

What Is a “Special Enrollment Opportunity” And Why Should I Care about It?

Signing Up for Job-Based Health Coverage When It Isn’t “Open Season”

Did you turn down your employer’s health plan (or your spouse’s) in the past, but now would like to enroll in it? Perhaps you or your spouse lost your job, and with it, the family’s health coverage. Or maybe you’re getting married or having a child and want to make sure your changing family is insured. Or perhaps your family’s coverage in Medicaid or the Children’s Health Insurance Program (CHIP) has changed. If so, you may have another chance to enroll in your employer’s health plan. This fact sheet explains how such a “special enrollment opportunity” works and who is eligible for it.

What Is a Special Enrollment Opportunity?

You may have a right to a special enrollment opportunity under a federal law known as the Health Insurance Portability and Affordability Act (HIPAA). HIPAA creates a special right for you and your dependents to enroll in your employer’s group health plan when you or your dependents lose eligibility for other health coverage; when a new dependent is added to your family through marriage, birth, or adoption; or when your state Medicaid or CHIP program decides to pay a portion of the premium for such plans. Note, however, that this right applies only to people who are eligible for coverage under the employer’s plan.


This special enrollment opportunity gives people who are losing coverage a chance to sign up immediately in an employer’s group health plan—even if it is outside of the plan’s specified times for enrollment, such as when you are starting a job.

Like many federal protections, however, this one has a number of conditions that make it complicated. You must meet certain requirements for the right to enroll, including notifying the employer within a specified time (see page 2 for details). The employer, too, has certain responsibilities. For example, the employer or the employer’s health plan must give all employees notice of special enrollment rights when the employee is first offered the chance to enroll in the employer’s group health plan.

Special Enrollment Due to Loss of Other Coverage


A special enrollment opportunity occurs when either you or your dependents had other health coverage but are no longer eligible for that coverage. For example, if you and your children have insurance through your job and you lose your job, then each of you may have a special enrollment opportunity to sign up for your spouse's employer plan. The loss of eligibility may have occurred for a number of reasons, including the following:

- termination of employment,
- reduction in hours of employment,
- divorce or legal separation,
- loss of dependent status under the plan,
- death of an employee,
- moving out of an HMO service area,
- meeting a lifetime limit on benefits,
- termination of employer contributions to the health plan,
- exhaustion of COBRA coverage, or
- loss of eligibility for Medicaid or CHIP.

 **NOTE:** Loss of eligibility due to failure to pay premiums or termination for cause does not create a special enrollment opportunity.

You must also satisfy the following additional requirements for special enrollment when eligibility for other coverage is lost:

- When coverage in your employer's plan was last offered, you or your dependent turned it down because you or your dependent had other coverage. (You may have been required to state in writing that you had other coverage.) Coverage in an employer's plan is usually offered at the time of hiring, but it is also considered to be offered during any subsequent open enrollment period.
- If you, your spouse, and/or a dependent loses eligibility for other coverage and wants to join your employer's plan, you *must notify* your employer's plan of that loss of coverage within 30 days or, when the lost coverage was Medicaid or CHIP, 60 days. (In the case of loss of eligibility due to reaching a lifetime limit, the 30 days for notification begins with a claim denial for that reason.)

 **NOTE:** For those who qualify because they lost eligibility for other coverage, special enrollment coverage begins on the first day of the calendar month following the day the plan receives a request for special enrollment.

Who may special enroll when eligibility for other coverage is lost?

- If you lose eligibility for the coverage you have through another source, then you may be able to enroll in your employer’s plan.
- If—and only if—your employer’s health plan covers spouses and/or dependents, then your family members may be able to enroll in your employer’s plan.
- If your spouse loses eligibility for coverage in his or her own health plan . . .
 - *your spouse* may join your employer’s health plan.
 - *your dependents who lost eligibility* along with your spouse may join your employer’s plan.
 - *you* may now join your employer’s plan along with your spouse and/or dependents, whether or not you had other health coverage before.
- If your dependent loses eligibility for coverage under your spouse’s health plan or your dependent’s own plan . . .
 - *your dependent* may join your employer’s plan.
 - *you* may now join your employer’s plan along with that dependent, whether or not you had other health coverage before.
- If your domestic partner loses eligibility for coverage in his or her own health plan . . . and if your employer’s plan covers domestic partners . . .
 - *your domestic partner* may join your employer’s health plan.
 - *you* may now join your employer’s plan along with your domestic partner, whether or not you had other health coverage before.

COBRA and Special Enrollment

Certain events that present an opportunity for special enrollment also are events that make you eligible for COBRA* (for more information, see the Department of Labor’s Web pages on COBRA at www.dol.gov/cobra). These qualifying events include termination of employment, reduction in hours of employment, death of the employee, divorce or legal separation, and loss of dependent status under the plan. When these events occur, a person may choose either special enrollment or continuation of the coverage through COBRA. However, once COBRA is elected, then COBRA must be exhausted before another special enrollment opportunity occurs.

In most cases, special enrolling in an employer’s group plan will be less expensive than COBRA coverage. You should quickly but carefully explore the pros and cons of both options, including what benefits are covered by each plan, before making a decision. If you need help, call the toll-free hotline operated by the Department of Labor at 1-866-444-3272.

* Employers with fewer than 20 employees are exempt from federal COBRA requirements, but many states have “mini-COBRA” laws that provide continuation coverage for workers in some small firms.

Special Enrollment Due to Marriage, Birth, or Adoption

Marriage, birth, and adoption create special enrollment opportunities for the current employee and his or her spouse and new dependent(s) (if the employer's plan covers spouses and/or dependents):

- A special enrollment opportunity occurs for the current employee and new spouse at the time of marriage.
- A special enrollment opportunity occurs for the current employee, spouse of the employee, and new dependent(s) of the employee acquired by birth, adoption, or placement for adoption. However, any dependent(s) must be eligible for coverage under plan rules.

A plan participant who acquires a new dependent through marriage, birth, adoption, or placement for adoption has a special enrollment opportunity to enroll the new dependent. If the new dependent is a child and the participant has a spouse, then the opportunity to special enroll also applies to the spouse. You must notify your employer's plan within 30 days of the date of the marriage, birth, adoption, or placement for adoption.

When special enrollment is due to marriage, coverage begins on the first day of the first calendar month after the plan receives the enrollment request. When special enrollment is due to birth, adoption, or placement for adoption, coverage begins on the date of birth, adoption, or placement for adoption.

Special Enrollment Due to Changes in Medicaid or CHIP Status

If your state informs you that you are eligible to have all or part of the premium for your employer's health plan paid by Medicaid or CHIP, then you are entitled to enroll in the plan, even if it isn't open season. To be assured of this opportunity, you must request enrollment in the employer's plan within 60 days of becoming eligible for Medicaid or CHIP premium assistance. For more information, contact your state's Medicaid or Children's Health Insurance Program.

For More Information

Life Changes Require Health Choices: Know Your Benefit Options (Department of Labor), available online at http://www.dol.gov/ebsa/Publications/life_changes.html.

Frequently Asked Questions about Portability of Health Coverage and HIPAA (Department of Labor), available online at http://www.dol.gov/ebsa/faqs/faq_consumer_hipaa.html#SpecialEnrollment.

Special thanks to Jane Smith for her assistance in writing this fact sheet.

