



Medicare Part D – Prescription Drug Program May 15, 2006 and Beyond

The Medicare Prescription Drug program officially got under way January 1, 2006. With this new regulation came new disclosure requirements for employers. The government issued revised forms and further guidance in March so this is a good time to review employer requirements under this law. In March of 2006 the Centers for Medicare and Medicaid Services (CMS) issued revised and new notice requirements for Medicare Part D. The revised forms are to be used on or after May 15, 2006. A new personalized notice of creditable or non-creditable coverage has also been developed. This new notice is called Model Personalized Beneficiary Disclosure Notice and must be used when a beneficiary request's a copy of your coverage notice. The new model forms and new guidance documents to be used beginning May 15, 2006 can be accessed using the following links.

Guidance Document

[General Creditable Coverage Guidance - After May 15, 2006 \(PDF, 111KB\)**NEW**](#)

Model Notices

[Model Creditable Coverage Disclosure Notice \(Zipped Word, 10KB\)**NEW**](#)

[Model Non-Creditable Coverage Disclosure Notice \(Zipped Word, 12KB\)**NEW**](#)

[Model Personalized Creditable Coverage Disclosure Notice \(Zipped Word, 11KB\)**NEW**](#)

The following is review information on Medicare Part D and employer requirements.

Creditable or Non-Creditable Coverage notification is an annual and event specific requirement. Notice needs to go out to all Medicare eligible participants on your plan. This includes Medicare eligible spouses or dependents. The notice should go out at the following times:

- Prior to November 15th of every year
- Prior to an individual's Initial Enrollment Period (IEP) for Part D
- Prior to the effective date of coverage for any Medicare eligible individual that joins your plan
- Whenever you no longer offer prescription drug coverage or the coverage changes its creditability status
- Upon a beneficiary's request

If the creditable coverage disclosure notice is provided to ALL plan participants annually, CMS will consider the first two requirements to be met. Notice to the employee constitutes notice to the spouse and dependents, unless they reside at a different address. Some things you can do to meet these requirements are:

- Include your creditable coverage notice in your new hire packet or benefits enrollment packet.
- Include your creditable coverage notice as part of your annual enrollment packet of information, if before November 15th of every year.
- Do a mailing of the creditable coverage notice prior to November 15th of every year.

In addition to participant notification, an annual notification to CMS of your plans creditable coverage status is also required. This notice should take place at the following times:

- By March 31, 2006 for the initial notice
- For plan years that end in 2007 and beyond, within 60 days of the beginning of the new plan year. For example, if your plan ends March 31, 2007, you must provide notice to CMS by May 30, 2007
- Within 30 days of termination of your drug plan
- Within 30 days of change in creditability status of your drug plan

The notice must be provided via an online submission form on the CMS website.

<http://www.cms.hhs.gov/apps/ccdisclosure/default.asp>

Most insurance carriers and third party administrators are not sending out the notice or filling out the CMS form on behalf of clients. This is something the employer will need to have a policy in place to handle based on the guidance above.

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