

Employers who sponsor a group health plan with prescription drug benefits are required to notify their Medicare-eligible participants and beneficiaries whether the prescription drug coverage offered under their plan constitutes “creditable” or “non-creditable” coverage. In earlier years, the notice had to be distributed prior to November 15. However, since the Medicare Part D annual enrollment period was changed under health care reform and now runs from October 15 to December 7, beginning this year, the annual notices must be distributed before October 15.

### When and How Should the Notice Be Sent to Participants?

At a minimum, the notices should be provided at the following times:

- Annually, prior to October 15th;
- Prior to an individual’s initial enrollment period for Part D;
- Prior to the effective date of coverage for any Part D eligible individual that enrolls in the employer’s prescription drug coverage;
- Whenever the employer no longer offers prescription drug coverage or changes it so that it is no longer creditable or becomes creditable; and
- Upon request by the Part D eligible individual.

The notice should be sent to all Part-D eligible participants, which includes active employees, COBRA qualified beneficiaries, retirees, spouses, and other dependents of the employee covered by the plan. Employers may wish to send the notice to all plan participants to ensure compliance, since many times the employer may not know whether an individual is Medicare eligible.

Revised model notices can be found on the CMS website at [www.cms.gov/CreditableCoverage/Model%20Notice%20Letters.asp#TopOfPage](http://www.cms.gov/CreditableCoverage/Model%20Notice%20Letters.asp#TopOfPage). Both English and Spanish versions are available.

A single notice may be provided to a participant and family members covered under the plan unless the employer is aware that the spouse or dependent resides at a different address. The preferred method of delivery is via first class mail, however it may be provided via electronic delivery to plan participants who have the ability to access the employer’s electronic information system on a daily basis as part of their work duties. If using electronic delivery, the employer must inform the plan participants that they are responsible for providing a copy of the electronic disclosure to their Medicare-eligible dependents covered under the group health plan. The employer must also post a copy of the notice on its website. If an employer chooses to incorporate the notice with other plan participant information, the disclosure must be prominent, conspicuous, and written in at least 14-point font in a separate box, bolded or offset on the first page of the provided information.

### Notice to CMS

Employers must also electronically notify CMS as to the creditable status of the group health plan prescription drug coverage by using the form located at [www.cms.gov/CreditableCoverage/45\\_CCDisclosureForm.asp](http://www.cms.gov/CreditableCoverage/45_CCDisclosureForm.asp). This notice must be provided by the following deadlines:

- Within 60 days after the beginning date of the plan year;
- Within 30 days after termination of the prescription drug plan; and
- Within 30 days after any change in creditable status of the prescription drug plan.