

## Medicare Part D: Special Enrollment Periods

Outside the annual Part D Open Enrollment Period (Oct. 15 – Dec. 7), most people with Medicare only can join or switch Part D plans if they have a Special Enrollment Period (SEP).

The most common Part D SEPs are described below.

### Part D SEPs for People with Limited Income

There are four commonly used SEPs for Medicare beneficiaries with Part D who have limited income and resources. Your eligible clients can use these SEPs to join, drop, or switch to another Part D plan. The Part D plan can be either a stand-alone Prescription Drug Plan (PDP) or a Medicare Advantage plan with Prescription Drug (MA-PD) coverage.

#### ***Part D Dual SEP***

**What:** This SEP for duals can be used by anyone with Medicare who has any kind of Medicaid — whether it's full Medicaid or enrollment in one of the Medicare Savings Programs. This SEP allows people who are dually entitled to Medicare and Medicaid to enroll, disenroll, or switch to another Part D plan (PDP or MA-PD) once per quarter during the first three quarters of the year, with the new election becoming effective on the first day of the next month. The SEP is considered “used” based on the date of the enrollment request. For example, if a plan receives an application during the month of March, the application effective date is April 1 but the SEP is “used” for the 1<sup>st</sup> quarter, not the 2<sup>nd</sup> quarter. During the 4<sup>th</sup> quarter, duals wishing to change plans must take advantage of the Annual Enrollment Period (Oct. 15 – Dec. 7), with their changes becoming effective January 1 of the following year.

**When:** The SEP for duals starts when someone becomes dually entitled to any Medicaid-administered program. The SEP ends two months after the person loses their Medicaid entitlement. Enrollment in the new plan is effective the first day of the month following enrollment.

#### ***Part D Low-Income Subsidy (LIS)/Extra Help SEP***

**What:** This SEP is for people who applied for and were found eligible by the Social Security Administration for the Part D Low-Income Subsidy (LIS)/Extra Help. This SEP allows people who are dually entitled to Medicare and Medicaid to enroll, disenroll, or

switch to another Part D plan (either a PDP or MA-PD) once per quarter during the first three quarters of the year, with the new election becoming effective on the first day of the next month. The SEP is considered “used” based on the date of the enrollment request. For example, if a plan receives an application during the month of March, the application is effective date is April 1 but the SEP is “used” for the 1<sup>st</sup> quarter, not the 2<sup>nd</sup> quarter. During the 4<sup>th</sup> quarter, duals wishing to change plans must take advantage of the Annual Enrollment Period (Oct. 15 – Dec. 7), with their changes becoming effective January 1 of the following year.

**When:** The LIS/Extra Help SEP starts the month someone is found eligible for LIS/Extra Help. Enrollment in the new plan is effective the first day of the month following enrollment. The SEP ends two months after the person loses their LIS/Extra Help status.

**Note:** This SEP is also for those people who lose their LIS/Extra Help for the following calendar year due to SSA’s annual redetermination process. In this case, the SEP lasts from January 1 to March 31.

### ***SEP for CMS and State-Initiated Enrollments***

**What:** Individuals who are enrolled into a plan by the Centers for Medicare & Medicaid Services (CMS), or state (i.e., auto-enrollment, reassignment, passive enrollment) have a SEP to disenroll from their new plan or enroll into a different plan.

**When:** The SEP permits a onetime election within three months of the effective date of the assignment, or notification of the assignment, whichever is later. It allows the individual to make an election before the enrollment is effective in the receiving plan or after the coverage in the receiving plan starts. This SEP must be used within three months of the start of coverage in the receiving plan. In the case where the notice is sent after the coverage in the receiving plan begins the SEP ends three months after the date of the notice.

The effective date for enrollments under this SEP is the first day of the month following receipt of the enrollment request by the plan.

### ***Part D State Pharmaceutical Assistance Program (SPAP) SEP***

**What:** Currently, roughly half of all states offer some form of [State Pharmaceutical Assistance Program](#) (SPAP). SPAP participants can use this SEP to join or switch to another Part D plan (a PDP or an MA-PD). This SEP provides new SPAP participants an opportunity to join or switch to another Part D plan once enrolled into their SPAP. In

addition, beneficiaries who are no longer eligible for SPAP benefits can use this SEP to enroll in another PDP or MA-PD.

**When:** New SPAP participants may use this SEP one time per calendar year. The new plan takes effect on the first day of the month following enrollment.

SPAP participants losing their SPAP benefits can use this SEP beginning either the month they lose eligibility or the month they are notified of the loss, whichever is earlier. The SEP ends two months after either the month of the loss of eligibility or the month of the notification of the loss, whichever is later.

### **Part D SEP to Coordinate with the Part B General Enrollment Period**

**What:** Every year, from January 1 through March 31, there is a [Medicare General Enrollment Period](#) (GEP) during which people who did not enroll in Medicare Part B when they were first eligible can do so. Their Part B enrollment becomes effective July 1. This Part D SEP is tied to the GEP.

Certain individuals who enrolled in Part B during a GEP can use this SEP to select a Part D PDP or an MA-PD. People who automatically get Part A because they had a sufficient work history, however, cannot use this SEP. It is only for people who must pay for their Part A due to a lack of sufficient work quarters.

**When:** The SEP begins April 1 and ends June 30. The Part D plan coverage is effective July 1, to coincide with the start date of their Part B coverage.

### **Part D SEPs to Coordinate with Disenrollment from a Medicare Advantage Plan**

There are three commonly used SEPs that allow a person to enroll into a Part D plan when they disenroll from a Medicare Advantage (MA) plan.

#### ***Part D SEP to Coordinate with Medicare Advantage "SEP65"***

**What:** This SEP is for people who joined a Medicare Advantage only plan *or* a Medicare Advantage plan with prescription drug coverage *immediately upon becoming entitled to Medicare at age 65*. This SEP can be used to join a PDP, which would automatically disenroll the beneficiary from the MA-PD they joined when turning 65. Beneficiaries using this SEP are also allowed to disenroll from a MA-only plan to return to Original Medicare.

**When:** This SEP is available at any time during the first calendar year (12 months) following the month of the MA enrollment. Generally, Original Medicare and the PDP enrollment take effect the first day of the month of the month after the SEP was used.

**Note:** When your clients use "SEP 65" they should also consider supplementing Medicare, either by applying for the Qualified Medicare Beneficiary Program (QMB) if they are eligible, or by purchasing a Medigap policy. Beneficiaries using this SEP 65 have a right guaranteed by federal law to purchase any Medigap policy, since this SEP has the effect of extending their [Medigap Open Enrollment Period](#) (OEP).

### ***Part D SEP to Coordinate with Medicare Advantage “Trial Period”***

**What:** This SEP is for people who dropped a Medigap policy to join a Medicare Advantage plan (either an MA-only or an MA-PD) for the first time *after* age 65. This SEP allows them to disenroll from an MA-PD to go to Original Medicare. If they were in a MA-PD, they also are entitled to a Part D SEP to gain a PDP. By enrolling in the PDP, they will automatically be disenrolled from the MA-PD.

**When:** The SEP to disenroll from an MA-PD begins the month of disenrollment from the MA-PD plan and continues for two additional months. The SEP must be used within the first calendar year (12 months) *after* they joined the Medicare Advantage plan. The Part D SEP to enroll in a PDP begins the month they disenroll from the MA-PD and ends two months later. The Original Medicare and the PDP enrollment (if applicable) take effect on the first day of the month following the month in which the SEP was used.

**Note:** Your clients who use the trial period SEP have a right guaranteed by federal law to get back the Medigap policy they had before they tried Medicare Advantage for the first time. If that Medigap policy is no longer for sale, they are allowed to buy Medigap plans A, B, D, G, K, or L. (Some state laws are more generous with regard to guaranteed issue rights, so it is wise to check with your state insurance department regarding their Medigap rules.)

### **SEP for MA enrollees using the Medicare Advantage Open Enrollment Period (MA OEP) to enroll in a PDP**

**What:** The SEP for MA enrollees allows individuals enrolled in a Medicare Advantage plan as of January 1 to make a one-time election to another MA plan or return to Original Medicare and a stand-alone Medicare Part D plan. The MA OEP runs from January 1 – March 31 each year.

Additionally, new Medicare beneficiaries who enroll in an MA plan during the first three months they have Medicare have an individualized three-month MA SEP to switch to another MA plan or return to Original Medicare and a stand-alone Medicare Part D plan.

**When:** The effective date for an MA OEP election is the first of the month following receipt of the enrollment request.

**Note:** The MA OEP does not allow for Part D changes for individuals enrolled in Original Medicare, including those enrolled in stand-alone Part D plans.

## Part D SEPs Based on Residence

There are four commonly used SEPs for people with Part D related to residency.

### ***Part D Relocation SEP***

**What:** This SEP applies to Medicare beneficiaries who, because of a permanent move are no longer eligible to belong to their Part D plan, *or even if they are still eligible to remain in the plan*, will have new Part D and/or MA plan options available to them as a result of the move. (Generally, new plan options become available only upon moves to another state.)

This SEP also applies to beneficiaries who were not previously eligible for Part D, either because they permanently resided outside the U.S. and have relocated to a home within the U.S., or because they had been in prison and have been released from custody.

This SEP allows one Part D election and once the election has been made, the SEP is over. This SEP may protect beneficiaries against the imposition of late-enrollment penalty premiums. However, whether a late-enrollment penalty is imposed depends upon whether the beneficiaries were previously eligible for Part D and for those who were, whether they had other creditable drug coverage.

**When:** Generally, Part D plan members are responsible for notifying the current Part D plan about a permanent move. If the member notifies the plan in advance of the move, the SEP begins the month before the move and continues until two months after the move. If the member notifies the plan after the move, the SEP begins the month that notification was provided and last two months after the move. Upon selecting a new plan, the beneficiary can choose an effective date of up to three months after the month the enrollment was submitted.

**Example #1:** Mrs. J. is moving from New Jersey to Utah. In May 2021, she notifies her New Jersey Prescription Drug Plan (PDP) that she will be moving on July 6, 2021. She also researches her options, picks a Utah PDP, and designates July as the month she wants the Utah PDP to make her plan enrollment effective. She should receive her new plan enrollment materials, including her membership card, before July 1. Remember, she will be able to get transition fills if she needs these once she arrives in Utah in July.

If Mrs. J was relocating from Massachusetts to New Hampshire then new plan options would become available to her. She could decide to use this SEP to enroll in a new Part D plan, even if her old plan would still be available to her.

**Example #2:** For expatriates returning to the U.S. and newly released ex-inmates, the Part D plan election may be made the month before the beneficiary will be residing in a Part D plan area. This way, the plan enrollment can take effect in the first month the beneficiary is eligible for the Part D plan.

Mr. K. has lived in Ireland for the past 2 years but is relocating to Iowa in August 2021. He may enroll in the Part D plan of his choice in July and he may designate August as the month he wishes the plan to become effective.

Ms. B. was released from prison on April 2, 2021, but knew nothing about Part D. Her change-of-residence SEP extends two months beyond the month of her release, or through June 2021.

*What would happen if beneficiaries such as Mrs. J (in example #1) did not notify their current plan about the move in advance?*

If Mrs. J moved outside of the area served by her Medicare Advantage or Part D plan, the plan is required to involuntarily disenroll her once she has been permanently residing elsewhere and gone from her previous home for 6 months. The plan would likely learn of the relocation either from the Postal Service, due to returned mail, or from CMS if a beneficiary succeeded in enrolling in a PDP in her new home. The plan must notify beneficiaries about involuntary disenrollment. However, keep in mind that the plan **may not** have access to a current address. The SEP begins in the sixth month, when the prior plan disenrolls the beneficiary and lasts through the eighth month following the move.

### ***Part D SEP for Individuals Affected by a Government Entity-Declared Disaster or Other Emergency***

This SEP exists for individuals affected by a disaster or other emergency declared by a federal, state, or local government who were entitled to but unable to complete a valid election to enroll, disenroll, or switch PDPs or MA-PDPs. This SEP is also available to individuals who do not live in the affected areas but rely on help making healthcare decisions from friends or family members who live in the affected areas.

The SEP starts as of the date the declaration is made, the incident start date or, if different, the start date identified in the declaration, whichever is earlier. The SEP ends 2 full calendar months following the end date identified in the declaration or, if different, the date the end of the incident is announced, whichever is later.

### ***Part D Institutionalized Individuals SEP***

**What:** This SEP allows beneficiaries who move into, reside in, or are discharged from certain long-term care facilities to join or disenroll from a PDP or an MA-PD. Specifically, this SEP can be used by people in nursing homes, swing beds, psychiatric hospitals, rehabilitation hospitals, and long-term hospitals.

**When:** This SEP begins in the month of admission and continues for up to two months following discharge.

### ***Part D 5-Star SEP***

If a Medicare drug plan with a 5-star rating is available in your area, you can use the 5-star Special Enrollment Period to switch from your current Part D plan to a Medicare drug plan with a “5-star” quality rating. You can use this SEP only once between December 8 and November 30.

If you move from a Medicare Advantage plan that includes prescription drug coverage to a stand-alone Medicare Part D plan, you’ll be disenrolled from your Medicare Advantage plan, including the health benefit, and returned to Original Medicare for coverage of your health services.

You can only switch to a 5-star Medicare Part D plan if one is available in your area.

### ***Part D SEPs to Remedy Erroneous Enrollment***

There are two commonly used SEPs to remedy erroneous Part D plan enrollment.

### ***Part D Plan Enrollment Not Legally Valid SEP***

**What:** This SEP may be used when a Part D plan enrollment was not complete. An enrollment might be considered incomplete if it was not signed by the beneficiary or authorized representative. One of the most notable examples of an incomplete and consequently invalid enrollment is one a beneficiary did not intend to make. For example, when trying to purchase a Medigap plan or Medicaid managed care plan a beneficiary mistakenly enrolls into a PDP with a similar name. The beneficiary can use this SEP to reverse the error.

Generally, this SEP involves a disenrollment from the plan into which the person was mistakenly enrolled and re-enrollment back into the prior Part D plan. In order to prevent a gap in Part D coverage, the re-enrollment might be made retroactive (when needed) by CMS to place your client back in the situation she never intended to switch out of.

CMS also has the discretion to void a disenrollment so that a beneficiary can enroll into a new plan, automatically disenrolling out of the previous plan. This can become important when your clients have only one election right during an enrollment period. If they use it to disenroll they would not be able to enroll in a new plan.

**When:** This SEP will usually involve CMS using its discretion to decide whether an enrollment is incomplete. The timing of the disenrollment and re-enrollment will be determined by CMS. In general, once somebody establishes that the enrollment was not complete, including decisions that enrollments were not intended, CMS will time disenrollment and re-enrollment back to the prior plan so that the individual experiences no gap in Part D coverage.

### ***Part D Federal Error SEP***

**What:** Nobody is perfect — federal employee errors can cause a Part D plan enrollment that should not have happened. Federal errors might also prevent an intended enrollment into a Part D plan. CMS decides on a case-by-case basis whether to approve this SEP, which permits enrollment into or disenrollment from a Part D PDP or an MA-PD, depending on the circumstances.

**When:** This SEP begins the month CMS tells the individual the SEP has been granted and ends two months later.

## Part D SEP for Involuntary Loss of Creditable Prescription Drug Coverage

**What:** This SEP is for people who lose their creditable prescription drug coverage, such as when they retire, and including a reduction in the level of coverage so that it is no longer creditable.

**Note:** This SEP cannot be used if a person loses creditable coverage because he fails to pay his premium.

**When:** The SEP permits enrollment in a PDP and begins the month in which the person is advised of the loss of creditable coverage and ends two months after either the loss (or reduction) occurs. The effective date of this SEP may be the first of the month after the request, and it may be no more than two months from the end of the SEP.

## SEP for Other Exceptional Circumstances

**What:** CMS will establish a SEP, on a case- by-case basis, for individuals whom CMS determines have experienced exceptional circumstances related to enrollments into or dis-enrollments from a PDP plan that are not otherwise captured in regulation.

Individuals may make a request for an exception to the current enrollment rules, or CMS can make a determination that an exception is warranted for a group of beneficiaries.

**When:** CMS will review supporting details and documentation to determine eligibility for the SEP for exceptional circumstances. The SEP would take effect once CMS makes its determination and the enrollee has been notified. The effective date for an enrollment or disenrollment election would be based on the beneficiary's circumstances and may be either prospective or retroactive.

## References

Find a complete explanation of these and all Part D SEPs see the Center for Medicare & Medicaid Services (CMS) Medicare Prescription Drug Benefit Manual, [Chapter 3—Eligibility, Enrollment, and Disenrollment](#), Section 30.3 – *Special Enrollment Period (SEP)*.

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