

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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Baltimore, Maryland 21244-1850



**MEDICARE ENROLLMENT & APPEALS GROUP**

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**DATE:** April 27, 2021

**TO:** All Medicare Advantage (MA) Plans, Medicare Advantage Prescription Drug (MA-PD) Plans, Prescription Drug Plans (PDP), Cost, Program of All-Inclusive Care for the Elderly (PACE), and Demonstration Organizations

**FROM:** Jerry Mulcahy, Director, Medicare Enrollment and Appeals Group  
Center for Medicare

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Office of Information Technology

**SUBJECT: Announcement of the July 24, 2021 Software Release – Special Election Period (SEP) Reason Code**

The Centers for Medicare & Medicaid Services (CMS) implements software changes to the enrollment and payment systems that support MA, MAPD, PDP, Cost, PACE, and Demonstrations. This announcement provides information regarding a system change scheduled for July 24, 2021.

In this software release, the Medicare Advantage Prescription Drug System (MARx) will be enhanced to include the following new fields for enrollment and disenrollment transactions:

**SEP Reason Code Group (MARx UI Only)**  
**SEP Reason Code**

This memo is organized into two sections:

1. [Special Election Period \(SEP\) Background](#)
2. [New Field for MARx Enrollment and Disenrollment Transactions](#)
  - a. [Enrollments and Disenrollments Submitted via the MARx User Interface \(UI\)](#)
  - b. [Enrollment and Disenrollment Submitted via Batch Transactions](#)

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or e-mail [mapdhelp@cms.hhs.gov](mailto:mapdhelp@cms.hhs.gov).

## **1. SEP Background**

An SEP is a period outside of the usual Annual Enrollment Period (AEP), the Medicare Advantage Open Enrollment Period (MA-OEP), and the beneficiary's Initial Enrollment Period (IEP) when an individual may elect a Plan, or change the Plan in which they are enrolled. There are various types of SEPs, including, but not limited to, SEPs for dually-eligible individuals, individuals whose current Plan terminates, and individuals who change residence.

An individual's eligibility for an SEP provides an opportunity to make an election, but does not convey eligibility to enroll in the Plan; an individual must also meet all applicable eligibility criteria to enroll in the Plan. It is generally the responsibility of the organization to determine whether the individual is eligible for an SEP. The exception to this determination requirement would be enrollment and disenrollment requests completed or approved by CMS staff. To make this determination, the organization may need to contact the individual directly.

### **Additional Policy Resources**

For additional details and guidance on beneficiary SEP eligibility, and a complete list of available Special Election Periods, please refer to the MA, PDP sponsor, Cost and Medicare-Medicaid Plan guidance materials posted in the links below.

- MA and Cost Plan enrollment guidance: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol>
- PDP enrollment guidance: <http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicarePresDrugEligEnrol/index.html>
- Medicare-Medicaid enrollment guidance: [National Enrollment/Disenrollment Guidance for States & MMPs](#)

## **2. New Fields for MARx Enrollment and Disenrollment Transactions**

This MARx change applies to the use of the Election Type Code "S" only. Beginning July 24, 2021, enrollment and disenrollment transactions submitted with an Election Type Code "S" must include a valid SEP Reason Code. Special Enrollment Periods with their own unique Election Type Code such as "R"-Special Enrollment Period for Enrollment into a 5-star plan, will not be impacted by this change. A list of valid Election Type Codes can be found in the [Plan Communications User Guide](#) (PCUG).

### ***a. Enrollments and Disenrollments Submitted Via the MARX User Interface (UI)***

Plans submitting enrollment or disenrollment transactions with the Election Type Code "S" via the MARx UI will see two (2) new required fields on the MARx New Enrollment Screen (M221) and the Additional Update Enrollment Information Screen (M230):

- SEP Reason Code Group
- SEP Reason Code

The SEP Reason Code Group categorizes the SEP reasons into the following three (3) categories:

- Emergency or Disaster
- Terminations
- General

This grouping is intended to assist with navigating the list of reason codes. When an SEP Reason Code Group selection is made, the corresponding SEP Reason Code drop-down list will be enabled. Users will then be required to select a SEP Reason Code from a list of SEP types for enrollment and disenrollment submissions. For example, if a beneficiary is granted use of an SEP to enroll in a new Plan due to a Government entity-declared disaster or other emergency, in addition to the existing required fields on the MARx New Enrollment (M221) screen, the user must select the following values in MARx:

- Select “S”- Special Election Period (SEP) in the Election Type drop-down field;
- Select “Emergency or Disaster” in the SEP Reason Code Group drop-down;
- Select “01-GOVT Emergency or Disaster” in the SEP Reason Code drop-down.

**b. *Enrollments and Disenrollments Submitted via Batch Transactions***

Plans submitting enrollment or disenrollment transactions using a “S” Election Type Code via the batch process **will not** be required to submit an SEP Reason Code Group value, but **will be** required to provide a valid SEP Reason Code. A list of SEP Reason Codes is included as [Attachment F](#) to this memo, and will be added to the PCUG. Please note that submission of an SEP Reason Code will not apply to non-drug Cost and Medicare-Medicaid Plans (MMP) transactions.

Effective July 24, 2021, MARx will reject transactions with Election Type Code “S” where the SEP Reason Code field is missing or invalid. Rejected transactions will result in receipt of a new Transaction Reply Code (TRC) 397 “TRANSACTION REJECTED; INVALID SEP REASON CODE” (see [Attachment B](#)). Users will be able to update SEP Reason Codes that have been submitted incorrectly. CMS will provide guidance on correcting prior SEP Reason Code submissions in a forthcoming communication.

Retroactive enrollment and disenrollment transactions with an effective date prior to the July 24, 2021 release date will require a SEP Reason Code if submitted after July 24, 2021. For example, if a retroactive enrollment is received on July 30, 2021 with an effective date of 1/1/2021, this enrollment transaction will require a SEP Reason Code. The length of the Daily Transaction Report (DTRR) will not be affected by this change.

Updates associated with this system change are as follows:

- Update to Transaction Type 61 Layout ([Attachment A](#))
- New Transaction Reply Code: 397 ([Attachment B](#))
- Update to Daily Transaction Reply Report ([Attachment C](#))
- Update to Transaction Types 51 Layout ([Attachment D](#))

- Updated MARx User Interface Screens ([Attachment E](#))
  - M221-New Enrollment Screen
  - M222-Enrollment Detail Screen
  - M230-Additional Update Enrollment Information Screen
- List of SEP Reason Codes ([Attachment F](#))

**Update to Transaction Type 61**

<b>MARx Batch Input Detail – Enrollment Transaction – TC 61</b>					
<b>Item</b>	<b>Field</b>	<b>Size</b>	<b>Position</b>	<b>Validation (Edits and TRCs for the transaction fields)</b>	<b>Is Item Required, Optional, or N/A</b>
26.	Election Type SEP Reason Code	2	101-102	Reject with TRC 397 when the field contains a blank or invalid value and the Election Type Code is 'S'. The SEP Reason Code does not apply to a non-drug Cost or Medicare-Medicaid Plans (MMP) transaction.	Required when the Election Type Code is 'S'
27.	Filler		103-123	N/A	N/A

**New Transaction Reply Code: 397**

<b>Transaction Reply Codes</b>				
<b>Code</b>	<b>Type</b>	<b>Title</b>	<b>Short Definition</b>	<b>Definition</b>
397	R	TRANSACTION REJECTED; INVALID SEP REASON CODE	BAD SEP RSN CD	<p>A submitted enrollment (Transaction Type 61), or disenrollment transaction (Transaction Type 51 or 54) with Election Type Code S (SEP - Other) was rejected because the SEP Reason Code was blank or invalid.</p> <p>Plan Action: Resubmit the enrollment or disenrollment with a valid SEP Reason Code or with a different Election Type Code.</p>

**Update to Daily Transaction Reply Report (DTRR) Layout – Field 27**

<b>DTRR Detail Record</b>				
<b>Item</b>	<b>Field</b>	<b>Size</b>	<b>Position</b>	<b>Description</b>
27.	SEP Reason Code	2	108 – 109	<p>This field is populated if Election Type is “S” or “Y” (CMS casework). Otherwise, the field will be spaces.</p> <p>This field will be included in the following TRCs: 011, 013, 015, 022, 023, 025, 026, 701, 702, 704, 705, 709, 710, 711, 712, 713, 717</p>

**Update to Transaction Type 51 and 54 Layout**

<b>Layout and Validation Table for Disenrollment Transactions</b>					
<b>Item</b>	<b>Field</b>	<b>Size</b>	<b>Position</b>	<b>Validation (Edits and TRCs for the transaction fields)</b>	<b>Is Item Required, Optional, or N/A</b>
19.	Election Type SEP Reason Code	2	101-102	Reject with TRC 397 when the field contains a blank or invalid value and the Election Type Code is 'S'.	Required when the Election Type Code is 'S'
20.	Filler	107	103 – 209	N/A	N/A

**NOTE:** Spaces are substituted for all fields marked as 'N/A'.



MARx UI Screens

Beneficiaries: New Enrollment (M221)

The screenshot shows the 'Beneficiaries: New Enrollment (M221)' screen in the Medicare Advantage Prescription Drug (MARx) system. The header includes the CMS logo and navigation links for Welcome, Beneficiaries, Transactions, and Payments. The user's role is identified as 'MCO REPRESENTATIVE W/ UPDATE' with a date of 3/23/2021. A yellow banner at the top of the form area states: 'Enter all required field information and select "Enroll". Required fields vary depending on type of contract provided. \*Indicates required field'. The form contains numerous input fields, many marked with a red asterisk to indicate they are required. Two dropdown menus are highlighted with red boxes: the 'SEP Reason Code Group' dropdown is set to 'EMERGENCY OR DISASTER', and the 'SEP Reason Code' dropdown is set to '01 - GOVT EMERGENCY OR DISASTER'. Other dropdowns include 'Election Type' (set to 'S - SPECIAL ELECTION PERIOD (SEP)'), 'Enrollment Type', 'Premium Payment Option' (set to 'NO PREMIUM'), and 'Enrollment Source' (set to 'B - BENEFICIARY ELECTION'). At the bottom, there are sections for 'Preferred Language Other than English' (with 'No Selected Preference' selected) and 'Accessible Format' (with 'No Selected Preference' selected). 'Enroll' and 'Reset' buttons are located at the bottom left of the form.

The Beneficiaries: New Enrollment (M221) screen is accessible by users with update authorization only. A user may enroll a beneficiary into one of the contracts to which the user has access. This screen allows the user to enter all values needed to enroll a beneficiary in a Plan. Required fields are marked with a red asterisk. The SEP Reason Code Group and the SEP Reason Code are new fields on the M221 screen. A valid value will be required for the SEP Reason Code Group and SEP Reason Code if the Election Type Code “S”- Special Election Period (SEP) is used.

### Enrollment Detail (M222)

MBI #:XXXXXXXXXX XXXXXXXXXX XXXXXXXX, XX XXXXX-XXXX	XXXXXX XXXXXXXXXX ACTIVE	DOB: XXXXXX Age: X Sex: XXXXX State: XX (XX) County: XXXXX (XXX)
Enrollment Detail (M222) Role: MCO REPRESENTATIVE W/ UPDATE Date: 3/19/2021		Close Print Help...
<p>Contract: XXXXX</p> <p>MCO Name: XXXXXXXX XXXXX XXXXX</p> <p>PBP Number: 045</p> <p>Segment Number: 000</p> <p>Drug Plan: Y</p> <p>Effective Start Date: 11/01/2020</p> <p>Effective End Date: 12/31/2020</p> <p>EGHP:</p> <p>Enrollment Forced Code:</p> <p>Disenrollment Reason Code and Description: 07 - FOR CAUSE</p> <p>Application Date: 10/31/2020</p> <p>Default App. Date:</p> <p>Enrollment Election Type: S - SPECIAL ELECTION PERIOD (SEP)</p> <p>Enrollment SEP Reason Code: 33 - BENES AGE 65 (SEP65)</p> <p>Disenrollment Election Type: S - SPECIAL ELECTION PERIOD (SEP)</p> <p>Disenrollment SEP Reason Code: 11 - CMS TERM OF CONTRACT</p> <p>Special Needs Type:</p> <p>Enrollment Source: B - BENEFICIARY ELECTION</p> <p>Part D Auto-Enrollment Opt-Out:</p> <p>Part D Rx Bin: 123456</p> <p>Part D Rx PCN:</p> <p>Part D Rx Group:</p> <p>Part D Rx ID: RX12345</p>		

The Enrollment Detail (M222) screen displays information on the enrollment, disenrollment (as applicable), and Part D insurance information for a beneficiary in a Plan. The Enrollment Detail screen is accessed by selecting a Contract # link from the Beneficiary Detail: Enrollment (M204) screen. New fields on the M222 include the “Enrollment SEP Reason Code” and “Disenrollment SEP Reason Code”. The enrollment and disenrollment reason code fields shall display the basis in which the beneficiary was granted use of an SEP for enrollment or disenrollment purposes.

### Additional Update Enrollment Information (M230)

For users with appropriate access, the Additional Update Enrollment Information (M230) screen allows a user to view or update additional information regarding a beneficiary’s enrollment or disenrollment. New fields on this screen include: Enrollment SEP Reason Code Group, Enrollment SEP Reason Code, Disenrollment SEP Reason Code Group and Disenrollment SEP Reason Code. The SEP Reason Code Group and SEP Reason Code will be required fields only if the user selects Enrollment Election Type “S”- SEP Special Election Period or the Disenrollment Election Type “S”- Special Election Period (SEP).

**List of Special Election Period (SEP) Reason Codes**

Election Type Code S-Special Election Period Reason Code												
E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
<b>SEP Reason Code Group: Emergency or Disaster</b>												
01	GOVT EMERGENCY OR DISASTER	Government entity-declared disaster or other emergency.	X	X	X	X						X
02	GOVT EMERG/DISASTER- COVID19	Government entity-declared disaster or other emergency related to COVID-19.	X	X	X	X						X
<b>SEP Reason Code Group: Terminations</b>												
11	CMS TERM OF CONTRACT	CMS initiated termination of contract. Includes contract term by CMS, and immediate term by CMS where CMS provides notice of term to a Plan's members and the term may be mid-month.	X	X	X	X						X

Attachment F: List of Special Election Period (SEP) Reason Codes

Election Type Code S-Special Election Period Reason Code												
E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
12	TERM/CNTRCT MOD MUTUAL CONSENT	Plan initiated terminations/contract modifications by mutual consent. Includes contract non-renewals, Plan service area reductions, term/mod of contract by mutual consent.	X	X	X	X						X
<b>SEP Reason Code Group: General</b>												
21	ACCESSIBLE FRMT RECEIPT DELAY	SEP for providing individuals who requested materials in accessible formats equal time to make enrollment decisions.	X	X	X	X						X
22	INVOL LOSS OF CRED CVG	For involuntary loss of creditable prescription drug coverage.	X	X	X							
23	DISENROLL DUE TO CMS SANCTION	Individuals who disenroll in connection with a CMS sanction.	X	X	X	X						X

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E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
24	PART D DISENR FOR OTH CRED CVG	Individuals may disenroll from a Part D Plan (including PDPs and MA-PDs) to enroll in or maintain other creditable drug coverage.			X	X						
25	INVOL DISENROLL LOSS OF PART B	Individuals involuntarily disenrolled from an MA-PD Plan due to loss of Part B	X		X							
26	MA OEPI DISENROLL FROM MA	MA-PD enrollees using the MA Open Enrollment Period for Institutionalized Individuals (OEPI) to disenroll from an MA-PD Plan			X							
27	PACE	Disenroll from an MA/MAPD/PDP to enroll in PACE or PACE disenroll to enroll in MA/MAPD	X	X	X	X			X	X		X

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Election Type Code S-Special Election Period Reason Code												
E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
28	COST PLANS NON-RENEWALS	Individuals enrolled in Cost Plans that are non-renewing their contracts.	X		X			X				
29	DROP MEDIGAP IN TRIAL PERIOD	Individuals who terminated a Medigap policy when they enrolled for the first time in an MA Plan, and who are still in a trial period.	X	X	X							X
30	CHRONIC CARE C-SNP	Enrollment into a C-SNP and for individuals found ineligible for a C-SNP.	X	X	X	X						
31	ELIGIBLE FOR AN ADD PART D IEP	Individuals eligible for an additional Part D IEP.	X	X	X	X						
32	RETRO ENTITLEMENT DETERM	Individuals whose Medicare entitlement determination was made retroactively.	X		X							

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Election Type Code S-Special Election Period Reason Code												
E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
33	BENES AGE 65 (SEP65)	Beneficiaries age 65 (SEP65).		X	X <sup>1</sup>							X
34	PART B GEP ENROLLMENT	Individuals who enroll in Part B during the Part B General Enrollment Period (GEP). (MA-PD and PDP)	X		X							
35	LOSS OF SNP	Individuals enrolled in a SNP who are no longer eligible for the SNP because they no longer meet the specific special needs status.	X	X	X							
36	COST DISENRL OR OPT SUP PART D	Individuals disenrolling from a Cost Plan who also had the Cost Plan Optional Supplemental Part D Benefit.			X							

<sup>1</sup> If the individual using the SEP65 is disenrolling from an MA-PD plan, he or she may use this Part D SEP to enroll in a PDP plan. This SEP must be used at the same time the SEP65 is used.



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Election Type Code S-Special Election Period Reason Code												
E=Enrollment D=Disenrollment												
Impacted Plan Types:			MA/MAPD		PDP		COST		PACE		MSA	
SEP Reason Code Number	SEP Reason Code (Drop-Down Value)	SEP Type description	E	D	E	D	E	D	E	D	E	D
37	LAWFULLY PRESENT	Non-U.S. citizens who become lawfully present.	X		X							
38	QUALIFIED / LOSE SPAP ELIG	Individuals who belong to a qualified SPAP or who lose SPAP eligibility.	X	X	X							
39	PLAN IN RECEIVERSHIP	Individuals enrolled in a Plan offered by an MA or PDP organization that is placed into receivership by a State or territorial regulatory authority.	X	X	X	X						X
40	CMS ID CONSISTENT POOR PERF	This SEP exists while the individual is enrolled in the low performing MA or PDP Plan.	X	X	X	X						X