



Reminder: Creditable Coverage Notices To Be Provided by November 15

Plan sponsors must notify Medicare Part D-eligible individuals who receive prescription drug coverage under their plans as to whether such coverage qualifies as creditable drug coverage. These notices must be provided by November 15, 2005.

Notices of Creditable (and Non-Creditable) Coverage

Sponsors of plans providing retiree prescription drug coverage are obligated to provide notices to Medicare Part D eligible individuals of the status of their coverage as “creditable” – i.e., actuarially equivalent to Medicare Part D coverage. In cases where the coverage is not creditable, notices must still be provided indicating the non-creditable status. Importantly, the disclosure requirement applies not only to sponsors of retiree plans but also to sponsors of plans that provide prescription drug coverage to active employees.

Individuals who are not enrolled in creditable prescription drug coverage and who do not enroll in Medicare Part D before May 15, 2006 likely will pay a higher premium on a permanent basis when they subsequently enroll. Disclosure of whether prescription drug coverage is creditable thus provides Medicare Part D eligible individuals with important information relating to their Medicare Part D enrollment.

The deadline set by CMS for plan sponsors to provide these notices is November 15. Thus, employers that provide prescription drug coverage are reminded that the time for completing this task is at hand.

More detailed information about the notice requirements is contained in our June 15, 2005 [*For Your Information*](#).

This NewsFlash is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.