

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: January 13, 2011

TO: Medicare Advantage Organizations and Prescription Drug Plan Sponsors that Offer Plans in Georgia and Tennessee

FROM: Anthony Culotta, Director
Medicare Enrollment & Appeals Group

RE: Special Enrollment Period for Individuals Under 65 to Purchase Medigap Policies

In 2010, both Georgia and Tennessee passed legislation requiring insurers who offer Medicare supplemental insurance policies in these states to make Medigap policies available to individuals under the age of 65 who qualify for Medicare due to disability or End-Stage Renal Disease (ESRD). Both states have established a one-time open enrollment period for these individuals to enroll in a Medigap policy. In Georgia, the open enrollment period is from November 1, 2010 through May 1, 2011; in Tennessee, January 1, 2011 through June 30, 2011. The purpose of this memorandum is to establish a Medicare special enrollment period (SEP) to permit disenrollment from Medicare Advantage (MA) for individuals eligible to purchase a Medigap policy during each state's open enrollment period.

This one-time SEP is limited in scope as follows:

- Individuals must be under age 65 and qualify for Medicare due to disability or ESRD;
- Individuals must reside in either Georgia or Tennessee and inform the plan that they intend to purchase a Medigap policy in their respective state;
- An individual must be currently enrolled in a Medicare Advantage (MA) plan, which may or may not include Part D coverage; and
- The SEP will begin on February 15, 2011 (following the conclusion of the Medicare Advantage Disenrollment Period) and end on the last date of the state's Medigap open enrollment period. For Georgia, the SEP will end on May 1, 2011; in Tennessee, the SEP will end on June 30, 2011.

The SEP allows an individual enrolled in a MA plan to prospectively disenroll from that plan and return to Original Medicare. Once the individual has Original Medicare, they will be eligible to purchase a Medigap policy following their state's Medigap open enrollment period guidelines. Disenrollment requests received by MA organizations are effective the first day of the month following the month the organization receives the request. Individuals may not join or switch Medicare Advantage plans under this SEP.

Further, an individual with current Part D coverage through their MA plan who elects to switch to Original Medicare for the purpose of purchasing a Medigap policy is also eligible to enroll in a standalone Part D plan (PDP) during the SEP. This provides these individuals the opportunity to maintain their Part D coverage and not be at risk for the late enrollment penalty due to a gap in coverage resulting from their MA plan disenrollment. The individual must make a Part D election by the end of this SEP or wait until the next valid Part D election period in order to enroll in a PDP. The effective date of the enrollment in the PDP is the first day of the month following the date the enrollment request is received.

With the exception of LIS beneficiaries who may change plans at any time, individuals currently in standalone PDPs and MA-only plans may not switch PDPs under this SEP. They must stay in their current PDP after disenrolling from their MA-only plan and switching to Original Medicare. An individual enrolled in either a MA-only or private Fee-for-Service (PFFS) plan and a separate PDP may use this SEP to disenroll from the MA plan to Original Medicare, but may not switch PDP plans. Beneficiaries with LIS who disenroll from an MA plan that includes prescription drug coverage will be auto/facilitated enrolled into a standalone PDP, unless a PDP election is made during the SEP.

Processing Changes in MARx

MA organizations and Part D sponsors should process beneficiary requests following normal operating procedures. The “Election Type Code” to be used on MARx transactions related to this SEP is “S.”

For Assistance

If you have questions about the limited SEP, please contact Patty Helphenstine at (410) 786-0622 or Patricia.helphenstine2@cms.hhs.gov. For questions concerning Medigap policy, please contact Jay Dobbs at 410-786-1182 or Jay.dobbs2@cms.hhs.gov.