



**BlueCross BlueShield
of Alabama**

September 9, 2020

Dear Group Administrator:

As a service for our customers, Blue Cross and Blue Shield of Alabama performs the Medicare Part D creditability assessment of prescription drug plans we administer. This is important to members covered by your drug plan when they become eligible for Medicare Part D. If Medicare-eligible members are covered by a creditable employer-provided plan they will not be subject to the 1% per month late enrollment premium penalty if they enroll in Medicare Part D after their initial eligibility date.

Based on information available on September 1, 2020, your drug coverage is creditable as compared to the 2021 standard Medicare Part D benefits. This creditability assessment represents the gross creditability test. Employers applying for the Retiree Drug Subsidy should contact an actuarial consulting firm to perform the net test and actuarial attestation of creditability.

The Centers for Medicare and Medicaid Services (CMS) regulations require that employer-sponsored drug plans disclose their creditability to participants annually prior to October 15, upon enrollment in their plans, when coverage under their plans change, and upon request. Information about disclosure requirements can be found on the CMS web page at <http://www.cms.hhs.gov/creditablecoverage>.

You may use the enclosed sample Creditable Drug Coverage Notice to complete and distribute to your Medicare-eligible members prior to October 15.

- These notices must also be given to members upon enrollment in your plan, when coverage under your plan changes, and upon request.
- You must submit an online disclosure form to CMS by completing the form found at <http://www.cms.hhs.gov/creditablecoverage> within 60 days after the beginning of the following plan year.

Your Account Executive or Account Manager can help if you have questions about the drug plan creditability information provided above or need to make benefit changes that affect your drug plan's creditability.

Sincerely,

A handwritten signature in black ink that reads "Rebekah Elgin Council".

Rebekah Elgin Council
Senior Vice President and Chief Marketing Officer

Enclosure

450 Riverchase Parkway East

P.O. Box 995

Birmingham, Alabama 35928-0001