

Creditable Coverage Reminder for our Valued Clients

As you know, each year we inform you about the Creditable Coverage notification requirements for Medicare eligible employees required by the Centers for Medicare and Medicaid Services (CMS). Plan sponsors whose plans provide prescription drug coverage to Medicare-eligible active employees and dependents, as well as Medicare-eligible retirees and dependents, are required to disclose both to their Medicare-eligible plan members and to the Centers for Medicare & Medicaid Services (CMS), whether their plans qualify as “creditable coverage” or “non-creditable” coverage. Creditable coverage is defined by CMS as prescription drug coverage with an actuarial value equal to or exceeding the value of standard Medicare Part D coverage.

This is a friendly reminder that all plan sponsors are required to notify their employees about their creditable coverage status. Creditable coverage notifications are required to be provided prior to the commencement of the annual election period that begins on November 15 of each year.

You can click here: [http://www.myhcg.com/creditablecoverage/Mdl_Cred_Cvrge_Disclsr_01012009.doc] for a copy of a creditable coverage letter for distribution to your employees. Since you may not know the Medicare status of covered dependents, you should provide all employees enrolled in your medical plan with a copy of the notice to ensure fulfillment of the notice requirement.

Generally, if you are fully insured with a major carrier in the Northeast and have a standard prescription drug plan, your plan most likely has creditable coverage. If you have a Health Savings Account (H.S.A.) you will need to distribute the non-creditable coverage letter.

Click here: [http://www.myhcg.com/creditablecoverage/Mdl_Non_Cred_Cvrge_Disclsr_01012009.doc] for non-creditable coverage letter.

In addition, you must disclose to the Centers for Medicare and Medicaid Services (CMS) as to whether or not your group Health Plan has creditable coverage. This must be done annually within 60 days of your renewal date or if your Plan’s status has changed. We encourage you to go to the following Medicare site to complete the disclosure form: https://www.cms.hhs.gov/CreditableCoverage/45_CCDisclosureForm.asp.

If you have any question as to the creditability of your prescription drug coverage, please feel free to contact us at 1-800-367-2482.