

EMPLOYEE BENEFITS UPDATE

Medicare Part D Prescription Drug Benefit: Updated CMS Medicare Part D “Creditable Coverage” Model Notice Effective May 15, 2006

May 2006

Medicare’s new prescription drug benefit “Medicare Part D” became available January 1, 2006. Eligible beneficiaries have until May 15, 2006 to enroll for Medicare Part D coverage. The Center for Medicare and Medicaid Services (CMS) requires employers to provide notice of the “creditable coverage” status of employer sponsored prescription drug plans to any Medicare-eligible benefit plan participants, and to CMS.

CMS provided a model notice for employer’s use in advising their covered Medicare-eligible benefit plan participants of the “creditable status” and BTA assisted our clients with the preparation and distribution of the “creditable coverage” notice. Recently, CMS released a new model notice for use on or after May 15, 2006. The new model disclosure notice conveys the same required information to the participant, but eliminates reference to the January 1, 2006 effective date and May 15th, 2006 enrollment deadline.

Because your group health plan is affected by the disclosure rules, BTA has taken the initiative in updating your “creditable” coverage disclosure notice, attached for your reference. For your convenience, we have also updated your BenefitsReview.com website with the new notice.

As a reminder, Medicare-eligible benefit plan participants must receive notice:

1. Prior to the annual Medicare Part D enrollment period (from 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 who joins the employer’s plan;

4. Whenever prescription drug coverage ends or changes so that is no longer creditable or becomes creditable; and,

5. Upon request.

As long as a disclosure notice is provided to all plan participants, CMS considers items one and two to have been met. Additionally, CMS clarifies that the “prior to” condition is satisfied if notices have been provided within the past 12 months.

If you prefer to use a personalized notice in lieu of a general notice, CMS created a model notice for this purpose. The personalized notice can be customized to include the Medicare beneficiary’s first and last name, social security number and dates of creditable coverage. Revised model notices, including the new personalized notice, are available on the CMS website, at http://www.cms.hhs.gov/CreditableCoverage/02_CCafterMay15.asp#TopOfPage.

For further information on Medicare Part D creditable notice requirements, visit the CMS website link related to creditable coverage issues at: <http://www.cms.hhs.gov/creditablecoverage/> or contact your BTA account manager at (949) 833-9803.

Note: BTA prepared this communication for informational purposes only. It does not constitute legal advice and should not be relied upon as such.



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