

COMPLIANCE ALERT

Medicare Part D Disclosure to CMS

January 1, 2021

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, 2021, for calendar year plans).
- The CMS disclosure is different than the notices of creditable or non-creditable coverage that plan sponsors must issue to Medicare-eligible individuals annually (before October 15) 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 (i.e., creditable) or if it is not as good as Medicare Part D coverage (i.e., non-creditable). Plan sponsors must submit this disclosure to CMS annually, or upon any change that affects whether the coverage is creditable.

Disclosure timing requirements

At a minimum, plan sponsors must provide the creditable (or non-creditable) coverage disclosure notice 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);
- 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

Plan sponsors must access and complete the proper creditable coverage disclosure form on the CMS [Creditable Coverage Webpage](#). Online submission is the only way for plan sponsors to comply with the CMS disclosure requirement, unless a specific exception applies. The web page also includes links to guidance and instructions for completing the submission.

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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 designated times.

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

For further information on this or any other topics, please contact your EPIC benefits consulting team.

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