

Benefits Update



Change To Medicare Part D Enrollment Period Impacts Notices Of Coverage

By Callan Carter

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The annual Medicare Part D enrollment period has been moved to October 15 through December 7, beginning with enrollment for 2012. This change will require plan sponsors to update their Medicare Part D Notices of Creditable or Non-creditable Coverage and most likely will require plan sponsors to provide the notices to Medicare eligible participants by October 15 of this year.

Background

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires group health plans that provide prescription drug coverage to disclose to individuals eligible for Medicare Part D whether the plan's coverage is "creditable" (i.e., whether it is at least actuarially equivalent to the Medicare Part D coverage) or not.

Individuals who do not enroll in Medicare Part D when first eligible and who go 63 days or longer without creditable coverage will have to pay higher premiums permanently when they subsequently enroll in Medicare Part D. Thus, Medicare-eligible individuals need to know the status of their plan's prescription coverage in order to make an informed decision about enrolling in Medicare Part D.

Notices to Part D-eligible individuals regarding whether prescription drug coverage is creditable or non-creditable must, at a minimum, be provided prior to the start of the annual Part D enrollment period which used to be November 15 through December 31 of each year. Most plan sponsors use model notices issued by the Center for Medicare and Medicaid Services (CMS) that refer to those specific dates.

Change to the Part D Annual Enrollment Period

The Patient Protection and Affordable Care Act amended the Social Security Act to move the Medicare Part D annual enrollment period to October 15 through December 7. This change is effective for 2012 Part D enrollment, which will occur in the Fall of 2011. As a result, references to the November 15 through December 31 annual enrollment period in the notices of creditable or non-creditable coverage are no longer accurate.

CMS has issued revised model forms which can be found at www.cms.gov. Click on the link for "creditable coverage," then "model notice letters." Notices must be provided by October 15, 2011.

For more information contact the author at ccarter@laborlawyers.com or 415-490-9000.