

Medicare Part D Creditable Coverage Client Informational Notice



IMPORTANT: Please read this notice for more information about the Federal Medicare Part D Notice of Creditable/Non-Creditable Coverage requirements.

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.

There are three important items you need to do:

1. Send the Medicare Part D Notice of Creditable or Non-Creditable Coverage to all employees and COBRA participants on the current plan by **October 14, 2023** (on your company letterhead). The appropriate notice should correlate with your deductible plan offerings.
2. Ensure that the notice is included in all new hire packets (on your company letterhead) for the plan in which an employee is enrolling
3. Complete and submit the online coverage form for the plan(s) you are currently offering:
<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/index.html>

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, 2023, 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, 2023.

Remember, Medicare is available to individuals for a variety of reasons including mental 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.

Sanford Health Plan has determined which plans are creditable versus non-creditable. The majority of our plan designs provide creditable coverage.

- If your prescription drug plan is NOT listed on the chart below, your plan is “creditable” and you need to send the attached “Model Notice of Creditable Coverage” (Form 10182-CC in lower lefthand corner of notice) to all eligible employees.
- If your prescription drug plan is listed on the chart below, your plan is “non-creditable” and you need to send the attached “Model Notice of Non-Creditable Coverage” (Form 10182-NC in lower left-hand corner of notice) to all eligible employees.

List of Non-Creditable Coverage Plans – Send the Non-Creditable Notice
HSA-Qualified High Deductible Plans (Rx subject to deductible/coinsurance)

Plan Year 2023 Plans

ACA Small Group	Signature Series	TRUE Plans
<ul style="list-style-type: none"> • Simplicity \$5,250 • TRUE \$5,250 • Simplicity \$6,000 • TRUE \$6,000 • Simplicity \$7,050 HDHP • TRUE \$7,050 HDHP 	<ul style="list-style-type: none"> • HDHP Embedded \$6,000 80% with \$6,900 OPM 	<ul style="list-style-type: none"> • HDHP Embedded \$6,000 80% with \$6,900 OPM

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List of Non-Creditable Coverage Plans – Send the Non-Creditable Notice HSA-Qualified High Deductible Plans (Rx subject to deductible/coinsurance)

Plan Year 2024 Plans

ACA Small Group	Signature Series	TRUE Plans
<ul style="list-style-type: none"> • Simplicity \$5,250 • TRUE \$5,250 • Simplicity \$6,000 • TRUE \$6,000 • Simplicity \$7,050 HDHP • TRUE \$7,050 HDHP 	<ul style="list-style-type: none"> • HDHP Embedded \$5,000 80% with \$8,050 OPM • HDHP Embedded \$6,000 80% with \$7,000 OPM • HDHP Embedded \$6,000 80% with \$8,050 OPM • HDHP Embedded \$6,900 with \$6,900 OPM • HDHP Embedded \$7,000 80% with \$8,050 OPM • HDHP Embedded \$7,000 with \$7,000 OPM • HDHP Embedded \$7,500 80% with \$8,050 OPM • HDHP Embedded \$7,500 with \$7,500 OPM • HDHP Embedded \$8,050 with \$8,050 OPM 	<ul style="list-style-type: none"> • HDHP Embedded \$5,000 80% with \$8,050 OPM • HDHP Embedded \$6,000 80% with \$7,000 OPM • HDHP Embedded \$6,000 80% with \$8,050 OPM • HDHP Embedded \$6,900 with \$6,900 OPM • HDHP Embedded \$7,000 80% with \$8,050 OPM • HDHP Embedded \$7,000 with \$7,000 OPM • HDHP Embedded \$7,500 80% with \$8,050 OPM • HDHP Embedded \$7,500 with \$7,500 OPM • HDHP Embedded \$8,050 with \$8,050 OPM

Completing the notices

- In completing the notice applicable to your plan, you simply fill in the highlighted areas and/or brackets.
 - [Insert Name of Entity] – fill in your employer name
 - [Insert Plan Name] – fill in Sanford Health Plan
- The last page lists the date, name of entity, address, etc. Fill in your contact information. Before mailing, print the notice on your company letterhead. For audit and reporting purposes, document the date, distribution method, and list of employees to whom you send this notice.
- For information on how to send this form electronically, please refer to the following website:
https://www.cms.gov/medicare/prescription-drugcoverage/creditablecoverage?redirect=/creditablecoverage/40_ccdisclosure.asp#TopOfPage

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4. These notices also need to be sent to COBRA members; Sanford Health Plan will be sending you a secured email list of your COBRA enrollees for this purpose.

Submitting the Disclosure to CMS

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

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, 2023. Disclosure Form is due March 1st, 2023).
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.
4. You must report this information electronically at:
<https://www.cms.gov/Medicare/PrescriptionDrug-Coverage/CreditableCoverage/CCDisclosureForm>

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 available online at:

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 additional questions or concerns.

Enc: Notice of Creditable Coverage 10-2023
Notice of Non-Creditable Coverage 10-2023