

REVIEW YOUR HEALTH COVERAGE:

Recent Federal Law Lowers Costs, Opens Up New Options

The American Rescue Plan (ARP), signed into law on March 11, 2021, provides new opportunities to get health insurance coverage, and/or to reduce the cost of your premiums. Review your coverage now to make sure you are maximizing your benefits under the new law!

WHO SHOULD REVIEW THEIR COVERAGE?

- Anyone who is currently uninsured or who recently lost employer coverage.
- Anyone who buys their own individual health insurance (on- or off-Marketplace).
- Anyone who has non-ACA-compliant, off-Marketplace coverage (e.g., short term plan, health care sharing ministry plan, Farm Bureau plan, etc.) that is not working for them.
- Anyone who received or is expected to receive unemployment insurance (UI) in 2021.
- Special considerations:
 - › If you are a parent who is currently uninsured, but your child(ren) are covered through Medicaid or CHIP, you now may have affordable options to get your own coverage.
 - › If you are over 50 and buy your own Marketplace coverage, it is extremely likely that you will be eligible for more financial assistance with your premiums.
 - › **Remember that enrollment in Medicaid, for those eligible, is open year-round.**

WHY ACT NOW?

- There are **new opportunities to enroll in Marketplace coverage.**
 - › All federal Marketplaces are currently open for a special enrollment period (SEP) until August 15th. Similarly, all state-based Marketplaces are also open (though they may have adopted different deadlines).
 - › In addition to getting new coverage, people with off-Marketplace coverage as well as current enrollees in federal and some state-based Marketplaces also have the opportunity to switch coverage during the SEP.
 - For people with state-based Marketplace coverage, you will need to check with your Marketplace to see if switching is allowed.
 - Be aware that if you are thinking about switching plans during the SEP, you should consider where you are in meeting your deductible. If you switch plans, you may have to start over with a new deductible. Check the rules of your Marketplace and talk to the company that issues your health plan.
- If you are eligible* for ACA subsidies, you will receive **more help paying for Marketplace coverage.**
 - › Individuals and families earning between 100-150% of the Federal Poverty Level (FPL)** are eligible for a silver tier health insurance plan with \$0 premiums and a significantly lower deductible.
 - › Individuals and families earning between 150-400% of FPL will see substantial savings; they will get a big boost to the premium subsidies that they currently receive/would receive.
 - › Individuals and families earning above 400% of FPL (previously ineligible for subsidies due to income) are now eligible for help with their premiums. People in this category who buy a Marketplace plan will now be eligible for tax credits and will pay no more than **8.5%** of their annual income in premiums for a benchmark silver plan.
 - › The enhanced subsidies are available for the entire 2021 plan year to anyone who qualifies and enrolls in Marketplace coverage – whether you enrolled during the regular 2021 open enrollment, or enrolled during the SEP (before or after enactment of the ARP). These enhanced subsidies will also be available for 2022.

*In order to receive enhanced subsidies, you must meet underlying eligibility criteria for subsidies (i.e., you do not have an offer of affordable coverage from your employer).

**The Federal Poverty Level for 2021 is \$12,880 for a single individual and \$26,500 for a family of four.

WHY ACT NOW? (CONTINUED)

- If you receive or are expected to receive **unemployment insurance (UI) benefits** during any point in 2021 you may be eligible for enhanced Marketplace subsidies.
 - › Many people in this category will be entitled to a benchmark silver plan with \$0 premium and additional cost sharing subsidies to help with deductibles and copays.
 - › There are several things to note here:
 - You will have to meet additional eligibility criteria for Marketplace subsidies.
 - These special rules will only be in effect during 2021.
 - Due to implementation complexity, enhanced subsidies may not be available until summer of 2021.
 - › Notably, the provision of enhanced Marketplace subsidies for UI beneficiaries **closes the “coverage gap”** in non-Medicaid-expansion states, creating new options for individuals who earned too little to qualify for subsidies previously.
- As an alternative to Marketplace coverage, **new subsidies may make COBRA a good deal** for you if you recently lost your job or saw an involuntary reduction in hours.
 - › If you are entitled to extension of your former coverage under COBRA, your **COBRA premium payments may be 100% subsidized** for up to six months, ending September 2021.
 - › Note that this provision **does not create or extend eligibility** for COBRA. You need to meet the criteria for COBRA eligibility, and still be within your period of eligibility for COBRA benefits. And after September 2021, you will be responsible for the costs of your COBRA premium.

YOUR TO-DO LIST

- If you don't have insurance coverage, explore your options on www.healthcare.gov. The site will tell you if you are eligible for Medicaid coverage or for subsidized Marketplace coverage.
 - › Don't be put off by the list prices you see! These are estimates based on the information you provided. Most purchasers will be eligible for subsidies that bring down the cost of the premiums (as explained above). Once the Marketplace has all the required documentation, they will update your premium.
- If you are eligible for COBRA, consider that option, recognizing that you may be able to continue your existing coverage at no cost to you through September 30, 2021.
- If you have individual coverage, on- or off-Marketplace, visit www.healthcare.gov to see if you qualify for new or enhanced subsidies and/or to make sure that your premium subsidies have been updated. The new, more generous premium subsidies are retroactive to January 2021.
 - › Some Marketplaces may automatically adjust your premiums, without requiring action on your part.
 - › If you don't take action to reset your premiums, and your Marketplace doesn't automatically update them, you will eventually receive a refund when you file your 2021 federal income taxes next year.
 - › For now, continue paying premiums at the level indicated by the system. Don't risk having your insurance cut off!

