



Compliance Alert

Medicare Part D Disclosure to CMS

January 1, 2019

Quick Facts:

- Employers with group health plans that provide prescription drug coverage to individuals who are eligible for Medicare Part D must disclose to the Centers for Medicare and Medicaid Services (CMS) certain information about the coverage.
- The disclosure must be submitted to CMS on an annual basis and at certain other designated times.
- The disclosure to CMS is due within 60 days after the start of each plan year (March 1, for calendar year plans).
- In addition to the CMS disclosure, plan sponsors are required to provide notices of creditable or non-creditable coverage to Medicare-eligible individuals annually and at certain other designated times.

Background

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires employers that offer prescription drug coverage to disclose to CMS whether the coverage is at least as good as Medicare Part D coverage (in other words, whether the coverage is “creditable”) or if it is “non-creditable” in comparison to Medicare Part D. The disclosure must be submitted to CMS on an annual basis, or upon any change that affects whether the coverage is creditable.

Disclosure timing requirements

At a minimum, the creditable (or non-creditable) coverage disclosure notice must be provided to CMS at the following times:

- Within 60 days after the beginning date of the plan year for which the entity is providing the form (e.g., March 1 for plans with plan years beginning January 1, 2019);
- Within 30 days after the termination of the prescription drug plan; and
- Within 30 days after any change in the creditable coverage status of the prescription drug plan.



Submitting the disclosure

The disclosure notice to CMS is submitted through completion of the disclosure form on the CMS [Creditable Coverage Web Page](#). On-line submission is the sole method for compliance with the CMS disclosure requirement, unless a specific exception applies. The web page also includes links to guidance and instructions for completing the submission.

Medicare Part D Notices to individuals

In addition to the CMS disclosure, plan sponsors must notify individuals who are eligible for Medicare Part D whether their prescription drug coverage is creditable or non-creditable. The Medicare Part D notice must be provided on an annual basis prior to October 15 and at certain other designate times. For more details about the Medicare Part D notice requirement, see [EPIC's Compliance Alert](#) (September 2018).

Action steps

Plan sponsors should be prepared to disclose to CMS the creditable or non-creditable status of their prescription drug coverage within 60 days after the start of the plan year, and in the event of any change in the status of the drug coverage that may occur at other times during the plan year.

EPIC Employee Benefits Compliance Services

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