

# GOVERNANCE BENEFITS

OCTOBER 2022

## Medicare Part D Notices Due Before Oct. 15, 2022

Each year, Medicare Part D requires group health plan sponsors to disclose whether the health plan's prescription drug coverage is creditable to individuals eligible for Medicare Part D and the Centers for Medicare and Medicaid Services (CMS).

Plan sponsors must provide the annual disclosure notice to Medicare-eligible individuals **before Oct. 15, 2022**—the start date of the annual enrollment period for Medicare Part D. CMS has provided [model disclosure notices](#) for employers to use.

Medicare beneficiaries who do not have creditable prescription drug coverage and do not enroll in Medicare Part D when first eligible will likely pay higher premiums if they enroll at a later date. Although no specific penalties are associated with the notice requirement, failing to provide the notice may be detrimental to employees.

Employers should confirm whether their health plans' prescription drug coverage is creditable or noncreditable and prepare to send their Medicare Part D disclosure notices before Oct. 15, 2022. To make the process easier, employers often include Medicare Part D notices in open enrollment packets they send out prior to Oct. 15.

### Creditable Coverage

A group health plan's prescription drug coverage is considered creditable if its actuarial value equals or exceeds the actuarial value of standard Medicare Part D prescription drug coverage. In general, this actuarial determination measures whether the expected amount of paid claims under the group health plan's prescription drug coverage is at least as much as the expected amount of paid claims under the Medicare Part D prescription drug benefit.

## New Guidance on Health Care Transparency

On Aug. 19, 2022, federal agencies released a [final rule](#) and [FAQs](#) regarding the ban on surprise medical billing and other health care transparency requirements.

### Final Rule on Surprise Medical Billing

The final rule implements certain disclosure requirements related to information that health plans and issuers must share about the qualifying payment amount. It also finalizes specific changes related to the payment dispute resolution process in light of ongoing litigation.

### Updated Model Notice

Beginning in 2022, health plans and issuers must disclose certain balance billing protections to participants. An [appendix](#) to the FAQs includes an updated version of the model notice for this disclosure requirement. Plans that use the model notice must use the updated version for

plan years beginning on or after Jan. 1, 2023.

### Posting of MRFs on a Public Website

Health plans and issuers must disclose, on a public website, detailed pricing information in three separate machine-readable files (MRFs), beginning as early as July 1, 2022. According to the FAQs, health plans are not required to create their own public websites for posting MRFs. Rather, a health plan can satisfy the MRF disclosure requirement by entering into a written agreement under which a service provider (such as a TPA) posts the MRFs on its public website on behalf of the plan. Employers who take this approach should monitor their service providers to ensure they comply with this requirement.