



Medicare Revises the Creditable Coverage Notice

What is the Creditable Coverage Notice?

Since Medicare started offering a drug benefit on January 1, 2006, employers have been required to notify their Medicare-eligible employees whether or not their prescription drug plan is considered "creditable" to Medicare. Creditable simply means that the employer's drug plan is expected to provide as much benefit to the member as would a Medicare drug plan (Part D).

Why do employers have to provide this notice?

Medicare beneficiaries had an initial open enrollment period which ran from **November 15, 2005 through May 15, 2006**. In order for beneficiaries to decide whether or not to enroll in the Medicare "Part D" drug benefit, they have to understand how their employer's plan compares to the Part D benefit.

When do employers have to provide this notice?

Initially, employers needed to provide this notice to Medicare beneficiaries by November 15, 2005 to coordinate with the initial open enrollment period. Going forward, employers need to provide the Notice of Creditable Coverage at the following times:

- During open enrollment;
- Prior to the enrollment for new hires.

Where can I get a Notice of Creditable Coverage?

The Centers for Medicare & Medicaid Services (CMS) provided a model notice that employers could use to communicate to employees. **Please note that since the initial open enrollment period for Medicare Part D has now passed, the Creditable Coverage Notice has now been revised for use after May 15, 2006.** Below you will find a link to the updated Notice of Creditable Coverage which you can use for future open enrollments and new hires. You will need to populate the Notice with your company's information, such as name and prescription drug benefits, in the blue text areas. The Notice you will find below has been modified by RSI from the original CMS version. While it contains the required content, some of the text has been simplified and abbreviated.

[Revised Creditable Coverage Notice](#)

Does this Notice need to be provided to all employees?

Technically, the Notice only needs to be provided to Medicare-eligible employees, spouses and dependents. Since employers may find it difficult to know which spouses and dependents may be Medicare-eligible, it has always been RSI's position to recommend providing the Notice to all employees. Please note that employers do not need to provide separate Notices to spouses unless they are aware that those spouses reside elsewhere.

March 30, 2006

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