



Compliance Alert

September 12, 2011

BOON-CHAPMAN

Medicare Creditable Coverage Annual Notification

Introduction

The Medicare Modernization Act (MMA) requires group plans that include prescription drug coverage to notify Medicare-eligible participants whether or not 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. This Compliance Alert serves as an annual reminder that it is time to provide this disclosure to Medicare-eligible participants.

Notice to Medicare-Eligible Recipients

Notice of Creditable Coverage must be made at the following times:

1. **Prior to October 15 of each year.**
2. Prior to an individual attaining eligibility for Part D during the year
3. When Medicare eligible individuals join the Plan
4. When changes are made to the prescription drug coverage that changes its creditable coverage status, or when prescription drug coverage is no longer available
5. Upon request

CMS has made available model disclosure notices for both creditable and non-creditable plans.

<https://www.cms.gov/CreditableCoverage/downloads/ModelCreditableCoverageDisclosureNotice051711.pdf>

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Notice to CMS

In addition, Plans are responsible for notifying CMS of their creditable status.

Plans are required to disclose creditable coverage status to CMS on an annual basis, and upon any change that affects whether the drug coverage is creditable.

At a minimum, disclosure to CMS must be made at the following times:

1. Within 60 days after the beginning date of the plan year for which the entity is providing the disclosure to CMS
2. Within 30 days after the termination of the prescription drug plan
3. Within 30 days after any change in the creditable coverage status of the prescription drug plan

The notification to CMS is done online. The online form can be found at:

https://www.cms.gov/CreditableCoverage/45_CCDisclosureForm.asp

Additional Information

For an overview of the disclosure requirement, please visit:

https://www.cms.gov/CreditableCoverage/01_Overview.asp

If you have questions or comments about this notice, please contact your Account Manager.

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