

WEBINAR TAKEAWAYS: AVOID MEDICARE DESPAIR

Wednesday, Sept. 6, 2017

Medicare is a federally subsidized health insurance program for:

- » People 65 and older
- » Certain younger people with disabilities
- » People with end-stage renal disease

Medicare Part D provides prescription drug coverage.

Individuals who do not enroll:



Credibility test:

Creditable Coverage is prescription coverage other than Medicare Part D that is “at least as good as” the Medicare drug benefits.

“At least as good as” = the actuarial value of the coverage equals or exceeds the actuarial value of the standard prescription drug coverage under Medicare Part D.



Late Enrollment Penalty:

Penalty is assessed if an individual chooses not to enroll in creditable prescription drug coverage and then later decides to enroll in Medicare Part D.

If an individual goes without creditable coverage for 63 days or more after their initial Medicare enrollment period is over, the late enrollment penalty is added to each monthly Medicare Part D premium once enrolled.

Medicare Part D Notice Requirement:

Employer health plan sponsors must disclose whether or not the prescription drug coverage of their plan(s) is **creditable**.

It must be disclosed to all Part D eligible individuals covered by or seeking to be covered by the plan. Because it’s difficult to know who is eligible, you may want to distribute the notice to all employees.

NOTICE MUST BE DISTRIBUTED:

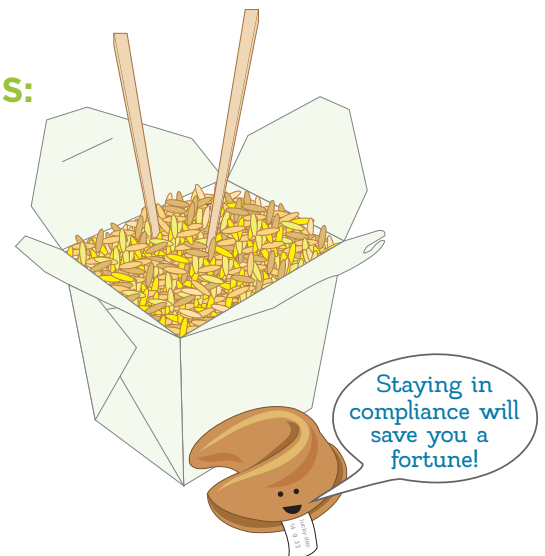
- » By Oct. 15 each year
- » When an individual joins the plan
- » Whenever the drug benefits under the plan change

How to distribute:

- » Government-provided model notices
- » Can be provided with other plan information
- » Single notice to covered individual + separate notice to spouse/dependent residing at different address
- » Electronic disclosure

Disclosure to CMS:

- » Plan sponsors must notify CMS about the creditability of their plans’ coverage via a form on the CMS website
- » Must be submitted annually and any time there is a plan change affecting creditability status



Have questions? Contact admin@compliancedashboard.net.