

## CREDITABLE COVERAGE FACT SHEET

The Medicare Modernization Act (MMA) requires employers whose policies include prescription drug coverage to notify Medicare-eligible policyholders whether or not their prescription drug coverage is creditable coverage, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage.

Proper notification is essential to an individual's decision whether to enroll in a Medicare Part D prescription drug plan. For example, the MMA imposes late enrollment penalties on individuals if they have not maintained creditable coverage for a period of 63 days or longer following their Initial Enrollment Period for the Medicare prescription drug benefit.

Western Health Advantage (WHA) captures updated Medicare entitlement data for all of our enrollees, on a quarterly basis, with the Centers for Medicare & Medicaid Services (CMS). We have regularly delivered the appropriate *Creditable Coverage Letter* or *Non-Creditable Coverage Letter* to members who are or become eligible for Medicare Part D, at the following times:

- Prior to an individual's Initial Enrollment Period for Part D (in advance of their 65<sup>th</sup> birthday);
- When we learn of new coordination of benefits between Medicare and the WHA plan, based on our quarterly submissions; and
- Upon request by the enrollee.

**Beginning in 2019:** WHA will additionally provide the required annual notification to any of your employees that are Medicare-eligible and have WHA coverage, as follows:

- Prior to the Medicare Part D Annual Coordinated Election Period – October 15<sup>th</sup> through December 7<sup>th</sup> each year (or as determined by Medicare).

### **You remain responsible to provide notification to:**

- Enrollees who are or become eligible for Medicare Part D prior to the effective date of coverage for any Medicare-eligible individual that joins the plan;
- Enrollees whose plan change results in a change from creditable to non-creditable coverage, or vice-versa (either due to group plan election or enrollee choice);
- Enrollees who become eligible for Medicare for any reason, if WHA isn't timely notified or is provided inaccurate enrollment data; and
- Any employees not enrolled with WHA.

**You are also responsible to complete the “Online Disclosure to CMS” form to report the creditable coverage status of your enrollees’ prescription drug plan.** This Disclosure should be completed annually no later than 60 days from the beginning of a plan year, within 30 days after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status. For more information, please go to the “Disclosure to CMS Form” section at [www.cms.hhs.gov/CreditableCoverage](http://www.cms.hhs.gov/CreditableCoverage).

As the employer, you are ultimately responsible to ensure proper notification and attestation. For a list of WHA plans and their creditable coverage status, as well as English and Spanish versions of the appropriate letters, please visit [choosewha.com/creditable](http://choosewha.com/creditable).

**Western Health Advantage does not provide legal advice. This notice is for informational purposes only and does not constitute legal advice. Employers should consult with their own advisors and attorneys with regard to their legal and other regulatory requirements.**