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Administered by Benefit Solutions, Inc.

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Dear Employer,

Medicare offers insurance coverage to its beneficiaries for prescription drugs. This is referred to as Medicare Part D coverage. Medicare Part D eligible individuals must be advised whether their employer sponsored prescription drug coverage is considered creditable coverage – i.e. if it is as good as or better than Medicare Part D coverage. These disclosure notices must be provided at the following times:

1. Annually prior to the Medicare Part D coordinated election period (October 15<sup>th</sup> – December 7<sup>th</sup>).
2. Prior to a newly eligible Medicare Part D participant's initial enrollment period for Medicare Part D.
3. Prior to the effective date of coverage for any Medicare Part D eligible individual who comes on to your group health plan.
4. Whenever you no longer offer prescription drug coverage or the status of your prescription drug coverage changes (i.e. from creditable to non-creditable or vice versa).
5. Upon request.

Premera Blue Cross has determined that the prescription drug coverage offered through the Washington Farm Bureau Healthcare (WFBH) Trust does meet the requirements to be considered creditable coverage, with the exception of the HSA 5500 plan. Therefore, we've enclosed the following notices:

- Non-creditable coverage notice (for the HSA 5500 plan)
- Creditable coverage notice (for all other WFBH Trust plans)

Benefit Solutions, Inc. will mail the creditable or non-creditable coverage notice to all of your plan participants prior to Oct 15<sup>th</sup>. By providing a notice to all plan participants, it satisfies #1 and #2 above, and ensures that all required participants receive the notice (as it is not easily known who is, or will become, Medicare Part D eligible for reasons other than attaining age 65).

**ACTION REQUIRED:** Please provide a copy of the applicable notice to newly hired employees and newly eligible participants prior to their effective date of coverage. This will satisfy #3 above.

For guidance on the acceptable manner and methods of distribution to participants, please see pages 12 and 13 in the following CMS Guidance document: [https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/downloads/Updated\\_Guidance\\_09\\_18\\_09.pdf](https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/downloads/Updated_Guidance_09_18_09.pdf).

**IMPORTANT:** *Because the prescription coverage for the HSA 5500 plan is not considered creditable coverage, if you should change plans to or from that plan at your next renewal, a new Medicare Part D Creditable (or Non-creditable) coverage notice will need to be distributed to plan participants at that time.*

#### **Creditable Coverage Status Online Disclosure to CMS**

Plan sponsors must also notify CMS about the creditable coverage status of their prescription drug plan(s). This must be done annually within 60 days after the beginning date of the plan year. The Trust will comply with the requirement by filing one online disclosure on behalf of all WFBH Trust employers. *Therefore, no action is needed by the employer to satisfy this requirement.*

Please contact Benefit Solutions, Inc. if you have any questions.