Medicare Part D Disclosure Update

Important instructions for the Medicare Part D creditable coverage process

The Medicare Modernization Act (MMA) requires entities (whose policies include prescription drug coverage) to notify Medicare eligible policyholders whether their prescription drug coverage is creditable coverage, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. **The employer responsibilities remain a two-fold process:**

1. The first disclosure requirement is to provide a written disclosure notice to all Medicare eligible individuals annually who are covered under its prescription drug plan, prior to October 15th each year and at various times as stated in the regulations, including to a Medicare eligible individual when he/she 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 your prescription drug plan and any retirees and their dependents. The MMA imposes a late enrollment penalty on individuals who do not maintain creditable coverage for a period of 63 days or longer following their 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. Please see below links labeled **"Creditable Coverage Notice or Non-Creditable Coverage Notice"**.
2. The second disclosure requirement is for entities to complete the Online Disclosure to CMS Form to report the creditable coverage status of their prescription drug plan. The Disclosure should be completed annually no later than 60 days from the beginning of a plan year (contract year, renewal year), within 30 days after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status. To begin the Online Disclosure **Click Here**. The instructions on how to use the CMS website is in the below link labeled **"Creditable Coverage Disclosure Manual".**

Please see below notices and instructions for the **Medicare Part D creditable coverage process**.

Creditable Coverage Notice (Word) **or** **Non-Creditable Coverage Notice (Word)**

This notice needs to be sent out to ALL employees **NO LATER THAN OCTOBER 15.**

Creditable Coverage Simplified Determination (PDF)

Guide to determine if your plan is "creditable".

What is Creditable Coverage?

For more information regarding CMS, please click here.

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