

**September
2019**



Medicare Part D Notices

October 15th is quickly approaching. Here is some helpful information regarding what is required of employers who offer a group medical insurance plan.

What is Medicare Part D?

All employer sponsored group plans that cover prescription drugs must be aware of the creditable coverage requirements whether or not the plans cover retirees. Prescription drug coverage is creditable if the value of the plan's coverage equals or exceeds the Medicare Part D standard prescription drug coverage.

Why are Notices Required?

Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) states that those that sign up for Medicare coverage after their initial enrollment period will pay a penalty unless they have maintained creditable prescription drug coverage and have not had a break in creditable coverage for a continuous 63 days or longer. The MMA requires that the plan sponsors inform plan participants the status of the prescription drug coverage so that the individual may make an informed decision regarding whether or not to enroll in Part D when eligible.

Notice Requirements

In order to coordinate with the Annual Election Period for Medicare the notices should be received prior to October 15th. At a minimum, the notice must be provided by the plan sponsor at the following times:

1. Prior to the Medicare Part D Annual Enrollment Period (October 15th through December 7th) of each year.
2. Prior to an individual's initial enrollment period for Part D.
3. Prior to the effective date of coverage for any Medicare eligible individual that joins the plan.
4. Whenever prescription drug coverage ends or changes so that it is no longer creditable or becomes creditable; and
5. Upon request by a Medicare

If the employer provides the notice to all participants rather than only those that are eligible for Medicare then CMS will consider #1 and #2 above to be met.

