

Medicare Part D Creditable Coverage Client Informational Notice



IMPORTANT: 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 for each plan you offer. The model notices are the same as last year.

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There are 3 important steps you need to take

1. Determine which letter you need to send your members based on the plans you offer; cross-reference your plans against the list below (Determining Creditable or Non-Creditable Plan Offerings section);
2. Update the appropriate model notice for each plan you offer using *either* the Medicare Part D Notice of Creditable Coverage or the Medicare Part D Notice of Non-Creditable Coverage and send the updated model notice to all employees and COBRA participants on that plan by **October 14, 2024** (on your company letterhead).
NOTE: Ensure that the updated model notice is also included in all new-hire packets (on your company letterhead) for the plan in which an employee is enrolling; and
3. Complete and submit the online Disclosure to CMS Form for the plan(s) you currently offer.

Medicare Part D Notice Requirement

As an employer offering health insurance with prescription drug benefits, the Centers for Medicare & Medicaid Services (CMS) requires you to send a Notice of Creditable or Non-Creditable Coverage to your employees. The notice must be provided to all eligible employees by **October 14th, 2024**, which is prior to the annual Medicare Part D election period beginning October 15th. The Notices of Creditable or Non-Creditable Coverage must also be included in all new hire packets in addition to annual distribution by October 14, 2024.

Remember, Medicare is available to individuals for a variety of reasons including mental health conditions, physical disabilities, and even certain medical diagnoses. As an employer, you may not be aware of dependents, spouses, or even your own employees who are eligible for Medicare benefits. Therefore, we recommend that you send the notice to ALL eligible employees.

1. Determining Creditable or Non-Creditable Plan Offerings

Sanford Health Plan has determined which plans are creditable versus non-creditable. The majority of our plan designs provide creditable coverage. The appropriate notice should correlate with your plan deductible offerings

If your prescription drug plan is **NOT listed on a chart below**, your plan is **creditable**, update the attached Model Notice of Creditable Coverage HP-8990 (Form 10182-CC in lower lefthand corner of notice) and send it to all eligible employees.

If your prescription drug plan **is listed on a chart below**, your plan is **non-creditable**, update the attached Model Notice of Non-Creditable Coverage HP-8989 (Form 10182-NC in lower left-hand corner of notice) and send it to all eligible employees.

The plans below are offered in Plan Year 2024 and Plan Year 2025		
ACA SMALL GROUP PLANS that are Non-Creditable		
Update & Send <u>Model Notice of Non-Creditable Coverage HP-8989</u>		
Sanford Simplicity Plans	Sanford TRUE Plans	
<ul style="list-style-type: none">• Simplicity \$5,250• Simplicity \$6,000• Simplicity \$7,050 HDHP	<ul style="list-style-type: none">• TRUE \$5,250• TRUE \$6,000• TRUE \$7,050 HDHP	
LARGE GROUP PLANS that are Non-Creditable		
Update & Send <u>Model Notice of Non-Creditable Coverage HP-8990</u>		
Sanford Signature Series	Sanford TRUE Plans	Sanford PLUS Plans
<ul style="list-style-type: none">• \$5,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,000 HSA Qualified (80% embedded) with \$7,000 OPM• \$6,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,900 HSA Qualified with \$6,900 OPM• \$7,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,000 HSA Qualified with \$7,000 OPM• \$7,500 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,500 HSA Qualified with \$7,500 OPM• \$8,050 HSA Qualified with \$8,050 OPM	<ul style="list-style-type: none">• \$5,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,000 HSA Qualified (80% embedded) with \$7,000 OPM• \$6,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,900 HSA Qualified with \$6,900 OPM• \$7,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,000 HSA Qualified with \$7,000 OPM• \$7,500 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,500 HSA Qualified with \$7,500 OPM• \$8,050 HSA Qualified with \$8,050 OPM	<ul style="list-style-type: none">• \$5,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,000 HSA Qualified (80% embedded) with \$7,000 OPM• \$6,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$6,900 HSA Qualified with \$6,900 OPM• \$7,000 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,000 HSA Qualified with \$7,000 OPM• \$7,500 HSA Qualified (80% embedded) with \$8,050 OPM• \$7,500 HSA Qualified with \$7,500 OPM• \$8,050 HSA Qualified with \$8,050 OPM

2. Update the Model Notice Template(s) and send to your employees

1. In completing the notice applicable to your plan offerings, simply fill in the highlighted areas and/or brackets within the model document(s) used [HP-8989 and/or HP-8990]
[Insert Name of Entity] – fill in your employer name
[Insert Plan Name] – fill in Sanford Health Plan
2. The last page lists the date, name of entity, address, etc. Fill in your contact information.
3. Before mailing, print the notice on your company letterhead.
4. For audit and reporting purposes, document the date, distribution method, and list of employees to whom you send this notice.
5. For more information on how to send this form electronically, please refer to the following website:
https://www.cms.gov/medicare/employers-plan-sponsors/creditable-coverage?redirect=/creditablecoverage/40_ccdisclosure.asp#TopOfPage
6. Remember to send notices to your COBRA members as well; Sanford Health Plan will be sending you a secure email list of your COBRA enrollees for this purpose.

3. Complete and Submit the Employer Disclosure to CMS Form

Employers must complete and submit the online Disclosure to CMS Form on an annual basis and upon any change that affects whether the drug coverage is creditable.

Link to Disclosure to CMS Form: <https://www.cms.gov/medicare/employers-plan-sponsors/creditable-coverage/disclosure-form>

At a minimum, the Disclosure to CMS Form must be provided at the following times:

1. Within 60 days after the beginning date of the Plan Year for which the entity is providing the Disclosure to CMS Form (example: Plan Year starts on January 1st, 2024. Disclosure Form is due March 1, 2024);
2. Within 30 days after the termination of the prescription drug plan; and
3. Within 30 days after any change in the creditable coverage status of the prescription drug plan.

You must report this information electronically at:

<https://www.cms.gov/medicare/employers-plan-sponsors/creditable-coverage/disclosure-form>

Additional Information

Please help your employees understand that they must be enrolled in both Parts A and B of Medicare (hospital and medical benefits, respectively) before disenrolling from your group coverage. Employees cannot split their Sanford Health Plan group medical plan benefits from their prescription drug benefits. However, employees are allowed to join a Medicare Part D plan and retain their group coverage, but coordination of benefit rules will apply.

Some employees will become Medicare eligible after this notification has been sent. Employees who become Medicare eligible have the right to request and you must provide the Model Individual Creditable/Non-Creditable Coverage Notices.

Retiring employees may request this letter when they are dropping group coverage to join Medicare and when they enter their Part D Initial Enrollment Period and are applying for Part D plans. Your employees will use this personalized letter as proof of prior creditable coverage so they won't be charged the late enrollment penalty.

Please feel free to contact our Client Services Department at (605) 328-6803 if you have any questions or concerns.

Enc: Notice of Creditable Coverage (for Group to complete) HP-8990
Notice of Non-Creditable Coverage (for Group to complete) HP-8989