

## 2016 Medical Plan Changes

### Outlook for the Coming Year

At Oxy, we are committed to the health of our employees and retirees. That's why we offer comprehensive and affordable health insurance coverage. The Patient Protection and Affordable Care Act (PPACA) presents significant challenges, including tax implications and coverage mandates that must be incorporated into medical plans. This, coupled with the current market downturn, contributes to the change in health care costs.

At Oxy, decisions about benefit plan changes and participant out-of-pocket costs are taken seriously. The changes in 2016 balance the impending implications of PPACA, current market challenges Oxy faces, and the financial impact to retirees. See the chart below for the adjustments.



2016 RETIREE MEDICAL PLAN CHANGES

Annual Deductible	2015	2016
• Individual	\$300	\$400
• Family	\$600	\$800
Medical Out-of-Pocket Maximum		
• Individual	\$2,000	\$2,500
• Family	\$4,000	\$4,500
Prescription Drugs Out-of-Pocket Limit	\$1,000 per person	\$1,500 per person

### Retiree Medical and Dental Billing Change

Heads-up, on April 1, 2016, retiree billing services for Oxy's Retiree Medical and/or Retiree Dental plans will be transferred from Aetna to PayFlex. PayFlex is one of the nation's leading third-party administrators of consumer accounts and has been part of the Aetna family since 2011. PayFlex offers expanded direct bill service capabilities, **including monthly retiree contribution payments** instead of quarterly payments. Be on the lookout for a letter from PayFlex announcing the transition prior to April 1, 2016.

### No Action Required



- TO RETAIN YOUR RETIREE MEDICAL AND/OR DENTAL COVERAGE IN 2016
- If you have any questions about your benefit coverages, please call OxyLink at 800-699-6903.

## 2016 MEDICAL PLAN CONTRIBUTIONS

Under the cost-sharing formula, Oxy's share of the annual Retiree Medical Plan cost increase is limited to the Consumer Price Index (CPI). For 2016, retiree medical contributions will increase by about 8%, from a retiree base rate of \$116 in 2015 to a retiree base rate of \$125 per month for 2016.

Retiree contributions are shown in the tables below. Your 2016 rates will be your age and service multiple of (1, 2, 3 or 4 times) the retiree base rate for your elected coverage level (Retiree Only, Retiree + One or Family). For example, if your multiple is 2X, and you elect Retiree + One coverage, your contribution will be \$500 (retiree base rate of \$125 x multiple of 2 x 2 people) per month for 2016.

For retired participants who are required to make contributions, the annual deductible has changed (\$400 per person/\$800 family maximum). For retired participants who are not required to make contributions, but whose 2015 annual deductible is \$1,692 per person, the 2016 deductible will be \$1,900 per person (calculated as \$125 retiree base rate x 12 + \$400 = \$1,900), with an annual family maximum deductible of \$3,800.

2016 MONTHLY RETIREE MEDICAL CONTRIBUTIONS

Coverage Level	1X	2X	3X	4X
Retiree Only	\$125	\$250	\$375	\$500
Retiree + One	\$250	\$500	\$750	\$1,000
Family	\$375	\$750	\$1,125	\$1,500

2016 QUARTERLY RETIREE MEDICAL BILLING AMOUNTS

Coverage Level	1X	2X	3X	4X
Retiree Only	\$375	\$750	\$1,125	\$1,500
Retiree + One	\$750	\$1,500	\$2,250	\$3,000
Family	\$1,125	\$2,250	\$3,375	\$4,500

## MEDICARE COVERAGE

- **Medicare Parts A & B**... You and your dependents should enroll as soon as you are eligible or you may have to pay a permanent late enrollment penalty.
- **Medicare Advantage HMO Plans**... If you enroll in an individual Medicare Advantage (Part C) plan, you and your dependents are **no longer eligible** to participate in the Oxy Medical plan.
- **Medicare Part D Plans**... Your annual government-mandated Notice of Creditable Coverage was mailed under separate cover. If you are eligible for Medicare, the Oxy Retiree Medical Plan is considered "creditable", so you do not need to enroll in a Medicare Part D plan, and you will not be penalized if you do enroll at a later time. For more information, refer to your Notice.
- More detailed information about Medicare benefits can be found at [www.medicare.gov](http://www.medicare.gov).
- Under age 65 retirees and dependents who become eligible for Social Security Disability prior to age 65 also become eligible for Medicare after 24 months. It is important to notify OxyLink and enroll in Medicare Parts A and B.

## MEDICARE DIRECT

Medicare Direct is an electronic service that will automatically file your medical claims directly with Aetna after Medicare has paid its share of eligible expenses. Once enrolled for Medicare Direct, you will no longer need to complete Aetna claim forms, make copies of Explanations of Medicare Benefits or pay the postage!

If you are not already enrolled in Medicare Direct, getting started is easy. Just contact Aetna member services at **800-334-0299** and provide the Medicare number from your Medicare card.

## 2016 DENTAL CONTRIBUTIONS

Oxy offers retiree dental coverage through Aetna to eligible Oxy retirees. The plan benefits are the same as the dental benefits offered to Oxy employees; however, the cost of retiree dental coverage is not subsidized by Oxy.

If you waived retiree dental coverage when first offered, you may not enroll in the plan unless you or your spouse (or a surviving spouse) currently have other dental insurance coverage (including COBRA continuation coverage) and you lose eligibility for that coverage. In such instance, you may enroll in the Retiree Dental Plan within 31 days of the loss of coverage with proof of loss of coverage.

You will see a significant increase in the contribution rates as we can now utilize actual claims experience to support the rate calculations. The 2016 Contributions are shown below:

Coverage Level	Monthly Amount
Retiree Only	\$52
Retiree + One	\$105
Family	\$158

Coverage Level	Quarterly Amount
Retiree Only	\$156
Retiree + One	\$315
Family	\$474

## It's Flu Shot Season

The Retiree Medical Plan covers seasonal flu shots and other vaccinations subject to age and frequency guidelines.

For non-Medicare-eligible participants, the plan covers flu shots at 100% with no deductible, if you use a network provider. Flu shots given by a non-network provider will be covered, as are other covered preventive services, at 70% after the deductible. You may need to submit a paper claim form for reimbursement. For Medicare-eligible participants, Medicare remains your primary coverage.

Aetna network providers include some, but not all, retail facilities and walk-in clinics. To find a list of participating network providers and locations, contact Aetna customer service at **800-334-0299**.

You can also present your Express Scripts ID card to receive flu shot coverage at network pharmacies.

## Vision and Hearing Discount Programs

If you enroll in an Aetna medical or dental plan, you are automatically eligible for Aetna's vision and hearing discount programs. The programs are offered at no cost and can provide you and your enrolled dependents significant savings when you use participating providers.

These programs can provide substantial discounts on hearing exams and hearing aids and on eyeglass frames, corrective lenses, contact lenses, non-prescription sunglasses, contact lens solutions and accessories. The vision programs also offer discounts on LASIK surgery, eye examinations and a mail-order contact lens program.

For more information, log into Aetna Navigator at [www.aetna.com](http://www.aetna.com) and go to Get Discounts under Health Programs or call Aetna customer service at **800-334-0299**.

**Note:** if you are enrolled in an Oxy Retiree medical plan, routine vision exams are a 100% covered expense.

## Dental Discount Program

The *Vital Savings By Aetna Dental Discount Program* is an optional discount program available through Aetna to Oxy retirees and their dependents who are eligible for retiree medical coverage, in lieu of the Retiree Dental Plan. This program is not insurance - it provides you access to a nationwide network of dentists who have agreed to provide a discount ranging from 15% to 50% on certain services.

Questions? Log on to [www.vitalsavingsbyaetna.com](http://www.vitalsavingsbyaetna.com) (Select "No" when asked if you are an employer, administrator, or trustee; select "Yes" when asked if you were referred to this site by your employer, administrator, school or trustee; and then select "I am sending my enrollment form or have enrolled directly with Aetna") or call **1-866-36-VITAL**. The Employer Promotional Code is **882016-018**.

## Group Universal Life (GUL)

**Effective January 1, 2016**, Metropolitan Life Insurance Company (MetLife) will replace the current insurance carrier for the GUL plan.

**Good News...** If you carry GUL insurance for you and/or your spouse, you should see a decrease in the premium amount in 2016. MetLife will provide you with information on the direct billing for your premiums. If you are currently paying premiums directly from your checking/savings account through ACH, you will need to re-elect this payment method with MetLife.

Steps:

- Review the letter you should have received from MetLife regarding your GUL coverage.
- Update your beneficiary information by completing the form enclosed in the mailing.
- Call MetLife's customer service at **800-846-0124** Monday - Friday, from 8 AM to 5 PM, (CT), if you have any questions.

## BeneBits

### Retiree Medical Enrollment

Unless you live in Western New York, there is no annual enrollment under the Retiree Medical Plan, and no action is required to retain your current coverage. If you live in Western New York, you may change your medical plan option.

### Dependents in New York

Under New York state law, retirees who are covered under the BlueCross BlueShield of Western New York or Independent Health HMO may cover unmarried children through age 29. If you are enrolled in one of these plans and wish to enroll a dependent, contact OxyLink. You will be responsible for the full cost of that coverage.

### New Medical ID Cards

Participants in the BlueCross BlueShield of Western New York HMO will receive new ID cards for 2016.

### Health Reform

Oxy's medical plans are compliant with the provisions of the Affordable Care Act (ACA), and you are not required to take any action due to health care reform.

### New Form 1095-C

To meet a new Affordable Care Act (ACA) reporting requirement, employers must provide a 1095-C tax form by February 1st of each year to non-Medicare participants of the retiree medical plan. The form will

show coverage for you and your dependents for the previous year.

### Formulary Update

Express Scripts announced the prescription drug formulary effective January 1, 2016. Medications selected for the formulary can treat most medical conditions while helping to contain costs for you and the plan. Medications may be removed from the list, or changed from preferred to non-preferred status, when safe and effective alternatives are available. To view the formulary list as well as excluded drugs and their covered alternatives online, go to [www.express-scripts.com/oxy](http://www.express-scripts.com/oxy). For more information, contact an Express Scripts representative at 800-551-7680.

### Reminder - Update your personal Information

Log on to [oxylink.oxy.com](http://oxylink.oxy.com) then select *Employee Self Service > My Personal Information* or call OxyLink at 800-699-6903 if you have a change to your telephone number or home address.

### Summary Annual Reports (SARs)

The 2014 SARs for the welfare plans are enclosed. The government requires plan sponsors to distribute these financial statements to plan participants.

The company expects and intends to continue its benefit plans but does not guarantee any specific level of benefits or the continuation of any benefit plan during any periods of active employment, inactive employment, disability or retirement. Benefits are provided solely at the company's discretion and do not create a contract of employment. The company reserves the right to modify, suspend, change or terminate any of its plans at any time. This information is applicable to eligible non-represented employees. Applicability to represented employees is governed by local collective bargaining agreements. Subject to this and future agreements, the company reserves the right to change, amend, or terminate any benefit plan at any time. The information provided in this document is not tax advice. While the information is believed to be accurate as of the print date, it is subject to change. Consult a qualified tax advisor for help in determining eligibility for any tax benefit mentioned herein.