

CHECKLIST | Preparing for Medicare Part D Creditable Coverage Changes in 2026

Presented by TruePlan Benefit and Retirement Advisors

The Inflation Reduction Act (IRA) of 2022 has brought significant changes to Medicare Part D plans, which will affect the creditable coverage status of employer-sponsored prescription drug coverage for 2026. **As a result, this may make it harder for certain plans to qualify as creditable coverage.** To navigate these changes and ensure compliance, employers must proactively review their health plans' prescription drug coverage status.

This checklist is designed to help employers understand the implications of the new creditable coverage methodologies, assess their current plan's creditable coverage status and identify necessary adjustments to comply with federal requirements and support their Part D-eligible participants.

1. Analyze Part D Changes and Impact on Creditable Coverage

Impact on Creditable Coverage	Complete
- Review the Final Calendar Year (CY) 2026 Part D Redesign Program Instructions from the Centers for Medicare and Medicaid Services (CMS) to understand how the IRA substantially increases the actuarial value of the standard Medicare Part D benefit. Key changes for CY 2026 include: - An increased annual out-of-pocket threshold of \$2,100 (increased from the original cap of \$2,000 for CY 2025); and - A deductible of \$615 (increased from \$590 for CY 2025).	☐

2. Determine Plan's Creditable Coverage Status

Employers should confirm the creditable status of their prescription drug plans as soon as possible to prepare to send the appropriate disclosure notices.

Creditable Coverage Status	Complete
Understand how creditable coverage is defined: - A group health plan's prescription drug coverage is considered creditable if its actuarial value equals or exceeds the actuarial value of standard Medicare Part D prescription drug coverage. - In general, this actuarial determination measures whether the expected amount of paid claims under the group health plan's prescription drug coverage is at least as much as the expected amount of paid claims under the Medicare Part D prescription drug benefit.	☐
Ask your carrier, third-party administrator, pharmacy benefit manager or other service provider whether they have assessed the plan's creditable coverage status.	☐

This checklist is merely a guideline. It is neither meant to be exhaustive nor meant to be construed as legal advice. It does not address all potential compliance issues with federal, state or local standards. Consult your licensed representative at TruePlan Benefit and Retirement Advisors or legal counsel to address possible compliance requirements. © 2025 Zywave, Inc. All rights reserved.

If your carrier, third-party administrator, pharmacy benefit manager or other service provider has not made a determination, **choose the appropriate methodology** to evaluate whether coverage is creditable.

For 2026, three methods are available:

1. A **revised simplified determination method**. This method cannot be used by employers that are applying for the retiree drug subsidy (RDS).
2. A **simplified determination method**. This method cannot be used by employers that are applying for the RDS.
3. An **actuarial determination**.

Revised
simplified
determination
method

☐

Simplified
determination
method

☐

Actuarial
determination

☐

Using the Revised Simplified Determination Method	Yes	No	N/A
Does the plan provide reasonable coverage for brand-name and generic prescription drugs and biological products?	☐	☐	☐
Does the plan provide reasonable access to pharmacies?	☐	☐	
Is the plan designed to pay, on average, at least 72% of participants' prescription drug expenses?	☐	☐	

If you answered "No" to any question above, coverage is not creditable under this method.

Using the Simplified Determination Method	Yes	No	N/A
Does the plan provide coverage for brand-name and generic prescriptions?	☐	☐	☐
Does the plan provide reasonable access to retail providers?	☐	☐	
Is the plan designed to pay, on average, at least 60% of the participants' prescription drug expenses?	☐	☐	
If your plan is integrated (i.e., it combines the prescription drug benefit with other coverage such as medical, dental or vision and contains certain plan provisions), does your plan have all of the following provisions? No more than a \$250 deductible per year;	☐	☐	☐

- No annual benefit maximum or a maximum annual benefit of at least \$25,000; and - No less than \$1 million lifetime combined-benefit maximum.			
If you have a non-integrated plan, does your plan satisfy either of the following? - No maximum annual benefit or a maximum annual benefit of at least \$25,000; or - An actuarial expectation that the amount payable by the plan will be at least \$2,000 annually per Medicare-eligible individual.	☐	☐	☐

If you answered “No” to any question above, coverage is not creditable under this method.

Using an Actuarial Determination	Yes	No	N/A
If your plan does not meet the design requirements for the simplified or revised simplified determination method, or you are applying for the RDS, you must make an actuarial determination: Have you hired a qualified actuary? <i>Note: Although attestation by a qualified actuary is not required unless the plan sponsor is electing the RDS, employers may still need to hire an actuary to ensure the accuracy of the creditable coverage determination.</i>	☐	☐	☐

3. Evaluate Each Benefit Option and Adjust Plan Design if Needed

Applying the Creditable Coverage Test	Complete	N/A
Identify all benefit options offered under the group health plan (e.g., PPO, HMO, HDHP).	☐	☐
Apply the creditable coverage test separately for each benefit option.	☐	☐
If coverage is no longer creditable, coordinate with benefits consultants to determine whether plan design adjustments are necessary (e.g., lowering deductibles or other cost-sharing provisions).	☐	☐

4. Prepare and Distribute Required Disclosures

Disclosure Deadlines	Complete
Distribute Part D notices to all Medicare-eligible individuals at the following times: Prior to the effective date of coverage for any Medicare-eligible individual who joins the plan (because employers may not always know which employees are Medicare-eligible, most plans meet this	☐

Disclosure Deadlines	Complete
requirement by including the notice in annual open enrollment materials that are distributed to all plan participants); • Prior to the Medicare Part D Annual Coordinated Election Period that begins Oct. 15; • Whenever prescription drug coverage ends or changes so that it is no longer creditable or becomes creditable; and • Upon a beneficiary's request (while there is no formal guidance as to how soon the notice must be provided after a request, it is a good idea to provide it as soon as possible). Compliance Tip: If a notice distributed prior to Oct. 15 indicates that a plan's coverage is creditable, but design changes effective on the first day of a new plan year render it non-creditable, a new notice would need to be provided.	
Submit the CMS online disclosure form within 60 days of the plan year start (March 1, 2026 , for calendar year plans).	☐

5. Document and Monitor Compliance

Ongoing Regulatory Developments	Complete
Keep records of actuarial analyses and coverage determinations.	☐
Monitor ongoing regulatory updates from CMS, such as the draft and final versions of the Part D Redesign Program Instructions for CY 2027. • For CY 2027, only the revised simplified determination method and actuarial determination will be available to determine creditable coverage status.	☐

Use this checklist as a guide when reviewing your company's compliance with Medicare Part D's disclosure requirements for 2026. For assistance, contact TruePlan Benefit and Retirement Advisors.