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LEGAL ALERT



Legal Alert: CMS Issues Updated Creditable Coverage Notices

8/14/2008

Employers and other entities providing prescription drug coverage to Medicare-eligible individuals by means other than a Medicare Part D plan must provide notice regarding whether the coverage is “creditable,” meaning whether the actuarial value of the coverage is equal to or exceeds that provided for under Medicare Part D.

The Centers for Medicare & Medicaid Services (CMS) recently issued updated creditable coverage notices for use on and after June 15, 2008. Creditable coverage notice must be given before November 15 each year, and at additional times as specified by CMS. The updated notices reflect formatting and organization changes, and substantive changes to the rules regarding re-enrollment and the Medicare special enrollment period.

The updated model creditable coverage notices are posted on the CMS website at http://www.cms.hhs.gov/CreditableCoverage/09_CCafterJune15.asp. CMS does not require employers and other entities to use its model notices; however, entities that choose not to use the model notices provided by CMS must still provide disclosures that meet the content standard set forth by CMS.

Employers’ Bottom Line:

If your company currently uses the model CMS creditable coverage notice, you should replace it with the updated model notice. If you have further questions about your Medicare Part D Creditable Coverage Notice, please contact Lindsay O’Brien, 904-357-2005, lobrien@fordharrison.com or the Ford & Harrison attorney with whom you usually work.