

For brokers and producers only

Date: September 15, 2022

Markets: Group (except Medicare Supplement)

Medicare Modernization Act and Disclosure of Creditable vs. Non-Creditable Prescription Drug Coverage

Each year, under the Medicare Modernization Act, groups that provide prescription drug coverage to Medicare Part D eligible individuals are required to disclose whether the drug coverage is creditable or non-creditable. Disclosure of the status must be provided to the eligible individuals (active, retiree or dependent) covered by the drug plan and the Centers for Medicare and Medicaid Services (CMS). Additional information and guidelines are available on the CMS [website](#).

Definitions of creditable and non-creditable coverage

When comparing an eligible policyholder's current prescription drug coverage to the standard Medicare prescription drug coverage, the following definitions apply:

- **Creditable coverage** – On average, for all plan participants, the plan's drug coverage is expected to pay as much as the standard Medicare prescription drug coverage will pay.
- **Non-creditable coverage** – On average, for all plan participants, the plan's drug coverage is **NOT** expected to pay as much as the standard Medicare prescription drug coverage will pay.

Creditable and non-creditable coverage notifications

In early October, CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. (CareFirst) will begin to notify 200+ groups and Medicare-eligible enrollees in individual products about the status of their current drug product(s) in comparison to the new standard Medicare Prescription Drug Plan that will be effective January 1, 2023.

Please note, CareFirst **will NOT** notify 2–199 groups of their current drug product(s) status, as compared to the 2023 standard Medicare Prescription Drug Plan. If you wish to provide a group with their status, a chart with creditable coverage status for standard group drug plans will be posted (post-login) to the *Quick Links* section of CareFirst's broker portal no later than the week of October 1.

Additionally, groups participating in the retiree drug subsidy and utilizing actuarial attestation will NOT be notified.

All drug products with an annual drug maximum of \$1,500 or less, are considered non-creditable. Health Reimbursement Account products must be looked at individually and the creditable/non-creditable status must be assessed to include the employer contribution. The status of drug benefits in Consumer Directed Health/Health Savings Accounts may vary.

Please remind your groups of this CMS requirement and that they must notify their employees as outlined in the required guidelines. Model letters are available on the CMS website and may be used to inform individuals about their drug product status.

What to do if you can't find the information for a specific plan on the chart(s)

Follow these steps:

- Make sure you are looking at the correct PDF. There is one file for small group ACA and one file for 51+ and grandfathered.
- If the plan deductibles are non-integrated, make sure the deductible amount you are looking for in the chart is the drug deductible.

If you are unable to find information, please reach out to your account team for help.

For more information

If you have any questions, please contact your account team.