

What Agents and Brokers Need to Know About the American Rescue Plan Act of 2021

Transcript

1. What Agents and Brokers Need to Know About the American Rescue Plan Act of 2021

1.1 What Agents and Brokers Need to Know About the American Rescue Plan Act of 2021



Notes:

Good afternoon and welcome to What Agents and Brokers Need to Know About the American Rescue Plan Act of 2021. My name is Cortney Olds, and I am your facilitator. Today's session is scheduled for 90 minutes.

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1.2 Disclaimer

Disclaimer

The information provided in this presentation is intended only as a general, informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This presentation summarizes current policy and operations as of the date it was presented. Links to certain source documents have been provided for your reference. We encourage learners to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information about the requirements that apply to them.

This document generally is not intended for use in the State-based Marketplaces that do not use HealthCare.gov for eligibility and enrollment. Please review the guidance on our Agents and Brokers Resources webpage (<http://go.cms.gov/CCIOAB>) and Marketplace.CMS.gov to learn more.

Unless indicated otherwise, the general references to "Marketplace" in the presentation only includes Federally-facilitated Marketplaces (FFMs) and State-based Marketplaces on the Federal Platform.

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Please review the guidance on our agents and brokers resources webpage found by visiting go.cms.gov forward slash CCIOAB and by visiting Marketplace.cms.gov to learn more unless indicated otherwise general references to Marketplaces in this presentation only includes the federally-facilitated Marketplaces and state-based Marketplaces on the federal platform.

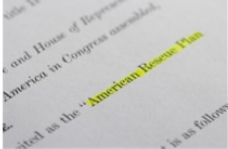
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1.3 Agenda

Agenda

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



Notes:

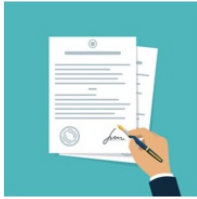
All right so today's agenda includes what is the American Rescue Plan Act, ARP, of 2021; APTC changes. We will cover COBRA changes, Medicaid Changes and Stimulus Payments Enhancements, Enhanced Unemployment and PTC. So I'm now going to turn the call over to Maria Liddane, one of our enrollment and eligibility subject matter experts. Maria.

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1.4 What is the American Rescue Plan Act of 2021?

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

Notes:

Great. Thank you. Good afternoon everyone. So first thing what is the American Rescue Plan Act of 2021? The ARP was signed into law on March 11 and as many of you know the ARP will make Marketplace coverage more affordable, subsidize COBRA premiums, expand Medicaid and Children's Health Insurance Program or CHIP, state health coverage options to include coverage for women up to one-year postpartum, it will extend increased unemployment compensation, and provides stimulus payments.

1.5 PTC Before ARP: 400 Percent PTC Cap

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.



Notes:

So before the ARP the premium tax credit had a 400% premium tax credit cap under the Patient Protection and Affordable Care Act as it was originally passed. Premium tax credits were only available to consumers with household incomes between 100% and 400% of the federal poverty level and to those who met the other non-income related eligibility requirements. Under the PPACA households with incomes greater than 400% FPL were not previously eligible for the tax credit.

1.6 PTC Changes Under ARP: Removal of 400 Percent PTC Cap

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 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.



Notes:

But now under the American Rescue Plan Act there have been some really significant premium tax credit changes. And the first is the removal of that 400% premium tax credit cap so the American Rescue Plan Act makes premium tax credits available to consumers with household income above 400% FPL and it caps how much of the household income that the family will pay toward those premiums for a benchmark plan at a maximum of 8.5% and so these changes for the applicability for this increase is for the 2021 and 2022 plan years.

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1.7 ARP Provides Enhanced PTC Benefits at All Household Income Levels

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 to 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.



Notes:

And another important thing to note about the American Rescue Plan Act is that it reduces the percentage of household income that consumers across all levels of income are expected to contribute to their monthly premiums for a benchmark plan. So this means that consumers with incomes between 100 and 150% FPL might be eligible for coverage options with \$0 premiums so it's a pretty big change. And four (4) out of five (5) enrollees will be able to find a plan for just \$10 or less after their advanced payments of the premium tax credit and over 50% of consumers will be able to find a silver plan for \$10 or less after APTC. And again, these tax credit increases apply to the 2021 and 2022 plan years.

1.8 When is the Marketplace Implementing These APTC Changes?

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.



Notes:

So the big question is When is the Marketplace implementing these APTC changes? These changes will be effective on April 1. So this Thursday. Consumers who are submitting a new Marketplace application, or who are resubmitting their existing Marketplace application will be provided with the new Eligibility Results that reflect that additional APTC. they qualify for. As of April 1, consumers new APTC amounts will be applied to their coverage starting May 1, if they update their application and enrollment by April 30th. The Marketplace will not be providing retroactive APTC for months prior to May 2021. But just to remember that consumers can still get these amounts when they file their federal income tax returns.

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1.9 How Agents and Brokers Can Help with APTC Changes

How Agents and Brokers 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 to get the added benefits, 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).
- 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 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.

Notes:

So this is an important set of information about how agents and brokers can help with these APTC changes. The first thing would be that you can inform consumers who may not have enrolled previously because Marketplace coverage seemed expensive, that there are new benefits available. and that Marketplace coverage may now be affordable to them. You can also inform consumers that are already receiving APTC, that they may be eligible for more APTC and that to get the added benefits, they should come back 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.

You can also let consumers who have household incomes above 400% FPL, know that they may be newly eligible for APTC because of the American Rescue Plan. And then, importantly, you want to tell consumers that they can update their application and enrollment in order to get the new eligibility results starting on April 1st. And we've also included here some important links that are helpful to share with consumers that they can use in order to see what they might qualify for. And so there's a window-shopping tool, where a consumer can go and compare plans and see how much savings, they may qualify for a particular plan.

1.10 How Agents and Brokers Can Help with APTC Changes (continued)

How Agents and Brokers Can Help with APTC Changes (continued)

- 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 plan 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/).

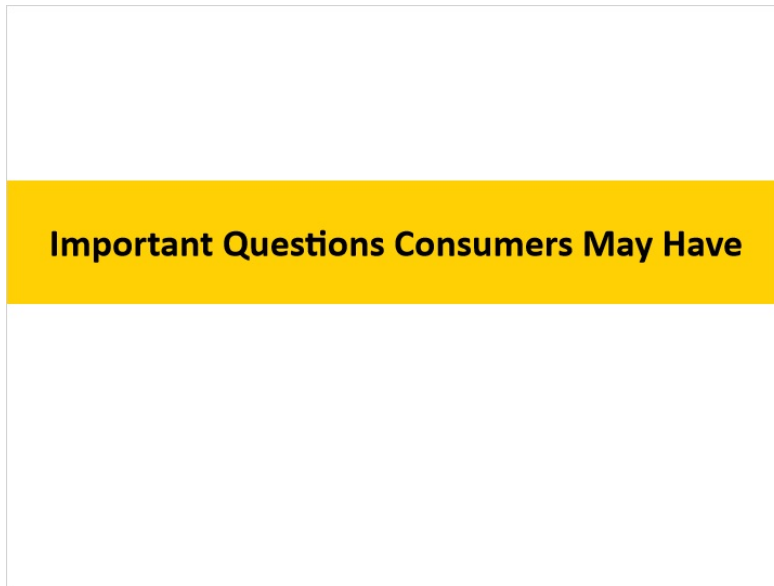


Notes:

A few more things that agents and brokers can help, you know, helping your clients understand these APTC changes. So, consumers should also consider how much they've already paid toward their deductible and maximum annual limit on cost-sharing when they're deciding whether or not to change a plan and whether or not changing that plan really makes sense for them. When changing plans, the amount of consumer has already paid toward meeting the prior plans deductible and annual limit on cost-sharing may be reset to zero. And so they would need to potentially start paying out of pocket costs again to reach their deductible and maximum annual limit on cost sharing. And so that's something for consumers to be sure that they're considering before they make that decision to change plans.

Also, reminding consumers that if they do not opt for the APTC or even if the Marketplace determines that they were not eligible for APTC when they enroll, they may still be eligible for APTC when they file their federal income tax return. And so we've gone ahead and added that link there where consumers can visit for more information about the potential savings.

1.11 Important Questions Consumers May Have



Notes:

So next, we're going to cover some important questions that consumers may have about these changes.

1.12 Important Question #1

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.

A close-up image of a computer keyboard. A prominent blue key is visible, featuring the word "UPDATE" in white capital letters and a white circular refresh icon to its right. The surrounding keys are dark grey.

Notes:

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So the first one, if a consumer is currently enrolled in a Marketplace plan, how do they receive the additional premium tax credit and the lower premiums? And for current enrollees, including those who recently enrolled through the 2021 SEP, they can update their application and enroll enrollment to get the new eligibility results starting April 1st, so in a couple of days.

1.13 Important Question #1 (continued)

Important Question #1 (continued)

Current enrollees should follow the steps below to update their application and get new eligibility results on [HealthCare.gov](https://www.healthcare.gov):

- 1) Log into [HealthCare.gov](https://www.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.”**

Notes:

And so we've gone ahead and included these in steps that consumers can follow, and you can help your clients follow in order to update their application and enrollment, which I'm sure many of you are already familiar with the process, but we've laid it out here to make it clear. So, for current enrollees, the following steps should be followed to get the new Eligibility Results on HealthCare.gov.

So first log into HealthCare.gov and select their name on the top right of the screen and then select My Applications and Coverage. There will be a section your existing application and open up their 2021 application. On the left side of the screen, select Report a Change, and then scroll down and click that Report a Life Change button. And then you'll want to quick report a change in my household income cited address or other information and hit Continue. Even if there's no changes, you'll have to click that button in order to get back into the application.

1.14 Important Question #1 (continued)

Important Question #1 (continued)

- 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.

Notes:

And then you'll be able to walk through the application. And you know, sign, and submit the application to complete the update and view those updated Eligibility Results. You'll then click View Eligibility Notice to see the Eligibility Determination Notice and see those updated results. And then you'll hit Continue to enrollment to enter the plan selection update area. So the consumer can either reselect their current plan or choose a new plan, as I mentioned before, and they should really make sure to go through all these steps. And you can help them do that in order to ensure that the update is confirmed, and they will as part of this process, you know, confirm that updated APTC amount.

1.15 Important Question #2

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 a Marketplace plan 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 who 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.



Notes:

Important question number two: if a consumer is currently enrolled in the Marketplace, what happens if they don't come back in and reselect their plan? Consumers who enrolled in a Marketplace plan prior to April 1st, have the choice of waiting until they file their federal income taxes next year in 2022 to receive the additional tax credit amount when they file and reconcile their 2021 federal income taxes. However, we recommend that all enrollees come in after April 1, update their application, review their plan options, because they might be able to choose a plan with lower out of pocket costs for the same price or less than what they are currently paying.

1.16 Important Question #3

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.

Notes:

Another important question, if the 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. So as soon as they need coverage, they should do that. And then to get the added benefit, they should come back in actually, after April 1st, submit their application again and reselect their plan to have the increased APTC apply to their coverage for May 1 going forward.

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1.17 APTC Reconciliation Before ARP

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.



Notes:

And now I'm going to go ahead and turn it to my colleague Dena Nelson, to talk about APTC Reconciliation and the Impacts of the ARP.

Thanks, Maria.

So reconciliation is the process that consumers who received APTC go through when they file their tax return. And what generally happens is that consumers who purchase coverage through the Marketplace receive IRS Form 1095A, the Health Insurance Marketplace Statement from the Marketplace every year by early February. And this is the form that shows the amount that of APTC that was be paid on behalf of the consumer or their family member for each month if they were enrolled in coverage. And if the form shows that there was APTC that advanced payments of the premium tax credit paid, then the consumer, their tax filer is required to complete IRS Form 8962 when they file their tax return, and that is used to reconcile the advanced payments. And what that means is that the premium tax credits the consumer gets on their tax return is based on the consumers actual household income and family size. Whereas the APTC was based on the amount that they estimated when they submitted their application. And so this reconciliation process allows the difference between the amount that the consumer qualifies for on their tax return and the amount they qualified for during the year the amount they received during the year to be reconciled with each other. And what that means is that any difference between those two amounts will affect a consumers refund or the amount of tax they owe on their tax

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return.

1.18 APTC Repayment Policy Under ARP

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.



Notes:

So what happened under the American Rescue Plan is a change but only for one particular year. And that year was 2020. So last year, the taxes that people are filing this year are the ones where the repayment of excess APTC is not required. And so what that means is that for consumers who received APTC last year where we know there was a lot of economic changes, maybe people didn't know how to estimate their income because they may have been between jobs when they applied for coverage or furloughed, and then something changed. So what ends up happening is that when consumers file their taxes for 2020, we're still in the tax filing season right now. That if they ended up getting too much APTC last year as compared to the PTC, they qualify for when they actually tally up their full 2020 income, they do not pay that back to the IRS. And that is for the 2020 plan year tax year only.

The IRS is providing guidance, will be providing additional guidance to taxpayers, and making updates to their forms, so that the taxpayers know exactly what to do in order to make sure they don't, they're able to complete their tax returns without paying back that additional amount. Again, this is only for the 2020 tax year. So consumers do need to continue to accurately estimate their income right now when they're doing 2021 applications. And they will be liable to pay back any difference with their actual income.

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1.19 How Agents and Brokers Can Help

How Agents and Brokers 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:
<https://www.irs.gov/newsroom/irs-statement-american-rescue-plan-act-of-2021>.



Notes:

So how agents and brokers can help is to 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. You may have clients that come to you concerned about the APTC received last year being too much and what you can let them know is that they won't have to pay that back.

And at the time of this webinar, for people who've already filed their federal income tax returns, maybe they have already paid back excess APTC as part of their tax return filing, the IRS is working on updated instructions for those consumers. But their directions currently are that those consumers should not file an amended return. The IRS is going to be releasing updated guidance, but they're working on a process that will not require consumers who've already filed to refile. They do not need to file an amended return. And we'd recommend checking out the guidance on the IRS website directly for more information.

1.20 Unemployment Compensation Authorized by ARP

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.

Notes:

So to move on to another important topic, that was part of the American Rescue Plan is Unemployment Compensation. And the American Rescue Plan affects unemployment compensation in a couple of different ways. One we'll talk about first is a simple extension of the Federal Pandemic Unemployment Compensation that consumers who were receiving unemployment compensation were already getting prior to the passage of the ARP. And what the ARP does is extend that \$300 per week supplemental payment for individuals who are getting unemployment compensation from their state. So what we want to remind you is that all unemployment compensation should be reported to the Marketplace, including that \$300 per week Federal Pandemic Unemployment Compensation.

So when you have a consumer who is newly applying or someone updating their application, when we ask questions about current month's income and annual income, make sure that the answers include everything about unemployment compensation that they're getting right now or this year. But we do also have extra logic that makes sure we're counting that income appropriately. So the \$300 per week is not countable when determining eligibility for Medicaid and CHIP. And what the Marketplace does is it subtracts out that amount when calculating current month's income for Medicaid and CHIP eligibility. And so this extension of the Federal Pandemic Unemployment Compensation is available under the ARP through September 6, 2021.

1.21 APTC and Unemployment Compensation Under ARP

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 at least 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.

Notes:

Now, there's also another change related to unemployment compensation that more directly affects the benefits people qualify for in the Marketplace. What the ARP does is it makes assistance more generous for tax filers who receive or are approved to receive at least one-week of unemployment compensation for a week, any week that begins in 2021. So consumers must attest to having received or been approved to receive unemployment compensation. And they also must meet other APTC eligibility requirements.

But what ends up happening is that, regardless of their income amount, they could be found eligible for APTC. And consumers will need to provide documentation to the IRS of the unemployment compensation when they file their taxes for 2021 next year. The consumers who meet this criteria also will be eligible for cost sharing reductions, in addition to premium tax credits, and that would again be available to consumers even who otherwise might have income that is too high or too low for both APTC and CSR.

For example, consumers who receive unemployment compensation in 2021 and have incomes below 100% of the federal poverty line, and who aren't eligible for Medicaid. So that's someone who lives in a state that has not extended expanded Medicaid, for example. If they've received that unemployment compensation, even though usually they wouldn't be eligible for APTC and CSR because their incomes too low for the 2021 year only, they could be eligible for APTC and CSR. And so we encourage those consumers to apply and get enrolled in Marketplace coverage. Again, this is for the 2021

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plan year only.

1.22 How Agents and Brokers Can Help

How Agents and Brokers 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.



Notes:

So how agents and brokers can help with this provision. The additional saving for consumers receiving unemployment compensation will not be available at the Marketplace on April 1st. They're going to be available a little bit later. We're looking currently at early July, is when consumers will who are receiving unemployment compensation are received earlier in the year, will be able to get those updated increased benefits. But we actually recommend that everyone, including everyone who've received unemployment compensation should apply this week should apply next week, if they aren't already enrolled or should update their applications if they are already enrolled, because those consumers also qualify for the updates to APTC that are available to all consumers starting April 1st.

So later this year, we're going to release more details about the unemployment compensation, implementation. And when that happens, we do definitely encourage agents and brokers to inform consumers about the increase in benefits that they'll be able to get. And as always, we asked you to remind consumers or assist them as you're doing applications know that all types of unemployment compensation should be reported to the Marketplace, including unemployment benefits related to the Coronavirus disease, 2019 COVID-19 pandemic.

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1.23 COBRA

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.



Notes:

So now we're going to talk a little bit about COBRA. So I'm going to turn it over to Carolyn Kraemer for this portion of our agenda.

Thanks Dena. This is Carolyn. So this slide just covers kind of the basics of COBRA as it has existed for a long time. I'm sure a lot of folks are familiar with this. The Consolidated Omnibus Budget Reconciliation Act or COBRA allows employees and dependents if applicable to keep their group health coverage but pay full price plus usually an administrative fee after they after certain qualifying events that would otherwise terminate their coverage like being laid off or having a reduction in hours. In some cases employers contribute to employees COBRA premium payments. Otherwise consumers as mentioned are responsible generally for the full cost.

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1.24 COBRA Under ARP

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.



Notes:

Under the American Recovery Plan, certain individuals who are eligible for COBRA are going to be eligible for a full premium subsidy for COBRA. Individuals may qualify for this full premium subsidy. If their qualifying event that made them COBRA eligible was that their own or a family member's hours were reduced and that's why they got COBRA, or they were involuntarily terminated from employment or a family member was, and they can get dependent coverage through to that person. And so people again who have COBRA through one of those two (2) qualifying events through reduction in hours or the termination, involuntary termination from employment may qualify for this full Premium Assistance. The Premium Assistance is available from April 1st, and it will last until September 30th.

1.25 COBRA Under ARP (continued)

COBRA Under ARP (continued)

- 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.

Notes:

One important thing to note, and this is the second bullet point on this slide is that we just talked about how the Premium Assistance can start as early as April 1st, and then it will end for everybody on September 30th. However, it's important to keep in mind that this Premium Assistance doesn't extend somebody's COBRA coverage from what it would otherwise be. So for example, if somebody has COBRA coverage, if they're 18 months of COBRA coverage and say in May of 2021, then that's when their COBRA coverage will end, even though the Premium Assistance is available through September 30th. And same thing if people's COBRA would not start until May. So that's an important thing to keep in mind that people's period of COBRA eligibility is still important. And then this Premium Assistance kind of exists wherever, during the timeframe from April 1st to September 30th. It can apply based on when the person is otherwise COBRA eligible.

Another thing that is really important to be aware of is that folks who were either offered COBRA and declined to elect it or they did elect it, but then they ended it may have another chance to elect COBRA coverage now that this premium subsidy is available. If they're still within their period of time, like I just talked about that they would otherwise be COBRA eligible. So for example, if somebody was offered COBRA coverage starting on April 1st, but they declined it or somebody had ongoing COBRA coverage, but they decided to end it at the end of March, that person might may have another chance to enroll in or elect into their COBRA coverage with the Premium Assistance. And their coverage, if they if they choose to take advantage of this additional election period would begin with the Premium Assistance on or after April

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1st, 2021. Again, depending on when they were otherwise eligible for COBRA, if, if they be eligible on April 1st and start then and if later then it's later.

1.26 COBRA Under ARP: Notices

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 consumer is provided the notice to elect COBRA.



Notes:

These next few slides get at how people will know whether they might be eligible for this benefit. And so this will be something that's important for agents and brokers to be aware of, because really, the information that consumers will need in order to understand whether they might be eligible will be in notices that they receive from their current or former employer. And they should receive a notice if they're eligible within 60 days of April 1st, in other words no later than May 31st, 2021. This notice will provide a lot of important information including detail about the Premium Assistance and how folks can request it. It will describe how the Premium Assistance will work when COBRA coverage can start. It will provide contact information with the employer that folks can use if they have additional questions about this benefit. It will provide who can be covered and so forth. So this is going to be very important documentation for people to have if they are eligible and are interested in taking advantage of this benefit.

For the third bullet point on this slide, individuals who get one of these notices are going to have 60 days after they're provided the notice to take advantage of that additional election period that we just talked about. And the notice that folks will receive will include a form that they can use to make that election that they can complete and get back to their employer if they choose to do so.

1.27 COBRA Under ARP: Important Considerations

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 plan 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).

Notes:

A few other really important considerations for folks who may be eligible for COBRA with Premium Assistance is that keep in mind per these second two (2) bullet points on this slide that is somebody is eligible for other group health coverage. Like for example, maybe they got a new job and they're eligible for coverage to their new job or their spouse has coverage through their job. And that offer extends to the potentially COBRA Premium Assistance eligibility, eligible individual, that means that they're not eligible for COBRA Premium Assistance if they have that other group health plan offer.

This is also the case if they are eligible for Medicare coverage. Someone who's eligible for Medicare is not going to be eligible for the COBRA with premium subsidy. Folks who are decided to opt into and get the COBRA premium subsidy, because they're not eligible for another group health plan and they're not eligible for Medicare right now are responsible for notifying their COBRA plan if they become eligible for another group health plan or for Medicare during the period of time that their COBRA with Premium Assistance can cover them.

So if they sign up now that become eligible for one of these two (2) other types of coverage later than then they do need to notify their COBRA plan because they'll no longer be eligible. And just flagging the little asterix down at the bottom specifies that a group health coverage that someone might be eligible for that would disqualify them

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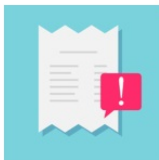
Transcript

from COBRA with Premium Assistance does not include coverage that would only be accepted benefits, it doesn't include being eligible for Qualified Small Employer Health Reimbursement Arrangement. And it doesn't include being eligible for a Flexible Spending Arrangement. And so none of those things just by themselves, would prevent constitute group coverage that would prevent somebody from being eligible for COBRA with Premium Assistance.

Finally, returning to the first bullet in this slide, folks who are eligible for Medicaid or were eligible for Marketplace coverage can still qualify for the COBRA with Premium Assistance. Neither one of those things makes them ineligible. And so that's important to be aware of those folks can use COBRA with Premium Assistance if they are eligible for it

1.28 COBRA Under ARP: Notice of Expiration

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).

Notes:

This is another piece of the puzzle to keep in mind. In addition to receiving that initial notice with an explanation of the program and a form that folks can use to elect COBRA with Premium Assistance, the American Rescue Plan also requires that group health plans provide a notice of expiration of the period of Premium Assistance to individuals who have COBRA with Premium Assistance when that Premium Assistance is going to end. And so folks who have COBRA with Premium Assistance, there, they will get this notice between 45 and 15 days before the date that their Premium Assistance and or before the date that their COBRA coverage ends because that could come sooner. For example, somebody as mentioned could have COBRA coverage where they're 18

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months are ending, say in July, and they would get this notice, you know, based on that timeframe versus in September when the Premium Assistance would end for those who whose COBRA periods extend that long.

This notice is not required for folks who risk Premium Assistance is ending because they're eligible for another group health plan or for Medicare. But you know, those folks hopefully would know that they were going to get those other options since they're eligible for that. This notice, as mentioned will explain the date that someone's Premium Assistance or their COBRA coverage will end, and it also will have an explanation of other available coverage options such as Medicaid or the Marketplace.

1.29 How Agents and Brokers Can Help with COBRA

How Agents and Brokers 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).

Notes:

This slide just describes how you all can help individuals who may be eligible for COBRA with Premium Assistance? I think the most important thing is to work with folks to help them understand the notices that they receive. As we've gone over these notices will include a lot of information. And so it may be so helpful for folks to have help, kind of digesting it all and figuring out their best next steps. And you know, other points are just to kind of help them explain, help them understand what this program is, and how it works, and helps them keep in mind that they do need to keep track of whether they become Medicare eligible or eligible for another group health plan.

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And help them understand that if one of those things happens, then they need to notify their COBRA health plan because they'll no longer be eligible. remind folks to keep tabs on the date that COBRA Premium Assistance will end for them whether that date is September 30th, or whether it's sooner based on when their COBRA period will end, their benefits will expire. So that they can keep that that date in mind and think about their transition to continue COBRA or potentially other coverage options at that point.

1.30 Medicaid/CHIP Changes for Pregnant Women

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:** Agents and brokers 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.



Notes:

Alright, now I'm going to transition over to my colleague Jessica for more information on Medicaid and CHIP changes for Pregnant Women.

Thanks, Carolyn. So the next couple of slides will focus on Medicaid, CHIP-related pregnancy coverage for women who are in the postpartum period. So before the American Rescue Plan, women who were pregnant and were found eligible for Medicaid or CHIP on the basis of that pregnancy, so they were eligible and enrolled in pregnancy related Medicaid or CHIP, they had that coverage through the last day of the month in which their 60-day postpartum period ended. What's new is that under the American Rescue Plan, states have the option to extend the pregnancy related Medicaid and CHIP eligibility past that end of the 60-day period, and actually extend that out to 12 months postpartum.

So states can do this starting in April of next year, so in April 2022. And they have the option to do this for a five-year period. As far as which states will choose to do this and

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when they might choose, what we're recommending is that agents and brokers who are working with consumers who this might apply to should check with the state authorities to figure out and learn more about whether or not the state has opted to take this up and actually extend the postpartum period. And then if they have when the state plans to put it into effect; when it will be implemented.

1.31 How Agents and Brokers Can Help

How Agents and Brokers 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.



Notes:

If you're working with consumers in a state that have opted to extend the postpartum period, what we recommend is that you let consumers know that eligible pregnant women who are enrolled in Medicaid or CHIP related to their pregnancy may be able to continue with this same coverage for up to 12 months after they give birth. And at this point, most of the information about this that state specific will be on the state Medicaid or CHIP website. So we encourage you to visit those websites for additional information.

1.32 Stimulus Payments and the Marketplace

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.



Notes:

Okay, I'm going to turn the presentation back to Dena. Thanks.

Thanks, Jessica. So we also wanted to just remind everyone how stimulus payments work with Marketplace coverage, because consumers are may receive an additional stimulus payment due to the American Rescue Plan. And a lot of people already have as a reminder, these are also called economic impact payments, and they're just checks that people get as a direct deposit or in the mail from the IRS.

And what we wanted to remind you is that these do not need to be included in the household income consumers report on their HealthCare.gov applications. And that's because these payments are not considered income for Marketplace coverage eligibility purposes. These payments do not impact eligibility for financial assistance for health care coverage through the Marketplace, and do not affect eligibility for Medicaid and CHIP.

1.33 How Agents and Brokers Can Help

How Agents and Brokers 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.



Notes:

So how agents and brokers can help is to let consumers know that the stimulus payments will not affect consumers eligibility for premium tax credits for Medicaid and CHIP and they do not need to be reported as current month's income they also don't need to be included in the calculation of total 2021 income that a consumer lists on their application.

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1.34 Summary: Applicability Dates

Summary: Applicability Dates	
ARP Provision	Applicability Date
Stimulus Payments <ul style="list-style-type: none">Does not affect eligibility for Marketplace financial assistance or Medicaid/CHIP	Upon enactment
APTC Changes <ul style="list-style-type: none">More generous subsidies for eligible consumers at every household income level, including for those receiving unemploymentConsumers 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 weekShould 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

Notes:

That was really it, we've covered a lot today and now we're just going to do a final slide that summarizes some of the dates associated with the different provisions that we have discussed today. So we'll talk about just briefly the highlight around the provision and the when it is applicable. So the stimulus payments the ones we just ended with just as a reminder, consumers are have been receiving them this month and some people still receive them so that applicability date was just sort of immediately, but these do not affect eligibility for Marketplace coverage.

APTC changes, so these are the ones Maria talked about at the beginning that allow consumers to get more generous subsidies at every household income level for people who are currently enrolled or are newly enrolling and also for consumers who had incomes that were too high to qualify for a tax credit previously now they may qualify and those changes start in the Marketplace on April 1st, but are applicable in terms of the law for the 2021 and 2022 plan years.

The extension of Federal Pandemic Unemployment Compensation' that's that \$300 per week supplemental payment that does need to be included on the Marketplace application that sort of started as soon as the law passed, and it goes through September 6, 2021.

And then the other unemployment compensation provision that we discussed that provides consumers with enhanced APTC tax credits, as well as cost sharing reductions if they if the tax filer was receiving unemployment compensation for at least a week during 2021. That provision is for the 2021 plan year only and so as we said since these benefits won't be available through the Marketplace until July consumers will only receive them for a little bit less than half the year if they are enrolled for those months, but what can happen is that when they file their tax return at the end of the year a

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consumer could qualify for that additional tax credit for all of 2021 if they were enrolled in Marketplace coverage And then the COBRA premium support is that period when 100% of premiums can be covered the period is just part of 2021 it's April 1st through September 30th 2021.

And then finally the extension of Medicaid and CHIP for pregnant woman at a state's option is the provision that Jessica describes around coverage being extended for up to 12 months postpartum for a woman who had been pregnant is available depending on the state could be available between April 1st 2022, so the starting later than these other provisions. through April 1st, 2027 but again we'd recommend checking with the state for the specifics in your area. And so with that we've really summarize everything we've talked about and I'm going to turn it back to ARDX. Thank you.

1.35 Resources

Resources

New, lower costs on Marketplace coverage | HealthCare.gov:
<https://www.healthcare.gov/more-savings/>

HHS Fact Sheet:
<https://www.HHS.gov/about/news/2021/03/12/fact-sheet-american-rescue-plan-reduces-health-care-costs-expands-access-insurance-coverage.html>

CMS Fact Sheet:
<https://www.CMS.gov/newsroom/fact-sheets/american-rescue-plan-and-marketplace>

Link to American Rescue Plan Act of 2021:
<https://www.Congress.gov/bill/117th-congress/house-bill/1319/text>

Notes:

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1.36 Closing Remarks



Notes:

And thank you all for your attendance and participation today. This concludes the Overview of the American Rescue Plan Act of 2021 for Agents and Brokers. Have a wonderful day.