

Using the Disability Special Enrollment Period (D-SEP)

The Disability Special Enrollment Period (D-SEP) is a process that allows you to enroll in Medicare Part B outside of an enrollment period without penalty. The D-SEP is also called the “OBRA 93 process.”

D-SEP eligibility

You may be eligible to use the D-SEP if you declined Medicare Part B because your group health plan (GHP) continued paying primary when Medicare should have been primary. Remember, a GHP is a health insurance plan offered to current employees (also called job-based insurance) and/or former employees. If you have Medicare and a GHP, your GHP will either pay primary or secondary for your medical costs.

If you are eligible for Medicare due to disability, job-based insurance pays primary if it is from an employer with 100+ employees. Medicare is secondary in this case, and some people choose not to enroll in Part B because of the additional monthly premium. However, if the employee (you, a spouse, or in some cases a family member) stops actively working and you are eligible for Medicare, Medicare is primary and the GHP may choose to be secondary.

When a GHP chooses to pay primary when Medicare should be primary, some people will choose to decline Medicare Part B to avoid paying an additional monthly premium. However, delaying Part B enrollment puts an individual at risk of having little or no coverage if their job-based insurance decides to stop paying primary. If this happens, the individual cannot enroll in Medicare right away, they will go without primary health insurance, and they will face a late enrollment penalty once they do enroll.

The D-SEP can solve this problem by allowing people who are eligible for Medicare due to disability, and whose employer group health plan was previously their primary insurer, to enroll in Part B outside of an enrollment period and without penalty.¹ The seven-month D-SEP period begins with whichever event happens later: the employer provides notice that it will no longer pay primary, or Medicare becomes the primary payer.

¹ For more information, see [42 USC § 1395p\(i\)\(4\)](#); [59 FR 35935](#) (July 14, 1994); and CMS’ [Instructions for Completing the Group Health Plan Report for the IRS/SSA/CMS Data Match](#) at pg. 8-9 (Dec. 10, 2015).

Steps for employers/unions

1. Notify Medicare

Inform Medicare's Benefits Coordination & Recovery Center (BCRC) of the change in payment status. The BCRC will prepare a letter and send it back to the employer.

2. Notify those affected

Send the people who need to enroll in Medicare both the letter from the BCRC and a dated notice that includes:

- The date when Medicare becomes primary and the employer plan becomes secondary
- The period the person has been covered under the employer plan
- And, a statement that the person can enroll in Medicare using the D-SEP

Steps for Medicare enrollees

1. Bring the letter from the BCRC and the notice from the employer to a Social Security office.
2. Complete form [CMS-40B](#).
3. Explain when you would like Part B to begin and how you will pay any back premiums.

Note: Social Security workers are often unfamiliar with the D-SEP. They may confuse it with equitable relief or the "Part B SEP." To avoid confusion, consider these tips:

Educate. Provide the representative with D-SEP-related citations from the Social Security Program Operations Manual System: [HI 00805.300](#) and [HI 00805.310](#).

Insist they process the application. Even if the representative believes the application will be denied, insist that they send it to the processing center while you are there.

Ensure they process the application correctly. The representative should attach the letter, the notice, and the application and write "Disability SEP" at the top. They should also indicate when Part B should begin and how the beneficiary will pay any back premiums. The representative should send this packet to the processing center. Make sure they do not try to process the request as a Part B SEP or equitable relief.

Document. Take notes on interactions with Social Security (names, dates, times, and what was said). Get a receipt or other proof of having applied.

For additional assistance:

Please call the Medicare Rights Center at 800-333-4114