

HIPAA Creditable Coverage

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that health insurance issuers, group health plans and/or employers issue a HIPAA certificate of creditable coverage when a person's health coverage ends. The certificate indicates the date on which an individual's coverage ends and how long the individual had the coverage. Individuals should retain this document for their records because the certificate provides evidence of an individual's prior coverage. If certain conditions are met, evidence of prior coverage may entitle an individual to a reduction or total elimination of a preexisting condition exclusion period under subsequent health benefits coverage an individual may obtain. CMS does not request or require a copy of this HIPAA certificate of creditable coverage. Therefore, individuals should not be instructed to send the certificate to CMS. For more information on HIPAA go to <http://www.cms.hhs.gov/HealthInsReformforConsume/>.

MMA Creditable Coverage

The Medicare Modernization Act (MMA) imposes a late enrollment penalty on individuals who do not maintain creditable drug coverage (coverage that is as least good as Part D coverage) for a period of 63 days or longer following their initial enrollment period for the Medicare prescription drug benefit. MMA mandates that certain entities offering prescription drug coverage disclose to all Medicare eligible individuals with prescription drug coverage whether such coverage is creditable. Individuals should retain this document for their records. CMS does not request or require a copy of this creditable coverage documentation. Therefore, individuals should not be instructed to send the certificate to CMS. For more information on creditable coverage as it relates to Part D, go to http://www.cms.hhs.gov/CreditableCoverage/01_Overview.asp.