

## FAQs for Medicare Part D Creditable Coverage Notice(s)

### IN GENERAL

Q: What is Medicare Part D?

A: It is Medicare's prescription drug plan that is new for 2006. It will help Medicare enrollees afford prescription drugs. It will be offered by various private health insurance companies under contract with Medicare. For more detailed information about Medicare Part D, please consider the following:  
Best places to get answers:

- a. Visit [www.medicare.gov](http://www.medicare.gov); or
- b. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Other possible places to get answers:

- c. Refer to CMS' "Medicare & You 2006" handbook (scheduled for release in October 2005); or
- d. Call your Kentucky (or other state) Health Insurance Assistance Program. (The telephone number is located in the "Medicare & You" handbook.)

Q: Who can enroll in Medicare Part D?

A: Anyone with Medicare Part A and/or Medicare Part B is eligible for Medicare Part D.

Q: Will CHA Health offer a Medicare Part D prescription drug plan (PDP)?

A: No. CHA Health has decided not to contract with Medicare to offer a PDP as Medicare is not one of CHA's product lines.

### For MEMBERS

Q: Where do I get a copy of the Notice of Creditable Coverage for Medicare Part D?

A: Please contact your Employer (or Group/Association) for a copy.

Q: How do I know whether it is best for me to enroll in Medicare Part D?

A: Please contact or consult one of the following references to help you better understand your options for enrolling in Medicare Part D:

- a. Visit [www.medicare.gov](http://www.medicare.gov); or
- b. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.; or
- c. Refer to CMS' "Medicare & You 2006" handbook (scheduled for release in October 2005); or

- d. Call your Kentucky (or other state) Health Insurance Assistance Program. (The telephone number is located in the “Medicare & You” handbook.)

Q: How do I enroll in Medicare Part D?

A: To enroll in Medicare Part D, you must select a prescription drug plan (PDP) or a “Medicare Advantage” plan (like an HMO or PPO) with a PDP.

Q: What happens if I do not enroll in Medicare Part D now, but want to later?

A: If you enroll in Medicare Part D after May 15, 2006, you will probably pay a higher monthly premium unless you had continuous, “creditable” prescription drug coverage immediately prior to enrolling in Medicare Part D. If so, you will need to provide Medicare with a Medicare Part D Creditable Coverage Certificate to verify you had this coverage.

Q: If I enroll later in Medicare Part D, how much higher will my monthly premium for it be?

A: If you enroll in Medicare Part D later and did not have continuous, “creditable” prescription drug coverage immediately prior to enrolling, you can expect to pay at least 1% more per month for every month you did not enroll after May 15, 2006.

Q: When can I enroll in Medicare Part D?

A: Initial enrollment for Medicare Part D begins on November 15, 2005, and is scheduled to end May 15, 2006. Thereafter, an eligible individual may still enroll but may have to pay a higher premium. For more information on enrollment in Medicare Part D, please contact or consult:

- a. Visit [www.medicare.gov](http://www.medicare.gov); or
- b. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.; or
- c. Refer to CMS’ “Medicare & You 2006” handbook (scheduled for release in October 2005); or
- d. Call your Kentucky (or other state) Health Insurance Assistance Program. (The telephone number is located in the “Medicare & You” handbook.)

Q: When does coverage in Medicare Part D start?

A: If you enroll by December 31, 2005, coverage in Medicare Part D will be available beginning January 1, 2006. If you enroll after December 31, 2005, your coverage will be effective the first day of the month after the month you join.

Q: As a Medicare-eligible Member, do I have to enroll in Medicare Part D?

A: No. It is your choice on whether to participate in Medicare Part D.

## **For Employers (Groups/Associations) and Agents**

- Q: What does an Employer need to disclose to their Members about their prescription drug coverage?
- A: Most Employers are required to disclose to their Medicare-eligible Members that their plan's prescription drug coverage is either "creditable" or "non-creditable" by CMS' standards. There is other information that CMS recommends that the Employer include in their notice of creditable coverage to their Medicare-eligible members, and that information is included in CMS' sample notice. Employers must make this disclosure by written Notice no later than November 15, 2005.
- Q: What is "creditable coverage"?
- A: Basically, if a prescription drug plan is "creditable", it means it is as good as or better than the Medicare Part D coverage. If you would like more detail, please refer to [www.cms.hhs.gov/medicarerereform](http://www.cms.hhs.gov/medicarerereform).
- Q: To whom must the Employer provide the Notice of Creditable Coverage?
- A: The Employer must send the Notice of Creditable Coverage to all those individuals who are eligible for Medicare by age (65 or older), disability, or by having End-Stage Renal Disease (ESRD). Please refer to [www.medicare.gov](http://www.medicare.gov) for specific information on Medicare eligibility.
- Q: Where does an Employer get a copy of the Notice of Creditable Coverage for Medicare Part D?
- A: Employers with CHA Health may find a PDF copy on CHA Health's Employer website. Sample copies may also be found at [www.cms.hhs.gov/medicarerereform](http://www.cms.hhs.gov/medicarerereform).
- Q: Why doesn't CHA Health send the Notice of Creditable Coverage for Medicare Part D directly to the Member?
- A: By law, the responsibility rests upon the Employer to send the required Notice. Further, CHA Health cannot make the necessary decisions for the Employer regarding who should receive the Notice and the information to include in the required Notice.
- Q: What decisions need to be made regarding the content of the Notice?
- A: CMS has recommended the Employer include an explanation in the Notice that describes the prescription drug coverage options that will be available to the Member when Medicare Part D coverage becomes available.

Also, the Employer who offers retiree coverage needs to state whether the Member will still be eligible for the Employer's prescription drug benefits if the Member chooses to enroll in Medicare Part D coverage.

Q: Are there any other required Notices other than the one to the Medicare-eligibles?

A: Yes. Employers are required to notify CMS whether their prescription drug coverage is "creditable" on an annual basis and upon any change that affects whether the coverage is creditable. However, details for how to notify CMS have not been released. Please refer to [www.cms.hhs.gov/medicarereform](http://www.cms.hhs.gov/medicarereform) for more information about the disclosure(s) to CMS.

Q: What is the "Retiree Drug Subsidy"?

A: In general, Employers with qualified retiree prescription drug plans may become eligible for federal subsidy payments for each qualifying covered retiree under the Employer's plan. Please refer to [www.rds.cms.hhs.gov/](http://www.rds.cms.hhs.gov/) for more information.

Q: How can an Employer receive the Retiree Drug Subsidy?

A: Employers will need to apply online for the subsidy by September 30, 2005 (or October 31, 2005, with a one-time extension). Please refer to [www.rds.cms.hhs.gov/](http://www.rds.cms.hhs.gov/) for more information.

### **IMPORTANT DATES**

September 30, 2005	Employers who wish to request the CMS Retiree Subsidy must apply online by this date.
October 31, 2005	Last day of extension for employers to apply for the CMS Retiree Subsidy.
November 15, 2005	Open enrollment in Medicare Part D begins. Employers must notify Medicare-eligible individuals of the creditability of their prescription drug coverage.
January 1, 2006	Medicare Part D coverage begins (for those who enroll by December 31, 2005).
May 15, 2006	Last day to enroll in Medicare Part D for 2006. After this time, premiums may be more expensive.