

Legislative Brief

Medicare Part D: Creditable Coverage Disclosure Notices Due by November 14



The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) created a voluntary prescription drug program for Medicare Part D eligible individuals. The final regulations provide that group health plans — or entities that offer prescription drug coverage on a group basis to active and retired employees and to Medicare Part D eligible individuals — must provide, or arrange to provide, **a notice of creditable or non-creditable prescription drug coverage** to Medicare Part D eligible individuals who are covered by, or who apply for, prescription drug coverage under the entity's plan. This creditable coverage notice alerts the individuals as to whether or not their prescription drug coverage is at least as good as the Medicare Part D coverage. Medicare beneficiaries who are not covered by creditable prescription drug coverage and who choose not to enroll before the end of their initial enrollment period, and enroll at a later date, will likely pay higher premiums.

Creditable or Non-Creditable Coverage Disclosure Notices

At a minimum, Disclosure Notices for creditable or non-creditable coverage must be provided at the following times:

- 1) **Prior to the Medicare Part D Annual Coordinated Election Period – beginning November 15th through December 31st of each year;**
- 2) Prior to an individual's Initial Enrollment Period for Part D;
- 3) Prior to the effective date of coverage for any Medicare eligible individual that joins the plan;
- 4) Whenever prescription drug coverage ends or changes so that it is no longer creditable or becomes creditable; and
- 5) Upon a beneficiary's request.

Individuals who did not receive a notice of creditable or non-creditable coverage on or after November 15 of last year must be provided with a notice no later than November 14 of this year.

Additional information about the creditable coverage disclosure requirement and about creditable coverage in general is also available on the CMS Creditable Coverage web page at <http://www.cms.hhs.gov/CreditableCoverage/>.

Please contact your Scott Insurance representative with any questions.

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JMK 9/06, 1/09