



**MEDICARE ENROLLMENT & APPEALS GROUP**

---

**DATE:** February 27, 2014

**TO:** Medicare Advantage Organizations and Prescription Drug Plan Sponsors  
with Service Areas in Texas

**FROM:** Arrah Tabe-Bedward  
Director, Medicare Enrollment & Appeals Group

**SUBJECT:** Special Election Period for Medicare Beneficiaries in Texas Who Are Losing  
High Risk Pool Supplemental Coverage

The purpose of this memorandum is to inform Medicare Advantage (MA) organizations and prescription drug plan sponsors with service areas in Texas of a Special Election Period (SEP) that will be available to a small group of Medicare beneficiaries who are enrolled in Original Medicare and currently have supplemental coverage through Texas's high risk pool (Texas Health Insurance Pool).

**Background:**

Texas is one of several states currently providing supplemental high risk pool coverage to approximately 6,000 Medicare beneficiaries under age 65. This group includes both disabled individuals and those with end stage renal disease (ESRD). These states allowed beneficiaries enrolled in Original Medicare to buy high risk pool plans to supplement their Medicare coverage. The Texas Health Insurance Pool is scheduled to end March 31, 2014. Beneficiaries in Texas will have limited guaranteed issue rights to purchase Medigap policies. In addition, CMS has established an SEP to allow affected beneficiaries who are otherwise eligible an opportunity to enroll in a MA or prescription drug plan.

**Parameters of the SEP:**

The following guidelines apply to the SEP:

- The one-time SEP will end on May 31, 2014, two months following the termination of Texas Health Insurance Pool coverage.
- The effective date will be the first day of the month following the date the organization receives the enrollment request.
- This SEP will be available only to individuals who are losing coverage through the Texas Health Insurance Pool. MA organizations and PDP sponsors are expected to determine if a beneficiary making an election falls into this population via attestation from the

beneficiary as it determines eligibility for enrollments following existing policies outlined in CMS enrollment guidance, but are not required to collect proof from the beneficiary.

- For individuals who contact 1-800-MEDICARE to take advantage of this SEP, organizations may receive enrollments using the “OTH” code and will have accompanying text from the “CMS use only” field that says “high risk pools”.

For individuals enrolled in a state’s high risk pool, prescription drug coverage is considered creditable for the purposes of determining any number of uncovered months based on the new enrollment into the Medicare Prescription Drug plan. Organizations are expected to follow all requirements outlined in Chapter 4 of the Medicare Prescription Drug Coverage Manual for determining numbers of uncovered months and processing any applicable Part D late enrollment penalties.

Beneficiaries have been given a number of resources to contact for additional information, including 1-800-MEDICARE, Medicare.gov, and the Texas State Health Insurance Assistance Program (SHIP), but may contact organizations/sponsors for additional information or to initiate an election.

**Questions:**

For questions concerning this SEP, please send an email to [pdpenrollment@cms.hhs.gov](mailto:pdpenrollment@cms.hhs.gov) and copy your CMS Account Manager.