



CMA Weekly Alert – March 15, 2007

**MEDICARE ENROLLMENT PERIODS:  
AEP, GEP, OEP, L-OEP, SEP...  
KNOW YOUR ACRONYMS TO KNOW YOUR RIGHTS**

So much attention is focused on the Annual Coordinated Election Period (AEP) for Medicare Advantage (MA) plans and prescription drug plans (PDPs) that beneficiaries and their advocates may be unaware of other Medicare enrollment periods. These enrollment periods and their acronyms are confusing and overlapping. A beneficiary who does not act carefully may lose needed Part B or Part D coverage or may affect the way Medicare services are received. In some situations beneficiaries have only two weeks left, until the end of March, to effectuate a change.

**Annual Coordinated Election Period (AEP)**

The Annual Coordinated Election Period runs from November 15 through December 31 each year. During this time beneficiaries may change prescription drug plans, change Medicare Advantage plans, return to original Medicare, or enroll in a Medicare Advantage plan for the first time. Enrollment changes take effect on January 1.

**General Enrollment Period (GEP)**

Medicare beneficiaries who did not enroll in Part B when they first became eligible for Medicare may elect Part B coverage during the General Enrollment Period, which extends from January 1 through March 31 each year. Enrollment becomes effective on July 1 of the same year.

Beneficiaries who delay enrollment in Part B will be assessed a late enrollment penalty on their Part B premium. The penalty is 10% for each full year of delayed enrollment for as long as the beneficiary remains covered under Part B.

Someone who enrolls in Part B during the General Enrollment Period also has a Special Enrollment Period (SEP) for Part D. From April through June of each year a new Part B enrollee may make one election to join a Part D plan. Because beneficiaries who only have Part A and not Part B are not eligible to enroll in a Medicare Advantage plan, the SEP enables beneficiaries who elect Part B during the General Enrollment Period to enroll in a Medicare Advantage plan with drug coverage (MA-PD).

**Open Enrollment Period (OEP)**

The Open Enrollment Period provides Medicare beneficiaries with one opportunity to enroll in, disenroll from, or change a Medicare Advantage plan. Like the General Enrollment Period, the

Open Enrollment Period extends from January 1 through March 31 each year. Unlike enrollment in Part B, the change in Medicare Advantage enrollment or disenrollment becomes effective the month after the change is made.

Only beneficiaries who are eligible to enroll in a Medicare Advantage plan may make a change during the Open Enrollment Period. In other words, a beneficiary who wants to change must have both Medicare Part A and Medicare Part B and must live in the area served by the Medicare Advantage plan.

Beneficiaries may not add or drop Part D drug coverage during the Open Enrollment Period. Those who already have drug coverage can only change to another option with drug coverage. Those who do not have drug coverage may not change to an option that provides drug coverage. Permissible changes during the Open Enrollment Period include:

- MA-PD to a different MA-PD
- MA-PD to Original Medicare and a PDP
- Original Medicare and a PDP to an MA-PD
- MA-only plan to a different MA-only plan
- MA-only plan to original Medicare
- Original Medicare to an MA-only plan

Beneficiaries who want to use the Open Enrollment Period to return to Original Medicare from an MA-PD must do so by enrolling in a PDP. Enrollment in a PDP during either the Annual Coordinated Election Period or the Open Enrollment Period terminates enrollment in a Medicare Advantage plan. Because beneficiaries are generally limited to changing their prescription drug coverage during the Annual Coordinated Election Period, MA-PD enrollees who want to return to Original Medicare during the Open Enrollment Period have a Part D Special Enrollment Period that allows them to make one enrollment into a PDP.

### **Limited Open Enrollment Period (L-OEP)**

Congress created a new enrollment period for 2007 and 2008, the Limited Open Enrollment Period, as part of the Tax Relief and Health Care Act of 2006. The Limited Open Enrollment Period allows someone in Original Medicare to enroll in a *Medicare Advantage plan without drug coverage* (MA-only plan) at any time of the year. Enrollment becomes effective the month after the choice is made. A beneficiary in an MA-only plan may not use the Limited Open Enrollment Period to return to Original Medicare.

The Centers for Medicare & Medicaid Services (CMS) has indicated that beneficiaries who use the Limited Open Enrollment Period to join a private fee-for-service plan without drug coverage will be able to keep their PDP. **However, those who use the limited open enrollment period to enroll in an HMO, local PPO, or regional PPO that does not offer drug coverage will lose their prescription drug coverage.**

Beneficiaries who lose drug coverage as a result of a choice made during the Limited Open Enrollment Period will be assessed a late enrollment penalty on their Part D premiums for any month in which they did not have drug coverage.

CMS has stated that MA-only plans will be required to contact potential enrollees to make sure they understand that they will lose their prescription drug coverage and to confirm that they still want to join the plan before enrollment is effectuated. In response to a letter from beneficiary advocates raising concerns about CMS's interpretation of the new law, CMS has indicated that it will establish a Special Enrollment Period on a case-by-case basis to allow beneficiaries to disenroll from the MA-only plan and to return to their PDP if they were unaware that they would lose their drug coverage.

### **Special Enrollment Period (SEP)**

Special Enrollment Periods allow beneficiaries to make an enrollment change outside of the GEP, the AEP, the OEP and the L-OEP.

Beneficiaries who delay enrolling in Part B because they are covered by employer-sponsored health insurance as an active worker or as a dependent of an active worker are not limited to enrolling in Part B during the GEP. They have an SEP that runs for eight months from the time they (or their spouse) retire or they lose their health insurance. Part B coverage starts the month after the election is made, and no late premium penalty is assessed.

A number of SEPs exist for Medicare Advantage and PDP enrollment and disenrollment. For example, someone who moves out of a Medicare Advantage Plan or PDP service area has an SEP to enroll in a plan that serves their new home. Beneficiaries who move into, reside in, or move out of a nursing home may also have an SEP. Individuals who are eligible for Medicare and Medicaid have an SEP that allows them to change Part D drug plans at any time. CMS has the authority to create SEPs for exceptional circumstances.

For more details about Part D SEPs see the PDP Eligibility, Enrollment and Disenrollment Guidance, <http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/CurrentPDPEnrollmentGuidance.pdf>.

The Medicare Advantage SEPS are described in the Medicare Managed Care Manual, Chapter 2, Medicare Advantage Enrollment and Disenrollment, <http://www.cms.hhs.gov/HealthPlansGenInfo/Downloads/mc86c02.pdf>.

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