



One Far Mill Crossing
P.O. Box 904
Shelton, CT 06484
www.healthnet.com

Re: Creditable Coverage Confirmation

(HN Group #):

Dear [Group Name]:

Medicare regulations require employers that provide prescription drug coverage through a group sponsored health plan to disclose to their Medicare eligible employees (and retirees in some cases) whether or not their prescription drug coverage is “creditable.”

Coverage is defined as creditable when its actuarial value equals or exceeds the standard Part D prescription drug benefit. In general, the actuarial value of the benefit is determined by whether or not the prescription drug coverage is expected to pay out, on average for all participants, at least as much as the standard part D coverage would pay in calendar year 2006. If the coverage does not equal or exceed the value of the standard Part D benefit, it is considered “non-creditable.”

This letter confirms that Health Net has conducted the gross value test for the current Rx Plan (HN Group #) and has determined that your Plan does not meet or exceed the actuarial value of the standard Part D benefit, and is therefore considered “Non Creditable”.

Note: Employers are required to disclose the creditable status of their pharmacy plans to Medicare eligible employees (and retirees in some cases). Health Net offers many other pharmacy benefit plans that are considered creditable and recommends an alternative Rx plan be considered. Please feel free to contact me (203) 225-8783 to discuss alternative pharmacy benefit plans that are available.

Sincerely,

Kim McGuire
Account Executive, Medicare Senior Products Division
Health Net of the Northeast, Inc.

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