

# The American Rescue Plan: Health Insurance

## Expanded ACA Subsidies

The American Rescue Plan (ARP) significantly expands subsidies, or Premium Tax Credits, for eligible individuals and families to purchase Marketplace Health Insurance.

- **Eliminating the Subsidy Cliff:** For the first time, Marketplace enrollees with income over 400% federal poverty level (\$51,040 for an individual, \$86,880 for a family of 3) are eligible for subsidies.
- **Increasing Subsidies:** The ARP also increases subsidies for those currently eligible, reducing premium costs significantly.
- **Special Rules for Unemployment Recipients:** Individuals who receive Unemployment Insurance at any time in 2021 will be eligible for maximum subsidies and additional cost-sharing reductions, which lower out-of-pocket costs such as deductibles and co-pays.

Applications completed at [healthcare.gov](https://healthcare.gov) on or after April 1, 2021 will reflect the new subsidies for those over 400% FPL and increased subsidies. The special rule for unemployment recipients will not be implemented until summer 2021. You must meet other eligibility criteria to receive the subsidies: not eligible for other health coverage (Ex. employer coverage, Medicare, Medicaid), legally residing, and not incarcerated.

## Current Enrollment Period Goes Until August 15!

**It is important to enroll before August 15 to take advantage of these changes, even if they are not implemented yet.** Those already enrolled through the Marketplace can update their application to receive increased subsidies starting on April 1. Those who do not return to their applications can still receive the expanded subsidies when they file their 2021 taxes. **Contact a local navigator for more information and help applying at [healthcare.gov](https://healthcare.gov).**

## COBRA Subsidies

COBRA premiums will be 100% subsidized from April 1, 2021 to September 30, 2021 through your former employer or benefits manager. Individuals who were eligible but did not enroll in COBRA or enrolled but have dropped it and are still within their 18-month COBRA coverage period will be given a special period to enroll in COBRA with the subsidy. Employers are responsible for providing notice to their former employees about this option.

Individuals who become eligible for group coverage (other than excepted benefits coverage), a flexible spending arrangement, a qualified small employer health reimbursement arrangement or Medicare are not eligible for this subsidy.

## 2020 Subsidy Repayment Protections

Most marketplace enrollees received subsidies to purchase their coverage during the year to lower their premium costs. The subsidy amount is based on their projected income for the year. This is then compared to their actual income on their taxes. Enrollees who projected income that was higher than their actual income can receive additional subsidies in the form of a tax refund. Enrollees who projected income that was lower income than their actual income are required to pay some of the subsidies back. This is called "reconciliation."

**For 2020, enrollees who projected their income to be lower than their actual income and received excess subsidies will not be required to repay them.** The IRS has not yet released guidance for those who have already filed their 2020 taxes and were required to repay excess subsidies. Consumers who estimated their income to be higher than their actual income are still able to receive additional subsidies when they file their 2020 taxes.

## Medicaid/CHIP

- Medicaid is required to cover COVID-19 vaccine and treatment without cost-sharing, the Families First Coronavirus Act previously required coverage for testing. This includes coverage for those in limited benefits Medicaid categories, such as Plan First.
- States will receive an additional 10% in federal funding for Home and Community Based Services (HCBS). The new funds must be used to support current spending, not supplant it. The ARP also includes community based behavioral health services in its definition of HCBS.
- Funding is available for mobile crisis response teams for individuals experiencing a mental health or substance use disorder crisis.

Additional funding available for community health centers, the public health workforce and vaccine efforts.

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