

## IMPORTANT NOTICE

Federal law requires that employers offering health coverage with prescription drug benefits notify all Medicare-eligible individuals whether their prescription drug coverage is creditable (meets or exceeds Medicare Part D standards) or non-creditable.

There are two different notices, but you only have to send one notice per plan type. Please read carefully to determine which notice you need to send. The model notices are the same as last year.

### Distribution and Disclosure Requirements

Employers must send a Notice of Creditable or Non-Creditable Coverage to all Medicare-eligible individuals (employees, dependents, retirees, COBRA participants). Notices must be received on or before **October 14, 2025**, prior to the Medicare Part D open enrollment period.

- Use Form CMS-10182-CC (Model Notice of Creditable Coverage) for plans that are creditable.
- Use Form CMS-10182-NC (Model Notice of Non-Creditable Coverage) for plans that are non-creditable.

### CMS Disclosure:

Employers must also file the online Disclosure to CMS Form (OMB No. 0938-0990) for each plan:

- Within **60 days of the start of the plan year** (for calendar-year plans, by **March 1, 2026**)
- Within **30 days** of plan termination or a change in creditable coverage status
- The disclosure must be completed electronically at the CMS website:  
<https://www.cms.gov/medicare/employers-plan-sponsors/creditable-coverage?redirect=/creditablecoverage>

### Regulatory Updates:

Through 2025, creditable coverage is generally defined as coverage expected to pay on average at least 60% of prescription drug expenses.

Beginning in Plan Year 2026, CMS regulations require stricter standards under the Inflation Reduction Act (IRA):

- On average, the plan must pay at least 72% of covered drug costs
- Plans must cover both generics and brands (including biologics)
- Plans must provide reasonable pharmacy access

## List of Non-Creditable Coverage Plans– Send Non-Creditable Notice

The following Group Plans (Rx subject to deductible/coinsurance) are non-creditable for Plan Year 2026. All other SHP group plans are creditable

Plan Year 2026 Plans	
ACA Small Group	Signature Series/TRUE /PLUS Plans
<ul style="list-style-type: none"> <li>• Simplicity \$7500 HSA</li> <li>• Simplicity \$6300</li> <li>• Simplicity \$5550</li> <li>• TRUE \$7500 HSA</li> <li>• TRUE \$6300</li> <li>• TRUE \$5550</li> </ul>	<ul style="list-style-type: none"> <li>• \$6000 Embedded HDHP 20%</li> <li>• \$6900 Embedded HDHP 0%</li> <li>• \$7000 Embedded HDHP 20%</li> <li>• \$7000 Embedded HDHP 0%</li> <li>• \$7500 Embedded HDHP 20%</li> <li>• \$7500 Embedded HDHP 0%</li> <li>• \$8050 Embedded HDHP 0%</li> </ul>

### Why This Matters

Medicare-eligible individuals enrolled in a non-creditable plan may face a late enrollment penalty if they later enroll in Medicare Part D and do not have continuous creditable coverage for more than 63 days.

### Employer Action Checklist

1. Distribute the appropriate notice (Form CMS-10182-CC or CMS-10182-NC) to all Medicare-eligible employees, dependents, retirees, and COBRA participants no later than **October 14, 2025**.
2. File the online Disclosure to CMS Form (OMB No. 0938-0990) at [cms.gov/creditablecoverage](https://cms.gov/creditablecoverage) for each plan by **March 1, 2026**.
3. Maintain Records of when and how notices were distributed (for audit purposes).
4. Respond to Medicare-eligible individuals who request an individualized notice for proof of prior coverage when transitioning to Part D.

### Questions?

For assistance, please contact Sanford Health Plan Client Services at (605) 328-6803.