

OVERVIEW OF KEY FEDERAL STIMULUS PROVISIONS

As of March 9, 2021

The [American Rescue Plan Act of 2021 \(H.R. 1319\)](#) includes several provisions impacting affordability, coverage access, and other federal assistance for Exchange customers.

Relevant *Washington Healthplanfinder* Provisions

1. **Advance Premium Tax Credits (APTCs):** *[additional detail below]*
 - a. Suspends APTC reconciliation requirements for tax year 2020.
 - b. Provides maximum APTC amount (0% applicable percentage) during PY 2021 for any customer who was approved for or received unemployment compensation (UI) benefits for any week in 2021.
 - i. Individuals approved for or receiving UI benefits are also eligible for a 94% AV CSR-tier plan for 2021.
 - c. Increases APTC applicable percentages for PY 2021 & 2022, and caps premium spend for all customers earning over 400% FPL at 8.5% of income.
2. **Postpartum Coverage:**
 - a. Beginning with the 1st fiscal-quarter, one year following enactment of the Act, States can elect to extend postpartum Medicaid coverage from lasting 60-days (existing law) to 12-months following the end of a pregnancy.
 - b. State Senate Bill 5068, currently moving through WA Legislature, would direct HCA to expand Medicaid postpartum coverage from 60 days of eligibility to 12 months.
 - c. *If federal and state legislation are both enacted, postpartum coverage would be extended to 12 months in WA and the state could file a State Plan Amendment to draw-down additional federal funding in 2022.*
3. **Exchange Grant Program:**
 - a. Appropriates \$20 million for state-based Health Benefit Exchanges to modernize or update systems, programs, and technologies to ensure continued compliance with applicable requirements of the ACA. Exchanges must submit applications to HHS (timing and grant amounts TBD).
4. **COBRA Premium Assistance:**
 - a. For premiums for COBRA coverage between the first day of the month following enactment of the bill, through September 30, 2021, individuals will be treated as having paid their full premium (i.e. 100% premium assistance).
 - i. *Loss of COBRA is a qualifying event for a SEP.*
 - ii. *Individuals who experience job loss and receive UI will be eligible for maximum APTC and CSR in 2021.*

5. Federal Stimulus & Unemployment Compensation:

- a. Provides additional one-time \$1,400 payment to individuals (\$2,800 for joint filers)
- b. Extends Pandemic Unemployment Assistance (PUA), Pandemic Unemployment Compensation (PUC), and Pandemic Emergency Unemployment Compensation (PEUC) from expiring March 14, 2021, to expiring September 6, 2021.
- c. Increases period individuals are eligible for PUA from 50 weeks to 74 weeks.
- d. Waives federal income taxes for the first \$10,200 of UI benefits received in 2020
- e. More information on stimulus, unemployment compensation, and on how our customers should report this information, can be found here:
<https://www.wahbexchange.org/reporting-unemployment/>.

APTC Details

PY 2020 APTC Reconciliation:

For 2020, APTC reconciliation requirements are suspended. Any overpayments of APTCs to customers during 2020 will not be recouped by the IRS. This may address reconciliation issues that could have been faced by taxpayers receiving APTC who under-reported unemployment assistance to HBE in 2020.

PY 2021 UI / APTC & CSR Increase:

Individuals who are approved for or receive UI during any week in 2021 and earn over 133% FPL, will have their income treated as 133% FPL for purposes of calculating their APTC eligibility. These individuals, under the increased APTC provisions outlined below, will be eligible for a 0% applicable percentage. Individuals must attest and document their approval for and receipt of UI, and file a joint tax return, if married.

The 133% FPL determination will also apply to Cost-Sharing Reduction eligibility, making individuals approved for or receiving UI eligible for a 94% AV CSR plan.

Under the current draft of the Act, this income determination will not be utilized for determining eligibility for MAGI programs (i.e. Medicaid, CHIP).

PY 2021 & 2022 Increased APTC:

Effective retroactively to January 1, 2021, for plan years 2021 and 2022, the income-limit percentages for calculating APTCs are lowered and APTCs are extended to individuals earning over 400% FPL.

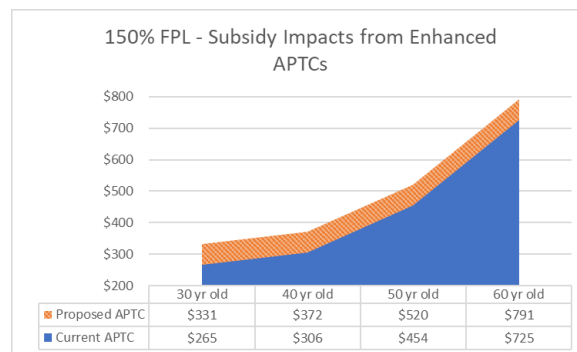
- Individuals must still meet other/existing eligibility criteria to receive APTCs (i.e. no offer of affordable minimum essential coverage (MEC), file joint returns, report income, etc.).
- The employer-sponsored insurance (ESI) affordability rule is unchanged, meaning ESI affordability is still based on 9.83% of income for 2021, even as top applicable percentage moves to 8.5%.

| Income Range (Percent of FPL) | Range of Maximum Income Contribution (Percent of Income) | |
|----------------------------------|---|--------------------|
| | Under Current Law ^a | Under Section 9661 |
| 100 – 133 | 2.07 | 0 |
| 133 – 150 | 3.10 – 4.14 | 0 |
| 150 – 200 | 4.14 – 6.52 | 0 – 2.0 |
| 200 – 250 | 6.52 – 8.33 | 2.0 – 4.0 |
| 250 – 300 | 8.33 – 9.83 | 4.0 – 6.0 |
| 300 – 400 | 9.83 | 6.0 – 8.5 |
| 400+ | -- | 8.5 |

Source: Congressional Budget Office.

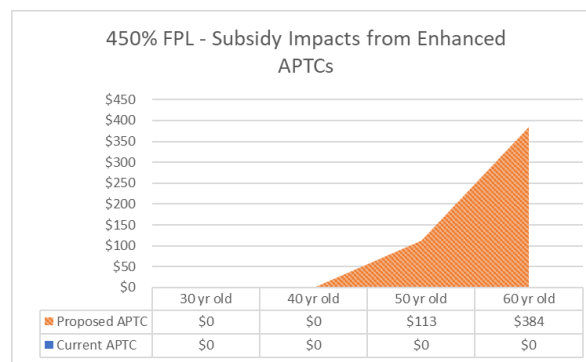
Who is helped?

- (1) Customers who are currently eligible for APTCs – capping premiums at a lower percentage of household income, thereby increasing their subsidy amount.



Amounts based on 2021 federal poverty level guidelines and King County rates.

- (2) Customers who earn over 400% FPL and meet other current APTC eligibility requirements - capping premiums at 8.5% of household income. *Older customers, who pay higher premiums due to age-rating, will receive the largest subsidies.*



Amounts based on 2021 federal poverty level guidelines and King County rates.

Who faces remaining affordability barriers?

1. Individuals in the “family glitch”
2. Low-income individuals who still cannot afford the cost of their coverage
3. Individuals whose immigration status makes them ineligible for tax credits

As currently drafted, the increased APTC amounts expire after 2022, leaving individuals over 400% FPL with no assistance and those earning under 400% FPL with the same level of assistance they receive today. Congress would need to act to extend the APTC enhancements beyond 2022.

State Premium Subsidies

State Senate Bill 5377, currently moving through the WA Legislature, establishes a state premium subsidy program for individuals earning up to 500% FPL who purchase coverage on the Exchange. The bill maximizes available federal funding and requires that customers take all available APTCs before receiving any state premium assistance. State premium subsidies are scalable and would help address gap populations and/or populations that need additional financial help. State subsidies would also help all subsidized customers retain coverage when the proposed federal APTC enhancements expire.