

## Creditable Coverage Disclosure for Employers

### Introduction

The Medicare Prescription Drug Improvement and Modernization Act of 2003 requires employers, unions and other entities that provide prescription drug coverage to Medicare Part D eligible individuals to disclose to Centers for Medicare & Medicaid Services (CMS) whether the coverage is creditable or non-creditable.

In our November 2005 Legislative Update titled "Medicare D Compliance Requirements for Everyone", we reported to you that the regulations require all plan sponsors to disclose to CMS whether their prescription drug coverage is creditable or non-creditable, but details as to how were not yet available. CMS has recently issued guidance on the form, manner and timing of providing the Disclosure Notice to CMS. The disclosure must be made to CMS on an annual basis, or upon any change that affects whether the coverage is creditable. Employers must make this notification to CMS by **March 31, 2006**. You are required to provide the Disclosure Notice through completion of the disclosure form on the CMS Creditable Coverage Disclosure Web Page located at <http://www.cms.hhs.gov/creditablecoverage> where you may also view additional guidance documents relating to creditable coverage requirements. The form that must be completed is located at <http://www.cms.hhs.gov/apps/ccdisclosure/default.asp> and is the **sole method for compliance with the requirement to CMS**.

### Content of the Disclosure Notice to CMS

To review the required content of the Disclosure Notice to CMS before completing the form simply go to <http://www.cms.hhs.gov/CreditableCoverage/Downloads/Disclosure2CMMSGdnc.pdf> and review pages 3 through 5 which list all the required data fields in the Disclosure Notice form and give a brief description of each field.

You may also wish to review our Legislative Update from 2005 entitled "Medicare D Compliance Requirements for Everyone" stored in the News section of The Conestoga Group's Client Community website at [www.conestoga.clientcommunity.com](http://www.conestoga.clientcommunity.com).

*The Conestoga Group is an insurance, investment and employee benefits broker and consulting firm based in Frazer, PA. Conestoga specializes in providing financial products and services to small businesses and their owner/executives and other employees. Founder and President Brad Palmer is an Investment Advisory Representative of Commonwealth Financial Network-a registered investment advisor and member firm of the NASD/SIPC. Brad can be reached at 610-889-9500 extension 101 or at [brad.palmer@conestoga.biz](mailto:brad.palmer@conestoga.biz).*

#### NOTICE

These legislative descriptions are our interpretations of information provided to us by various legal and other resources as of 02/03/06. It is possible the information was presented incorrectly or that we have misunderstood the presentation. The purpose of this communication is to provide you with basic summary information on the subject matter and assist you in determining whether or not you may need to seek further legal or other assistance. This communication should not be construed as legal, tax, investment, or other advice and does not take into consideration any specific factors that may be unique to the reader's situation.