Supporting Statement, Part A
Creditable Coverage Disclosure to CMS On-Line Form and Instructions
(CMS-10198, OMB 0938-1013)

Background

An entity that provides prescription drug benefits to any Medicare Part D eligible individual must disclose to the Centers for Medicare & Medicaid Services (CMS) whether the prescription drug benefit they offer is creditable (expected to pay at least as much, on average, as the standard prescription drug plan under Medicare). CMS released an online form and guidance in January 2006 for this disclosure.

This iteration is associated with our April 6, 2026 (91 FR 17384) Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program final rule (CMS-4212-F; RIN 0938-AV63). The rule estimates that about 5 percent of the 140,974 Group Health Plans (7,049 plans) will no longer be required to provide disclosure. In this regard we estimate a burden reduction of minus 7,049 responses, at minus 632 hours, and minus $89,072. See section 15 of this Supporting Statement for details.

We are not proposing any changes to the active Creditable Coverage Disclosure to CMS Form.

A. Justification

1. Legal Basis

Section 1860D-13 of the Social Security Act, as established by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) and implementing regulations at 42 CFR 423.56(e), require that entities that offer prescription drug benefits under any of the types of coverage described in §423.56(b) provide a disclosure of creditable coverage to CMS. There are other disclosure and notification requirements to Part D eligible individuals in §423.56(c), (d), and (f); this PRA covers the requirement in subsection (e). Entities required to make this disclosure state whether their prescription drug coverage meets the actuarial requirements defined in §423.56(a). In general, this actuarial determination measures whether the expected amount of paid claims under the entity's prescription drug coverage is at least as much as the expected amount of paid claims under the standard Medicare prescription drug benefit. See 70 FR 4225 (January 28, 2005) at https://www.govinfo.gov/content/pkg/FR-2005-01-28/pdf/05-1321.pdf for more information.

Section 423.56(e) states that the disclosure to CMS must occur in a form and manner described by CMS. The entities exempted under §423.56(e) include Medicare prescription drug plans (PDPs), Medicare Advantage plans that offer prescription drug coverage (MA-PDs), and Programs of All-Inclusive Care for the Elderly (PACE) or cost-based HMOs or CMPs that provide "qualified Part D coverage" as defined in §423.100. As further explained in sub-regulatory guidance, a sponsor that has been approved for the Retiree Drug Subsidy (RDS) is exempt from filing the Disclosure to CMS Form with respect to those qualified covered retirees for which the sponsor is claiming the RDS. The reason for this is because the sponsor's RDS

application serves as its Disclosure to CMS under §423.56(e). For example: If a plan option has 100 retired beneficiaries and the plan claims RDS for 97 of them, the plan must report the 3 non-RDS participants on the Disclosure to CMS form, in addition to the non-RDS participants on other plan options.

Timing of CMS Disclosure

Entities subject to the creditable coverage disclosure to CMS must submit their information at these times:

- No later than sixty (60 days) following the beginning date of the entity's plan year;
- Within 30 days after termination of a prescription drug plan; or
- Within 30 days after any change in creditable coverage status.

2. Information Users

Disclosure of whether prescription drug coverage is creditable provides Medicare with important information relating to whether prescription drug benefits offered by an entity to Medicare Part D eligible individuals is expected to pay at least as much as the standard benefits under Medicare Part D. The form is used as a reporting tool where entities offering prescription drug coverage indicate whether the coverage being provided is considered creditable or non-creditable.

Beneficiaries have appeal rights when assessed a Part D late enrollment penalty (LEP) due to lack of prior creditable coverage. In researching the facts related to the appeal, the Part D Independent Review Entity (IRE) may need to investigate whether the beneficiary had creditable coverage for the time period in question. The disclosures contain this information.

3. Use of Information Technology

The Disclosure to CMS Form is available on the internet at https://www.cms.gov/Medicare/Prescription-DrugCoverage/CreditableCoverage/CCDisclosureForm.

4. Duplication of Efforts

The information collection requirements (ICRs) contained in the regulations are not duplicated through any other effort.

5. Small Businesses

Some entities subject to this disclosure requirement are small businesses and will have to comply with all the information requirements described in this supporting statement. The burden is small for all entities and no more or less burdensome on small businesses.

6. Less Frequent Collection

As defined in §423.56(a), prescription drug coverage is considered creditable only if the actuarial value of the coverage equals or exceeds the actuarial value of defined standard prescription drug coverage under Part D in effect at the start of such plan year. Given that this value can change from year to year, entities are expected to disclose their coverage on an annual basis.

7. Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register/Outside Consultation

Federal Register Notice

Serving as the 60-day notice, our proposed rule (CMS-4212-P; RIN 0938-AV63), filed for public inspection at the Office of the Federal Register on November 25, 2025, at 4:15 p.m. The rule published in the Federal Register on November 28, 2025 (90 FR 54894). CMS received no PRA-related comments as the comment period closed on January 26, 2026.

Our final rule (CMS-4212-F) published in the Federal Register on April 6, 2026 (91 FR 17384).

Outside Consultations

In the course of developing the Final Regulations for the Medicare Prescription Drug Benefit Program (CMS-4068-F), the required Federal Register notice was published on August 3, 2004 (69 FR 46632). The Office of Management and Budget (OMB) waived the requirement for a second Federal Register notice. The final rule went on display on January 21, 2005, to announce

the new or revised ICRs. The public meetings were held in February at CMS and written comments were received, which were in turn utilized by CMS during the regulations drafting stage. Also, CMS consulted with technical experts and industry and beneficiary advocates to obtain their opinions on the creditable coverage disclosure provisions of the statute. These consultations continued as CMS implemented the final rule. Since the implementation of this online disclosure form, there has been no outside consultation.

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents.

10. Confidentiality

The information disclosed in the "Disclosure to CMS Form" must conform to all requirements at §423.56, and in all Federal and State laws regarding confidentiality and disclosure. CMS pledges to maintain privacy to the extent provided by law.

11. Sensitive Questions

There are no questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates

Wage Data

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' (BLS) May 2025 National Occupational Employment and Wage Estimates for all salary estimates (https://www.bls.gov/oes/tables.htm). The following table (Table 1) presents BLS' mean hourly wage[1], our estimated cost of fringe benefits and other indirect costs (at 100%), and our adjusted hourly wage.

Table 1. Occupations and Wages for Respondents

Occupation Title	Occupation Code	Mean Hourly Wage ($/hr)	Fringe Benefits and Other Indirect Costs ($/hr)	Adjusted Hourly Wage ($/hr)
Compensation and Benefits Managers	11-3111	78.19	78.19	150.22 156.38
Human Resources Managers	11-3121	78.96	78.96	157.92
Average Adjusted Wage 157.15 = [157.92 + 156.38)/2]				**157.15**

[1] While our active Supporting Statement sets out median hourly wages, this CMS-4212-P collection of information request reflects BLS' mean hourly wage which is consistent with the proposed rule.

This is a rough estimate, both because fringe benefits and other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, we believe that our approach is a reasonably accurate estimation method.

Burden Estimates

In this section, we estimate the time and effort burden for entities to complete the "Disclosure to CMS Form". Based on the prior year's reporting, we estimate that CMS will receive around 134,000 disclosures via the Disclosure to CMS online form.

Given that each entity will have made their annual determination of the creditable coverage status of their prescription drug plan for disclosure to Medicare Part D eligible individuals, the burden to provide the disclosure to CMS via the Disclosure to CMS online form is modest.

The estimated annual burden on the Human Resources Managers or Compensation and Benefits Managers who typically complete the Disclosure to CMS online form will be about 5 minutes at an average of $157.15/hr for a total burden of 11,152 hours at a cost of $1,752,537 (see Table 2, below).

Table 2: Summary of Coverage Types and Estimated Burden

Type of Plan/Respondent	Estimated Number of Disclosures *	Time per Response	Annual Time (hr)	Average Adjusted Hourly Wage ($/hr)**	Total Cost ($)
Private Sector					
Group health plans, including those offered by employers; union/Taft-Hartley plans; church plans; Federal, State and local government plans; and other group-sponsored plans	133,925	0.083 hr (5 min)	11,116	157.15	1,746,879
Individual health insurance	180	0.083 hr (5 min)	15	157.15	2,357
Medigap (Medicare Supplement) plans, including standardized plans H, I or J; pre-standardized plans; waiver	132	0.083 hr (5 min)	11	157.15	1,729

State plans; and plans with innovative benefits					
Subtotal: Private Sector	*134,237*	*0.083 hr (5 min)*	*11,142*	*157.15*	*1,750,965*
Federal Government					
Military coverage, including the United States Department of Veterans Affairs (VA) coverage and TRICARE	7	0.083 hr (5 min)	1	157.15	157
Subtotal: Federal Government	*7*	*0.083 hr (5 min)*	*1*	*157.15*	*157*
State, Local, and Tribal Governments					
Government sponsored plans, including Medicaid; State Pharmaceutical Assistance Programs (SPAPs); State High Risk Pools	49	0.083 hr (5 min)	4	157.15	629
Indian Health Service; Tribe or other Tribal Organizations; Urban Indian Organizations	58	0.083 hr (5 min)	5	157.15	786
Subtotal: State, Local, and Tribal Governments	*107*	*0.083 hr (5 min)*	*9*	*157.15*	*1,414*
TOTAL	**134,351**	**0.083 hr (5 min)**	**11,152**	**157.15**	**1,752,537**

*Actual 2023 figures.
**See Table 1.

Collection of Information Instruments

The "Disclosure to CMS Form" and instructions are attached to this collection of information request and are available on the internet at https://www.cms.gov/Medicare/Prescription-DrugCoverage/CreditableCoverage/CCDisclosureForm.

We are not proposing any changes to the form and instructions.

13. Capital Costs

There is no additional capital costs associated with these ICRs.

14. Cost to Federal Government

The cost to the Federal Government is $3,602. The costs/FTEs were obtained from https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/26Tables/html/DCB_h.aspx and are summarized in Table 3.

Table 3. Government Cost Estimate

Government Employee	Hourly Wage ($/hr)	Time (hr)	Total Cost ($)
GS 12 Step 3	52.34	5	262
GS 12 Step 8	60.52	40	2,421
GS 15 Step 5	91.93	10	919
TOTAL	varies	55	3,602

15. Changes to Burden

This iteration is associated with our April 6, 2026 (91 FR 17384) Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program final rule (CMS-4212-F; RIN 0938-AV63).

The rule estimates that about 5 percent of the 140,974 Group Health Plans (7,049 account-based medical plans) (140,974 plans x 0.05) will no longer be required to provide creditable coverage disclosure.

Type of Plan/Respondent	Total Responses		
	Active	Revised (CMS-4212-F)	Change due to CMS-4212-F
Private Sector	141,286	134,237	(7,049)
Federal Government	7	7	No Change
State, Local, and Tribal Governments	107	107	No Change
TOTAL	141,400	134,351	(7,049)

Type of Plan/ Respondent	Time (hr) Change		
	Active	Revised (CMS-4212-F)	Change due to CMS-4212-F
Private Sector (group health plan)	11,748	11,116	(632)
Private Sector (individual health insurance)	15	15	No Change
Private Sector (Medigap)	11	11	No Change
Federal Government	1	1	No Change

Type of Plan/ Respondent	Time (hr) Change		
	Active	Revised (CMS-4212-F)	Change due to CMS-4212-F
State, Local, and Tribal Governments	9	9	No Change
TOTAL	11,784	11,152	(632)

In the CMS-4212-P rule, we estimated 11,152 burden hours resulting in a decrease of 632 hours due to the provision change.

Our active time estimate of 11,784 hours minus 632 hours equals our net burden estimate in section 12 of 11,152 hours (see above).

Our active 0.083 hr/response time estimate is unchanged.

We are not proposing any changes to the active Creditable Coverage Disclosure to CMS Form.

16. Publication/Tabulation Dates

There are no publication or tabulation dates.

17. Expiration Date

The current expiration date is located under the PRA disclosure statement on the online disclosure form.

18. Certification Statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Not applicable.