

EMPLOYEE BENEFITS

Alert

NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

DEADLINE LOOMS FOR MEDICARE PART D NOTICE

November 6, 2006

No later than Tuesday, November 14, 2006, employers and other plan sponsors offering prescription drug coverage to employees or retirees entitled to Medicare must notify these persons whether the prescription drug coverage is “creditable” under the new Medicare prescription drug law (Medicare Part D). The notice must comply with certain requirements of the Centers for Medicare and Medicaid Services (CMS). In particular, the CMS model notices have changed substantially since last year.

Many employers find that determining the identity of persons entitled to notice is difficult since persons under age 65 are sometimes entitled to Medicare. A common solution is to distribute the new notice broadly to all employees and retirees eligible for prescription drug coverage under the sponsor’s plan, either through inclusion with open enrollment materials or otherwise.

Sponsors should also be aware of their obligation to inform CMS of the status of their prescription drug coverage within sixty days after the beginning of each new plan year. This notice to CMS can be accomplished online (<http://www.cms.hhs.gov/creditablecoverage>).

As always, we are available to aid in compliance with the Medicare prescription drug law, including review of any notices to participants or CMS filings. If you would like assistance, please contact any of the following members of our employee benefits practice group.

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