



Retiree Health

Summary of Material Modifications

This is a summary of material modifications (“SMM”) to the **Phillips 66 Retiree Health** booklet. This SMM (and any previously issued **Retiree Health** booklet SMMs), the separate **Retiree Health** booklet and the separate **Other Information** booklet together serve as the summary plan description (“SPD”) for the Phillips 66 Retiree Medical Plan (“Retiree Medical Plan”), which is a component plan of the Phillips 66 Medical and Dental Assistance Plan (“Plan”). The SMMs, when combined with the **Retiree Health** booklet and **Other Information** booklet, summarize the terms of the Retiree Medical Plan, 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 **Retiree Health** 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:</p> <p>\$ 600 (<i>you only</i>)</p> <p>\$ 1,200 (<i>you + one or you + two or more</i>)</p> <p>Non-network:</p> <p>\$ 1,200 (<i>you only</i>)</p> <p>\$ 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.

CHANGE TO RETIREE MEDICAL ACCOUNT CREDITS

Retiree Medical Account (RMA) credits can be used by eligible participants to receive reimbursement for the cost of retiree medical coverage obtained through a health insurance exchange.

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.