

BenAlert

BENEFIT TRENDS AND LEGISLATIVE UPDATES

OCTOBER 2008



HOWITT
Benefit Services

Howitt Benefit Services is pleased to provide you with periodic updates on benefit trends and legislative updates. As part of our valuable services, we want to ensure that you are in compliance and well-informed of the ongoing changes in our industry.

In this BenAlert:

- **Complying with Medicare Part D Guidelines (11/15/08 Deadline)**
- **Collecting/Reporting Information on Medicare Eligible Plan Participants**

Complying with Medicare Part D Guidelines

You are required to provide annual notification to the CMS (Centers for Medicare and Medicaid) that your prescription drug coverage for the current year was either Creditable or Not Creditable for the purposes of Medicare Part-D anytime between February 15, 2008 and November 15, 2008. This is for their data bank for Medicare-eligible employees and their dependents.

As your prescription Drug Coverage is "Creditable," you have three simple steps to complete to ensure compliance for your health plans.

1. Go to: https://www.cms.hhs.gov/CreditableCoverage/45_CCDisclosureForm.asp#TopOfPage
2. As you answer the questions on the electronic Disclosure to CMS form, an additional box will appear where you should enter the required disclosure information. This method of transmission is convenient and will take minimal time to complete, and is the only method for compliance with the requirement. You will only file one form no matter how many different plans you offer.
3. Fill out the attached Creditable Coverage Notice and distribute it to all Medicare-eligible participants. For compliance purposes, please mail a hard copy of the Notice to each one of your employees at their home address. It may be sent electronically, if the beneficiary has consented to this process and hard copies of the notice must be available upon request. If you need forms in Spanish, you can find PDF versions here:
https://www.cms.hhs.gov/CreditableCoverage/09_CCAfterJune15.asp#TopOfPage

The Deadline is November 15, 2008!

Collecting/Reporting Information on Medicare Eligible Plan Participants

As of January 1, 2009, insurers and third party administrators (TPAs) must collect and report information on all Medicare eligible plan participants, their coverage election including type of coverage (e.g., HMO, PPO, etc), group policy numbers and other data specifically on drug plan availability. Those affected Plan Sponsors may need to provide participant-specific information to insurers and TPAs in support of the CMS mandate.

Basically, CMS intends to use the data collected to manage its Medicare Secondary Payer and Medicare Part-D processes. As a result, it desires to collect data on the following plan beneficiaries (including spouses and dependents):

- a. Covered under group health plan who are age 65 and older with coverage under a plan sponsored by an employer with 20 or more employees;
- b. Age 65 or older and have coverage under a working spouse's employer-sponsored health plan (an employer with 20 or more employees);
- c. Beneficiaries with end-stage renal disease covered under the group health plan as primary for up to 30 months;
- d. Are disabled and have coverage as an employee or a dependent under a group health plan sponsored by an employer with 100 or more employers.

It is important to note that even if you do not have any active employees over age 65, you may have spouses or dependents who are Medicare eligible.

For more details on any of these developments, please call Larry Seiden, our Compliance Officer, at 408-997-3019.

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