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## 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 fulfill this obligation by including the notice in enrollment materials or in separate mailings in the fall. Model notices provided by the Centers for Medicare & Medicaid Services (CMS) can be used to satisfy current requirements.*

### 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 the plan's coverage is "creditable," i.e., whether it is at least actuarially equivalent to the Medicare Part D coverage. Importantly, individuals who do not enroll in Medicare Part D when first eligible and who have gone 63 days or longer without creditable coverage generally will have to pay higher premiums *permanently* if they subsequently enroll. Thus, individuals need to know the status of their coverage in order to make an informed decision about enrolling in Part D.

Notices to Part D eligible individuals regarding whether prescription drug coverage is creditable or non-creditable must, at a minimum, 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 any Medicare-eligible individual who joins an employer plan
- when an employer's prescription drug coverage ends or changes status as creditable coverage
- upon the individual's request.

The deadline for providing annual creditable coverage notices is approaching.

## Model Notices

From time to time, CMS posts guidance and model notices of creditable and non-creditable coverage on its [website](#). The current model notices posted on the website, which state that they are for use on or after January 1, 2009, include 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. Entities that choose not to use the model disclosure notices must provide notices that meet prescribed content standards.

## Conclusion

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

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*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.*