



What Assisters Need to Know About the American Rescue Plan Act of 2021

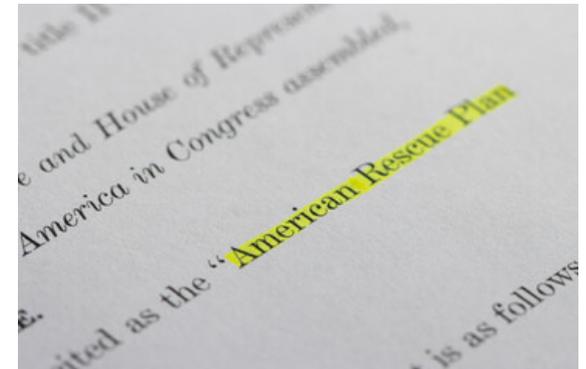


March 2021

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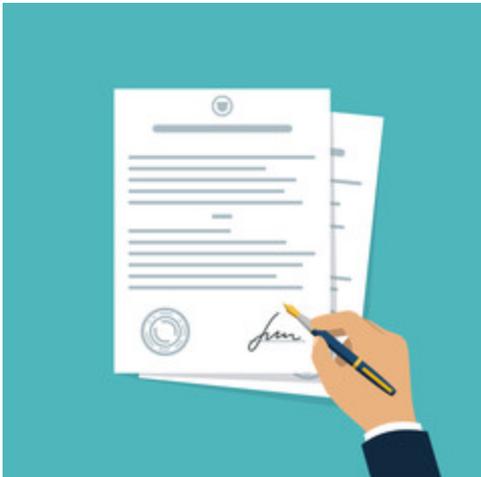
Agenda

- I. What is the American Rescue Plan Act (ARP) of 2021?
- II. APTC Changes
- III. COBRA Changes
- IV. Medicaid Changes
- V. Stimulus Payments, Enhanced Unemployment, and PTC



What is the American Rescue Plan Act of 2021?

- ARP was signed into law on March 11, 2021
- ARP:
 - Makes Marketplace coverage more affordable
 - Subsidizes COBRA premiums
 - Expands Medicaid and the Children's Health Insurance Program (CHIP) state coverage options to include coverage for women up to one year postpartum
 - Extends increased unemployment compensation
 - Provides stimulus payments



PTC Before ARP: 400 Percent PTC Cap

- Under the Patient Protection and Affordable Care Act (PPACA) as originally passed, premium tax credits (PTC) were available to consumers with household income between 100 percent and 400 percent of the federal poverty level (FPL) and who met other non-income related eligibility requirements.
- Under the PPACA, households with incomes greater than 400 percent FPL were previously not eligible for PTC.



PTC Changes Under ARP: Removal of 400 Percent PTC Cap

- ARP makes PTC available to consumers with household income above 400 percent FPL and caps how much of a family's household income the family will pay towards the premiums for a benchmark plan at 8.5 percent.
- Applicability for PTC increase: 2021 and 2022 plan years.



ARP Provides Enhanced PTC Benefits at All Household Income Levels

- ARP reduces the percentage of household income consumers at all income levels are expected to contribute to their monthly premiums for a benchmark plan:
 - Consumers with household incomes between 100-150 percent FPL may be eligible for coverage options with \$0 premiums.
 - Four out of five enrollees will be able find a plan for \$10 or less after advance payments of the premium tax credit (APTC).
 - Over 50 percent will be able to find a Silver plan for \$10 or less after APTC.
- Applicability for PTC increase: 2021 and 2022 plan year



When is the Marketplace Implementing These APTC Changes?

- These changes will be effective as of April 1, 2021. Consumers who are submitting a new Marketplace application, or who are resubmitting an existing Marketplace application will be provided with new eligibility results that reflect the additional APTC that they qualify for as of that date.
- Consumers' new APTC amounts will be applied to their coverage starting May 1 **if they update their application and enrollment by April 30.**
- The Marketplace will not be providing retroactive APTC for months prior to May 2021, but consumers can still get these amounts when they file their federal income tax returns.



How Assistors Can Help with APTC Changes

- Inform consumers who may not have enrolled previously because Marketplace coverage seemed expensive that there are new benefits available that will make Marketplace coverage more affordable.
- Inform consumers that if they are already receiving APTC, they may be eligible for more APTC and that they should return to the Marketplace to update their application and re-enroll in their health plan, or select a different plan during an applicable Special Enrollment Period (SEP), to get the added benefits.
- Let consumers who have household incomes above 400 percent of the FPL know that they may be newly eligible for APTC because of ARP.
- Tell consumers that they can update their application and enrollment in order to get new eligibility results starting April 1.
- Consumers can use the Income Levels and Savings tool at on HealthCare.gov, here: [HealthCare.gov/lower-costs/](https://www.healthcare.gov/lower-costs/) to find out how much savings they may qualify for. Consumers can also use the window shopping tool at [HealthCare.gov/see-plans/](https://www.healthcare.gov/see-plans/) to compare plans and see how much savings they may qualify for, for particular plans.

How Assisters Can Help with APTC Changes (Cont.)

- Consumers should consider how much they've already paid toward their deductible and maximum annual limit on cost sharing when deciding whether or not a change in plans makes sense for them.
- When changing plans, the amount a consumer has paid already towards meeting their prior plan's deductible and maximum annual limit on cost sharing may be reset to zero, and they would need to start over paying out of pocket expenses to reach their deductible and maximum annual limit on cost sharing on their new plan.
- Remind consumers that if they do not opt for APTC or the Marketplace determines they were not eligible for APTC at the time of enrollment, they may still be eligible for PTC when they file their federal income tax return for the year.
- Direct consumers to visit this website for more information:
[HealthCare.gov/more-savings/](https://www.healthcare.gov/more-savings/).



Important Questions Consumers May Have

Important Question #1

If a consumer is currently enrolled in a Marketplace plan, how do they receive the additional PTC/lower premiums?

- Current enrollees, including those who recently enrolled through the 2021 SEP, can update their application and enrollment in order to get new eligibility results starting April 1.



Important Question #1 (Cont.)

Current enrollees should follow the steps below to update their application and get new eligibility results on HealthCare.gov:

- 1) Log into HealthCare.gov.
- 2) Select their name in the top right of the screen, and select **“My Applications and Coverage.”**
- 3) Under **“Your existing applications:,”** select their 2021 application.
- 4) On the left side of the screen, select **“Report a life change.”**
- 5) Scroll down and select **“Report a life change.”**
- 6) Select **“Report a change in my household’s income, size, address, or other information”** and select **“CONTINUE.”**

Important Question #1 (Cont.)

- 7) Continue through the application and review and update any necessary information.
- 8) Sign and submit the application to complete the update and view updated results.
- 9) Select “**View eligibility notice**” to open the updated eligibility determination notice and review the included information.
- 10) Select “**Continue to enrollment**” to enter the plan selection/update area.
- 11) The consumer can either re-select their current plan or choose a new plan. They should go through all steps in the plan comparison and selection process to ensure that their update is confirmed. As a part of this process, they will sign to confirm their updated APTC amount.

Important Question #2

If a consumer is currently enrolled through the Marketplace, what will happen if they don't come back in?

- Consumers who enrolled in Marketplace plans prior to April 1 have the choice of waiting until they file their federal income taxes next year in 2022 to receive the additional premium tax credit amount when they file and reconcile their 2021 federal income taxes.
- However, we recommend all enrollees come in after April 1, update their application, and review their plan options because they may be able to choose a plan with lower out of pocket costs for the same price or less than what they're currently paying.



Important Question #3

If a consumer does not already have Marketplace coverage, when should they apply?



- Consumers who need coverage starting April 1 should still apply and select a plan by the end of March through the currently available SEP so coverage can start April 1.
- Then to get the added benefits, they should come back after April 1, submit their application again, and reselect their plan to have increased APTC applied to their coverage for May 1 forward.

APTC Reconciliation Before ARP

- Consumers who purchase coverage through the Marketplace receive IRS Form 1095-A, Health Insurance Marketplace Statement, from the Marketplace by early February. If this form shows that APTC was paid on behalf of a consumer or a member of their family, the household's tax filer is required to complete IRS Form 8962, Premium Tax Credit, to reconcile those advance payments.
- The PTC the consumer qualifies for based on his or her actual household income, family size, and other items that determine an individual's PTC for the year will be compared to the APTC he or she received during the year.
- Any difference between the two figures will affect a consumer's refund or the amount of tax owed.



APTC Repayment Policy Under ARP

- Repayment of excess APTC for the 2020 tax year is not required.
- The IRS will provide taxpayers with additional guidance on those provisions and others that could affect their 2020 tax return.
- Applicability date: For the 2020 tax year only.



How Assisters Can Help

- Let consumers know that for the 2020 tax year only they will not be responsible for repaying APTC if their actual household income is greater than the projected household income they estimated when they submitted their Marketplace application.
- At the time of this webinar, the IRS instructs consumers who have already submitted their federal income tax return not to file an amended return until it releases updated guidance.
- More information on this can be found here: [IRS.gov/newsroom/irs-statement-american-rescue-plan-act-of-2021](https://www.irs.gov/newsroom/irs-statement-american-rescue-plan-act-of-2021).



Unemployment Compensation Authorized by ARP



- ARP extends the federal pandemic unemployment compensation (FPUC) payment of \$300 per week of supplemental benefits to individuals who are collecting unemployment compensation.
- All unemployment income should be reported to the Marketplace, including the FPUC.
- The \$300 per week is not countable when determining eligibility for Medicaid and CHIP.
- The Marketplace will continue to subtract out this amount when calculating current month income for Medicaid and CHIP eligibility.
- Applicability date: Upon enactment through September 6, 2021.

APTC and Unemployment Compensation Under ARP

- ARP makes premium tax credit assistance more generous for most tax filers who receive or are approved to receive unemployment compensation for one week beginning in 2021.
- Consumers must attest to having received or having been approved to receive unemployment compensation for any week beginning during 2021 and must meet other APTC eligibility requirements.
- Consumers will need to provide documentation to IRS of the unemployment compensation when they file their taxes for 2021.
- Consumers who meet the criteria will also be eligible for CSRs.
- Consumers receiving unemployment compensation in 2021 who have income under 100 percent FPL and who are not otherwise eligible for Medicaid – for example, because they're an adult in a non-Medicaid expansion state, may be eligible for APTC and CSRs in 2021.
- Applicability date: the 2021 plan year only.

How Assisters Can Help

- These additional savings for consumers receiving unemployment compensation will not be available at the Marketplace until later this summer. However, still encourage consumers who have received unemployment compensation to apply now and receive the other updated APTC available to them starting April 1st.
- Later this year, after CMS releases more details, inform consumers that if they receive unemployment compensation in 2021, they may be able to receive another increase in APTC by updating their Marketplace application.
- Remind consumers that all types of unemployment compensation should be reported to the Marketplace, including unemployment benefits related to the coronavirus disease 2019 (COVID-19) pandemic.



COBRA

- The Consolidated Omnibus Budget Reconciliation Act (COBRA) allows employees and their beneficiaries the option to keep group health coverage at group rates temporarily, after certain qualifying events that would otherwise terminate their eligibility for the coverage, likely at the consumer's own cost.
- Employers decide whether or not they will contribute to their employee's premiums under COBRA. Consumers may be responsible for up to 102 percent of the monthly premium by themselves.



COBRA Under ARP

- Under ARP, individuals who are eligible for COBRA coverage because of their own or a family member's reduction in hours or an involuntary termination from employment and who elect COBRA coverage may be eligible for a full premium subsidy that covers the entire cost of COBRA.
- This premium subsidy is available from April 1 until September 30, 2021.



COBRA Under ARP (Cont.)

- Consumers who were offered COBRA and declined to elect COBRA at that time, or elected COBRA and later discontinued it, may have another opportunity to elect COBRA coverage and get the full premium subsidy, if they are still within the period of time that they could have had COBRA coverage (generally 18 months from the employee's reduction in hours or involuntary termination).
- This extended election period does not extend the period of COBRA continuation coverage beyond the original maximum period (generally 18 months from the employee's reduction in hours or involuntary termination). COBRA coverage elected in this extended election period begins with the first period of coverage beginning on or after April 1, 2021.

COBRA Under ARP: Notices

- Individuals eligible for the extended COBRA election period will receive a notice within 60 days of April 1, 2021 – that is, no later than May 31, 2021.
- The notice will provide additional detail about the premium assistance and how to request it.
- Individuals have 60 days after the consumers is provided the notice to elect COBRA.



COBRA Under ARP: Important Considerations

- Eligibility for Medicaid, or eligibility for Marketplace coverage, does not make you ineligible for COBRA or for the premium subsidy.
- Consumers who are or become eligible for other group health coverage*, such as through a new employer's plan or a spouse's plan or who are eligible for Medicare, **are not eligible for the premium subsidy.**
- Consumers receiving the COBRA premium subsidy must notify their plans if they become eligible for coverage under another group health plan* or for Medicare. Failure to do so can result in a tax penalty.

* Not including excepted benefits, a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), or a Flexible Spending Arrangement (FSA)

COBRA Under ARP: Notice of Expiration



- ARP also requires group health plans to provide a Notice of Expiration of Period of Premium Assistance to individuals whose premium assistance is ending (whether due to the expiration of their COBRA continuation coverage or the expiration of the period of premium assistance), explaining that the premium assistance will expire soon; the date of expiration; and an explanation of available coverage options.
- Note that this notice is not required for individuals whose premium assistance is ending because they became eligible for another group health plan* or Medicare.
- This notice must be provided within the period that is 15 to 45 days before the date of expiration.

* Not including excepted benefits, a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), or a Flexible Spending Arrangement (FSA)

How Assisters Can Help with COBRA

- Help eligible consumers understand the notices that they receive related to the COBRA premium subsidy.
- Let eligible consumers know that if they would like to stay on COBRA or newly elect COBRA their COBRA premium may be subsidized at 100 percent from April 1 through September 30, 2021.
- Remind eligible consumers that they'll no longer be eligible, and must notify their plans if they become eligible, for coverage under another group health plan* or if they become eligible for Medicare. Failure to do so can result in a tax penalty.
- Remind consumers who elect COBRA continuation coverage that they can switch to a Marketplace plan during a Marketplace open enrollment period or can end their COBRA continuation coverage early and switch to a Marketplace plan if they have another SEP qualifying event such as marriage or birth of a child.

* Not including excepted benefits, a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), or a Flexible Spending Arrangement (FSA)

Medicaid/CHIP Changes for Pregnant Women

- Before ARP, pregnant women who were found eligible for Medicaid or CHIP on the basis of their pregnancy were covered through the last day of the month in which the 60 day postpartum period ends.
- Under ARP, states have the option, for five years, to extend pregnancy-related Medicaid and CHIP eligibility to 12 months. States can opt to do this beginning April 2022.
- Applicability date: Assisters should check with their state authorities to learn both whether the State they operate in has exercised this option and the State timeline for implementation.



How Assisters Can Help

- In States that have exercised this option, let consumers know that eligible pregnant women who are enrolled in pregnancy-related Medicaid or CHIP may be able to continue with this coverage for up to 12 months after giving birth.
- You can visit your State's Medicaid or CHIP website for information.



Stimulus Payments and the Marketplace

- Consumers may receive a stimulus payment under ARP.
- Do not need to be included in the household income consumers report on the HealthCare.gov application.
- Do not impact eligibility for financial assistance for health care coverage through the Marketplace, or eligibility for Medicaid or CHIP.



How Assisters Can Help

- Let consumers know that stimulus payments will **not** affect consumers' eligibility for premium tax credits or for Medicaid/CHIP and do not need to be reported as income to the Marketplace.



Summary: Applicability Dates

ARP Provision	Applicability Date
Stimulus Payments <ul style="list-style-type: none"> ▪ Up to \$1,400 per individual, \$2,800 for joint filers, and \$1,400 per dependent ▪ Does not affect eligibility for Marketplace financial assistance or Medicaid/CHIP 	Upon enactment. Checks are coming soon.
APTC Changes <ul style="list-style-type: none"> ▪ More generous subsidies for eligible consumers at every household income level, including for those receiving unemployment ▪ Consumers with household incomes at 400% FPL or above will pay no more than 8.5% of their income for the premiums of a benchmark plan 	2021 and 2022 plan years
Extension of Federal Pandemic Unemployment Compensation <ul style="list-style-type: none"> ▪ \$300 enhanced unemployment per week ▪ Should be reported to the Marketplace 	Upon enactment through September 6, 2021
Unemployment Compensation Enhanced APTC and CSR <ul style="list-style-type: none"> ▪ Consumers receiving unemployment compensation for any week beginning in 2021 may gain increased eligibility for financial assistance through the Marketplace 	2021 plan year only
COBRA Premium Support <ul style="list-style-type: none"> ▪ 100% of premiums paid 	April 1 – September 30, 2021
Extension of Medicaid/CHIP for Pregnant Women <ul style="list-style-type: none"> ▪ At state option, pregnancy-related Medicaid or CHIP coverage for 12 months postpartum 	April 1, 2022 – April 1, 2027

Resources

HealthCare.gov:

[New, lower costs on Marketplace coverage | HealthCare.gov](#)

HHS Fact Sheet:

[HHS.gov/about/news/2021/03/12/fact-sheet-american-rescue-plan-reduces-health-care-costs-expands-access-insurance-coverage.html](#)

CMS Fact Sheet:

[CMS.gov/newsroom/fact-sheets/american-rescue-plan-and-marketplace](#)

Link to American Rescue Plan Act of 2021:

[Congress.gov/bill/117th-congress/house-bill/1319/text](#)