

Part D Advisors Newsletter

Quarter 4, 2008

APPEALS AND FUTURE PLAN YEARS, RENEWAL APPLICATION DEADLINES, PLAN SPONSORS OF VEBA-FUNDED PLANS TAKE NOTE!

APPEALS DO NOT AFFECT FUTURE PLAN YEARS

All plan sponsors should take note that appeals on current applications with plan years ending in 2008 or earlier, will not affect your ability to file for the subsidy on future applications. While waiting for an appeal to be granted or denied, plan sponsors should set up their next year's application(s) and proceed normally so as not to miss any deadlines. Pending appeals are not grounds for extensions on future applications. Extensions are not guaranteed, and plan sponsors should not rely on getting one before important deadlines have passed.

“All Retiree Drug Subsidy (RDS) Program Plan Sponsors awaiting an appeal decision regarding an RDS application with a plan year ending in 2008 or earlier should be aware that a pending appeal does NOT affect the Plan Sponsor's ability to apply for a future plan year.”

RENEWAL APPLICATION DEADLINES

Plan Sponsors wishing to file for subsidy in the next plan year need to be sure they have submitted a valid online application and a valid retiree list 90 days prior to the start of the new plan year. For example, if you have a plan year starting January 1, 2009 you must have your application and retiree list submitted no later than October 1, 2008. Requests for 30 day application deadline extensions may or may not be approved, so Plan Sponsors should do everything in their power to meet crucial deadlines, or risk being ineligible for subsidy reimbursement in their new plan year. For more information regarding CMS deadlines please click [here](#).

PLAN SPONSORS OF VEBA-FUNDED PLANS TAKE NOTE!

CMS' RDS center is alerting plan sponsors to a new RDS guidance document discussing the possibility of a plan sponsor shifting retirees from their current group health plan to another sponsor's group that is funded via Voluntary Employees' Beneficiary Association (VEBA). In the event that this change occur during a plan year, the plan sponsor must make certain that for the following plan year the second plan sponsor starts a new RDS application. The calculation of costs must be done separately for each plan sponsor with no costs from the first plan counting towards limit or thresholds for the second plan. Part D Advisors has taken all the necessary precautions for such transitions with our clients, in order that costs will always be calculated using the most current CMS standards. For more information on this new guidance you may read the full article [here](#), or

contact Part D Advisors for a personal evaluation of your plan's potential to lose subsidy due to these or other changes.

Best of Luck!
Part D Advisors, Inc

(This article was prepared by Part D Advisors, Inc as a Subsidy Tip in the October Newsletter. If you wish to print and share the information in this newsletter, this Part D Advisors, Inc "credit" statement must be included. For more information regarding Part D Advisors, Inc or its services, please visit www.PartDAdvisors.com or contact Part D Advisors, Inc at (888) 447-2783.)