

Creditable Coverage Requirements Under Medicare Modernization Act for Medicare Part D Eligible Members

The Medicare Modernization Act (MMA) requires entities (whose policies include prescription drug coverage) to notify Medicare eligible policyholders whether 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. For more information visit [CMS.gov](https://www.cms.gov).

Each year a mailing is sent before the start of the Open Enrollment period of October 15th to all Trust members with medical coverage 64 years of age and older and members who are Medicare eligible. Currently, all prescription drug plans offered through the Trust are "creditable," which means they are equal or better than the standard Medicare Part D plan.

The following pieces of information are distributed to those applicable members: [Notice of Creditable Coverage](#) and [Frequently Asked Questions](#).

If your members are currently enrolled in a plan outside the CBEBT and receive a Notice of Non Creditable Coverage, they should take appropriate action. Depending on how long an individual goes without creditable prescription drug coverage may impact the amount they pay when they join a Medicare Part D plan. The model notice of the [Notice of Non Creditable Coverage](#) has been provided here for your reference.

Medicare beneficiaries may incur a late enrollment penalty (LEP) if there is a continuous period of 63 days or more at any time after the end of the individual's Part D initial enrollment period during which the individual was eligible to enroll, but was not enrolled in a Medicare Part D plan and was not covered under any creditable prescription drug coverage. For more information on creditable coverage and on how an LEP is assessed, please see the [Creditable Coverage and Late Enrollment Penalty webpage](#) on CMS.gov.

If a Medicare beneficiary has been assessed a late enrollment penalty, they can find more information [here](#) and may use the [Part D Late Enrollment Penalty \(LEP\) Reconsideration Request Form](#).