

Medicare Part D Creditable Coverage Disclosure to CMS Deadline – March 31, 2006

Under the Medicare Modernization Act of 2003 (MMA), entities that currently provide prescription drug coverage to Medicare Part D eligible individuals must disclose to the Centers for Medicare & Medicaid Services (CMS) whether the coverage is “creditable prescription drug coverage.” This is **in addition** to the required employee notification which had a deadline of November 14, 2005. Many of the insurance carriers satisfied those notification requirements by sending creditable coverage notices to the employer for distribution or direct to those eligible for Medicare.

At this moment, it is unclear as to whether all companies must comply or only those with Medicare eligible employees that currently participate with their group sponsored medical plan. It is safest to complete this requirement or wait for clarification...but the deadline to file with CMS is March 31, 2006!

I believe all of the plans we manage do have creditable prescription coverage so it is safe to say you do unless you received notice from your insurance carrier back in November that your prescription coverage is not creditable.

Employers are required to provide notice to CMS through completion of the online ***Disclosure to CMS Form*** on the CMS website at www.cms.hhs.gov/creditablecoverage. Notice must be made to CMS on an annual basis, and upon any change that affects whether the drug coverage is creditable. ***The initial notice must be provided by March 31, 2006. The attachments provide an overview of the requirements and a sample form.***

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

1. For plans years that end in 2006, disclosure of creditable coverage status must be provided no later than March 31, 2006.
2. For plan years that end in 2007, and beyond, disclosure of creditable coverage status must be provided within 60 days after the beginning date of the plan year for which the entity is providing the disclosure to CMS.
3. Within 30 days after the termination of the prescription drug plan; and
4. Within 30 days after any change in the creditable coverage status of the prescription drug plan.

Following is the required data that must be included in the notice. For entities with subsidiaries, one ***Disclosure to CMS Form*** can be submitted to CMS for the entire entity if the plan year is the same for all subsidiaries.

1. Name of Entity Offering Coverage – This is the name of the entity that is providing or sponsoring the benefits plan. It is NOT the name of the carrier that the entity may have contracted with for insurance coverage or for administration of its benefits plan.
2. Federal Tax Identification Number of the Entity – For entities that have multiple subsidiaries that are all covered under the same type of coverage, the Federal

Tax Identification Number of the Parent Company may be used. If the form is completed separately for individual subsidiaries the identification number for each subsidiary should be provided.

3. Street Address, including the City, State and Zip Code of the Entity.
4. Phone Number of the Entity.
5. Number of Options offered by the Entity - This is the total number of benefit options that the entity is offering to Medicare eligible individuals. For example, and employer plan may offer an HMO option, a PPO option and an Indemnity option.
6. Creditable Coverage Status Selection Options – Select the most appropriate option. If the options offered by the entity are either all creditable or all non-creditable, the entities/plan sponsors may provide aggregated data for all options under the Plan. If some of the options offered are creditable and some are not creditable, entities/plan sponsors may combine the data for the creditable options and combine the data for non-creditable options in the notice.
7. Period covered by Disclosure Notice.
8. Number of Part D Eligible Individuals expected to be covered under these Plans(s) as of the Beginning Date of the Plan Year.
9. Estimate Number of Individuals expected to be covered through an Employer /Union group health Retiree Plan.
10. Date of Notice of Creditable Coverage provided to Part D Eligible Individuals – An entity must disclose to CMS the latest calendar date on which it provided the required disclosure to Part D eligible individuals of creditable or non-creditable coverage (i.e., mailed, personally distributed to part D eligible individuals, etc.).
11. Change in Creditable Coverage status of previously disclosed information to CMS.
12. Name, Title and E-mail of the Entity's Authorized Individual.
13. Date of Disclosure to CMS.