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New Medicare Part D Creditable/Non-Creditable Coverage Notices Released

Based on changes in the Medicare Part D enrollment period, CMS updated the model notices that tell plan enrollees whether their benefits are considered creditable or non-creditable in relation to Part D plans.

Background

The Medicare Prescription Drug Improvement and Modernization Act of 2003 requires group health plans that include prescription drug coverage to disclose annually to individuals eligible for Part D whether the plan's coverage is "creditable" (i.e., whether it is at least actuarially equivalent to Part D coverage). Most plan sponsors have used model notices issued by CMS to fulfill their notice obligations. Individuals who do not enroll in Part D coverage when first eligible, and who go 63 days or longer without creditable coverage, will have to pay higher premiums if they subsequently enroll in a Part D plan.

New Notices

As described in our May 9, 2011 [For Your Information](#), the Medicare Part D annual enrollment period has changed to October 15th through December 7th. CMS has now updated their model notices to reflect these new dates. No other substantive changes have been made to the model notices.

The new [model notices of creditable coverage](#) and [non-creditable coverage](#) can be used immediately.

BUCK COMMENT: *Before the change in the enrollment period, notices had to be provided by November 15th. While the Part D enrollment period now starts October 15th, the CMS guidance still references the November 15th deadline. Plan sponsors should stay alert for further clarifications on when to distribute these notices.*

Conclusion

Buck's consultants are available to assist you in preparing Part D notices.

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.