

# eLABORate

March 16, 2006

## NOTICE OF CREDITABLE COVERAGE TO CMS DUE MARCH 31, 2006

As you know, the Medicare Prescription Drug Improvement and Modernization Act of 2003 added a new prescription drug program to Medicare, commonly referred to as “Medicare Part D.” If an employer-sponsored group health plan provides prescription drug coverage to employees and retirees who are also eligible for coverage under Medicare Part D, whether as a primary or secondary payor, the employer is required to provide two types of disclosures:

- a. First, to eligible employees and retirees who are covered under the plan, a disclosure that indicates whether the actuarial value of the employer-provided drug coverage equals or exceeds the value of the Medicare Part D coverage; this notice was required to be furnished not later than November 15, 2005 and must be furnished annually thereafter during open enrollment.
- b. Second, to the Centers for Medicare and Medicaid Services; this notice, called a “Disclosure Notice,” also indicates whether the actuarial value of the employer-provided drug coverage equals or exceeds the value of Medicare Part D coverage. The required form of this notice can be obtained at <http://www.cms.hhs.gov/creditablecoverage>; (The notice must be **filed not later than March 31, 2006** and annually thereafter, not later than 60 days after the beginning of each plan year and not later than 30 days after any change that affects the value of the employer-provided drug coverage.)

The sponsor of a retiree prescription drug plan may be entitled to a subsidy if the plan provides drug coverage that is at least the “actuarial equivalent” of the Medicare Part D benefit. If you have provided an actuarial attestation to the Centers for Medicare and Medicaid Services in connection with an application for the subsidy, it is not necessary to file the additional Disclosure Notice.

If you have any questions regarding the Disclosure Notice or need assistance, please use the contact information below:

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## eLABORate

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