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#15-2006

September 6, 2006

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Dear Highmark Blue Cross Blue Shield Appointed General Agency:

Reminder: Annual “Creditable Coverage” Notification Requirement for Medicare Part D

As you are probably aware, the annual open enrollment period for Medicare Prescription Drug Coverage – Part D – begins November 15, 2006. This issue of *Producer News* includes information about communication that will be sent to the groups in our Small Business Program about the annual notification requirement employers have with regard to Medicare beneficiaries in their employer groups.

This responsibility, you may remember, is tied to the late enrollment penalty Medicare beneficiaries may be subject to if they do not enroll as soon as they are first eligible for Part D coverage. One exception to this penalty is Medicare beneficiaries who have employer-sponsored prescription drug coverage that’s as good as or better than the “standard” Part D benefit design the government established. The government uses the term “creditable” to describe coverage that meets these minimum requirements.

Because of this exception, employer groups that provide prescription drug coverage for Medicare beneficiaries are required to notify these individuals at certain times as to whether their drug coverage is “creditable.” One requirement is an annual notification that must be provided before November 15, 2006, when this year’s annual election period (open enrollment) begins. That way, during the annual enrollment period, these Medicare beneficiaries will be able to decide if they should enroll in a Medicare Part D plan or keep their employer’s coverage.

A recent issue of our group *Bulletin*, which is sent to all of the group benefit administrators with coverage through our Small Business Program, included an article about changes to the creditable coverage notices. As a final reminder, we will mail the enclosed letter to all groups in the Small Business Program in the next few days. As you can see, the letter outlines the employer’s responsibility if they have employees in their group coverage who are Medicare-eligible. It also includes some helpful Web sites where they can get additional information, including the government’s updated model notices for creditable and non-creditable coverage.



Individual coverage available

We wanted to make you aware of this communication in case any of your clients contact you with questions. You may also want to remind your clients that Highmark Senior Resources, a subsidiary of Highmark Inc., offers three Part D plan options on an individual (non-group) basis. Called "BlueRx," all three plan designs provide more coverage than the government's standard Medicare Part D benefit design. Medicare beneficiaries can call 1-866-465-4030 to obtain an enrollment kit for individual BlueRx coverage.

Product Portfolio

Please remember that the Small Group Product Portfolio (order # 25161) is intended as a marketing tool for producers to use when discussing products available for demographically rated clients in the small group market.

If you have any questions, please contact your Highmark Small Group Client Manager.

Producer Portal Profile Settings

Future enhancements to the Producer Portal will require valid email addresses. **We need your help!!!** Please review your Producer Portal Profile Settings to verify that your email address is valid. Invalid email addresses will prevent Producers, Sub-Producers and Agencies from receiving secure emails. If your email address is incorrect, please have your General Agency's Highmark contact send the correction to robert.neft@highmark.com.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Fitzpatrick". The signature is written in a cursive style with a large initial "T".

Thomas J. Fitzpatrick
Director, Producer Affairs