



For your information

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Reminder: Deadline for Medicare Part D Creditable/Non-Creditable Coverage Notices Approaches

Plan sponsors that offer prescription drug coverage must provide notices of creditable or non-creditable coverage to Medicare-eligible individuals before each year's Medicare Part D annual enrollment period. Many plan sponsors fulfill this obligation by including the notices in their annual enrollment materials or in separate mailings in the fall. Whether plan sponsors use the model notices provided by the Centers for Medicare & Medicaid Services (CMS) or other notices that meet prescribed standards, they must provide the required disclosures no later than October 14, 2012.

Background

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires group health plans that provide prescription drug coverage to disclose annually to Medicare Part D-eligible individuals whether or not the plan's coverage is "creditable" (i.e., whether it is at least actuarially equivalent to Medicare's standard Part D coverage). Those who do not enroll in Medicare Part D when first eligible, and who go 63 days or longer without creditable coverage, generally have to pay higher premiums if they later enroll in a Part D plan. To make an informed decision about whether to remain in their current prescription drug plan or enroll in Medicare Part D, individuals need to know the creditable coverage status of the employer's plan.

Providing Notice

Effective last year, the Medicare Part D annual enrollment period was changed from November 15 through December 31 to October 15 through December 7. This change affected when annual creditable coverage notices must be provided to Part D-eligible individuals (generally those age 65 and older, including active employees, retirees, COBRA participants, and dependents). (See our May 9, 2011 [For Your Information](#).)

At a minimum, notices to Part D-eligible individuals regarding whether prescription drug coverage is creditable or non-creditable now must be provided:

- Before October 15 each year (the beginning of the Medicare Part D annual enrollment period)

- Before an individual's initial enrollment period (IEP) for Part D
- Before the effective date of coverage for any Medicare-eligible individual who joins an employer plan
- Whenever prescription drug coverage ends or creditable coverage status changes
- Upon the individual's request.

CMS indicated that, as long as the notice is provided to all plan participants each year before the beginning of the Medicare Part D annual enrollment period, the requirement to provide the notice prior to an individual's IEP also will be satisfied.

Model notices provided by CMS can be used to satisfy current disclosure requirements. Model creditable coverage disclosure notices as well as model non-creditable coverage disclosure notices are available in both English and Spanish on the CMS [website](#). Plan sponsors that choose not to use the model disclosure notices must provide notices that meet prescribed content standards.

Conclusion

The October 14 deadline for providing annual creditable coverage notices is approaching. Buck's consultants can help you determine whether the prescription drug plan you offer meets CMS's creditable coverage standard and help you satisfy current disclosure requirements.