

2021 Special Enrollment Period for COVID-19 Public Health Emergency
Technical Stakeholder Guidance
Published February 25, 2021

Overview of the 2021 SEP for COVID-19

On January 28, 2021, CMS announced a Special Enrollment Period (SEP) for individuals and families for Marketplace coverage in response to the COVID-19 Public Health Emergency, which has left millions of Americans facing uncertainty and exceptional circumstances while millions of Americans have experienced new health problems during the pandemic. This SEP will allow individuals and families in states with Marketplaces served by the HealthCare.gov platform to enroll in 2021 health insurance coverage. Beginning February 15, 2021 and through May 15, 2021, these Marketplaces will operationalize functionality to make this SEP available to all Marketplace-eligible consumers who are submitting a new application or updating an existing application. Consumers will newly be able to access the SEP through a variety of channels: through HealthCare.gov directly, the Marketplace call center, or direct enrollment channels.

Consumers who are eligible and enroll under this SEP will be able to select a plan with coverage that starts prospectively the first of the month after plan selection. Consumers will have 30 days after they submit their application to choose a plan. Current enrollees will be able to change to any plan available to them in their area. In order to use this SEP, current enrollees will need to step through their application and make any changes if needed to their current information and submit their application in order to receive an updated eligibility result that provides the SEP before continuing on to enrollment. This SEP opportunity will not involve any new application questions, or require consumers or enrollment partners to provide any new information not otherwise required to determine eligibility and enroll in coverage. In addition, consumers won't need to provide any documentation of a qualifying event (e.g., loss of a job or birth of a child), which is typically required for SEP eligibility.

Frequently Asked Questions

Q1: What if consumers are eligible for other SEPs, which SEP will they be able to use to sign up for coverage?

A1: This SEP will generally take precedence over most other SEPs for which consumers might be eligible due to a qualifying life event (such as for loss of coverage, or a move). Consumers who are found eligible for a birth, adoption, or foster care / court order placement SEP, or any other SEP that provides a retroactive coverage effective date, will be able to enroll under those other SEPs, because their qualifying life event provides them with an earlier SEP effective date, retroactive to the date of the event. Consumers who are qualified for these retroactive effective date SEPs will not need to submit documents to confirm SEP eligibility.

Q2: Do consumers still need to send in documents for unresolved SEP verification issues (SVIs)?

A2: No. Consumers do not need to take further action at this time to resolve SVIs. CMS is resolving all existing SVIs at this time, and will notify consumers of the SVI resolution. If consumers have not already selected a plan, they should do so before their Special Enrollment Period ends as indicated in their eligibility notice and eligibility results page. After they have selected a plan, they can pay their first premium and begin using their coverage.

Q3: What will issuers need to do in order to appropriately process the individuals through this new SEP opportunity?

A3: Issuers should be prepared to support the processing of enrollment transactions for this SEP opportunity. These enrollment transactions are known as “834” transactions and will generally be marked as exceptional circumstances SEP in the reason code. The SEP transactions will have the

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correct effective date, which is prospective, with the change effective the first of the month following plan selection. Issuers that are also direct enrollment partners may have some additional prep activities. Enrollment transactions that require issuing a new policy will require that the issuer collect binder payment from the prospective enrollee, as is standard practice for new enrollments.

Q4: Can a consumer change plans more than once during this SEP opportunity?

A4: Yes. CMS expects the uncertainty and exceptional circumstances associated with the COVID-19 Public Health Emergency to continue through May 15, 2021. Therefore, a consumer who enrolls in coverage through this 2021 SEP may return to the Marketplace after their 30-day enrollment window closes to report a change in circumstance, apply for, and trigger another SEP and, if desired, change plans. As a reminder, Marketplace SEPs have always permitted enrollees to change plans during their SEP window (albeit sometimes subject to plan category limitations that do not apply to this SEP opportunity).

Q5: Can a consumer whose coverage was previously terminated for non-payment of premium enroll in coverage through the 2021 SEP? What about a consumer that already has Marketplace coverage that is in a grace period?

A5: Yes, potentially, as with any SEP enrollment. There is no change to premium payment policy during this SEP opportunity. Any Marketplace-eligible consumer who submits an application from February 15 through May 15 can enroll in coverage through the resulting SEP. Whether an issuer needs to accept a SEP enrollment on behalf of an enrollee whose coverage is being terminated, depends on whether the transaction meets the “continuous enrollment test.” The continuous enrollment test is described at Section 7.3.3 of the 2020 FFE Enrollment Manual (https://www.regtap.info/uploads/library/ENR_FFEFFSHOPENrollmentManual2020_5CR_090220.pdf). SEP enrollments that don’t meet the continuous enrollment test must be effectuated, provided that the required binder payment is made; issuers that have previously adopted a policy of attributing payments first to recent past due premium before attributing them to any required binder payment, and then not effectuating coverage until the binder payment is made may continue to do so.

Q6: Will Marketplace plan rates available to consumers through the SEP be the same as the plan rates offered to consumers during Open Enrollment?

A6: Yes, individual market 2021 Marketplace plan rates are set annually for the full plan year. A consumer’s age will usually be taken into account in the rate determination process. Consumers who had a birthday since Open Enrollment and enroll in a new policy may have their premium rated to reflect their older age, as well as have their accumulators, such as deductibles, reset to zero.

Q7: How will existing Marketplace consumers that have not had their 2019 tax returns processed by IRS yet be impacted when they apply during the SEP?

A7: Marketplace consumers whose tax household received APTC in 2019 are required to file a federal income tax return and reconcile APTC received in 2019 using IRS Form 8962. Due to the impact of COVID-19 on the 2019 tax filing season, some Exchange enrollees may have filed a 2019 tax return and reconciled their APTC, but due to IRS’ backlog of unprocessed returns, data indicating these consumers filed and reconciled is not available to CMS yet. These consumers need to attest on their application that they have filed and reconciled the APTC they received by checking the box that says, “Yes, I reconciled premium tax credits for past years.” Enrollees receiving APTC

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who attest to filing and reconciling on their application will remain eligible for APTC, even if IRS data still has not updated to reflect their 2019 federal income tax filing status.

Q8: Is there any change to the Data Matching Inconsistency (DMI) process during this SEP opportunity?

A8: No, DMIs will be created and processed normally during this period. Applications with information that doesn't match the Marketplace's trusted data sources within the established tolerance, or that doesn't match a recently verified application, will open a DMI that must be resolved within the usual timeframe, typically by the enrollee submitting approved documents to the Marketplace.

Q9: Is this SEP available off-Exchange?

A9: Although this SEP is only available on-Exchange, because it is available pursuant to Exchange regulations described in 155.420(d)(9) regarding exceptional circumstances, states may extend the SEP off-Exchange using their authority under state law. Issuers that wish to offer this SEP with regards to off-Exchange coverage should consult with their state department of insurance. There is nothing in federal law that would prevent an issuer from offering the SEP to consumers seeking off-Exchange coverage, provided that the enrollment is available to all similarly situated individuals and the marketing is not discriminatory.