



Creditable Coverage

The Medicare Modernization Act (MMA) requires employer groups to provide an annual written disclosure notice to all Medicare eligible individuals who are covered under its prescription drug plan, prior to October 15th each year and at various times as stated in the [regulations](#), including to Medicare eligible individual when he/she joins the plan.

The employer shall inform the individual as to whether their current prescription drug coverage is creditable, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. Accordingly, this information is essential to an individual's decision whether to enroll in a Medicare Part D prescription drug plan.

You can review and download model notice documents provided by the Centers for Medicare and Medicaid Services (CMS) Web site, www.cms.hhs.gov/creditablecoverage. The page provides guidance documents relating to Creditable Coverage requirements for employers.

The first disclosure must be provided to Medicare eligible active working individuals and their dependents, Medicare eligible COBRA individuals and their dependents, Medicare eligible disabled individuals, any retirees and their dependents covered under your prescription drug plan.

The second disclosure requirement is for entities to complete the Online Disclosure Form to CMS reporting the creditable coverage status of their prescription drug plan. The Disclosure should be completed annually no later than 60 days from the beginning of a plan year (contract year, renewal year), within 30 days after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status. -- This requirement does not pertain to the Medicare beneficiaries for whom entities are receiving the Retiree Drug Subsidy (RDS).

Covered California for Small Business health insurance carriers has evaluated all health plans to determine prescription drug creditability status provided below.