

September 18, 2014

Medicare Part D Notices Due Prior to October 15th

Medicare Part D imposes disclosure requirements on employers with group health plans that provide prescription drug coverage to Medicare-eligible individuals. The annual “Notice of Creditable Coverage” required under Medicare Part D must be distributed prior to the start of the annual Part D enrollment period which runs from October 15th through December 7th.

The creditable coverage disclosure notice alerts individuals as to whether their plan’s prescription drug coverage is at least as good as the Medicare Part D coverage (in other words, whether their prescription drug coverage is “creditable”). There is a late enrollment penalty on individuals who do not maintain creditable coverage for a period of 63 days or longer following the initial enrollment period for the Medicare prescription drug benefit. Accordingly, this information is essential to an individual’s decision whether to enroll in a Medicare Part D prescription drug plan.

This written disclosure notice must be provided prior to October 15, 2014, and at various times, including when a Medicare-eligible individual joins the plan. This disclosure must be provided to Medicare-eligible active working individuals and their dependents; Medicare-eligible COBRA individuals and their dependents; Medicare-eligible disabled individuals covered under a prescription drug plan; and any retirees and their dependents. As a practical matter, group health plan sponsors often meet the creditable coverage disclosure notice requirement by providing the notice to all plan participants in open enrollment and new hire materials.

Two model notices are available for employers to use:

- A [Model Creditable Coverage Disclosure Notice](#) for when the health plan’s prescription drug coverage is creditable; and
- A [Model Non-creditable Coverage Disclosure Notice](#) for when the health plan’s prescription drug coverage is not creditable.

These model notices are also available in Spanish. Employers are not required to use the model notices. However, if the model language is not used, a plan sponsor’s notices must include certain information, including a disclosure about whether the plan’s coverage is creditable and explanations of the meaning of creditable coverage and why creditable coverage is important to notice recipients.

More information on the Medicare Part D disclosures, including the Disclosure to CMS Form that must be submitted electronically within 60 days of the beginning of each plan year, is available at the [CMS Creditable Coverage web page](#). Should you have questions about this or any aspect of

group health plan requirements, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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