



<DATE>

<GROUP NAME>

Attn: Group Benefits Manager

<ADDRESS 1>

<ADDRESS 2>

<CITY>, <STATE> <ZIP>

Re: Notice of Creditable/Non-Creditable Coverage

Dear Group Benefits Manager:

Medicare Part D is a program for Medicare-eligible individuals created by the Medicare Modernization Act in December 2003. Medicare Part D provides eligible individuals with prescription drug coverage. This voluntary program is open to anyone enrolled in Medicare Part A and/or Part B. The Medicare Modernization Act included new obligations for employers. Specifically, **employers must take the following actions each year:**

1. Determine whether their current prescription drug plan is "creditable," which means the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. As a service to you, and for purposes of the Creditable Coverage Notice, Blue Cross and Blue Shield of Kansas City (Blue KC) has performed the appropriate testing for your plan. You may elect to use our test in lieu of testing independently.

**Your current prescription drug plans are creditable,
except for the AffordaBlue plan, which is non-creditable.**

2. Employers must send notices to their Medicare-eligible individuals who are covered under their prescription drug plans, notifying them whether their current prescription drug coverage is "creditable" or "non-creditable" before the Medicare Part D Annual Coordinated Election Period. These notices must be sent by **October 15, 2022**. You can obtain sample notices at cms.hhs.gov/CreditableCoverage and click Model Notice Letters.
3. Employers must also notify CMS whether the prescription drug coverage offered by the employer is creditable or non-creditable. This must be done on an annual basis within 60 days of the beginning of the plan year and within 30 days after any change that affects whether the drug coverage is creditable. Go to cms.hhs.gov/CreditableCoverage and click Disclosure to CMS Form to complete.

For more information, visit cms.hhs.gov/CreditableCoverage. Please contact your Blue KC representative if you have questions or if we can be of assistance.

Sincerely,

Jenny L. Housley
Senior Vice President, Chief Revenue Officer

Enclosure: Creditable Coverage Employer Information

Creditable Coverage Employer Information

Employers need to make decisions on how to complete a portion of the form with the question **"What Happens to Your Current Coverage If You or Your Dependent Decides to Join a Medicare Drug Plan?"** and mail it to their employees or retirees who are eligible for Part D. This document helps explain their options.

Option 1: Most Common Option

Employers can use the *model* paragraph below if they want employees/dependents on the plan to continue to be eligible for the employer plan when employee/dependent elects Medicare Part D Prescription Coverage. Our experience is that this is the most common approach taken by employers.

What Happens to Your Current Coverage If You or Your Dependent Decides to Join a Medicare Drug Plan?

If you or your dependent decides to join a Medicare drug plan, your current [Your Company Name] coverage will not be affected. If you elect coverage under Medicare Part D Drug Plan, Blue Cross and Blue Shield of Kansas City will coordinate benefits under your [Your Company Name] coverage with the benefits provided by your Medicare Part D plan as required under federal rules. If you or your dependent decides to join a Medicare Part D Drug Plan, and you would like to drop your current [Your Company Name] coverage, be aware that you and your dependents will not be able to get this coverage back until [Your Company Name]'s next open enrollment period, unless a special enrollment period applies.

Option 2: Alternative Option

Employers can use the *model* paragraph below if they want employees/dependents on the plan to lose coverage for the employer plan (medical and drugs) when employee/dependent elects Medicare Part D Prescription Coverage. Our experience is that this approach has generally only been taken by groups who have elected to take the Medicare Part D subsidy. Our account manager will want to work with you closely if you elect to pursue this election.

What Happens to Your Current Coverage If You or Your Dependent Decides to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Blue Cross and Blue Shield of Kansas City coverage will be affected. Medical and Prescription Drug coverage under [Insert Your Company name] for you and your dependents will end if you elect a Medicare Part D Drug Plan. If your dependent elects a Medicare Part D Drug Plan, Medical and Prescription Drug Coverage will end for that dependent. If you do decide to join a Medicare drug plan and your current [ABC Company] coverage terminates, please be aware that you and your dependents will not be eligible for this coverage until [Insert Your Company Name]'s next open enrollment period unless a special enrollment period applies.