



Legislative Update

May 18, 2009

CMS Publishes Medicare Part D Parameters For 2010

On April 6, 2009 the Center for Medicare and Medicaid Services (CMS) published the Announcement of Calendar Year (CY) 2010 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies, which contains updated Medicare Part D benefit parameters for 2010. A comparison of the 2009 and 2010 Standard Benefit Design Parameters are summarized in the below chart. For a full list of all 2010 Benefit Parameters, [click here](#).

STANDARD BENEFIT DESIGN PARAMETERS	2009	2010
Deductible	\$295	\$310
Initial Coverage Limit	\$2700	\$2830
Out-of-Pocket Threshold	\$4,350	\$4,550
Total Covered Part D Drug Spend at OOP Threshold (2)	\$6,153.75	\$6,440.00
Minimum Cost Sharing is Catastrophic Coverage Portion of Benefit		
Generic/Preferred Multi-Source Drug	\$2.40	\$2.50
Other	\$6.00	\$6.30

Overview of Medicare Part D Requirements

Medicare D requires many entities to disclose to CMS on an annual basis, whether their prescription drug coverage is credible or non credible. This disclosure must take place within 60 days of the plan's renewal date. In addition to filing the annual report, required entities must also notify CMS upon any change that affects whether the coverage is creditable.

Final regulations also specify that required entities must provide, or arrange for providing, a notice of creditable prescription drug coverage to Medicare beneficiaries who are covered by, or who apply for, prescription drug coverage under the entities' plan. The regulation generally states that disclosures for a variety of types of prescription drug coverage must be provided, at minimum: (a) prior to an individual's initial enrollment period for the Medicare prescription drug benefit; (b) prior to the effective date of enrolling in the sponsor's plan and upon any change that affects whether the coverage is creditable prescription drug coverage; (c) prior to the commencement of the annual coordinated election period that begins on November 15 of each year; and (d) upon beneficiary request. Disclosures must be provided annually to beneficiaries, no less than 12 months prior to November 15th.

[Click here](#) for additional information regarding plan sponsor's obligations under CMS Medicare D.

Please contact your Conner Strong representative with any questions, toll-free at 1-877-861-3220.

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