

June 27, 2023

Attn: Melissa Kluchurosky  
UNIV OF PITTSBURGH  
200 CRAIG HALL  
Pittsburgh, PA 15260

**RE: Creditable Coverage Notification for Commercial Prescription Drug Plans**

Dear Valued Customer:

UPMC Health Plan, Inc.,\* has determined that the group prescription drug coverage selected by your company meets the minimum coverage standards to be considered creditable coverage in accordance with the Medicare Prescription Drug, Improvement & Modernization Act of 2003 and its related regulations established by the Centers for Medicare & Medicaid Services (CMS).

In the event that you make any changes to the existing group prescription drug coverage plan, we will notify you as to whether the modified prescription drug coverage plan constitutes a creditable or non-creditable plan.

Please note that this communication applies only to the commercial prescription drug plans set forth below and administered by UPMC Health Plan. If you also offer group Medicare retiree prescription drug benefits through UPMC Health Plan, you will receive a similar notification regarding those plans.

Enclosed are two documents:

- The one titled *Model Individual Creditable Coverage Disclosure Notice Language* should be provided to all Medicare-eligible employees and their Medicare-eligible spouse, domestic partner, or dependents. A copy of this letter can also be found at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/index.html?redirect=/CreditableCoverage/>.
- We've also included a document providing you with a basic understanding of the CMS requirements prescribed by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as well as its related regulations. This information does not constitute legal advice. Therefore, it is in your best interest to contact your legal counsel for independent legal review, which may assist you in complying with all applicable federal, state, and local regulatory requirements.

This letter is to assist you with your regulatory obligations as an employer group. If you have any questions regarding this notification, please contact your UPMC Health Plan Account Manager.

Sincerely,

UPMC Health Plan

\*UPMC Health Plan, Inc., administers benefit plans underwritten by UPMC Health Network, Inc., UPMC Health Options, Inc., UPMC Health Coverage, Inc. and/or UPMC Health Plan, Inc.

**Creditable Plan Info:**

<u>Effective Date</u>	<u>Plan Code</u>	<u>Pharmacy Code</u>	<u>Product Description</u>
07/01/2023	IPA11	1L54	NS HIA PPO
07/01/2023	SPAT8	1L55	NS HSA PPO
07/01/2023	PPA7H	1L56	NS PPO
07/01/2023	HMA54	1L56	NS HMO
07/01/2023	HMA53	1L56	NS HMO
07/01/2023	HMA55	1L56	NS HMO

# UPMC HEALTH PLAN

## OVERVIEW OF CREDITABLE COVERAGE NOTIFICATION OBLIGATIONS

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) established a significant notice requirement for the Medicare Voluntary Prescription Drug Program (Part D Program). The notice requirement mandates that group health plans, among other entities, that offer prescription drug coverage to individuals eligible for the Part D Program inform those individuals whether the prescription drug coverage is creditable prescription drug coverage as defined by the Centers for Medicare & Medicaid Services. The definition of creditable coverage is set forth in 42 C.F.R. § 423.56. The notices permit individuals eligible for the Medicare Part D Program to make informed decisions about whether and when to enroll in the Part D Program prescription drug plan.

Based on the definition set forth by CMS, UPMC Health Plan has determined that prescription drug coverage offered by your group health plan **meets the minimum requirements to be considered creditable prescription drug coverage**. In accordance with the regulatory notice provisions set forth in § 423.56, you must notify members that the coverage is creditable coverage (1) prior to an individual's initial enrollment period for the Part D Program; (2) prior to the effective date of enrollment in your prescription drug plan and upon any change that affects whether the coverage is creditable prescription drug coverage; (3) prior to the November 15 annual coordinated election period; and (4) upon request by an individual.

Medicare Part D eligible individuals to whom the notice must be provided may include, but are not limited to, active workers and retirees, as well as Medicare-eligible spouses and dependents who are entitled to Medicare Part A and/or Medicare Part B or individuals who reside in the service area of a prescription drug plan (PDP) or of a Medicare Advantage or Medicare cost plan that provides prescription drug coverage (MA-PD). For example, this includes active employees and/or their families who enroll in your commercial coverage and are also eligible for secondary insurance coverage through Medicare.

For more information regarding creditable coverage and the notification requirements, please see the above referenced section of the Code of Federal Regulations, or visit [www.cms.gov](http://www.cms.gov).

# UPMC HEALTH PLAN

## **Important Notice from [Insert Name of Entity] About Your Prescription Drug Coverage and Medicare**

**Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with [Insert Name of Entity] and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.**

**There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:**

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. [Insert Name of Entity] has determined that the prescription drug coverage offered by the [Insert Name of Plan] is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

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### **When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

## What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current [Insert Name of Entity] coverage will [or will not] be affected. [The entity providing the Disclosure Notice should insert an explanation of the prescription drug coverage plan provisions/options under the particular entity's plan that Medicare eligible individuals have available to them when they become eligible for Medicare Part D (e.g., they can keep this coverage if they elect part D and this plan will coordinate with Part D coverage; for those individuals who elect Part D coverage, coverage under the entity's plan will end for the individual and all covered dependents, etc.). See pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.]

If you do decide to join a Medicare drug plan and drop your current [Insert Name of Entity] coverage, be aware that you and your dependents will [or will not] [Medigap issuers must insert "will not "] be able to get this coverage back.

## When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with [Insert Name of Entity] and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

## For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information [or call [Insert Alternative Contact] at [(XXX) XXX-XXXX]. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through [Insert Name of Entity] changes. You also may request a copy of this notice at any time.

CMS Form 10182-CC

Updated April 1, 2011

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

**[Optional Insert - Entities can choose to insert the following information box if they choose to provide a personalized disclosure notice.]**

Medicare Eligible Individual’s Name: [Insert Full Name of Medicare Eligible Individual]  
Individual’s DOB or unique Member ID: [Insert Individual’s Date of Birth], or [Member ID]

The individual stated above has been covered under **creditable** prescription drug coverage for the following date ranges that occurred after May 15, 2006:

**From:** [Insert MM/DD/YY] **To:** [Insert MM/DD/YY]  
**From:** [Insert MM/DD/YY] **To:** [Insert MM/DD/YY]

Date: [Insert MM/DD/YY]  
Name of Entity/Sender: [Insert Name of Entity]  
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MODEL INDIVIDUAL **CREDITABLE** COVERAGE DISCLOSURE NOTICE LANGUAGE  
FOR USE ON OR AFTER APRIL 1, 2011

OMB 0938-0990

Contact--Position/Office: [Insert Position/Office]  
Address: [Insert Street Address, City, State & Zip Code of Entity]  
Phone Number: [Insert Entity Phone Number]

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