



# *The University of Oklahoma*

OFFICE OF THE PRESIDENT

October 22, 2007

Having completed my review and analysis of the Contribution Strategy and Health Insurance Options Committee's report, I support the major thrust of the committee's recommendation that we must change our health insurance contribution strategy in order to continue to attract and retain the talent needed to sustain excellence at OU. Seeking to achieve a better balance and sharing of costs is the right thing to do. I realize that any changes made in our health insurance program will create increased costs for some. This has been a very difficult decision to make and I deeply appreciate the understanding of the OU family as we work to create a solution that will benefit the university as a whole.

As I have considered the committee's recommendations, I have listened carefully to input from both staff and faculty in open meetings and also through many letters, e-mails and conversations. In response to your feedback, I have decided that not all of the recommendations for change should be implemented in a single step. Instead, they will be implemented in two steps – the first being in January 2008 and the second in January 2009. This will allow a more gradual transition to the new plan.

For the upcoming 2008 plan year, we will implement a six-tiered compensation based contribution structure. Two contribution rate tiers for employees making above \$100,000 per year have been added to the four tiers originally proposed by the Committee. This change will more fairly distribute costs on the basis of ability to pay. In addition, the lowest cost tier has been expanded to cover employees who earn less than \$30,000 per year. This group of employees will be provided individual coverage at no cost. While the monthly premium cost is only one factor to be considered in making your healthcare purchasing decision, it is important to note that our proposed rate structure for 2008 will have at least one no-cost option available for all employees making less than \$100,000 per year.

The University will provide an additional \$2 million of funding in 2008 above the amount contributed under our current structure to increase funding for dependent coverage and to support the introduction of wellness initiatives. We want to keep our commitment to retirees who now live on fixed incomes, so there will be no changes in costs or coverage for retired employees

To review the complete contribution structure that I will present to the Board of Regents at their October 24<sup>th</sup> and 25<sup>th</sup> meeting, please visit [www.ou.edu/healthcareoptions](http://www.ou.edu/healthcareoptions).

Looking ahead to 2009, we will first go to the marketplace to identify the medical and dental insurers that provide the best value to OU and our employees. We will begin seeking bids for 2009 from medical and dental providers in December 2007. After determining the best available options and providers for 2009, we will implement additional changes needed to move toward achieving our goal of more competitive employee and dependent rates and healthcare benefits.

You will receive additional information from Human Resources detailing the 2008 benefit program and the new medical insurance contribution structure after the Regents' meeting. You will have an opportunity to select the plan and coverage level that best meets your and your family's needs for the upcoming plan year. If you wish to make any changes, you will need to do so during the open enrollment period – [November 5 through November 16].

Again, I appreciate all the hard work of the advisory committee and the input from both faculty and staff members throughout this process.

Sincerely,

David L Boren  
President

University of Oklahoma Monthly Health Insurance Rates - 2008 (updated 11/01/07)

TIER 1 (\$30,000 or Below)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$381.82	\$0.00	\$725.46	\$525.00	\$200.46	\$916.37	\$629.00	\$287.37	\$1,126.37	\$745.00	\$381.37
Aetna HMO	\$336.38	\$365.38	(\$29.00)	\$639.12	\$525.00	\$114.12	\$807.31	\$629.00	\$178.31	\$992.32	\$745.00	\$247.32
Aetna Health Fund	\$361.81	\$365.38	(\$3.57)	\$687.44	\$525.00	\$162.44	\$868.35	\$629.00	\$239.35	\$1,067.35	\$745.00	\$322.35

TIER 2 (\$30,001 to 41,999)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$361.81	\$20.01	\$725.46	\$511.00	\$214.46	\$916.37	\$594.00	\$322.37	\$1,126.37	\$685.00	\$441.37
Aetna HMO	\$336.38	\$361.81	(\$25.43)	\$639.12	\$511.00	\$128.12	\$807.31	\$594.00	\$213.31	\$992.32	\$685.00	\$307.32
Aetna Health Fund	\$361.81	\$361.81	\$0.00	\$687.44	\$511.00	\$176.44	\$868.35	\$594.00	\$274.35	\$1,067.35	\$685.00	\$382.35

TIER 3 (\$42,000 to \$59,999)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$352.00	\$29.82	\$725.46	\$478.00	\$247.46	\$916.37	\$548.00	\$368.37	\$1,126.37	\$625.00	\$501.37
Aetna HMO	\$336.38	\$352.00	(\$15.62)	\$639.12	\$478.00	\$161.12	\$807.31	\$548.00	\$259.31	\$992.32	\$625.00	\$367.32
Aetna Health Fund	\$361.81	\$352.00	\$9.81	\$687.44	\$478.00	\$209.44	\$868.35	\$548.00	\$320.35	\$1,067.35	\$625.00	\$442.35

TIER 4 (\$60,000 to \$99,999)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$342.00	\$39.82	\$725.46	\$467.00	\$258.46	\$916.37	\$502.00	\$414.37	\$1,126.37	\$565.00	\$561.37
Aetna HMO	\$336.38	\$342.00	(\$5.62)	\$639.12	\$467.00	\$172.12	\$807.31	\$502.00	\$305.31	\$992.32	\$565.00	\$427.32
Aetna Health Fund	\$361.81	\$342.00	\$19.81	\$687.44	\$467.00	\$220.44	\$868.35	\$502.00	\$366.35	\$1,067.35	\$565.00	\$502.35

TIER 5 (\$100,000 to 184,999)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$323.00	\$58.82	\$725.46	\$457.00	\$268.46	\$916.37	\$453.00	\$463.37	\$1,126.37	\$505.00	\$621.37
Aetna HMO	\$336.38	\$323.00	\$13.38	\$639.12	\$457.00	\$182.12	\$807.31	\$453.00	\$354.31	\$992.32	\$505.00	\$487.32
Aetna Health Fund	\$361.81	\$323.00	\$38.81	\$687.44	\$457.00	\$230.44	\$868.35	\$453.00	\$415.35	\$1,067.35	\$505.00	\$562.35

TIER 6 (\$185,000 and Above)	EMPLOYEE ONLY			EMPLOYEE AND CHILD(REN)			EMPLOYEE AND SPOUSE			EMPLOYEE AND FAMILY		
		Employer	Employee		Employer	Employee		Employer	Employee		Employer	Employee
Active Employee Rates	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost	Rate	Cost	Cost
Aetna PPO	\$381.82	\$303.00	\$78.82	\$725.46	\$449.00	\$276.46	\$916.37	\$404.00	\$512.37	\$1,126.37	\$455.00	\$671.37
Aetna HMO	\$336.38	\$303.00	\$33.38	\$639.12	\$449.00	\$190.12	\$807.31	\$404.00	\$403.31	\$992.32	\$455.00	\$537.32
Aetna Health Fund	\$361.81	\$303.00	\$58.81	\$687.44	\$449.00	\$238.44	\$868.35	\$404.00	\$464.35	\$1,067.35	\$455.00	\$612.35

The employee cost is the amount to be deducted from the employee's paycheck