



Medicare Part D

Guidance for Employers

Group health plans and individual health insurance policies that offer prescription drug coverage to Medicare-eligible individuals must comply with the following notice requirements:

DISCLOSURES NOTICE TO THE CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

Each plan sponsor (typically the employer) must disclose to CMS whether the plan's prescription drug coverage is "creditable" or "non-creditable" compared with the prescription drug coverage provided under Medicare Part D. For the basic steps to determine if an employer's plan is creditable, CMS has provided guidance entitled "Creditable Coverage Simplified Determination," which may be reviewed at: www.cms.gov/CreditableCoverage/Downloads/CCSimplified091809.pdf.

For a full copy of the "Creditable Coverage Notice to CMS Guidance," including details on who must provide disclosure notice to CMS, please refer to the CMS Creditable Coverage web page at: www.cms.gov/creditablecoverage.

Disclosure must be completed annually, within 60 days following the start of the plan year, via the CMS website located at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosureForm.html>.

Please note that this is the sole method for compliance with this CMS disclosure requirement.

DISCLOSURES NOTICE TO MEDICARE PART D ELIGIBLE INDIVIDUALS

In addition to the CMS notification, the plan sponsor must notify individuals eligible to participate in their medical plan whether their plan's prescription drug coverage is "creditable" or "non-creditable" compared to Medicare Part D coverage. Again, for the basic steps to determine if an employer's plan is creditable, CMS has provided guidance entitled "Creditable Coverage Simplified Determination" that may be reviewed at: www.cms.gov/CreditableCoverage/Downloads/CCSimplified091809.pdf.

This notice must be provided to Medicare Part D eligible individuals:

- Annually by October 14 (prior to the October 15 start date of the Medicare Open Enrollment Period)
- When the individual originally becomes eligible under the group plan
- Upon a change in the plan's creditable coverage status
- Upon termination of the plan's prescription drug benefit
- Upon an individual's request

It is recommended that employers send the notice to all employees eligible to participate in their medical plan.

An individual becomes eligible for Medicare due to age, end-stage renal disease, or disability. Additionally, an employee's spouse, domestic partner, or other dependent may be eligible for Medicare. Therefore, it might be difficult for an employer to identify individuals who are eligible for Medicare. It is therefore recommended that the notice be distributed to all employees who are eligible to participate in the employer's plan.



THE NOTICE MAY BE COMBINED WITH OTHER INFORMATIONAL MATERIALS

Employers can combine these notices with other plan participant information materials (e.g., open enrollment and renewal information or summary plan descriptions) provided the notices are “conspicuous and prominently presented.” This means that the disclosure notices, or a reference to the section which includes the notices, must be prominently referenced in at least 14-point font in a separate box, bolded or offset on the first page that begins the plan participant information being provided.

THE NOTICE MAY BE EMAILED TO EMPLOYEES AND POSTED ON THE EMPLOYER’S WEBSITE

An employer may provide the notice to plan participants via a work email address if the participant has email access at their regular place of work on a daily basis. The email should include a statement indicating the significance of the document, that a paper version of the notice is available and how to obtain one, and a statement that the participant is responsible for providing a copy of the notice to their dependents that are covered under the group plan and eligible for Medicare. In addition to emailing the notices, the employer must post the notice on the employer’s website with a link to the notice on the website’s main page. They need not be posted on the website if the notices are provided by first class mail.

If an employee does not have access to a work email address as a part of their regular work duties, the employer may still email the notice to them after certain conditions are met:

- The individual must notify the employer that they have adequate electronic access, provide the employer with a valid email address and send an email to the employer consenting to the electronic notification.
- The employer must notify the individual of their right to a paper version of the notice, how to cancel their consent, how to revise an address, and any hardware/software requirements.

Please note that a hand-delivered copy is not recommended as a primary method of distribution. For those individuals that do not receive the notice electronically, first class mail would be the next preferred method of delivery.

MODEL NOTICES PROVIDED BY CMS

CMS has provided both creditable and non-creditable basic model notices in English and in Spanish. These notices are updated from time to time, so it is essential that you use the most current version. The most current model notices may be reviewed and downloaded from: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Model-Notice-Letters.html>.

For additional information on Medicare Part D, please visit the CMS website at:

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/index.html>.