



North Carolina Medical Society Employee Benefit Plan

October 8, 2025

Re: Medicare Part D Prescription Drug Program

The Medicare Modernization Act of 2003 added a prescription drug program to Medicare, and created notification requirements for employers. These notice requirements apply to employer groups that cover Medicare eligible individuals, even if they do not offer retiree drug coverage. The requirement means that employers must disclose whether their coverage is “creditable prescription drug coverage”. Generally, prescription drug coverage is creditable if, on average, it is at least as generous as Medicare prescription drug coverage. For more information on creditable drug coverage, please see the Centers for Medicare and Medicaid Services (“CMS”) website at www.cms.hhs.gov/creditablecoverage.

Employers must determine which of their Medicare beneficiaries must receive the “creditable coverage notice”. Employers that offer prescription drug coverage on a group basis must provide the notice to Medicare beneficiaries who are active or retired employees, as well as Medicare beneficiaries who are covered as spouses under active or retiree coverage. You may choose to satisfy this requirement by providing the notice to all employees. You should review the CMS website to determine any on-going notice requirements, as well as any requirements for disclosure to CMS. The CMS website also provides samples of the “creditable coverage notice” that you may want to utilize.

Employers are also responsible for determining if prescription drug coverage under its plan(s) is creditable. You can find instructions for making this determination on the CMS website. The following chart indicates if the prescription drug plans offered by the North Carolina Medical Society Employee Benefit Plan (“NCMS Plan”) are creditable. Each prescription drug plan was reviewed by Rudd and Wisdom, Inc., an independent actuarial consulting firm that advises the NCMS Plan on such matters. The chart reflects the findings of Rudd and Wisdom, Inc. This information is being provided as a courtesy to employers that participate in the NCMS Plan. Neither the NCMS Plan nor Rudd and Wisdom, Inc. is responsible for any loss or liability associated with your reliance on this information.

Prescription Plan	Creditable
\$10/\$25/\$40/80/25% max \$100 copay	Yes
\$20/\$35/\$45/90/25% max \$100 copay	Yes
\$20/\$35/\$45/90/25% max \$200 copay	Yes
\$15/\$35/\$40/90/25% min \$50 max \$200 copay	Yes

Integrated Prescription Plan	Creditable
PPO \$7000-50	Yes
PPO 1-2-3 \$5000 (alt Rx)	Yes
HDHP \$2700-100	Yes
HDHP \$3500-100	Yes
HDHP \$2700-80	Yes
HDHP \$5000-100	Yes
HDHP \$6350-100	No
HDHP \$5500-70	No
HDHP \$7000-100	No
HDHP \$7500-100	No
HDHP \$8050-100	No