



INTER OFFICE MEMO

TO: Jim Williams AT: Purchasing Dept.
FROM: Frazier Sinclair AT: Mail Operations
SUBJECT: Medicare "B" Checks & E.O.B.'s

DATE 09-26-74

We are presently mailing 2,105,005 Medicare "B" checks per year and 2,187,376 E.O.B.'s per year, a combined total of 4,292,381.

Due to the large size of our present Medicare "B" checks and E.O.B.'s we have been advised by the Post Office, if additional inserts are added to these envelopes they will go over two (2) ounces and require twenty cents (20¢) postage.

Three inserts are presently being sent when mailed to Beneficiaries;

1. Check or E.O.B.
2. 1490 Claim Form
3. Med. 711B Information Brochure

We are currently spending \$429,237.60 per year on postage to mail Medicare "B" checks and E.O.B.'s. If additional inserts are added, (without going back to the original size forms) our postage will increase to \$858,475.20 per year to mail the checks and E.O.B.'s.

If we mail more than four (4) inserts with the present size forms we would have to trade in two (2) of our Inserters for larger, six (6) station models costing approximately \$35,000.00.

If we revert to the original size for our Medicare "B" checks and E.O.B.'s we could mail four (4) inserts for ten cents (10¢).

Our mailing capabilities would be greatly improved with the original size forms. We could run this work on five (5) Inserting Machines instead of two (2) we are presently using.

Sincerely,

Frazier Sinclair

cc Steve Welk
Ron Tipton
Harland Bradford

JFS/mc