



The University of Oklahoma
OFFICE OF THE PRESIDENT

July 30, 2008

I am pleased to announce that at their June meeting, the Board of Regents approved a recommendation that the University contract with Blue Cross Blue Shield of Oklahoma (BCBSOK) for medical insurance and with Delta Dental of Oklahoma for dental insurance coverage beginning in January 2009. The recommendations to change medical and dental insurance providers came as a result of a competitive bid and evaluation process that began in December 2007.

An RFP Evaluation Committee that included representatives from all three campuses and the Employee Benefits Committee voted unanimously in support of these changes.

BCBSOK will offer the same medical insurance options currently available to employees and retirees, but with some additional features that promote and encourage plan participants to adopt healthier lifestyles. BCBSOK was selected after considering proposals from several other insurance companies. BCBSOK offers the best overall value to OU and plan participants, when considering their network of hospitals, physicians, and other health care providers, well established disease management programs, and reputation for excellent customer service. BCBSOK has also made a significant commitment to support OU's wellness initiatives.

Delta Dental was selected because they offered the best combination of rates and the broadest network of dentists of any provider. Delta will provide several benefit enhancements beginning in 2009, including orthodontia benefits up to a \$1,500 lifetime maximum per participant.

Both the BCBSOK and Delta Dental agreements are expected to be in place for 2009-2011, and each contain rate guarantees that protect the University and plan participants from uncontrolled rate increases.

While we are pleased with the initial results of our competitive bid process, there is additional work to do. Because BCBSOK's HMO network in the Tulsa and eastern Oklahoma area does not include two key hospitals, the University has obtained proposals to determine if another insurer is able to provide a cost effective HMO network for this area. We are evaluating the bids received and will know by late summer if an alternative HMO option will be offered for Tulsa area employees and retirees.

Even though we have not finalized individual rates, the bids received will allow the University to keep rates for 2009 virtually unchanged for all rate tiers and coverage categories for active employees. This is particularly good news given the significant increases in the cost of health care that most organizations are experiencing. The University will continue to cover the full cost of coverage for retirees. However, as in the past, some retirees may also cover their dependents. Those who cover dependents will experience an increase in premiums.

On behalf of the University and its employees, we thank Human Resources staff, the RFP Evaluation Committee and EBC members for their many hours of work throughout this vendor evaluation and selection process. Limited insurance cost increases and benefit enhancements for participants, and the return of two highly regarded Oklahoma-based companies as insurance providers for the University, are positive outcomes from this process.

You will receive additional information about these changes as we approach our annual enrollment period in the fall. Should you have questions in the interim, feel free to direct them to Human Resources at ohr@ou.edu.

Sincerely,
A handwritten signature in black ink that reads "David L. Boren".

David L Boren
President