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BENEFIT CONSULTING GROUP

NEWS BULLETIN

Medicare Creditable Coverage Notice

The Center for Medicare and Medicaid Services (CMS) requires that any plan sponsor (the employer) notify all Medical eligible individuals who are enrolled under their prescription drug plan of whether the drug coverage is considered creditable or not. The insurance carrier (BCBS, Humana, etc.) typically notifies each employer's Benefit Administrator regarding plans that are considered to be either non-creditable or creditable.

Prior to the annual enrollment period for Medicare Part D drug coverage, employers that offer prescription drug coverage must provide notices of credible or non-creditable coverage to the Medicare eligible individuals, including employees, dependents and Cobra members. This notice may be provided in annual enrollment materials, separate mailings or electronically.

Employers may use the CMS model notice or other notices that meet the model standards, but they must provide the notice prior to October 15th each year.

The model notice can be found at:

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

Also the Centers for Medicare & Medicaid Services (CMS) has provided a [Creditable Coverage Simplified Determination](#) method that plan sponsors can use to determine if a plan provides creditable coverage.

Disclosure of whether their prescription drug coverage is creditable allows individuals to make informed decisions about whether to remain in their current prescription drug plan or enroll in Medicare Part D during the Part D annual enrollment period.

Individuals who do not enroll in Medicare Part D during their initial enrollment period, and who go at least 63 consecutive days without creditable coverage (because they dropped their creditable coverage or have non-creditable coverage) generally will pay higher premiums if they enroll in a Medicare drug plan at a later date. Questions related to enrollment into Medicare Part D drug plans can be addressed by contacting 1-800-MEDICARE.

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As always, this material is intended for informational purposes only and is not to serve as instruction or legal counsel.

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