

# CLIENT | ALERT



Client Alert Applies To: Self-Funded, Fully-Funded, Large Group, and Small Group

October 2<sup>nd</sup> 2023

## 2023 Medicare Creditable Coverage Notice Deadline Approaching

Employers whose group health plans provide prescription drug coverage must provide a notice of creditable or non-creditable coverage status to all Medicare-eligible participants (employees and their dependents) no later than October 15<sup>th</sup>, 2023. For purposes of Medicare, creditable coverage means that on average the plan will pay as much as the standard Rx drug plan under Medicare Part D. These notices help individuals decide whether or not they should remain in their current plan or enroll in Medicare Part D during the annual open enrollment period. Providing these notices is important, as individuals that delay enrollment in Medicare Part D past their initial eligibility date and go 63 days or longer without creditable coverage face a penalty. If your group health plan is fully insured, your carrier should be able to assist you in determining the creditable status of your prescription drug benefit.

Technically, the notice need only be provided to Medicare-eligible individuals (whether by reason of age or disability) who are covered under or are eligible for the employer's prescription drug plan. However, rather than try to determine the Medicare eligibility of employees and/or dependents, employers generally send the notice to all eligible or enrolled individuals.

Model notices (in English and Spanish) can be found on the Centers for Medicare and Medicaid Services (CMS) website: [www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Model-Notice-Letters.html](http://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Model-Notice-Letters.html). As long as the October 15<sup>th</sup> deadline is met, the required notices may be included in annual enrollment materials, sent through a separate mailing or provided electronically, if the employer satisfies the Department of Labor's safe harbor rules for electronic distribution.

Remember that group health plan sponsors must also notify CMS of the creditable coverage status of the plan's prescription drug benefit. This notification must be provided annually within 60 days after the beginning of the plan year. In addition, a notification must be made within 30 days after termination of the prescription drug benefit or within 30 days after any change in the creditable status of the prescription drug benefit. The disclosure must be made electronically on the CMS website: [www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosure.html](http://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/CCDisclosure.html).

Please visit <http://www.moreton.com/news-events/> for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or [ccox@moreton.com](mailto:ccox@moreton.com).

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