

P.S.I. (PHYSICIAN'S SERVICES INCORPORATED)INCREASE RATES EFFECTIVE JANUARY 15, 1956.

The following letter addressed to all groups from P.S.I. dated October 31st, 1955 was received recently at Terrace Bay.

"P.S.I. has now completed over seven years of successful operation.

We believe it has proven that it is possible to make available comprehensive pre-paid medical care on a non-profit basis satisfactory to both subscriber and physician. As you know this is a service plan. This means that we pay participating physicians for services rendered - not a limited cash amount to the subscriber. This is important because it assures the subscriber of broader benefits, less red tape, and medical care at a minimum cost.

The policy of P.S.I has always been to use the Ontario Medical Association Schedule of Fees as its basis for payment of medical accounts. In May of this year a new schedule was approved by the Association, increasing its fees for medical services with particular reference to those rendered by general practitioners. This is because of increasing costs in the physician's office which have become quite evident over the past four years. After a most careful and prolonged study, P.S.I has accepted this new schedule with certain modifications and thereby obligated itself to pay these higher fees.

In addition there has been a continuing increase in the amount of medical care used by subscriber and their dependents. As a result of this higher utilization of services it has been necessary for P.S.I. to draw on reserves to meet its obligations over the past 18 months.

Considering the adoption of the new fee schedule, the increased utilization of services, and the partial depletion of reserves, P.S.I. will increase its subscription rates to subscribers effective January 15th, 1956 billings.

The new rates will be as follows:"

| | |
|---|--------|
| Subscriber (employee) | \$2.20 |
| Subscriber & one dependent (spouse or child) | \$5.10 |
| Subscriber and more than one dependent (Family) | \$7.50 |

A comparison of the present rates and the rates shown above is as follows:

| | <u>Present Rate</u> | <u>Rate Effective Jan. 15/56:</u> | <u>Amt. Incr/Mo.</u> |
|----------------------------|---------------------|-----------------------------------|----------------------|
| Subscriber (Employee) | \$1.85 | \$2.20 | \$.35 |
| Subscriber - One Dependent | \$4.25 | \$5.10 | \$.85 |
| Subscriber - Family | \$6.25 | \$7.50 | \$1.25 |