



Dear CSEBA Member Districts,

I wanted to share a friendly reminder of the **annual** disclosure requirement applicable to most employers that provide prescription drug coverage to individuals who are Medicare Part D-eligible. This disclosure has been an annual requirement since 2006. The disclosure applies regardless of whether an employer provides retiree prescription drug benefits. **This disclosure is *in addition to the Medicare Part D notice that was sent to participants prior to October 15th and during Open Enrollment.***

For January 1 plans, the disclosure must occur no later than March 1st (February 29th for leap years). The due date for July 1 plans would be no later than August 30th. The due date for October 1 plans would be no later than November 30th (deadline is 60 days following plan year start date). The annual disclosure must occur for any employer that provides prescription drug coverage to anyone who is Medicare Part D-eligible.

This reminder discusses the following:

- How to complete the notification;
- Who must complete the notification;
- The deadline for completing the notification; and
- The content of the disclosure notification.

Please let us know if you have any questions.

How to Complete the Notification

An employer must provide the disclosure notice through the completion of a form on the CMS Creditable Coverage Disclosure Web page at:

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosureForm.html>

CMS clarified that it is critical for an employer to maintain confirmation of this submission.

Who Must Complete the Notification

Generally, employers that sponsor drug coverage must submit the notification for each of their drug benefit options.

Accordingly, employers generally will need to submit this notification for their:

- Active drug plans that cover Medicare Part-D eligible participants (e.g., end state renal disease, disabled, or age 65 and over);
- Retiree drug plans that are not creditable; or
- Retiree drug plans that are creditable but for which the employer did not apply for the RDS (e.g., because the cost of applying for the RDS outweighed the RDS itself).

Deadline for Completing the Notification

Ongoing, the disclosure must be made to the CMS website on an annual basis, and upon any change that affects the credible status of the employer's drug benefit option. Specifically, disclosure must be made at the following times:

- Within 60 days after the beginning date of the plan year;
- Within 30 days after the termination of the prescription drug plan; and
- Within 30 days after any change in the creditable status of the prescription drug plan.

Content of the Disclosure Notification

For employers (entities) with subsidiaries, etc., one disclosure form can be submitted to CMS if the plan year is the same for all subsidiaries/divisions. The disclosure form lists the information required to be submitted, and the CMS instructions provide additional definitions for this information. The guidance can be found at: <http://www.cms.hhs.gov/creditablecoverage>



The actual updated disclosure form can be found at:

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosureForm.html>

The information requested generally is self-explanatory except it does request the number of individuals expected to be covered under the “Retiree Group Health Plan.” CMS confirmed that employers should provide only “retiree” count information in response to this question even if the employer sponsors a single, “legal” employer group health plan for actives and retirees. For example, if the employer sponsors a plan with 1,200 Medicare Part D-eligible participants in creditable options (200 active and 1,000 retirees), then, the answers applicable to creditable coverage would be:

- Total number of Medicare Part-D-Eligible individuals expected to be covered under these option(s) as of the plan year beginning date stated above: 1,200.
- Estimated number of those Medicare Part-D-Eligible individuals stated above expected to be covered through an employer/union retire group health plan: 1,000.

In addition, CMS clarified that an employer should not include individuals who become Medicare Part D-eligible during the year, because CMS wants data as of the **beginning** of the plan year.

Thanks,

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