



## **To All Employers with employees & retirees of Medicare age:**

Effective January 1, 2006, the new Medicare Part D prescription drug benefit becomes effective.

The Part D benefit is an "optional" benefit that must be purchased by either the beneficiary or the employer on the beneficiary's behalf. If pharmacy benefits are covered under a group insurance plan, the employer must inform the beneficiary whether or not the coverage is equal to the standard Medicare benefit.

This is referred to as a "creditable" or "non-creditable" coverage notice, which is one of the key elements of the Part D, benefit. It requires that employers produce a notice identifying that the coverage is one or the other to their employees before November 15, 2005. This can be done by inserting the notices in open enrollment materials, Evidence of Coverage [or mailing the creditable coverage notice to all Medicare-eligible active employees and retirees.](#)

If the beneficiary becomes eligible and decides not to sign up for Part D coverage because they have other coverage, a creditable coverage notice allows him or her to enroll at a later date without being charged a higher premium.

For more information on this topic, visit the CMS web site at [www.cms.hhs.gov/medicareform/credcovrg.asp](http://www.cms.hhs.gov/medicareform/credcovrg.asp).

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