

October 8, 2009

The rules governing Medicare Part D (i.e. the voluntary prescription drug program) require all employers sponsoring group health plans to comply with two separate notice requirements each year. That is, all employers sponsoring group health plans must, on an annual basis, notify (1) the government and (2) plan participants.

**Notice to Plan Participants (Must be sent annually, no later than November 15<sup>th</sup>)**

If participants have not already been provided the annual notice, we are sending you this reminder along with a copy of the creditable coverage model language notice in word document format so that you will not need to retype the document. All you need to do is fill in your company's information. This form is only to be used if your coverage is creditable. If your coverage is not creditable, your Bailey & Company contact can provide you with a non-creditable version of the notice.

This notice only needs to be sent to those individuals on your plan who are also enrolled in Medicare A and/or B or eligible to be enrolled in Medicare A and/or B. However, most employers do not know who these individuals are as they can be an active employee or spouse over age 65, a disabled dependent under 65, on COBRA or an individual who has end stage renal disease. As such, we recommend that you send this notice to everyone who is covered on your group plan for drug coverage. The government has indicated that you will meet the notification requirement by doing this.

The employer is required to (1) include the sample form in the enrollment materials (2) distribute the sample form to all plan participants on the same date each year (3) distribute an updated form whenever the status of the plan (i.e. creditable coverage to non-creditable coverage or vice versa) changes and (4) provide the sample form whenever a participant asks for a copy.

**Notice to CMS**

The employer notice to the government is due within sixty days after the start of each plan year. For calendar year plans, this means employers have until March 1<sup>st</sup> to notify the government. Employers must use the government's webpage to comply with this requirement. The webpage address for employers is: [https://www.cms.hhs.gov/creditablecoverage/45\\_CCDisclosureForm.asp](https://www.cms.hhs.gov/creditablecoverage/45_CCDisclosureForm.asp)

For further information you can visit the following webpage:  
<http://www.cms.hhs.gov/creditablecoverage>.

Should you have any questions, please contact us.