



Don't Forget Medicare Prescription Drug Reporting to CMS

Insights

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Most employers who offer plans that include prescription drug coverage are acutely aware of the requirement to notify individuals as to the creditable status of that coverage before October 15 each year. However, many are unaware that the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) also dictates that employers offering prescription drug coverage must alert the Centers for Medicare & Medicaid Services (CMS) at least once a year as to whether the coverage is creditable or non-creditable. Here are a few reminders regarding this lesser-known compliance obligation.

Timing

Plan sponsors must provide the required coverage disclosure to CMS annually no later than 60 days following the start of a new plan year. Thus, calendar year plan sponsors have until March 1 to report to CMS. Plan sponsors also must notify CMS within 30 days after either they terminate the prescription drug plan or coverage, or the creditable status of the coverage changes.

CMS Portal

Plan sponsors must use CMS's creditable coverage portal to complete the necessary creditable coverage disclosure form. There is no paper alternative to satisfy this disclosure requirement absent one of a very few narrow exceptions. The good news is that the CMS portal includes helpful hyperlinks to agency guidance and also has step-by-step instructions to help simplify reporting.

Conclusion

Many plan sponsors get preoccupied with other matters such as ACA and W-2 reporting after the turn of the year. Also, there tends to be an uptick in participant inquiries following the start of a new plan year as open enrollment errors come to light. It is understandable how a simple compliance obligation can slip through the cracks. That's why now is a good time for plan sponsors with calendar year plans to set a reminder and be prepared to disclose to CMS the creditable or non-creditable status of a plan's prescription drug coverage by March 1, 2022.

We will monitor these developments and provide updates as warranted, so make sure that you are subscribed to [Fisher Phillips' Insights](#) to get the most up-to-date information direct to your inbox. If

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