

## e-Alert

09.13.21

# Medicare Part D Notice and CMS Reporting Reminder

## Background

It's that time again—time to ensure you've sent a Medicare Part D notice of creditable coverage to your eligible employees letting them know if the prescription drug coverage you offer them is creditable. A group health plan's prescription drug coverage is considered creditable if it is at least as generous as Medicare Part D prescription drug coverage.

## Summary

### **Who Needs to Notify Their Employees?**

All employers, regardless of size, who sponsor group health plans with prescription drug coverage must provide the annual disclosure notice to Medicare-eligible individuals before Oct. 15, 2021—the start date of the annual enrollment period for Medicare Part D.

### **Which Employees Do I Need to Notify?**

- You are required to give the creditable-coverage notice to all Part D-eligible

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).



individuals who are covered under, or apply for, an employer's prescription drug benefits plan. This requirement applies to Medicare beneficiaries who are active employees and those who are retired, as well as Medicare beneficiaries who are covered as spouses under active or retiree coverage. COBRA participants must also be notified.

- To alleviate the responsibility of determining who is a "Medicare-eligible" participant, HR Knowledge recommends that you provide this notice to ALL employees and COBRA participants enrolled in your employer-sponsored medical plans.

### **Disclosure Requirement #1**

**If you've already provided the Creditable/Non-Creditable Notice** to your staff since your last renewal date, you do not need to provide it again.

**If you have not provided the Notice to your staff prior to October 14, 2021 (for your current plan year)**, you must communicate your plan(s) status. We recommend that you conduct a blanket mailing to all participants and their dependents (including COBRA participants), because you may not be aware of a dependent's Medicare eligibility (such as a spouse over 65 or disabled dependents). If you are aware that a covered spouse or dependent child resides at a different address from the employee, you must mail a separate notice to that address.

- This mailing must be conducted prior to the October 15, 2021, deadline.
- The CMS website also has the template available in Spanish.
- If you need a copy of your Creditable/Non-Creditable Notice, please contact us at [benefitsupport@hrknowledge.com](mailto:benefitsupport@hrknowledge.com) for assistance.

### **Disclosure Requirement #2**

As a health plan sponsor, your organization must notify CMS of your plan's creditable coverage status on an annual basis. You are required to provide the disclosure notice to CMS by completing the disclosure form on the CMS webpage. The [Disclosure to CMS Form](#) is available on the left-hand side menu, under Creditable Coverage. Instructions to completing the form are in the same location, titled, Disclosure to CMS Guidance and Instructions. Completing and submitting the form online is the only allowable way to provide CMS with the notice. You must complete the disclosure annually, no later than 60 days from the beginning of a plan year (contract year, renewal year), within 30 days

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).



after termination of a prescription drug plan, or within 30 days after any change in creditable coverage status.

Each employer must report to CMS directly, HR Knowledge is unable to do this on your behalf.

## Employer Next Steps

- View the [HR Knowledge Compliance Overview](#).
- Determine if you've provided the Creditable/Non-Creditable Notice to eligible members for the current plan year.
- Disclosure #1: Communicate your plan(s) status by sending a blanket mailing to all participants and their dependents (including COBRA participants). This mailing must be conducted prior to the October 15, 2021, deadline.
- Disclosure #2: Complete and submit the CMS disclosure registration online.
- If you have further questions regarding this e-Alert, please contact our [Benefits Team](#).

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).



## The People Simplifying HR

For almost twenty years, HR Knowledge has made it our mission to demystify the complex and daunting process of HR management. We do more than just provide the level of service and technology you'd expect from an industry leader. We combine unparalleled passion for service with our decades of HR, payroll, and benefits experience to provide our clients with personalized and actionable advice that is second—to—none. From managed payroll to employee benefits to HR support, we can help your organization thrive, grow, and reduce operating costs—no matter what industry you serve. Whether you're interested in our Full-Service solution or just need your employee handbook written, HR Knowledge can help you minimize risk while staying on top of compliance regulations. The bottom line? We're not just another cloud-based technology company that also does HR, #WeAreHR. [Get the scoop](#) on how we can help you simplify HR.



@WEAREHRK

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).