KAISER PERMANENTE®

All plans offered and underwritten by
Kaiser Foundation Health Plan of the Northwest

October 2027

Dear employee benefit trust administrator,

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 requires employer groups to notify their Medicare Part D-eligible members if their current prescription drug coverage is creditable. In this context, "creditable" means as good as or better than Part D.

Groups must notify Medicare Part D–eligible individuals that, if they go more than 63 days without a creditable prescription drug benefit after they become eligible for Part D, they will have to pay a late enrollment penalty if they do enroll in Part D after the 63-day period. Groups required to provide these notices include employers and unions that provide health insurance coverage to people who may not be thought of as Medicare eligible.

Groups must give notice of creditable or non-creditable coverage to all Part D–eligible individuals who have prescription drug coverage offered by the group. This includes Part D-eligible employees, retirees, COBRA participants, and Medicare beneficiaries who are covered as spouses or dependents.

Even groups that have selected Medicare's retiree drug subsidy option must fulfill this obligation. **You don't need to give this notice to individuals who have already signed up for Kaiser Permanente's Senior Advantage plan with Part D coverage.**

The Centers for Medicare and Medicaid Services (CMS) have defined times when these notices must be provided. One of these is prior to the Medicare Part D Annual Election Period — which runs from October 15 through December 7. You can find more information on creditable coverage and other times when notice must be provided on the CMS Web site, www.cms.hhs.gov/creditablecoverage.

We evaluated our prescription drug plans to determine their creditability status. This information is available in our 2027 Creditable Coverage Determination Guide at kp.org/creditablecoverage.

Please note: The guide is not an attestation of actuarial equivalence. This information will help you determine your group's creditable or non-creditable prescription drug plan coverage (based on members' cost shares) as defined by CMS. The creditability evaluation does not include the employer contribution. It is the employer's responsibility to notify CMS and members of your plan about the creditability status.

If you have any question, please call our Employer and Broker Services Team at 503-813-3613 or, outside of Portland, toll free at 1-866-246-3613. You may also email us at nw.kp.ebs@kp.org.

Sincerely,

Brian Sage

Brian Sage
Kaiser Permanente Medicare Program, Northwest

500 NE Multnomah St., Suite 100, Portland, OR 97232

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