

FAQ: Automatic APTC Increases

HealthCare.gov will automatically update the enhanced advance premium tax credit (APTC) for some enrollees, starting September 1, 2021. This means that certain enrollees who haven't returned to HealthCare.gov to receive the American Rescue Plan's lower premiums can still get additional financial help this fall. For more information on the American Rescue Plan's premium tax credit enhancements, see [here](#). (If you are in a state with a state-based marketplace, consult your marketplace on implementation of the American Rescue Plan provisions.)

This change does not affect the HealthCare.gov special enrollment period, which ends on August 15.

How the Automatic APTC Increase Works

1. What is HealthCare.gov doing to automatically reduce premiums?

The American Rescue Plan substantially increased premium assistance for 2021 and 2022 by lowering the share of premiums people pay, ensuring that people with income under 150% FPL have access to a zero-premium "benchmark" plan, extending financial help to people with income over 400% FPL, and providing people who receive unemployment compensation (UC) with the most generous APTC and cost-sharing reductions. Until now, enrollees have needed to return to their application to claim these savings. For some people who haven't returned, HealthCare.gov will automatically apply the increased APTC to their premiums starting September 1.

2. Who is eligible for an automatic APTC redetermination?

Enrollees will have their APTC automatically redetermined if they:

1. Have not updated their HealthCare.gov application since April 1; and
2. Currently pay a premium; and
3. Previously chose to receive their full APTC up-front.

Enrollees who have received or been approved to receive UC in 2021 will have their APTC automatically redetermined if they:

1. Have attested since January 1 that they receive or have been approved to receive UC in the current month (i.e., not just as part of their annual income projection); and
2. Have not updated their HealthCare.gov application since July 1; and
3. Currently pay a premium; and
4. Previously chose to receive their full APTC up-front.

3. Who is not eligible for the automatic APTC redetermination?

Enrollees are not eligible for the automatic APTC redetermination if they have already returned to HealthCare.gov since the new enhanced APTC became available (April 1 for all current enrollees or July 1 for enrollees with UC). They also aren't eligible if they currently take less than their full amount of APTC. (For example, a person who was determined eligible for \$400 per month in APTC at the start of the year, but chose to take \$350, would not be automatically redetermined.) If an enrollee's new APTC is higher than their current plan premium, their new APTC will be capped at their premium. Enrollees in zero-premium plans also won't get increased APTC.

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4. How will a consumer know if the redetermination applies to them?

Consumers eligible to be automatically redetermined will receive two notices from HealthCare.gov. In the last week of July, they received a general notice of their eligibility for an increased APTC. If their APTC was increased through the batch redetermination, they'll receive a notice specific to them about the reduction to their premiums, along with a new eligibility determination notice. They will also likely receive communications from insurers alerting them to their new lower premium. Some consumers who are eligible for increased APTC but who couldn't be processed through the batch redetermination may also receive notices in early August, encouraging them to update their application to receive more financial assistance.

5. Does the automatic redetermination apply to people receiving or being approved to receive UC in 2021, making them eligible for cost-sharing reductions?

Yes, with an important caveat. People who receive UC and have their APTC automatically redetermined (according to the criteria above) will not automatically receive the enhanced cost-sharing reductions they are eligible to receive. They will need to return to their application to get this benefit.

6. What if an enrollee doesn't want to receive the enhanced APTC?

Eligible enrollees will be automatically redetermined, without the chance to opt-out. However, if an enrollee doesn't want to receive enhanced APTC, they can return to their application to manually decrease the amount of APTC that is applied to their premium.

7. What are the APTC repayment rules for 2021?

The standard APTC repayment rules apply. If a person receives too much APTC (usually because they underestimated their income or overestimated their family size), they will need to repay all or a portion of their APTC, up to a repayment cap. The American Rescue Plan established repayment relief for 2020, but this does not apply to 2021 or future years.

8. Are there benefits to updating an enrollee's HealthCare.gov application despite the automatic update?

There are several reasons to continue to help consumers update their enrollment:

- Many enrollees won't be eligible for the automatic increase. They'll need to return to their application to claim the savings. To do this, the enrollee should return to their HealthCare.gov application, select "report a life change," then report a change in income (even if their income hasn't changed).
- Many enrollees who projected income during open enrollment in late 2020 or earlier this year might have had a change in income. They should update their income to get the correct amount of APTC and to avoid owing back a share of their APTC.
- During the remaining open enrollment period (until August 15), consumers are eligible to change plans. With the enhanced APTC, they might find another plan or plan level to be a better fit or they could switch to a plan that allows them to claim their enhanced cost-sharing reduction. For example, a person with income below 250% FPL who previously enrolled in a bronze plan might now be able to enroll in a silver plan with a cost-sharing reduction.
- People who receive UC are eligible for the most generous cost-sharing reduction but won't have that automatically applied through batch redetermination. They need to update their application to claim it.
- Some enrollees who are automatically redetermined might not want to receive their entire enhanced APTC; they'll need to return to their application to choose to take a lower amount.