

**** VERY IMPORTANT BULLETIN ****

To: All Group Health Clients

From: Greenberg & Associates Insurance

Date: August 16, 2006

Re: Part D Disclosure & Reporting Compliance

It has come to my attention, that many groups have **NOT** done the required Creditable/Non-Creditable Coverage Disclosure that was due by November 15, 2005. Nor, has the required CMS online report that was due March 31, 2006 been done for all plan years **ENDING** in 2006.

Some employers are NOT required to do the disclosure notices or reporting at all because they know beyond a shadow of a doubt that they have no Medicare eligible employees or dependents within their groups. However, many employers cannot know whether there are dependents within a group who may be Medicare eligible; i.e. may be on Social Security Disability (a disabled child or spouse), or, may have a spouse that is 65 or older.

Therefore, bottom-line is **if you are not sure** about whether you have (or had) any Medicare eligibles and should have done Creditable or Non-Creditable Notices last November, you should do so **at this time**. In addition, after you have done so, you need to go online to do the CMS Report which cannot be done until the notices have been done! Keep in mind the CMS online report for plan years ending 2006 was due March 31, 2006. You may also need to file a second report at this time for your plan year ending in 2007 if you have not done so within 60 days of your new plan year (plan years ending in 2007 would be for renewals February 1, 2006 and later). The web address is <http://www.cms.hhs.gov/creditablecoverage> . Following are the time-lines you will need to keep in mind for **future** reference:

TIMES WHEN CREDITABLE/NON-CREDITABLE NOTICES MUST BE MADE:

- **Prior** to Medicare Part D Annual Coordinated Election Period beginning November 15th through December 31st of **EACH** year;
- **Prior** to an individual's Initial Enrollment Period for Part D;
- **Prior** to the effective date of coverage for any Medicare eligible individual that joins the plan
- **Whenever** prescription drug coverage ends or changes so that it is NO LONGER creditable or BECOMES creditable; and
- **Upon** a beneficiary's request (you will need to use the new "personalized" CMS disclosure template)

Note: In guidance issued by CMS on 1/4/06, if the creditable/non-creditable disclosure notice is provided to ALL plan participants, CMS will consider the first two items above to be met. This guidance also states that "prior to" means that the beneficiary must have been provided the Disclosure Notice within the past 12 months.

TIMING OF DISCLOSURE REPORTING TO CMS:

At a minimum, disclosure to CMS must be made at the following times:

- For plan years that **END in 2006**, disclosure of creditable coverage status must be provided NO LATER than March 31, 2006. (2/1/05 to 1/1/06 renewals)
- For plan years that **END in 2007** and beyond, disclosure of creditable coverage status must be provided within 60 days after the beginning of the plan year for which the entity is providing the disclosure to CMS. (2/1/06 and later renewals)
- Within **30 days after the termination** of the prescription drug plan; and
- Within **30 days after any change** in the creditable/non-creditable coverage status

You can download copies of the "new" CMS Model Documents, the new "personalized" disclosure form, the CMS Report User Guide and Report Q & A's at <http://www.cms.hhs.gov/creditablecoverage> . If you have trouble downloading forms, let us know. We have pdf copies we can forward to you via e-mail.

Please don't hesitate to contact us if you need any help, or have questions.

Sharon Greenberg and Adrienne Hutchins