Health Care Reform & Compliance

Medicare Part D Reporting of Prescription Drug Coverage

BACKGROUND INFORMATION

NOTICE & REPORTING OF CREDITABLE OR NON-CREDITABLE Rx COVERAGE

• Employers offering prescription drug benefits within Group Health Plans are required by the Medicare Part D regulations to distribute a notice of Creditable or Non-Creditable prescription drug coverage to Medicare-eligible employees and retirees by October 14 each year. Creditable means the coverage is “as good as” and comparable to Medicare Part D coverage.

• In addition this notice to Medicare-eligible employees, employers must also report to the Centers for Medicare and Medicaid Services (CMS) as to the plan(s)’ Creditable or Non-Creditable status.

• Reporting is due to CMS within 60 days of the beginning of the plan year; within 30 days after termination of a prescription drug plan; or within 30 days after any change in Creditable or Non-Creditable coverage status.

Model Creditable Coverage Disclosure Notice
Model Non-Creditable Coverage Disclosure Notice
CMS Website

CMS REPORTING REFERENCE CHART

TIMELINE TO REPORT CREDITABLE OR NON-CREDITABLE Rx COVERAGE TO CMS ONLINE

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<th>If the Plan Year Begins:</th>
<th>Report Online to CMS By:</th>
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STEP-BY-STEP INSTRUCTIONS
TO REPORT CREDITABLE OR NON-CREDITABLE
Rx COVERAGE TO CMS.GOV ONLINE

1. Enter Disclosure Information

   Box A: All Employers Must Complete:
   1. Employer’s Name
   2. Federal Tax Identification Number
   3. Address
   4. Phone Number
   5. Type of Coverage
   6. Creditable Coverage Status (fill in if coverage is creditable or non-creditable)
   7. Click “Continue” & Select Box B, C or D, as appropriate

   Box B: If All Plan Options are Creditable
   Box C: If All Plan Options are Non-Creditable
   Box D: If Creditable and Non-Creditable Plans are available

   8. “Plan Year” Period
   9. # of Part D eligible individuals expected to be covered at start of Plan Year
      (if employers are unsure, carriers may provide guidance)
   10. # of individuals expected to be covered in Retiree Plan (zero if employer does not have a retiree plan)
   11. Date notice of creditable coverage sent to Part D eligible individuals or all employees
      (by October 14th of the prior plan year)
   12. Check if there was a change in creditable coverage status during the prior plan year (unlikely to occur)
   13. Name, title and email of authorized individual completing submission
   14. Verify and Submit Disclosure Information

2. Verify Disclosure Information

3. Receive Confirmation

   Employers are finished until the next plan year, unless there is a change in the plan(s)’ coverage status, then:
   Complete online notification within 30 days, starting with Step 1.

ACTION ITEMS
REMINDERS & TAKEAWAYS

• Send the Creditable or Non-Creditable coverage notice to all Medicare-eligible employees by October 14.
  o The notice need not be sent as a separate mailing and may be included with other plan participant
    materials as long as it is prominent & conspicuous. If it is known that any Medicare eligible spouse or
    dependent resides separately from the participant, a separate notice is required. Plan sponsors may
    use e-mail to provide the notice only with consent and a valid e-mail address for the beneficiary. The
    individual must also be advised of his or her right to receive a paper version. In addition to e-mail
    delivery, the notice must be posted on the entity’s website (except for personalized notices).

• Complete the online disclosure to CMS within 60 days of the beginning of the plan year.

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Disclaimer: Materials are solely for informational purposes as an educational resource. Please contact counsel to obtain advice with respect to
any specific issue.