

Legislative Alerts October 2021

Reminder! October 15th, 2021 is the deadline for Medicare Part D creditable/non-creditable coverage notices to be received by employees!

What is Medicare Part D creditable/non-creditable coverage notices?

- The Medicare Modernization Act (MMA) requires employers, who offer group health insurance benefits that include prescription drug coverage, to notify Medicare eligible employees and their dependents whether the employer plan is more generous (creditable) or not as generous (non-creditable) than Medicare Part D prescription drug coverage.

Why is this information important?

- Individuals eligible for Medicare benefits need this information before the annual Medicare open enrollment period, so they can make an informed decision about their prescription drug coverage. MMA imposes a late enrollment penalty on individuals covered under employer sponsored health plans who do not maintain creditable coverage once they become eligible for Medicare benefits and as such, can pay a higher premium for prescription drug coverage later when they want to enroll in Medicare Part D benefits.

Who should get this notice?

- This notice must be given annually to retirees and their dependents along with Medicare-eligible active employees and their dependents and also Medicare-eligible COBRA participants and their dependents
- Most employers won't know if one of their employees has a spouse or dependent who may be Medicare eligible, so it's best to send out the notice to all employees.

How do I determine if my employer sponsored group health plan is creditable or non-creditable?

- If you're not sure if your plan is creditable or non-creditable, you can reach out to your group Health Insurance Company or Insurance Broker. We are happy to help our clients with questions around this determination.

Where do I get the notice form to send to my employees?

- Below is a link to both the creditable and non-creditable form for your convenience.

What additional steps do I need to take to be in compliance?

- Once you determine your group health plan's creditable or non-creditable status, complete the form and send it to your employees by the deadline (October 15th, 2021).
- Next, complete the Online Disclosure to CMS Form to report the creditable coverage status of your prescription drug plan. This disclosure should be complete no later than 60 days from the beginning of your plan year.
- For additional information, please use the attached link to CMS.gov

<https://www.cms.gov/medicare/prescription-drug-coverage/creditablecoverage?redirect=/creditablecoverage>



(262) 207-1999 | www.benefitsinc.com | 250 N. Patrick Blvd., Brookfield WI 53045

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