

# Medicare Prescription Drug Credible Coverage Notice: DUE OCTOBER 15

Federal law requires that employers provide a notice to employees about their prescription drug coverage. This notice relates to the Medicare prescription drug benefits (under Part D of Medicare). Specifically, this annual notice must inform Medicare-eligible individuals whether their employer-provided prescription drug coverage is “creditable.” Coverage is considered creditable if its actuarial value equals or exceeds the actuarial value of standard prescription drug coverage under the Medicare prescription drug benefit. This information is important because Medicare Part D imposes late enrollment penalties for Medicare-eligible individuals who do not maintain “creditable coverage” for any period of 63 days or longer and this notice provides employees with the information they need to determine if their employer-provided coverage is adequate to allow them to avoid late enrollment penalties in the future.

Attached below are notices that can be provided to inform employees of the status of their prescription drug coverage. The attached notices are based on model notices issued by the government agency that administers Medicare (“CMS”).

Please click link below to download the Notices and read notes below for further clarification:

- [Notice of Credible Coverage](#) in Word Format
- [Notice of Credible Coverage](#) in PDF Format (cut and paste)
- [Non-Creditable Coverage Disclosure Notice](#) in Word Format
- [Non-Creditable Coverage Disclosure Notice](#) in PDF format (cut and paste)

Please note:

- The Notice of Creditable Coverage informs employees that their coverage is creditable. Generally, we anticipate that most employer-provided prescription drug coverage meets the standards required to be “creditable.” Attached is guidance issued by CMS to help employers determine if coverage is creditable: <https://www.cms.gov/CreditableCoverage/downloads/CCSimplified091809.pdf> You can also confirm that your coverage is creditable by checking with your carrier.
- The Notice of Creditable Coverage informs employees that their coverage is “creditable” and is included as Attachment 1 above.
- The Non-Creditable Coverage Disclosure Notice informs employees that their coverage is not “creditable” and describes the implications of not maintaining creditable coverage. This Notice is included as Attachment 2 above. The appropriate notice must be provided by October 15. Although the notice must be provided only to Medicare eligible individuals, the common practice is to send to all employees (even those not eligible for Medicare), in case they have a Medicare-eligible spouse or dependent.
- The notices attached are based on model notices issued by CMS, but we have made minor changes to the CMS models to make them more relevant to Liazon clients. Please note that Liazon is not a law firm and the attached notices are not legal recommendations from Liazon.
- Information that must be inserted is shown in **red**.
- CMS also requires that employers providing prescription drug coverage to Medicare-eligible individuals must report to CMS and inform CMS if such coverage is “creditable coverage” for purposes of MMA. This is required within 60 days after the beginning of each plan year. This reporting requirement is contained in the following link:
- [https://www.cms.gov/CreditableCoverage/45\\_CCDisclosureForm.asp#TopOfPage](https://www.cms.gov/CreditableCoverage/45_CCDisclosureForm.asp#TopOfPage)

Please contact your Client Service Team if you have any questions.

Regards,

Your Liazon Client Service Team

- Midwest Client Service Team: [myteammidwest@liazon.com](mailto:myteammidwest@liazon.com) or (888) 886-4345