

# CLIENT ALERT

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## The Annual Enrollment Period for Medicare D starts on October 15<sup>th</sup> this year

**Make sure you know your obligations.....**

Plan sponsors that provide prescription drug coverage to Medicare eligible individuals are required to provide those individuals with a Notice of Creditable (or Non-Creditable) Coverage. Coverage is considered creditable if, on average for all plan participants, the coverage is expected to pay out at least as much as the standard Medicare Part D benefit.

### **TIMING OF CREDITABLE/NON-CREDITABLE COVERAGE DISCLOSURE**

The Centers for Medicare and Medicaid (CMS) have specified that at a minimum, disclosure must be made at the following times to Medicare D eligible individuals.

1. Prior to the Medicare Part D Annual Coordinated Election Period (ACEP) that as of 2011 begins each October 15<sup>th</sup> and ends each December 7<sup>th</sup>.
2. Prior to an individual's Initial Enrollment Period (IEP) for Part D
3. Prior to the effective date of coverage for any Medicare eligible individual that joins the plan
4. Whenever the Prescription Drug Plan ends or changes so that it is no longer creditable or becomes creditable
5. Upon the request of an individual.

If the Notice is provided to all plan participants annually prior to the Medicare Annual Enrollment Period, CMS will consider items 1 and 2 to be met.

## **WHAT DOES ALL THIS MEAN TO YOU?**

It means that prior to October 15<sup>th</sup>, you need to notify all of your plan participants who are eligible for Medicare Part D if your plan is Creditable or Non-Creditable.

**We suggest that you mail a notification to all participants' homes prior to October 15.** This will meet your obligations for Numbers 1 and 2 above.

You may chose to send the notice to only those that are Medicare Eligible at this time. However, keep in mind that you may not be aware of a spouse or child that is eligible for Medicare due to a disability. If you only send the notice to those eligible now, you will have to track each future participant's Initial Enrollment Period throughout the year, and you will have to send a notice prior to their Medicare eligibility date.

We have enclosed a sample Disclosure Notice for Creditable Coverage which has been updated by the Department of Health and Human Services to reflect the new Annual Enrollment Period. The Model Notices that are supplied by CMS require that you add language to accurately reflect the rights of Medicare eligible individuals based on your plan. Note that language highlighted in YELLOW was added by CHB Group. This is variable language and may/should be changed by you. If you chose to use this notice, you will need to add your employer information. Also please refer to the highlighted variable wording. This wording should be reviewed and changed to meet your company's policies. The paragraph which begins RECOMMENDED INSERT should be deleted. We have only included it for your review.

You may review the model notices provided by CMS at their website: (Spanish Versions are also provided)

<http://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Model-Notice-Letters.html>

If you believe your plan is Not Creditable or you are not sure, please call our office.

### ***Disclaimer:***

***This notification and its attachments are not meant to advise you of your entire obligations under Medicare D Notifications, nor to serve as legal advice. If you would like more complete information, please do not hesitate to contact our office of your attorney.***