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).

Here are the most common Part D SEPs.

### Part D SEPs for People with Limited Income

There are three 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 one of the Medicare Savings Programs. The SEP allows eligible clients to enroll, disenroll, or switch to another Part D plan (PDP or MA-PD) at any time. Enrollment in the new plan is effective the first day of the month following enrollment.

  **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 (SSA) for the low-income subsidy (LIS)/Extra Help. Eligible beneficiaries can use this SEP to enroll, disenroll, or switch to another Part D plan (either a PDP or MA-PD) at any time. Enrollment in the new plan is effective the first day of the month following enrollment.

  **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.

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

  **What:** Currently, 21 states and the U.S. Virgin Islands 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 was intended to give new SPAP participants an opportunity to join or switch to another Part D plan when their SPAP enrollment takes effect. 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 (a stand-alone Prescription Drug Plan) or an MA-PD (Medicare Advantage plan with Prescription Drug coverage). 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 Medicare Advantage Disenrollment**

  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 plan (a Medicare Advantage-Only plan, MA-only, or an MA-PD with Prescription Drug coverage) immediately upon becoming entitled to Medicare at age 65. This SEP can be used to join a Prescription Drug Plan (PDP), which would automatically disenroll them from the MA-PD they joined when they turned 65. They 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. They 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 get a Part D SEP to join a Prescription Drug Plan (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 they disenroll from the MA-PD plan and lasts for two 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, C, F, K, or L from any insurance company that sells it in their state.
**Part D SEP to Coordinate with Medicare Advantage Annual Disenrollment Period (MADP)**

**What:** This SEP is for beneficiaries who are enrolled in MA-only or MA-PD plans and are using their Medicare Advantage Disenrollment Period (MADP) from January 1 through February 14 to disenroll from Medicare Advantage. Your clients can use this SEP to join a PDP. They cannot use this SEP to switch MA-PD plans.

**When:** This SEP permitting enrollment into a PDP is in effect during the MADP, which runs from January 1 to February 14 each year. Your clients are limited to one enrollment with this SEP. The plan will take effect the first of the month following enrollment.

**Part D SEPs Based on Residence**

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

- **Part D Relocation SEP**

  **What:** This SEP is for 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 Medicare Advantage (MA) and/or Part D 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 is for 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 2017, she notifies her New Jersey Prescription Drug Plan (PDP) that she will be moving on July 6, 2017. 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 2017. He may enroll in the Part D plan of his choice in July 2017, and he may designate August 2017 as the month he wishes the plan to become effective.

Ms. B. was released from prison on April 2, 2017, but knew nothing about Part D. Her change-of-residence SEP extends two months beyond the month of her release, or through June 2017.

**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 the Centers for Medicare & Medicaid Services (CMS) if a beneficiary succeeded in enrolling in a PDP in her new home. The plan must notify beneficiaries about involuntary disenrollments. Note 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 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 out of a Part D PDP plan (a stand-alone Prescription Drug Plan) or an MA-PD (Medicare Advantage plan with Prescription Drug coverage). Specifically, this SEP can be used by people in nursing homes, psychiatric hospitals, rehabilitation hospitals, long-term hospitals, and swing beds.

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

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 not be complete, for example, if it was not signed by the beneficiary. One of the most notable examples of an incomplete and consequently invalid enrollment is one your client did not intend to make. For example, if your client thought she was buying a Medigap policy or enrolling in a Medicaid managed care plan with a similar name, she never had the intent to join the Part D plan. She should be able to use this SEP.

  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 plan (a stand-alone Prescription Drug Plan) or an MA-PD (a Medicare Advantage plan with Prescription Drug coverage), 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 Prescription Drug Plan (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.

**References**

Find a complete explanation of these and all Part D Special Enrollment Periods 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).