



Reminder: Deadline for Medicare Part D Creditable Coverage Notices Approaches

Medicare Part D notices of creditable or non-creditable coverage must be provided to Medicare-eligible individuals prior to November 15 of each year. Many employers satisfy this requirement by including the notice in enrollment materials or in separate mailings in the fall. In preparing materials for distribution this fall, employers should be aware of revised model notices provided by the Centers for Medicare & Medicaid Services (CMS).

Background

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires group health plans that provide prescription drug coverage to disclose to individuals eligible for Medicare Part D whether their coverage is “creditable,” i.e., whether it is at least actuarially equivalent to the Medicare Part D coverage. This disclosure is very important because individuals who do not enroll in Medicare Part D when first eligible and who have gone more than 63 days without creditable coverage generally will have to pay higher premiums *permanently* when they finally enroll. Thus, individuals need to know the status of their coverage in order to make an informed decision about enrolling in Part D.

Notices regarding whether prescription drug coverage is creditable or non-creditable must be provided –

- prior to the start of the annual Part D enrollment period (November 15 through December 31 of each year)
- prior to an individual's initial enrollment period for Part D
- prior to the effective date of coverage for a Part D-eligible individual who joins an employer plan
- when an employer's prescription drug coverage ends or changes status as creditable coverage
- upon a beneficiary's request.

The deadline for providing annual creditable coverage notices is approaching.

Revised Notices Posted

Earlier this year, CMS posted revised model notices for use on and after January 1, 2009 on its [website](#). It also posted updated guidance regarding creditable coverage disclosures. The changes to the model notices and guidance are minimal – CMS has added an optional information box that entities can complete to provide

personalized disclosure notices. CMS recommends, but does not require, that personalized notices be provided upon request to enable individuals to show proof of prior creditable coverage when enrolling in a Part D plan. Employers may want to compare their current notices to the model notices posted on the website to determine if any changes should be made.

Conclusion

Buck's consultants can help you meet your creditable coverage notice requirements or other obligations in connection with retiree prescription drug coverage.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.