

IMPORTANT NOTICE

Medicare Part D Creditable Coverage Disclosure and Notification

As you know, the Medicare Modernization Act of 2003 (MMA), which went into effect January 1, 2006, established a voluntary outpatient prescription drug benefit referred to as Medicare Part D. The MMA requires entities (whose policies include prescription drug coverage) to notify Medicare eligible policy holders whether their prescription drug coverage is creditable coverage, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. For these entities, there are two disclosure requirements:

The first disclosure requirement is for the entities to complete the Online Disclosure to CMS Form to report the creditable coverage status of their prescription drug plan, regardless of having Medicare eligible individuals covered under your plan. The Disclosure should be completed annually no later than 60 days from the beginning of a plan year, within 30 days after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status. More information is available in the "Disclosure to CMS Form" Section located at www.cms.hhs.gov/creditablecoverage.

The second disclosure requirement is to provide a written disclosure notice to all Medicare eligible individuals (employees and dependents) annually who are covered under its prescription drug plan, **prior to October 15th** each year and at various times as stated in the regulations, including to a Medicare eligible individual when he/she joins the plan. Since this disclosure must be provided to all Medicare individuals covered under your plan, it is recommended to distribute the applicable notice to ALL participants (employees and dependents) so as to ensure that no one is missed. The MMA imposes a late enrollment penalty on individuals who do not maintain creditable coverage for a period of 63 days or longer following their initial enrollment period for the Medicare prescription drug benefit. Accordingly, this information is essential to an individual's decision whether to enroll in a Medicare Part D prescription drug plan. Further information is available at www.cms.hhs.gov/creditablecoverage. Go to the Creditable Coverage Guidance and Model Disclosure Notices Section.