

Common Questions on Medicare Part D Notice

By: Alex Mattingly on October 8, 2018 on graydon.law

The deadline for providing the annual Medicare Part D Creditable Coverage Notice (the "Notice") is quickly approaching. This Notice is provided to inform participants whether or not your plan's prescription drug coverage is creditable. A group health plan's prescription drug coverage is considered "creditable" if the coverage is expected to pay out at least as much as the Medicare prescription drug coverage. Below are the answers to some of the commonly asked questions we receive.

When must the Notice be distributed? The Notice must be provided by employers sponsoring group health plans each year prior to October 15th.

Who must receive the Notice? You must distribute the Notice to all individuals enrolled or seeking to enroll in your plan that are eligible for Medicare Part D, including employees, retirees, spouses, and dependents. Only sending the Notice to those age 64 or older will not always satisfy this requirement, as you may have employees or covered dependents who are eligible for Medicare due to disability or end stage renal disease. For this reason, many employers decide to send the Notice to all employees. A single Notice may typically be provided to both the Part D eligible individual and all eligible dependents covered under the same plan, but a separate disclosure must be provided if the employer knows that any spouse or dependent who is Part D eligible resides at a different address from the participant.

How do I have to send the Notice? The Notice may be sent by mail. The Notice may also be provided electronically if the participants have the ability to access electronic documents at their regular place of work and have access to the plan sponsor's electronic information system on a daily basis as part of their work duties (i.e., their normal job requires access to a computer). Additionally, electronic delivery is available if participants indicate that they have reasonable access to electronic information and submit consent electronically to the employer that they agree to receive information electronically. All electronic Notices must alert participants of the significance of the Notice, provide that a paper version of the document is available at no charge upon request, and must inform plan participants that they are responsible for providing a copy of the disclosure to their Medicare eligible dependents covered under the group health plan.

What should the Notice look like? The [CMS website has customizable model Notices](#) for both creditable and non-creditable coverage.