



Employee Medical

Summary of Material Modifications



This is a summary of material modifications (“SMM”) to the **Phillips 66 Employee Medical** booklet. This SMM (and any previously issued **Employee Medical** booklet SMMs), the separate **Employee Medical** booklet and the separate **Other Information** booklet together serve as the summary plan description (“SPD”) for employee medical benefits provided under the Phillips 66 Medical and Dental Assistance Plan (“Plan”). The SMMs, when combined with the **Employee Medical** booklet and **Other Information** booklet, summarize the official plan text, including amendments through January 1, 2016, and advise you of a change to your SPD.

Please read this notice and keep a copy of it in the **Updates** pocket of your **Employee Medical** booklet.

Unless otherwise indicated, the changes discussed below are effective January 1, 2016.

CHANGES TO AETNA AND BCBS LOCATIONS

Changes to the Medical Claims Administrator:

- Arkansas, Mississippi, Oklahoma and Tennessee transition from Aetna to BCBS.
- Missouri, Illinois and Indiana transition from BCBS to Aetna.

CHANGES TO THE PPO PLAN NON-NETWORK ANNUAL DEDUCTIBLE

The annual deductibles for PPO Plan participants are:

PPO Plan	
Annual deductible	<p>Network: \$ 600 (<i>you only</i>) \$ 1,200 (<i>you + one or you + two or more</i>)</p> <p>Non-network: \$ 1,200 (<i>you only</i>) \$ 2,400 (<i>you + one or you + two or more</i>)</p> <p>Excludes copays and prescription drug costs</p>



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CHANGES TO THE CONSUMER PLAN AND PPO PLAN ANNUAL OUT-OF-POCKET MAXIMUMS

The annual out-of-pocket maximums for Consumer Plan and PPO Plan participants have changed, and an individual annual out-of-pocket maximum has been added.

Additionally, prescription drug expenses are included in the PPO Plan out-of-pocket maximum.

The 2016 annual out-of-pocket maximums are:

	Consumer Plan	PPO Plan
Annual out-of-pocket maximum	Network: \$ 4,000 (<i>individual*</i>) \$ 8,000 (<i>family</i>) Non-network: \$ 6,000 (<i>individual*</i>) \$ 12,000 (<i>family</i>)	Network: \$ 4,500 (<i>individual*</i>) \$ 9,000 (<i>family</i>) Non-network: \$ 8,000 (<i>individual*</i>) \$ 16,000 (<i>family</i>)

* Once the individual out-of-pocket maximum has been met, covered expenses for that individual are paid at 100%. The individual out-of-pocket maximum applies to participants in all coverage tiers.

NETWORK DEFICIENCY

If at least two network providers are not available within 50 miles of the participant's home address (a network deficiency), the plan may elect to treat a non-network provider as a network provider until a viable network provider becomes available. To confirm whether a network deficiency exists and to ensure your care is covered at the network level, contact the Medical Claims Administrator and obtain approval **before** receiving care from a non-network provider.

CHANGES TO REASONABLE AND CUSTOMARY

The reasonable and customary limit for services received from non-network providers is the lower of:

- The provider's charge; or
- Absent a contractual arrangement with the Medical Claims Administrator, 200% of the Medicare Allowable Rate (if established) for the geographic area where the service is furnished.



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GRAND ROUNDS AND SURGERYPLUS ADDED

Grand Rounds and SurgeryPlus give you additional access to expert medical advice and care from leading doctors.

Grand Rounds	Grand Rounds' services are available at no cost to eligible participants enrolled in the Phillips 66 Consumer Plan, PPO Plan and Kaiser Permanente HMO (CA only) .
SurgeryPlus	SurgeryPlus is available to eligible participants enrolled in the Phillips 66 Consumer Plan and PPO Plan . After the applicable deductible, the plan's coinsurance is waived for covered procedures/episodes of care scheduled through SurgeryPlus. If travel is required, travel expenses related to travel arranged through SurgeryPlus for the participant and a companion will be reimbursed.

Contact information for Grand Rounds and SurgeryPlus is as follows:

Grand Rounds
360 3rd Street, Suite 425
San Francisco, CA 94107
(844) 339-6732
www.grandrounds.com/phillips66

SurgeryPlus
c/o Employer Direct Healthcare, Inc.
7320 N. Mopac Expressway, Suite 203
Austin, TX 78731
(855) 200-2119
www.mysurgeryplus.com/phillips66

VALUEOPTIONS MERGES WITH BEACON HEALTH

ValueOptions, the Mental Health/Substance Abuse (MH/SA) Claims Administrator for the Consumer Plan and PPO Plan, has merged with Beacon Health Strategies to form "Beacon Health Options." The merger does not affect mental health/substance abuse benefits or the plan's procedures for accessing services.



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CHANGE IN PRESCRIPTION DRUG COINSURANCE

The following changes have been made to prescription drug coinsurance amounts.

Consumer Plan:

- The coinsurance for non-preferred drugs will increase from 20% to 30%.
- The plan will adopt the CVS/caremark preventive drug list.

PPO Plan:

- For preferred and non-preferred drugs, the minimum copay is eliminated and the maximum copay is as follows:

Maximum Copay	Retail pharmacy (network)*	CVS/caremark Mail Order Pharmacy
Preferred Brand	\$150	\$300
Non-Preferred Brand	\$300	\$600

* The maximum copay doesn't apply to prescriptions filled at non-network pharmacies.

HEALTH SAVINGS ACCOUNT (HSA) COMPANY CONTRIBUTION INCREASE

Phillips 66's contribution is \$1,000 for Consumer Plan participants who:

- Are enrolled* in *You + two or more* coverage; and
- Chose the HSA option.

* Enrollments in the Consumer Plan with HSA effective on or after December 1 of each calendar year are not eligible for a company HSA contribution in that calendar year.

MAXIMUM HSA CONTRIBUTION

The maximum annual contribution limits (for your contributions and company contributions combined) are:

- \$3,350 for *individual* coverage and \$6,750 for *family* coverage.
- If you're age 55 or older and not enrolled in Medicare, you can contribute an additional \$1,000.

The above maximums are per household. If your spouse also contributes to an HSA, the maximum amount you can contribute is reduced by the amount of your spouse's contribution.



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HSA BANK CONTACT INFORMATION

Contact information for the Phillips 66-affiliated HSA is as follows:

HSA Bank
 P.O. Box 939
 Sheboygan, WI 53082
 (800) 357-6246
www.hsabank.com

WELLNESS INCENTIVE PROGRAM

- The Wellness Incentive Credit (“WIC”) is a points-based system. The company will provide a WIC in 2017 equal to \$0, \$25, \$50 or \$75 per month based on the number of “points” an employee earns between January 1, 2016 and November 30, 2016. Each time an employee earns 100 points during 2016, he or she will be eligible to receive a \$25 gift card, up to a maximum of \$100 in gift cards, in 2016. **An employee must complete, and WebMD receive, the biometric screening (or physician referral form) and a WebMD health assessment prior to November 30, 2016 in order to be eligible to receive points and gift cards.**
- An employee enrolled in the Kaiser HMO in 2017 will be eligible to receive the WIC in 2017 based on the points earned by the employee under the Wellness Incentive Program during 2016.

Receipt of this information does not guarantee eligibility. Please refer to the summary plan description (SPD) and any summaries of material modifications (SMMs) for details, including information regarding eligibility, benefits provided under the plan, when coverage begins and ends, claims procedures and your legal rights. Phillips 66 reserves the right to amend, change or terminate the plan, any underlying contract or any other program, at any time without notice, at its sole discretion, according to the terms of the plan.