

Important Information!

Employers Must File Creditable Coverage Disclosure with CMS by March 31, 2006.

The Centers for Medicare & Medicaid Services (CMS) recently announced that certain employers that sponsor a group health plan must complete a Disclosure Notice stating whether their health plan offers creditable or non-creditable prescription drug coverage. The Disclosure Notice must be filed with CMS through completion of a disclosure form on the CMS Creditable Coverage Disclosure web page at <http://www.cms.hhs.gov/creditablecoverage>. See the heading “Related Links Inside CMS” and use the link “Disclosure to CMS Form” to access the Disclosure Notice.

For plan years that end in 2006, this Disclosure Notice must be completed by March 31, 2006. Thereafter, the Disclosure Notice must be made to CMS on an annual basis, and upon any change that affects whether the employer’s drug coverage is creditable.

Because this online Disclosure Notice is the sole method for compliance with this requirement and because the Disclosure Notice requests information specific to the employer, Priority Health® is unable to fulfill this requirement for its employer clients. However, to aid in the process, Priority Health has posted the Disclosure Notice guidance and a link to the CMS Creditable Coverage Disclosure web page on both its Employer and Agent websites which you may view by logging onto *priorityhealth.com*. Priority Health’s Employer and Agent websites also contain information as to which drug coverage plans are creditable and which are non-creditable.

Please note that as part of the Disclosure Notice, an entity must disclose to CMS the latest calendar date on which it provided the required disclosure to Part D eligible individuals of creditable or non-creditable coverage (i.e., mailed, personally distributed to Part D eligible individuals, etc.). Priority Health mailed the required disclosure notices in multiple batches between November 1st and November 14, 2005. You should input November 14th in answer to this question, particularly as CMS acknowledges that the notices could have been delivered over a series of days.

<p>Priority Health does not provide legal advice. We try to provide quality information, but we make no claims or guarantees about the accuracy or adequacy of the information. As legal advice must be tailored to the specific circumstance of each case, nothing provided herein should be used as a substitute for the advice of competent legal counsel.</p>
