

2011 RETIREE LUNCHEON

MARCH 28, 2011



2011 Medical Plan Objectives

- 2011 cost sharing objective
 - Maintain Grandfather Plan Status according to healthcare reform guidelines under the PPACA
- Maintain a benefit plan design that
 - Provides value for CITGO Employees and Retirees
 - Enhances attraction and retention
 - Keeps CITGO competitive with our peer group
 - Meets CITGO financial objectives



2011 Medical Plan Changes

- **Healthcare Reform Mandated Changes**
 - Cover dependents up to age 26
 - child must not be eligible for coverage under another employer plan other than the plan of a parent
 - Remove the \$2MM medical lifetime maximum
 - Change chiropractic care limit from \$2,500 per calendar year to 60 visits per calendar year
- **Mental Health Parity**
 - Reduce office visit co-pay for mental health and substance abuse providers from \$35 to \$25
 - e.g. substance abuse counselor or clinical psychologist

2011 Dental Plan Changes

- **Cover dependents up to age 26**
 - Child must not be eligible to enroll in another employer health plan other than the plan of a parent
- **Radius dental provider network**
 - 91 more RADIUS Providers CITGO members use who are not in the CORE network
- **Dental Network Savings Program**
 - Supplemental network of dentists who provide out-of-network care at a discounted rate
 - Lower out-of-pocket costs for employees and lower out-of-network dental claim costs for CITGO

2011 Vision Plan Changes

- Cover dependents up to age 26
 - Child must not be eligible to enroll in another employer health plan other than the plan of a parent
- UnitedHealthcare Vision rates will not increase due to the above change

2011 Life & Accidental Death Plan Changes

- Cover dependents up to age 26
 - child must not be eligible for coverage under another employer plan other than the plan of a parent
- Now offer no cost enhancements for life insurance participants which include:
 - Complementary Funeral Planning Guide
 - MetLife Advice for Beneficiaries – Survivor Services

Early Retiree Reinsurance Program

- Early Retiree Reinsurance Program - part the Patient Protection and Affordable Care Act
 - Total program funding is limited to \$5 billion
 - Similar to the Retiree Drug Subsidy
 - Plan sponsor participation is optional
 - CITGO made application for each plan – both the Hourly and Salaried plans
 - Application was approved on October 18, 2010
 - CITGO is in compliance with all the program requirements



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APPENDIX



RETIREE MEDICAL ELIGIBILITY REQUIREMENTS

Eligibility For Retiree Medical Benefits

- Eligibility requirements
 - 10 Years Continuous Plan Participation while in active employment **AND**
 - Meet one or more of the following:
 - Age plus service equals 70 points**OR**
 - Retire under Company retirement plan**OR**
 - Age 55 or older and eligible to retire from the Pension Plan

Eligibility For Retiree Medical Benefits (continued)

- **Elections and changes in coverage**
 - Can waive coverage and re-enroll at a future date as long as you are not cancelled for non-payment of premiums
 - Enrollment allowed during Annual Election
 - Enrollment allowed when you or your eligible dependents have a Qualified Change in Status
 - Retirees continue to receive important benefits information you should always review



2011 Retiree Benefit Highlights

Prescription Drug Program Highlights

Retiree Coverage is Same as Active Coverage

- CITGO is the primary plan for both Pre-65 and Post-65 Retirees except when
 - You enroll in Medicare Part D
 - You are enrolled as an Active Employee under another employer plan
- Prescription drug program benefits
 - not subject to deductible
 - not subject to annual or lifetime limits



Prescription Drug Program Highlights

Prescription Drug Program At A Glance	Retail - 30 Day Supply - Mandatory Generic provision applies	Mail Order - 90 Day Supply; Prescriptions filled at Mail Order with a supply of 46 days or less will be processed at the Retail benefit level; Mandatory Generic provision applies
Annual RX Out-of-Pocket Maximum	\$1,000 per individual / \$2,000 per family	\$1,000 per individual / \$2,000 per family
Per Prescription	You pay:	You pay:
Tier 1 -Mainly Generic	25% coinsurance \$10 minimum up to \$150 maximum	25% coinsurance \$10 minimum up to \$150 maximum
Tier 2 - Mainly Preferred Brand	30% coinsurance \$20 minimum up to \$150 maximum	30% coinsurance \$20 minimum up to \$150 maximum
Tier 3 - Mainly Non-Preferred Brand	30% coinsurance \$30 minimum up to \$150 maximum	30% coinsurance \$30 minimum up to \$150 maximum



Dental Benefit Highlights

- Pre-65 and Post-65 Retiree Dental
 - Applies to Hourly and Salaried Retirees
 - Same as active employees
 - CIGNA Preferred Provider Program (PPO)
 - Out of network benefits available at the same percentage of coinsurance, subject to Reasonable & Customary (R&C) allowed amounts
 - Retiree is responsible for 100% of the contribution for Retiree

Dental Benefit Highlights

COVERED SERVICES	DESCRIPTION OF SERVICE	Network Benefits	Out-of-Network Benefits
Calendar Year Deductible	Applies to General and Major Restorative	\$50 Per Person Per Calendar Year	
Calendar Year Maximum	Per Person Maximum	\$1,500 Per Calendar Year	
Orthodontia Lifetime Maximum	Per Person Maximum	\$1,500 Per Lifetime	
Preventive and Diagnostic Care	Oral exams, routine cleaning and scaling, and X-rays. For dependents under age 19, fluoride and space maintainers. Sealants for children age 14 and under.	100% of the network discounted amount	100% of R&C amount
General Restorative Care	Fillings, extractions, oral surgery, general anesthesia, drugs, repair or re-cementing of crowns, dentures, etc., periodontics (treatment of gums), and endodontics (root canals).	80% of the network discounted amount	80% of R&C amount
Major Restorative Care	Crown restorations, bridges and dentures, and replacement of damaged bridges and dentures.	50% of the network discounted amount	50% of R&C amount
Orthodontic	Braces and other appliance therapy, and surgical therapy to correct malocclusion.	50% of the network discounted amount	50% of R&C



Vision Benefit Highlights

- United Healthcare Vision is the vision plan insurance carrier for the vision program
 - Same coverage as Active Employees
 - Provides coverage for routine eye exam, corrective lenses, eyeglass frames, contact lenses
 - Discount available on progressive lenses
 - In-network benefits available after applicable copay
 - Out of Network benefits available
 - Coverage available for your dependents

Vision Benefit Highlights

Benefit Services Frequency Allowance - Applicable to both UHC Network and Out-of Network services	
Examination	Every 12 months
Lenses (includes lens coatings)	Every 12 months
Frames	Every 24 months
In-Network Benefits - Covered in Full after applicable copays	
Examinations	\$10 copay
Materials - applied to frames and eyeglass lenses	\$25 copay
Lens Benefit - Maximum Network Benefit Allowances Include:	
Standard Single Vision, standard Lined Bifocal, and standard Lined Trifocal lens options as well as standard scratch resistant Coating, UV coating and tints.	
Progressive lenses and premium lens options are offered by UHC vision network providers at a discount	
Frame Benefit - Maximum Network Benefit Allowances include:	
Wholesale - Private Practice Provider- \$50 wholesale allowance with an approximate retail value of \$120-\$150	
Retail - Retail Chain Provider- \$130 retail frame allowance	
Elective or Medically Necessary Contact Lenses in lieu of eyeglasses - Network Covered-in-full contact lenses at network providers includes fitting/evaluation, contacts, and two follow-up visits (after \$25 copay). For those who choose disposable lenses, up to 6 boxes are included when obtained from a network provider.	



Vision Benefit Highlights

Out-of-Network Reimbursement Schedule - Network Copays do not apply	
Examination allowance	
- Single Vision Lens allowance	
- Bifocal lens allowance	
- Trifocal lens allowance	
Frame allowance	
<p>Elective or Medically Necessary Contact Lenses in lieu of eyeglasses - If you select contact lenses that are not a brand that is included on the UnitedHealthcare Vision's covered-in-full contacts listing you will receive a \$150 allowance towards the fitting/evaluation and purchase of contacts (materials copay does not apply).</p>	
<p>For both UHC Vision Network or Out-of-Network benefits Medically Necessary contact lenses are determined at the provider's discretion for one or more of the following conditions: Following post cataract surgery without intraocular lens implant; to correct extreme vision problems that cannot be corrected with spectacle lenses; with certain conditions of anisometropia; with certain conditions of keratoconus. If your provider considers your contacts necessary, you should ask your provider to contact UnitedHealthcare Vision confirming reimbursement that UnitedHealthcare Vision will make before you purchase such contact</p>	





CITGO PLAN PROVISIONS FOR COORDINATION OF BENEFITS

Coordination of Benefits (continued)

- *Retiree medical benefits when the CITGO Retiree is NOT Medicare eligible*
 - Same medical plan options available as active employees
 - CITGO is the primary plan
 - Includes same Prescription Drug Program available to Active Employees
 - When your spouse or children are not Medicare eligible the CITGO plan is primary
 - When your spouse or child dependents are Medicare eligible
 - Medicare is the primary plan and enrollment in Medicare A and B is required by the plan
 - CITGO plan will pay claims as if Medicare is primary



Coordination of Benefits (continued)

- *CITGO benefit payment when the CITGO Retiree is Medicare eligible*
 - Enrollment in Medicare Part A and Part B is required by the CITGO plan
 - Medicare becomes the primary plan and pays primary
 - CITGO Plan is a “carve-out” benefit and does not “supplement”
 - The same prescription drug program is available as Active employees
 - When your spouse or children are not Medicare eligible the CITGO plan is primary
 - When your spouse or child dependents are Medicare eligible
 - Medicare is the primary plan and enrollment in Medicare A and B is required by the plan
 - CITGO plan will pay claims as if Medicare is primary.

Coordination of Benefits (continued)

Preventive Care Benefits

- Preventive care benefits are now eligible for a 100% benefit when not covered by Medicare.
- Routine screenings and immunizations are covered under the CITGO plan
- By law, your physician must still file with Medicare for the CITGO plan to process secondary benefits
- This means the filing requirement applies even when Medicare is not going to pay a benefit
- The 2011 Medicare Preventive Care benefits can be found on the Medicare website at <http://www.medicare.gov/Publications/Pubs/pdf/10110.pdf>

Coordination of Benefits (continued)

- Medicare Crossover

- Medicare Cross-Over is the process by which Medicare automatically forwards medical claims to UnitedHealthcare for processing
- CITGO Medicare Cross-Over is available to any Medicare-primary CITGO enrollee and Medicare eligible dependents if there is no other group coverage from another source
- Medicare pays first, then claims are submitted electronically to the UnitedHealthcare for processing under the CITGO
- The process eliminates provider submission of claim to UHC after Medicare processing
- If you have questions pertaining to your specific coverage, please call UnitedHealthcare's Customer Service Unit at 1-866-317-6359



Coordination of Benefits (continued)

Medicare Part D Prescription Drug Plan

- If you enroll in Medicare Part D you and your covered dependents will no longer be eligible to participate in the CITGO Medical Plan
- The CITGO Prescription Drug program meets the requirement for creditable coverage
- Must be enrolled in Part A and B to be eligible for Medicare Part D



MORE RESOURCES FOR EMPLOYEES AND RETIREES

More Resources for Employees and Retirees

CITGO continues to take pride in providing extra tools to help our get the most from their benefit programs employees and retirees. We hope you will find the following list of resources useful.

BENEFIT CONNECTIONS

- CITGO Benefit Connections website for CITGO Employees and Retirees is your single source for benefits information and is available 24-hours-a-day, 7-days-a-week.
- Benefit Connections brings a wealth of benefits information right to your fingertips with the convenience of having access to the site while you are traveling on business or from your home computer. On the site you will find:
 - A snapshot of your benefit programs.
 - Contacts and direct links to claims administrators and providers.
 - A forms and documents library with the most frequently used forms as well as the Summary Plan Descriptions (SPDs).



More Resources for Employee and Retirees

MEDICAL and PRESCRIPTION - UNITEDHEALTHCARE

- You can manage your healthcare and set your healthy lifestyle goals at www.myuhc.com.
- Work with an Online Health Coach and research health topics.
- Find a healthcare provider, locate a pharmacy, look up your benefits, and estimate your health care costs.
- View your claims history, benefits statements and print an ID card.
- Take a personal wellness assessment and create and view your Personal Health Record.
- Find out about alternative medicine providers, extra no-cost programs, and member discounts

More Resources for Employees and Retirees

ALTERNATIVE MEDICINE

- You now have access to a 20% discount for complimentary and alternative medicine providers such as:
 - Dietician
 - Nutritionist
 - Naturopath
 - Acupuncturist
 - Massage Therapist
- Members simply show their medical ID card to receive a 20% discount for eligible services.
- To locate complimentary and alternative medicine providers follow these simple steps: Log in to myuhc.com. Registering is easy. Click the physicians and facilities tab. Select the box “Find discount providers” then select “Alternative Medicine”. Complete the search for the provider type to find locations in your area
- CITGO High Octane Extras
 - Discounts on products and services available for CITGO Employees and Retirees

