

# Special enrollment period

## What is it?

A special enrollment period (SEP) is a time, outside of the initial and annual enrollment periods, when enrollees, dependents and COBRA-qualified beneficiaries are allowed to make changes to their insurance coverage. Special enrollment rights for group plans are triggered by:

- Loss of eligibility for coverage
- Acquisition of a new dependent
- New eligibility for state premium assistance subsidies

Similar special enrollment opportunities and special enrollment rights extend to enrollees in the individual market (on and off-exchange) and through MNSure's Small Business Options Program (SHOP).

## What does this mean for employer-sponsored plans?

Employees are notified of special enrollment rights at or before the opportunity employees are given to enroll in coverage. Employers purchasing coverage through SHOP are subject to additional rights arising out of health care reform applicable to SHOP.

## Q&As

### **What are some examples of events that can lead to a loss of eligibility for coverage and trigger an SEP?**

Some examples that cause an individual to lose eligibility for health coverage:

- Divorce or legal separation
- Dependents no longer considered dependent under the plan due to age, work or school status
- Death of the employee covered by the plan
- Termination of employment
- Reduction in hours of employment
- Plan decides to no longer offer any benefits to a class of similarly situated individuals
- An individual in an HMO or other arrangement no longer resides, lives, or works in the service area

### **What is a qualifying life event that triggers an SEP?**

Certain newly-acquired spouses and dependents of participants, and current employees who have previously declined coverage but who have since acquired a new spouse or dependent. For example:

- Marriage, including same-sex marriage
- Birth
- Adoption of a child
- Placement for adoption

### **Does the end of an employer contribution toward COBRA trigger a SEP?**

Individuals who receive COBRA contributions from a former employer may qualify for an SEP when the premium contribution period ends due to a loss of qualifying coverage.

If there is no employer contribution, then individuals receiving continuation coverage under COBRA incur loss of coverage upon the exhaustion of continuation coverage. Exhaustion of continuation coverage will cease coverage for any reason other than failure to pay premiums on a timely basis or for cause (e.g. there is a fraudulent claim or intentional misrepresentation in connection with the plan). On the other hand, an individual is considered to have exhausted COBRA coverage if an employer or other responsible entity fails to remit premiums on a timely basis.

### **What if an employee's hours are reduced and their eligibility for coverage changes? Would that scenario initiate a SEP?**

An employer reducing an employee's work hours enough to make them ineligible to enroll in the health plan, results in loss of coverage for the employee. This loss of coverage triggers a SEP.

### **When can dependents enroll in individual coverage?**

SEPs are available for certain newly-acquired spouses and dependents of participants, and current employees who have previously declined coverage.

### **What happens if an individual is waiting to enroll in their spouse's plan, and was previously on an individual plan? Is a SEP triggered in this scenario? How do they coordinate the termination of their individual plan with open enrollment?**

Voluntarily dropping individual coverage does not trigger a special enrollment right. Instead, there needs to be a loss of coverage based on a loss of eligibility. However, individuals can voluntarily drop coverage to enroll in a spouse's group coverage during the groups' open enrollment period (OEP). If the spouse's plan allows mid-year enrollment, then the individual dropping coverage could enroll during that OEP. If there's no mid-year enrollment available, he or she needs to wait until the next OEP.

### **Is an employee's spouse's OEP considered a qualifying event for a special enrollment right?**

No, however, it's an opportunity for individuals to enroll in coverage who voluntarily dropped other coverage.

### **Can an employee with a policy through MNSure drop their coverage to enroll in their employer's plan?**

Voluntarily dropping individual coverage, due to rate increases or similar reasons will not trigger a special enrollment right. These individuals must wait until the employer's OEP or other mid-year enrollment period is offered by the group.

### **Generally, when wouldn't an individual qualify for an SEP?**

Individuals don't qualify for the loss of qualifying health coverage SEP if:

- They voluntarily end their prior coverage; except consumers can qualify if they voluntarily leave their job and, as a result, lose their health coverage.
- Their coverage ends due to nonpayment of premiums; except consumers can qualify if employer coverage ended because the employer didn't pay premiums.
- The coverage they lose didn't qualify as minimum essential coverage.
- They lost coverage more than 60 days ago.

## **MORE INFORMATION**

To learn more, visit [healthpartners.com/employer](https://healthpartners.com/employer).

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