



The University of Oklahoma

OFFICE OF THE PRESIDENT

September 18, 2007

This past April, I wrote to you about the challenges we face in providing our employees with quality, competitive healthcare benefits in light of the continuing increases to the costs of these benefits. At that time, I committed to keeping you informed of the progress the Contribution Strategy and Health Insurance Options Committee as they completed a rigorous review of our healthcare benefits, contribution levels and cost containment options. I also mentioned that the Committee would be issuing its initial recommendations in early September. I have received the Committee's report which, very thoroughly and thoughtfully, outlines a number of recommendations based on its extensive study of these issues.

Before any decisions are made in response to the Committee's recommendations, careful analysis and serious consideration of our alternatives is required. As I review the Committee's findings and recommendations, I will reach out to the University community for their input in identifying the best and most appropriate next steps.

While we are still formulating our healthcare strategy, I wanted to remind you of our goals for this process. I have shared with you our desire to strike the right balance between the needs of our employees and the need to control escalating costs. Our goal is to find reasonable solutions that provide access to quality healthcare, are competitive with our peer institutions and enable us to attract and retain the talent we need to continue to grow this great University.

Currently, the disparity in the way employees contribute to the cost for health insurance is not competitive with our peer universities. OU employees enrolling for individual coverage make no contribution toward their premiums, yet those enrolling for family coverage must pay twice what our peer universities pay. Many OU employees waive family coverage because it is unaffordable. Discrepancies like this also impact our ability to recruit talent we need.

Our challenge is to find an approach that ensures our healthcare benefits are competitive, comprehensive and effective in meeting the changing needs of our diverse university community. Everyone will face some adjustments, no matter what approach we take. The utmost care will be taken to determine the approach that considers the needs of all our employees. I want to make sure that any financial costs are fairly based on the ability to pay.

I encourage you to review the full Committee report that was submitted to me last week. The Committee has done a thorough job of analyzing some very complex issues. Their report is available online at www.ou.edu/healthcareoptions. I have asked the Committee to continue meeting with campus groups to communicate the details of their proposed changes and solicit employee feedback. As always, if you have questions or wish to express your thoughts and ideas with the Committee, please feel free to e-mail HealthcareOptions@ou.edu. They will post the answers to the most frequently raised questions about their report and recommendations on their website.

Over the next few weeks, I will complete my review of the Committee's recommendations, consider the valuable input from stakeholders, and evaluate our available options. After completion of my review, I'll work with Human Resources to develop final plan options and the contribution structure for 2008 in time for consideration by the Board of Regents at their meeting in late October. Of course, when our 2008 health insurance program is finalized, we will provide you with additional information so you can determine which options best meet your needs for the upcoming plan year. You will have an opportunity to make changes in your coverage during our benefits open enrollment period in mid-November.

I look forward to communicating with you soon as we enter the final stages of our healthcare strategy development.

Sincerely,

David L Boren
President