




# Watch for changes to CH2M HILL's health plans coming this fall

The annual benefits open enrollment is approaching, and with it will come some major changes to CH2M HILL's medical offerings. I'm writing to emphasize the importance of the communication you'll be receiving in the coming weeks. I encourage each of you to take the time to read and understand these messages so you can make an informed decision about the health plan that best meets the needs of you and your family.

Beginning in 2007, CH2M HILL will offer a **new plan that features lower premiums, higher deductibles, and an innovative reimbursement account that encourages you to actively maintain your most important asset, your health**. To complement this new plan, other changes will be made to some existing medical options. More information on these changes will be provided in future communications.

These actions are in response to a changing health care landscape. CH2M HILL's medical plan costs have risen 45 percent in the past five years. The news media reports day after day that the rising cost of health care in this country is forcing employers and health plan providers to come up with new and creative ways to offer quality medical coverage.

Our focus is absolutely not on cost cutting, but on protecting the level of coverage we currently offer without incurring significant cost increases. We will implement our new health plan because it will help all of us more effectively control long-term costs without sacrificing important employee benefits. We are working hard to come up with long-term solutions that will help all of us get more involved in our own health decisions, giving us more choices in how our health care dollars are spent.

For your personal benefit and the interests of your household, please take time to thoroughly read and understand the benefit information that will be coming your way. If you have questions, please contact your local HR representative or the Corporate Benefits group in Denver.

Warm regards,

Ralph Peterson
Chairman and CEO
CH2M HILL