



Kaiser Permanente Medicare Health Plans

Creditable Coverage: The Basics

If a health plan's prescription drug coverage is as good as or better than Medicare Part D, it's considered "creditable." Employers who offer prescription drug coverage to Medicare-eligible individuals are required to notify their beneficiaries and the Centers for Medicare & Medicaid Services (CMS) whether or not their coverage is creditable.

Required Disclosure to Members

Employer or labor and trust groups are required by CMS, not the health plan, to send a creditable coverage or non-creditable coverage disclosure notice to all Medicare-eligible beneficiaries who are not enrolled in a Part D plan. This notice advises members whether their prescription drug coverage is creditable or non-creditable. Since it can be challenging for employers to know who is Medicare eligible, they enclose a **Notice of Creditable Coverage** in their open enrollment materials.

Additional Assistance
If you have any questions about creditable coverage notification, please contact your account manager or retiree consultant.

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Why the Creditable Coverage Notification Is Important to Members

The Medicare Modernization Act of 2003 (MMA) imposes a late enrollment penalty on beneficiaries who do not maintain creditable coverage or enrollment in the Medicare Part D prescription drug benefit for a period of 63 days or longer following their initial enrollment period for the Medicare Part D prescription drug benefit.

Timing of Disclosure Notice to Members

You'll need to send a creditable or non-creditable coverage disclosure notice to all of your Medicare-eligible beneficiaries who aren't enrolled in a Part D plan:

- Annually, prior to October 15.
- Prior to the member's initial enrollment period for Part D (when they "age-in").
- Prior to enrollment in a plan.
- If you terminate all pharmacy coverage.
- When coverage changes — for example, from creditable to non-creditable coverage or from Part D to creditable coverage.
- Upon member request.

Timing of Disclosure Form to CMS

Employer or labor and trust groups are also required to disclose to CMS whether the prescription drug coverage that is offered to Medicare-eligible individuals is creditable or non-creditable by submitting the **Disclosure to CMS Form**, found online at **www.cms.gov/creditable** coverage:

- Annually, no later than 60 days after the beginning of the plan year.
- Within 30 days after the termination of a prescription drug plan.
- Within 30 days after any change in creditable coverage status.

In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. In Hawaii, Oregon, Washington, Colorado, and Georgia, Kaiser Permanente is an HMO plan with a Medicare contract. In Virginia, Maryland, and the District of Columbia, Kaiser Permanente is a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal.