



Health Reform: **Beyond the Basics**

healthreformbeyondthebasics.org

American Rescue Plan Act Town Hall

March 23, 2021

- All attendees are muted and in listen-only mode
- To ask a question:
 - Click on the Q&A icon at the bottom of your screen
 - Type your question into the box
- We will pause for Q & A during the presentation and once more at the end
- You can also email questions to beyondthebasics@cbpp.org
- All webinars are recorded and will be available for viewing at www.healthreformbeyondthebasics.org

- At HealthCare.gov, the COVID SEP runs through May 15
 - Some state-based marketplaces have their own SEPs, often with different deadlines and rules
- People can newly enroll and existing enrollees can change plans
 - When selecting the same plan within the same year, out-of-pocket spending carries over
 - When changing to a new CSR level of the same plan, out-of-pocket spending *should* carry over. Talk to the insurer.
 - If changing to a new plan with the same carrier, out-of-pocket spending isn't required to carry over. Talk to the insurer.
 - But when changing to a new carrier, the enrollee loses credit for money paid toward deductibles and other cost-sharing.
- Coverage is effective on the first day of the following month, regardless of when someone enrolls
 - Someone who enrolls on March 31 will have coverage effective April 1

Higher APTC = Lower Premiums

- APTC will be higher for nearly everyone (2021 and 2022)
- People with income 100 to 150% FPL will be eligible for a zero-premium benchmark plan, after APTC (2021 and 2022)
- People with income over 400% FPL will be newly eligible for APTC (2021 and 2022)
- People who receive UI benefits will be eligible for a zero-premium benchmark plan (after APTC) and highest CSR, regardless of projected or actual annual income (2021 only)

COBRA Subsidy

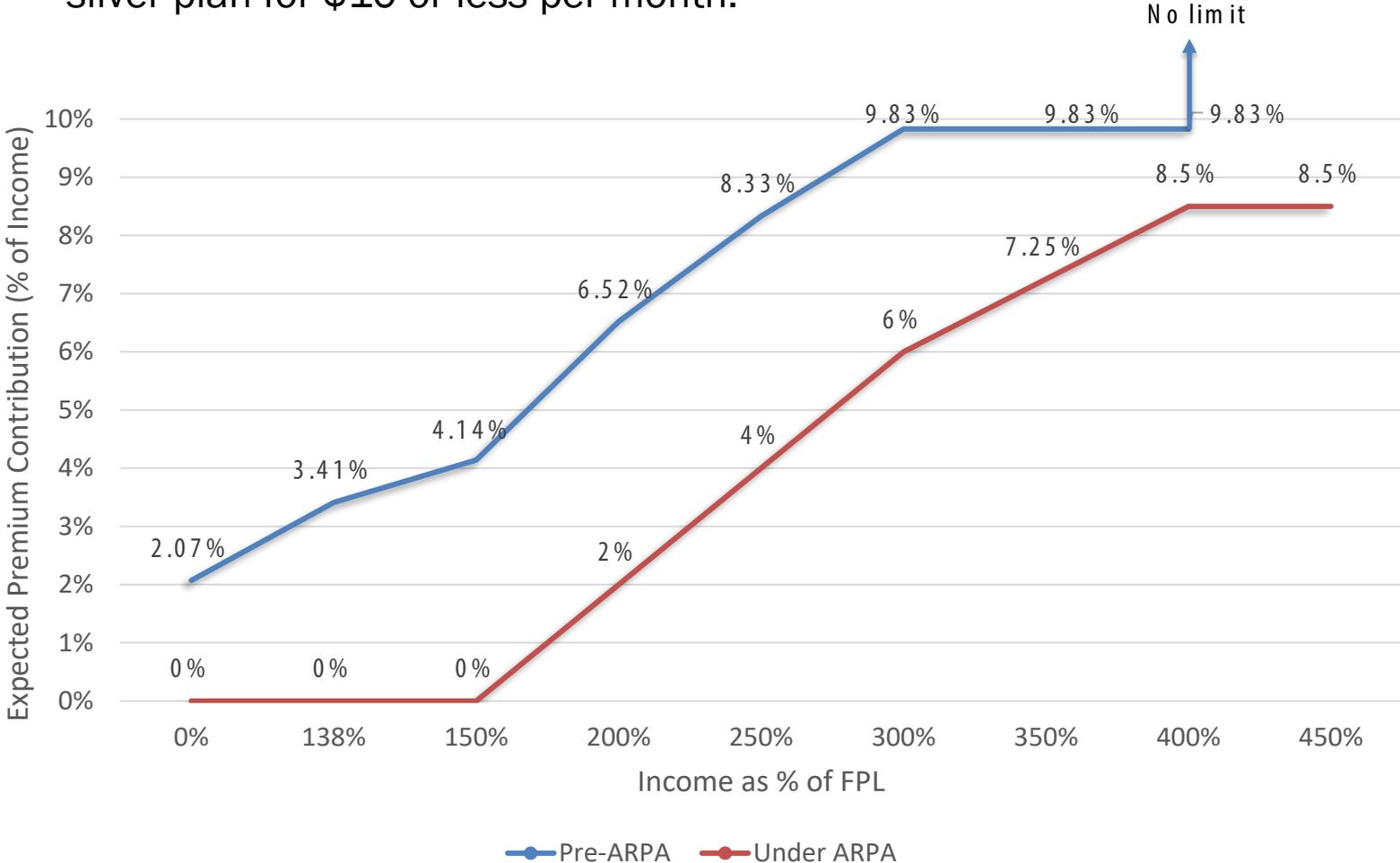
- 100% COBRA premium subsidy (April 1 – Sept 30 only)

Repayment Forgiveness

- APTC repayment will be forgiven (2020 only)

Dramatic Premium Reductions in 2021 and 2022

- Premiums will decrease an average of \$50 per person per month
- Over 50% of people (up from 14% pre-ARPA) will be able to find a silver plan for \$10 or less per month.



- At HealthCare.gov
 - **Existing enrollees** must return to the application after April 1 to see up-front savings. Premium changes will not be automatic.
 - In the application, Report a Life Change and confirm all information is correct.
 - The earliest the lower premium can take effect is May.
 - If someone does not return, they'll see the additional PTC on their next tax return, going back to Jan 1, 2021.
 - **New enrollees** should enroll during the existing special enrollment period (ending May 15) and will see immediate up-front savings.
 - Higher APTC for **people approved for UI** will take longer to implement but enroll now.
- Implementation in state-based marketplaces varies
 - Some states will require enrollees to return to the application and others will automatically increase APTC.
 - Some states have special enrollment periods now, but their length and rules vary.

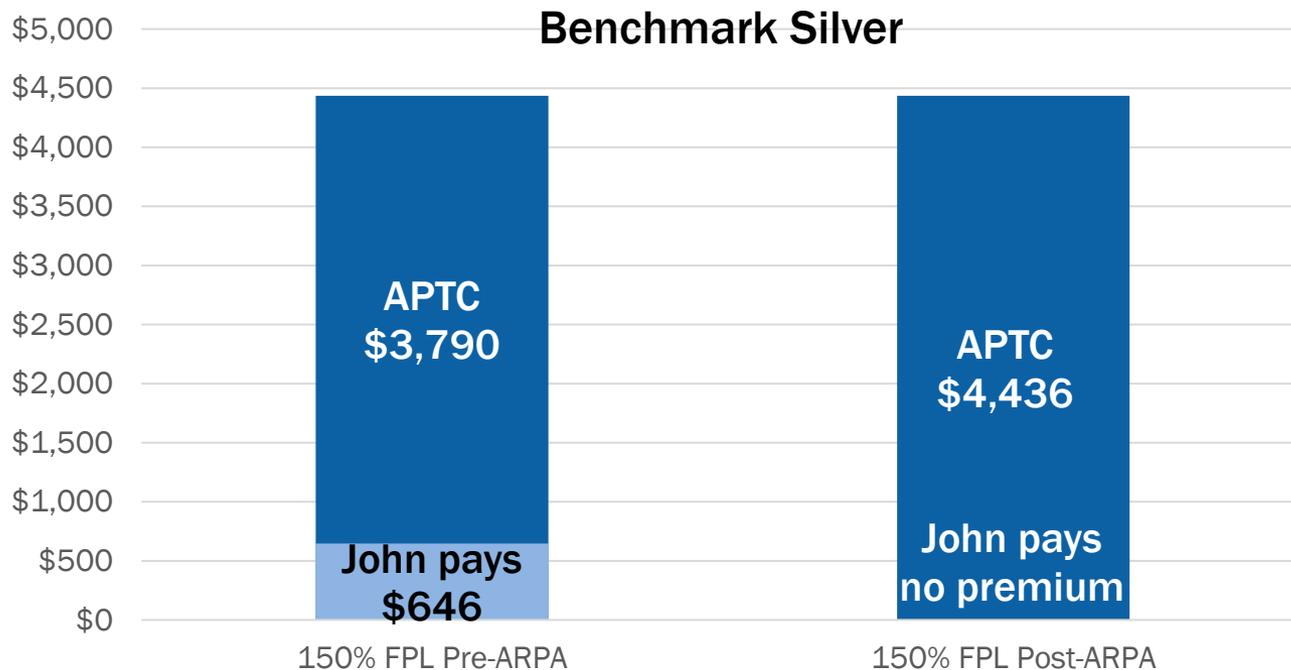
Example: Zero-Premium Plan When Income is Under 150% FPL



John, 27 years old

- No affordable offer of employer-sponsored coverage
- (John has either no offer or an unaffordable offer of >9.83% of income)

Pre-ARPA	vs.	With ARPA
Income: \$18,000 (141% FPL)		Income: \$18,000 (141% FPL)
Expected Contribution: \$646/yr (3.59% of income)		Expected Contribution: \$0/yr (0% of income)
APTC: \$3,790		APTC: \$4,436



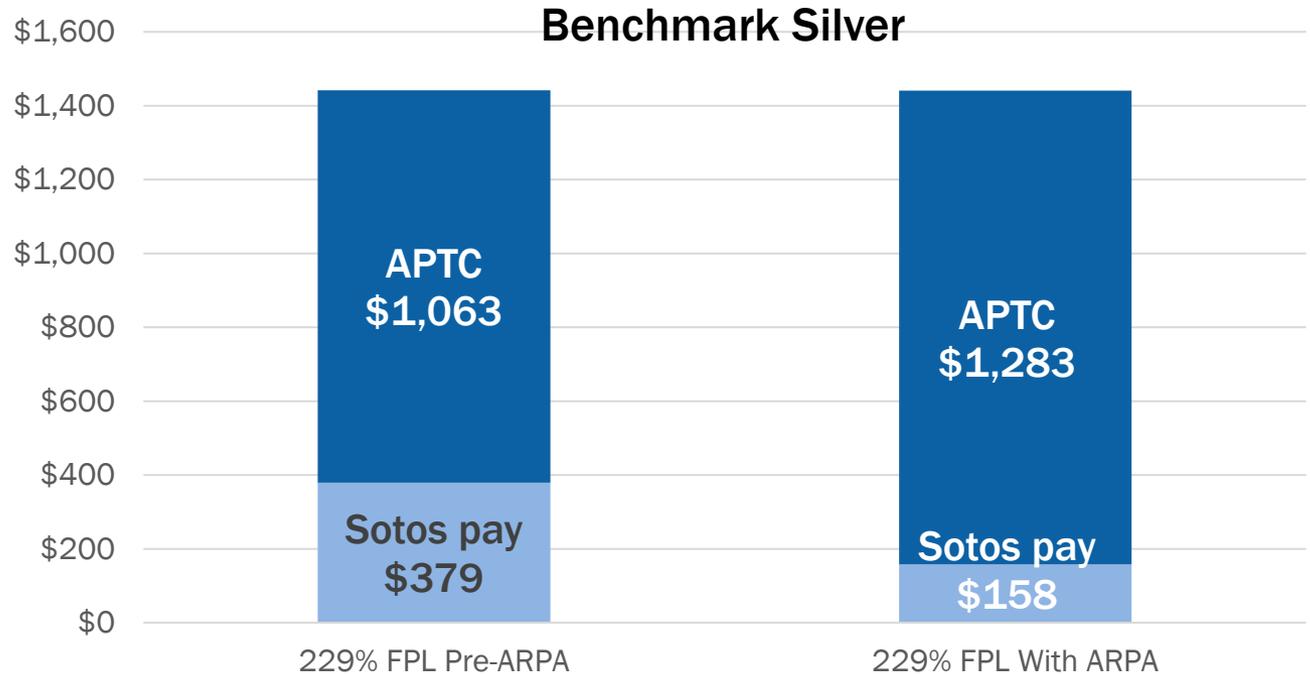
Example: Impact of Lower Expected Contribution on APTC



Pre-ARPA	vs.	With ARPA
Income: \$60,000 (229% FPL)		Income: \$60,000 (229% FPL)
Expected Contribution: \$379/mo (7.57% of income)		Expected Contribution: \$158/mo (3.16% of income)
APTC: \$1,063/mo		APTC: \$1,283/mo

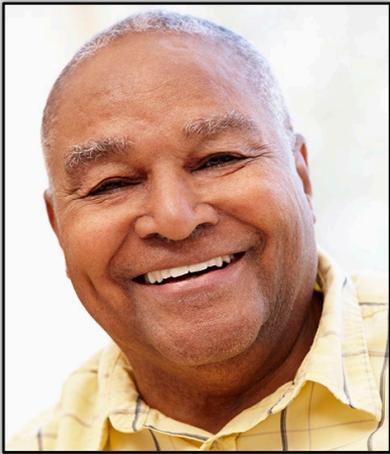
Teresa (40yo), Antonio, (40yo), Gaby (5yo), and Michael (10yo) Soto

- No affordable offer of employer-sponsored coverage
- Kids are in CHIP
- Teresa and Antonio enroll in marketplace coverage



Annual savings of \$2,652

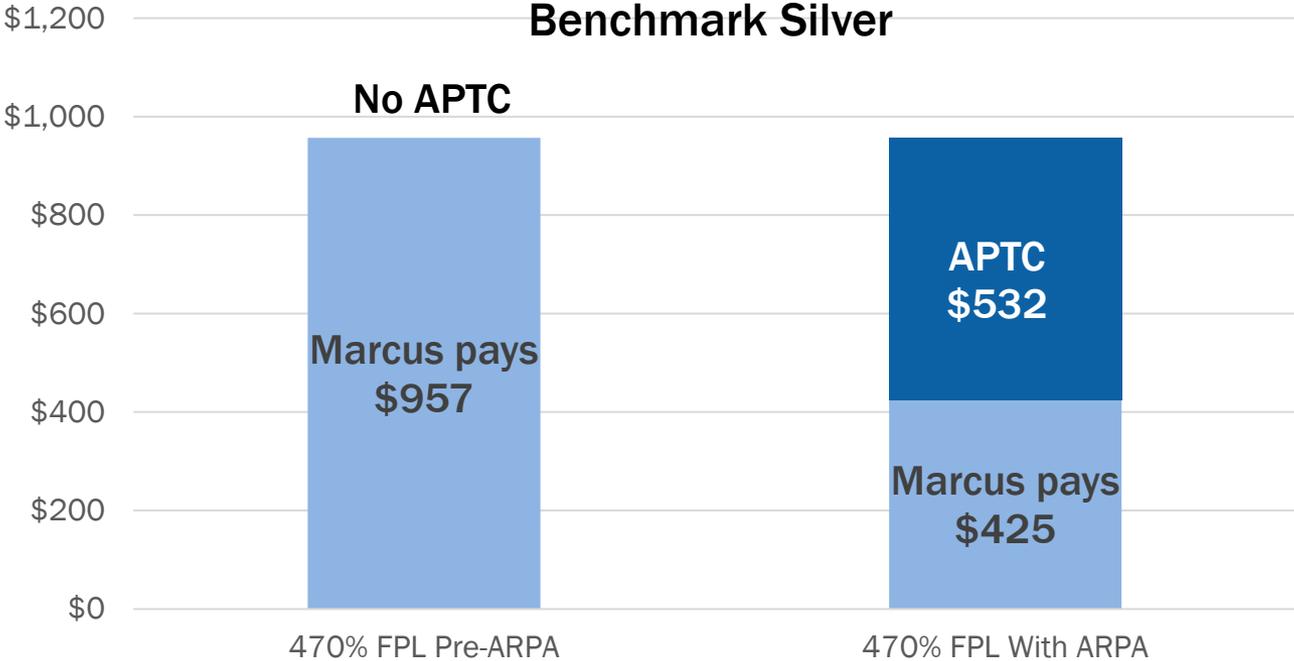
Example: APTC When Income is Over 400% FPL



Marcus, 60 years old

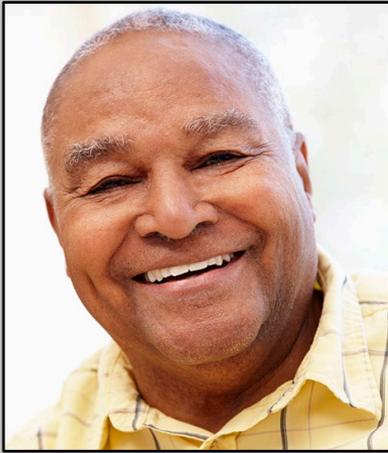
- No affordable offer of employer-sponsored coverage

Pre-ARPA	vs.	With ARPA
Income: \$60,000 (470% FPL)		Income: \$60,000 (470% FPL)
Expected Contribution: \$957/mo (19% of income)		Expected Contribution: \$425/mo (8.5% of income)
APTC: \$0		APTC: \$532/mo



Annual savings of \$6,388

Example: Shopping with a Higher APTC

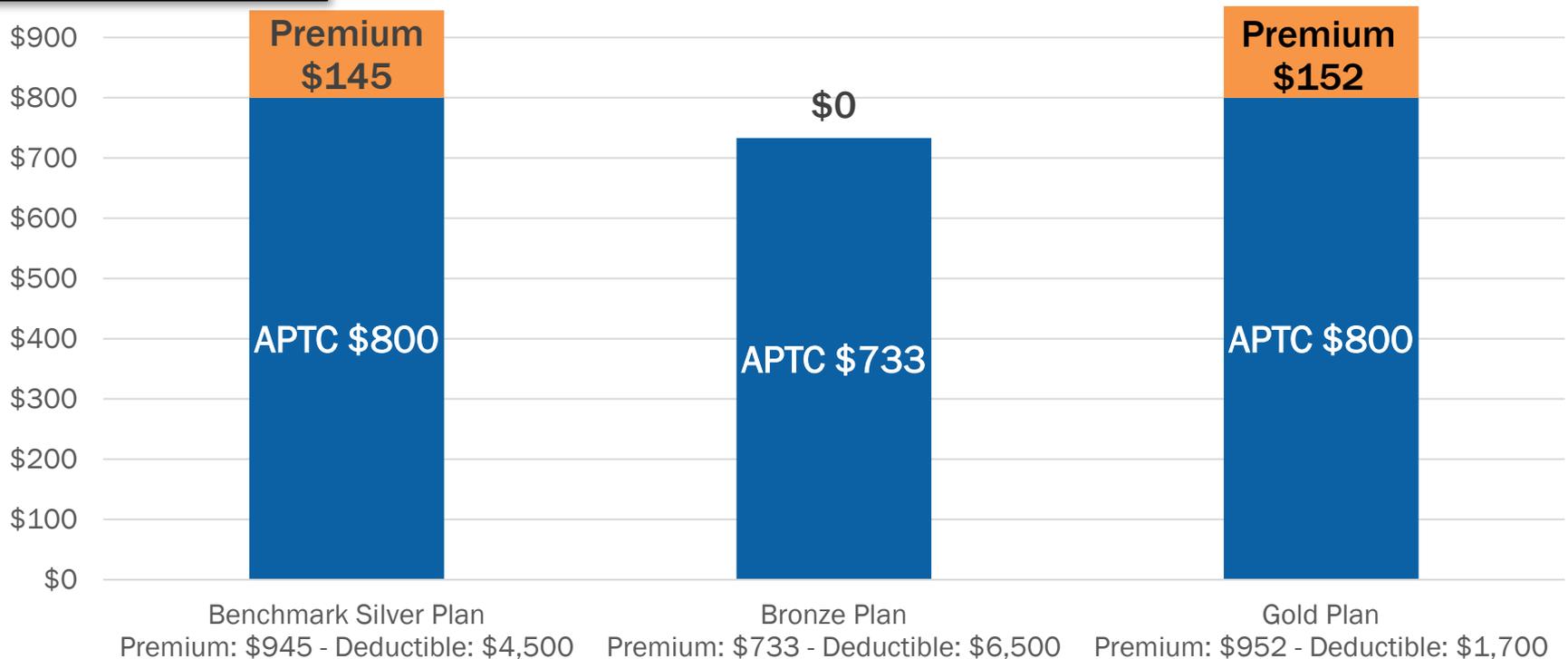


Income: \$35,000 (274% FPL)

Expected Contribution: \$145/mo (4.97% of income)

APTC: \$800/mo

With a higher APTC, a gold plan with a lower deductible is nearly the same cost as the benchmark silver plan.



- If someone is approved for or receives unemployment benefits in 2021, they are eligible for APTC as if their income is 133% FPL.
- Income of 133% FPL applies to the entire family for the year, even if projected or actual annual income is higher.
- People in the coverage gap are deemed to be “eligible taxpayers” and can get APTC.
- People with affordable offers of employer coverage are still barred from receiving APTC.
- Unclear what verification HealthCare.gov will require
 - The law says “self-attestation, and such documentation as the Secretary shall prescribe, which demonstrates such receipt or approval.”

Example: Approval for Unemployment Benefits



Jeansun, Dave & 2 kids

- Jeansun (40yo) and Dave (40yo) are uninsured with no affordable offer of employer-sponsored coverage
- Kids are in CHIP
- Jeansun was approved for unemployment benefits in January 2021 but expects to return to work in late spring

Income

Unemployment (Jeansun)	\$ 5,000
Wages (Jeansun)	\$20,000
Wages (Dave)	\$35,000
Total	\$60,000

	Pre-ARPA	VS	With ARPA
Income:	\$60,000 (229% FPL)		\$60,000 (133% FPL)
Expected Contribution:	\$379/mo (7.57% of income)		\$0/mo (0% of income)
AV:	73%		94%

\$1,000

Benchmark Silver

\$800

APTC

APTC

Because someone in the family is approved for unemployment benefits in 2021, income over 133% FPL is disregarded now and when they reconcile on their tax return.

\$200

\$379
premium

No
premium

\$0

229% FPL Pre-ARPA

138% FPL With ARPA





Jeansun, Dave & 2 kids

- Jeansun and Dave are uninsured with no affordable offer of employer-sponsored coverage
- Kids are in Medicaid
- Jeansun was approved for unemployment benefits and doesn't expect to return to work

Income

		Pre-ARPA	VS	With ARPA
Unemployment (Jeansun)	\$10,000	Income: \$25,000 (<100% FPL) Coverage Gap Expected Contribution: Full premium AV: ---		Income: \$25,000 (<100% FPL) Lifted Out of Coverage Gap Expected Contribution: \$0/mo for a benchmark silver plan (0% of income) AV: 94%
Wages (Dave)	\$15,000			
Total	\$25,000			

Because someone in the family is approved for unemployment benefits in 2021, household income is deemed to be 133% FPL for APTC and CSR

- COBRA is fully subsidized April 1 – September 30 for people whose qualifying event was involuntary loss of employment or reduction in hours worked.
- The COBRA subsidy will be administered by employers, who are supposed to provide notice to employees. Employers pay the COBRA premium on behalf of eligible individuals. People should contact their employers or benefit administrators to enroll.
- People who didn't elect to enroll in COBRA previously are eligible to enroll now.
 - Example: A person who was laid off in July 2020 still has time to elect COBRA.
- Normally, COBRA coverage applies retroactively to the qualifying event and the first premium applies back to that date. Under ARPA, the “late electors” who are subsidy eligible will have COBRA and premiums take effect on April 1, 2021. **No back-premiums are required** to enroll and get this subsidy.
- If COBRA exhausts before September, the subsidy ends when COBRA ends.

Example: Complex Scenarios

- Kala lost her job and health insurance in June 2020. She couldn't afford COBRA.
- She was approved for unemployment benefits in July 2020 and those benefits continued until January 2021.
- She started working part-time in February 2021. She is not offered affordable employer coverage.
- She enrolled at HealthCare.gov for coverage that started January 1.
- Her projected 2021 income...doesn't matter.



Option 1: Marketplace Coverage	
Cost	\$0/month after APTC
AV	94%

Option 2: COBRA	
Cost	\$0/month after subsidy
AV	85%

Considerations:

- Has she already started paying toward her marketplace deductible? If she elects COBRA, is she willing to restart the deductible?
- Will she be eligible for a SEP to buy Marketplace coverage after her COBRA eligibility ends? (open question)



Two factors affect the calculation of the PTC on 2020 returns

1. Income disregard of \$10,200 in unemployment benefits
 - This lowers income and raises PTC.
 - (This is only for 2020 and does not impact the income calculation for 2021.)
2. Repayment forgiveness
 - For 2020 only, repayment of excess PTC (for any reason) is forgiven.

Few implementation details so far on either provision

- If someone has filed a tax return already, do not file an amended return yet.
- And never manipulate the entry of forms to get the “right” answer.

Coverage of COVID-19 Testing, Treatment, & Vaccines

Testing

Covered without cost-sharing for full-benefit enrollees

Vaccines

Covered without cost-sharing for all enrollees

100% FMAP

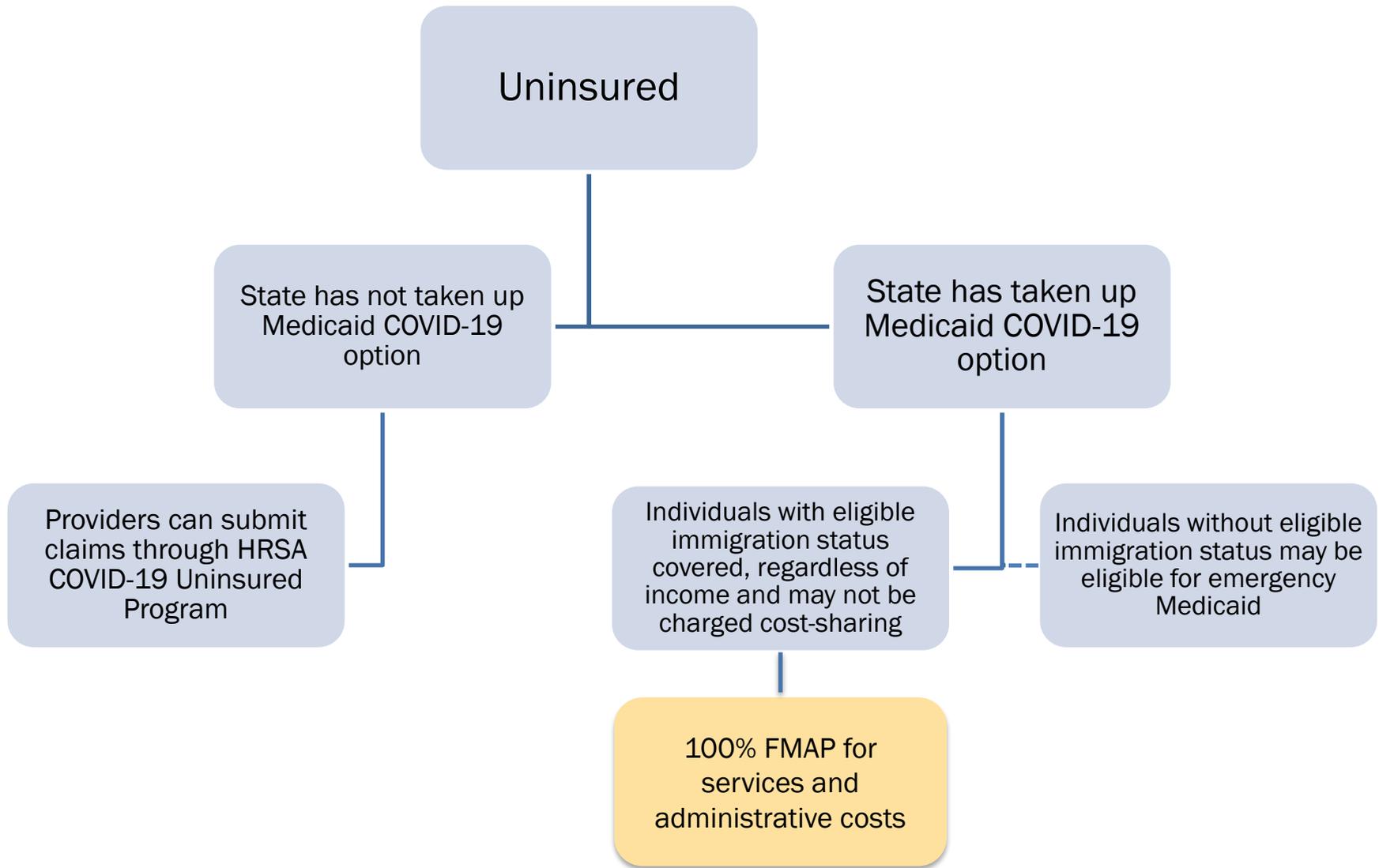
Treatment

Covered without cost-sharing for full-benefit enrollees

Medicaid COVID-19 Uninsured Option

- Covers COVID-19 testing, vaccines, and treatment services for people who are otherwise uninsured, regardless of income
 - *Option created by Families First law but covered testing only; ARPA added coverage for vaccines and treatment*
- 100% FMAP for services and administration
- States can adopt through Disaster State Plan Amendment

Medicaid provisions in effect until at least a year after the Public Health Emergency ends.



	Testing	Vaccines	Treatment
Non-grandfathered and individual market plans	Must be covered without cost-sharing and regardless of provider network	Must be covered without cost-sharing and regardless of provider network	Regular cost-sharing applies
Grandfathered plans	Must be covered without cost-sharing and regardless of provider network	May, but are not required to cover. Regular cost-sharing applies.	
Short term, limited duration plans*	May, but are not required to cover. Regular cost-sharing applies.	May, but are not required to cover. Regular cost-sharing applies.	

Update on Public Charge

- Public Charge rules issued by the Department of Homeland Security in 2019 have been blocked nationwide:
 - Use of SNAP, Medicaid and Housing assistance will not be negatively factored into public charge assessments
- Public charge will now be assessed under guidance issued in 1999 and only negatively factors in the use of these benefits:
 - Government sponsored cash assistance for ongoing maintenance
 - Long term care (such as care received in nursing homes) paid for by the government
- Outreach is greatly needed to address fears and correct misperceptions about these rules

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For more information and resources, please visit:

www.healthreformbeyondthebasics.org

This is a project of the Center on Budget and Policy Priorities, www.cbpp.org