

October 2025

Important Update: Creditable Coverage Employer Notice

This letter is to clarify requirements you have regarding employees who may be Medicare-eligible. Please disregard this information if it doesn't apply to you and keep it in mind for future hires.

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 requires employer groups that offer prescription drug coverage to let their Medicare-eligible employees know if their prescription drug coverage is "creditable", meaning it is at least as good as Medicare Part D's standard coverage.

If the member doesn't have creditable coverage and doesn't enroll in Part D within 63 days of becoming eligible for Medicare, this member will have to pay a late enrollment penalty that stays with them for their lifetime. Notification of non-creditable coverage must be given to all Part D-eligible individuals, including employees, spouses, dependents, retirees, and COBRA participants. However, not all members will be considered eligible by Medicare. The notice must be given before the Medicare Part D Annual Election Period, which is from October 15 through December 7.

Your responsibility as the employer is to review your health plan offerings, and if your plan is non-creditable, you must inform each member of your plan regarding the creditability status.

We are happy to share that all our [Kaiser Permanente Hawaii Small Group Health Plans](#) with effective dates beginning January 1, 2026, through Dec. 31, 2026, are creditable.

If you have questions, please contact your Kaiser Permanente account manager at kp-hawaii@kp.org or call 808-432-5256, option 3.

Sincerely,



Josh Geller
Director, Small Group Sales and Account Management
Kaiser Permanente Hawaii