



EXPERT UPDATE



Compliance Headlines from Henderson Brothers:

- Don't Forget Your Medicare Part D Disclosure Requirement



Don't Forget Your Medicare Part D Disclosure Requirement

Plan sponsors must tell Medicare Part D eligible individuals whether their prescription drug coverage is creditable so that these individuals can compare their employer's prescription coverage with the coverage provided under a Medicare Part D plan. The plan sponsor disclosure notice must be provided, at a minimum, upon the following five occasions:

- **prior to commencement of the annual coordinated election period for Part D - October 15th through December 7th;**
- prior to an individual's initial enrollment period for Part D – generally at the 65th birthday;
- prior to the effective date of coverage for any Part D eligible individual who enrolls in the employer's prescription drug coverage – this could be at the time of hire, during the middle of the year after a change in family status, during open enrollment, etc.;

- whenever the employer no longer offers prescription drug coverage or changes it so that it is no longer creditable or becomes creditable – this is generally on the health plan’s anniversary date ; and
- upon request by the Part D eligible individual.

It is important that Part D eligible individuals know if the group health plan they are enrolled in is considered non-creditable prescription drug coverage. Part D eligible individuals who opt out of Medicare Part D coverage to be enrolled in non-creditable group coverage will likely be subject to a substantial permanent Late Enrollment Penalty in the form of higher premiums in the event they choose to enroll in Part D coverage at any time after the end of their Initial Part D Enrollment Period.

Medicare Part D disclosure notices can be distributed to participants in many different ways and need not be sent as a separate mailing. While there is no guidance as to the types of mailing procedures required, it is important that employers develop a policy for distribution and apply it uniformly and consistently. Although the CMS prefers that employers provide paper documents, electronic delivery is permissible. Employers that distribute the Part D notices electronically should follow the DOL's electronic disclosure requirements.

See the attached document for additional information regarding the Medicare Part D disclosure requirement:

<http://www.hendersonbrothers.com/don't-forget-your-medicare-part-d-disclosure-requirement>

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EXPECT AN EXPERT

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