, rates of reimbursement will be made as shown 1a and 1b for surgical or non-surgical services.

2. EXAMPLES:

(a) Assume 11 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY

HIGH OPTION

LOW OPTION

Charges

11 x \$37.00 \$407.00

Reimbursement

Room & Board
11 x \$20.00 \$220.00

Hospital Extras 187.00
\$407.00

Charges

11 x \$37.00 \$407.00

Reimbursement

Room & Board allowance \$148.50
11 x \$13.50

Room & Board paid by employee
11 x \$6.50 71.50
\$220.00

Balance (paid as hospital
extras 187.00
\$407.00

Total to be paid by employee \$ 71.50

(b) Assume 20 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY

HIGH OPTION

LOW OPTION

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Hospital Extras 202.50

applied
To be ~~paid~~ by employee \$ 27.50
toward \$100 deductible

Balance 137.50

80% x \$137.50 110.00

Hospital Extras to be paid by
employee 27.50

\$130.00

27.50

Total to be paid by employee \$157.50

(c) NORMAL DELIVERY MATERNITY BENEFITS

Assume SIX DAYS IN - PATIENT CARE

<u>HIGH OPTION</u>		<u>LOW OPTION</u>	
<u>Charges</u>		<u>Charges</u>	
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- (a) High Option - the plan will pay the \$35.00
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authorize this type of advance; pending the issuance of such amendment this dispatch may be cited as authorization for such advances. Such advances must be repaid by the employee promptly upon his receipt of notification that his claim has been settled. Authority for advances for hospitalization and related expenses for which reimbursement is due an employee [REDACTED]

25X1A

25X1A

[REDACTED], Overseas Medical Benefits, is now reflected in that

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