

## Employer Medicare Part D Disclosure and Reporting Obligations

The Social Security Act requires plan sponsors offering prescription drug coverage to provide certain notices regarding the coverage they offer. Medicare Part D Notices of Creditable or Non-Creditable Coverage must be updated and provided to Medicare eligible participants by October 14 of this year. This coincides with the Medicare annual enrollment period running from October 15 through December 7.

Employers are required to send two notices relating to prescription drug coverage. The notices require employers to:

1. Provide written notification to plan participants explaining whether the coverage is “Creditable” or “Non-Creditable”.
2. Notify the Centers for Medicare and Medicaid Services (CMS) about the status of its drug coverage no later than 60 days after the start of its plan year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires group health plans 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) or not.

Individuals who do not enroll in Medicare Part D when first eligible and who go 63 days or longer without creditable coverage will have to pay higher premiums permanently when they subsequently enroll in Medicare Part D. Thus, Medicare-eligible individuals need to know the status of their plan's prescription coverage in order to make an informed decision about enrolling in Medicare Part D.

Notices to Medicare 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 Medicare Part D enrollment period which was previously November 15 through December 31 of each year. Most plan sponsors use model notices issued by the Center for Medicare and Medicaid Services (CMS) that refer to those specific dates.

CMS has issued revised model forms which can be found at [www.cms.gov](http://www.cms.gov). Click on the link for "Creditable Coverage," then "Model Notice Letters." Notices must be provided by October 14, 2015. To complete the disclosure of your plans status to CMS, click on the link for “Disclosure to CMS Form.”

The notices provided on the CMS website are in .pdf format. We have converted the notices to Microsoft Word format for your convenience in editing to tailor the notice to your needs. Links to the Word documents are available on the HORAN website below.

Medicare Part D Creditable Coverage Notice –

<http://www.horanassoc.com/health-benefits/employers/health-care-reform-compliance/health-care-reform-updates/id/7743/medicare-part-d-creditable-coverage-notice>

Medicare Part D Non-Creditable Coverage Notice –

<http://www.horanassoc.com/health-benefits/employers/health-care-reform-compliance/health-care-reform-updates/id/7744/medicare-part-d-non-creditable-coverage-notice>

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