

For brokers, general producers and full-service producers

Not intended for distribution to groups or members

*****Time Sensitive*****

Medicare Modernization Act Creditable Coverage Guidance Update

The Centers for Medicare and Medicaid Services (CMS) requires annual disclosure of the status of drug benefits and creditable coverage to Medicare Part D eligible individuals. Guidelines are available on the [CMS website](#).

Definitions of creditable and non-creditable coverage

Below are the definitions of creditable and non-creditable coverage as applied to drug benefits and the standard Medicare prescription drug coverage.

- **Creditable coverage** - Prescription drug coverage is considered to be creditable when, on average for all plan participants, the plan's drug coverage is expected to pay out as much as the standard Medicare prescription drug coverage will pay.
- **Non-creditable coverage** - Prescription drug coverage is considered to be non-creditable when, on average for all plan participants, the plan's drug coverage is NOT expected to pay out 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 (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, 2019.

Please note that CareFirst will NOT notify 2-199 groups of their current drug product(s) status, as compared to the 2019 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](#) the week of October 1.

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

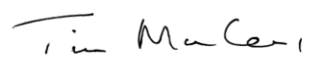
The MSGR core drug product and all drug products with an annual drug maximum of \$1,500 or less are considered to be non-creditable. HRA products must be looked at individually and the creditable/non-creditable status must be assessed to include the employer contribution. The status of drug benefits in CDH/HSA accounts may vary.

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Please remind your groups of this CMS requirement and that they must notify their employees as outlined in the required guidelines. Revised model letters are also available from CMS and may be used to inform individuals about the status of their drug product. You can find these letters online by visiting: www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/index.html

If you have any questions related to this information, please contact your broker sales representative.

Sincerely,



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