

# HI 00805.385 Exceptional Conditions Special Enrollment Period (SEP) for Termination of Medicaid Eligibility

## **A. Background**

Many individuals are enrolled in Medicaid when their Initial Enrollment Period (IEP) for premium Part A or Part B begins. While some individuals stay eligible for Medicaid after they qualify for Medicare, other individuals lose Medicaid eligibility entirely.

Individuals transitioning from Medicaid to Medicare coverage are at risk for gaps in coverage and losing access to critical health care. Administrative delays may keep individuals in Medicaid for multiple months after they first qualify for Medicare and become ineligible for Medicaid benefits.

Individuals who retain Medicaid after qualifying for Medicare may miss their IEP because they continue to be covered by Medicaid and may think they do not need or cannot afford Medicare at that time.

If they lose Medicaid coverage outside of the Medicare General Enrollment Period (GEP), they may need to wait months to enroll in Medicare and be subject to a premium surcharge when they can eventually enroll.

This SEP would help promote continuity of coverage for individuals who lose Medicaid eligibility and did not enroll in Medicare on time.

## **B. SEP Eligibility**

To be eligible for this SEP, an individual must lose Medicaid eligibility entirely on or after January 1, 2023. Individuals who are eligible for Medicaid, including a Medicare Saving Programs are ineligible for this SEP. See HI 805.383.G.

Starting January 1, 2023, individuals are eligible for this SEP once they are notified of an upcoming Medicaid eligibility termination. States must send individuals notice of an upcoming Medicaid termination at least 10 days in advance.

- a. **Example:** If the state sends the individual a notice dated April 15, 2023, informing them of their Medicaid termination effective May 1, 2023, the individual first qualifies for this SEP on April 15, 2023.

### **C. Required Proof**

1. A letter from the state Medicaid agency or Medicaid managed care plan stating the Medicaid termination date, OR
2. The SSA employee will obtain verification of Title XIX termination status, which could alternatively be based upon a telephone contact, fax document or email with the appropriate public assistance office. It must contain the following information:
  - a. The Medicaid termination effective date,
  - b. The Medicaid case number, and
  - c. The location of the public assistance office furnishing the information and the name of the contact person.

### **D. SEP Duration**

1. The SEP starts upon notice of upcoming termination of Medicaid eligibility.
2. The SEP ends six months after the Medicaid termination.

**Example:** If the state sends an individual a notice on April 15, 2023 informing them of a Medicaid termination effective May 1, 2023, the SEP starts on April 15, 2023 and ends on October 31, 2023.

### **E. Calculation of Premium Surcharge**

There is no premium surcharge if an individual enrolls pursuant to this SEP.

### **F. Effective Date**

Individuals have the option of choosing an entitlement date:

Option 1: Individuals enrolling in this SEP can choose a prospective entitlement to begin the first day of the month following the month of enrollment.

- Option 2: Individuals enrolling in this SEP can opt for a retroactive entitlement date back to the first day of the month of their termination from Medicaid coverage, so long as their enrollment is on or after January 1, 2023. Note: An individual who elects retroactive entitlement will be responsible for paying Medicare premiums back to the date of coverage.

**Example 1:** John Smith is enrolled in Medicaid and turns 65 in February 2024. He has missed his IEP and was not enrolled in Medicare under a state buy-in agreement.

**Termination Notice:** Mr. Smith receives a notice dated May 15, 2024 from his state Medicaid agency notifying him that he will lose all eligibility for Medicaid coverage on June 1, 2024.

**SEP Duration:** Mr. Smith's exceptional condition SEP begins May 15, 2024 (the date of his notification from the state) and will run until November 30, 2024.

**SEP Filing:** On September 10, 2024, Mr. Smith files the application for the exceptional condition SEP based on loss of Medicaid eligibility and includes the appropriate documentation. His effective date options are:

- Option 1 – Prospective: Effective date to begin the first of the month after the month of enrollment. If Mr. Smith chooses this option, his Medicare coverage would be effective October 1, 2024.
- Option 2 - Retroactive: Effective date retroactive to June 1, 2024 (6 months). If Mr. Smith chooses this option, his Medicare coverage would be effective June 1, 2024 **and** he will be responsible for paying Medicare premiums back to the date of coverage.

**Example 2:** Jane Taylor is enrolled in Medicaid and turns 65 in February 2022. She has missed her IEP and was not enrolled in Medicare under a state buy-in agreement.

**Termination Notice:** Ms. Taylor receives a notice dated May 15, 2023 from her state Medicaid agency notifying her that that she will lose all eligibility for Medicaid coverage on June 1, 2023.

**SEP Duration:** Ms. Taylor's exceptional condition SEP begins May 15, 2023 (the date of her notification from the state) and will run until November 30, 2023.

**SEP Filing:** On May 28, 2023, Ms. Taylor files the application for the exceptional condition SEP based on loss of Medicaid eligibility and includes the appropriate documentation. Her effective date options are:

- Option 1 – Prospective: Effective date to begin the first of the month after the month of enrollment. If Ms. Taylor chooses this option, her Medicare coverage would be effective June 1, 2023.
- Option 2 - Retroactive: There is no retroactive option for Ms. Taylor. The earliest her coverage can start is June 1, 2023 when she lost Medicaid. June 1 is the effective date of coverage in option 1..

**Example 3:** Sam Brown is enrolled in Medicaid and turns 65 in February 2024. He has missed his IEP and was not enrolled in Medicare under a state buy-in agreement.

**Termination Date:** Mr. Brown receives a notice dated May 15, 2024 from his state Medicaid agency notifying him that he will lose all eligibility for Medicaid coverage on June 1, 2024.

**SEP Duration :** Mr. Brown's exceptional condition SEP begins May 15, 2024 (the date of his notification from the state) and will run until November 30November 30, 2024.

**SEP Filing:** On December 30, 2024, Mr. Brown files the application for the exceptional condition SEP based on loss of Medicaid eligibility and includes the appropriate documentation. He is not eligible for this SEP because he filed outside the six-month time limit of this SEP.

G. Who is not eligible for Exceptional Conditions Special Enrollment Period (SEP) for Termination of Medicaid Eligibility

Individuals who still are eligible for Medicaid, including a Medicare Savings Program, and have not received notice of an upcoming Medicaid termination are not eligible for this SEP. See HI 00815.024B for a description of Medicare Savings Programs.

This is because States include most individuals who are enrolled in Medicaid, including a Medicare Savings Program, in their state buy-in agreements with the Centers for Medicare & Medicaid Services (CMS). Part A Buy-in States enroll individuals included in their buy-in agreements in premium Part A and/or Part B

and pay premiums on their behalf at any time of the year without regard to Medicare enrollment periods and LEPs. This process is known as state buy-in. See HI 00815.001 for background on state buy-in.

**Note:** Group Payer states do not include the payment of Part A premiums for Qualified Medicare Beneficiaries under their buy-in agreements. In Group Payer states, individuals who receive notice of an upcoming Medicaid termination and are not yet determined by the State to be a QMB can use this SEP to enroll in Premium-Part A through the conditional enrollment process. See HI 00801.140B for a description of the conditional enrollment process.

## **H. Processing Instructions**

See HI 00805.277 Processing SEP Enrollments for processing instructions.

## **I. References**

HI 00805.277 Processing SEP Enrollments