

# The American Rescue Plan Act of 2021



# Presenter



## Panelists

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## Overview of the American Rescue Plan (ARP)

- Eligibility Factors and a Review of Advance Premium Tax Credits (APTC)
- Coverage for Unemployed New Yorkers
- COBRA Continuation Coverage

# Overview



The American Rescue Plan Act was signed into law on March 11<sup>th</sup>, 2021. It has three main goals:

1. Mount a national vaccination program, contain COVID-19 and safely reopen schools.
2. Deliver immediate relief to working families bearing the brunt of this crisis.
  - Sending \$1,400 per person checks to households across America.
  - Providing direct housing and nutrition assistance.
  - Expanding access to safe and reliable childcare.
  - **Increasing financial assistance for health insurance premiums.**
  - **Coverage for Unemployed New Yorkers.**
  - Giving families with kids and childless workers an emergency boost in 2021.
3. Support communities that are struggling in the wake of COVID-19.

## The American Rescue Plan **increases financial assistance for health insurance premiums**

- It lowers health care costs by providing new and expanded financial assistance (APTC) to New Yorkers enrolling in Qualified Health Plans (QHPs) through NY State of Health
- This enhanced assistance is available to current enrollees and new enrollees, including higher-income individuals (over 400%FPL), for the first time



# Overview



The American Rescue Plan increases APTC for people who received Unemployment Insurance in 2021.

- There is more good news about health care for New Yorkers who are eligible for Unemployment Insurance in 2021.
- If a consumer received Unemployment Insurance for at least one week in 2021, the American Rescue Plan states that they will be able to sign up for a \$1 health plan through NY State of Health for coverage that lasts for all of 2021.
- To be eligible for this plan, they cannot be eligible for other health insurance such as Medicaid, Medicare, Child Health Plus, Essential Plan or employer-sponsored coverage.

# Review of APTC Eligibility

- Consumers who are eligible for Medicaid, Child Health Plus, or Essential Plan are not eligible for APTC.
- Consumers who are offered employer-sponsored Health Insurance that is considered affordable are not eligible for tax credits.
- In order to receive APTC, consumers must attest that they will file their taxes. If married, they must file jointly, with some exceptions. This is so the IRS can reconcile the APTC received based on actual income.



• Consumers must attest that they will file taxes • If married, must file jointly unless they have a special exception	
Situation 1	Situation 2
<ul style="list-style-type: none"><li>• Applicant meets requirements for married persons who live apart/can file as Head of Household</li><li>• Applicant meets requirements for married persons who live apart/can file a 1040NR federal tax return form</li></ul>	<ul style="list-style-type: none"><li>• Applicant is victim of domestic abuse</li><li>• Applicant is victim of spousal abandonment</li></ul>

# Implementation Timeline

## April 2021 200% - 400% FPL

Starting in early April, individuals with low and moderate incomes became eligible for higher tax credits.

- All consumers currently eligible for APTC were re-determined and became eligible for *more* tax credits.
- These consumers received a notice and an email informing them of their higher APTC amount and if any action must be taken to apply the increased APTC towards their QHP premium.

### To Change the Amount of APTC Applied:

Select the "Plans" tab from the Account Dashboard. Click the "Change APTC Amount" button under "Submitted Enrolment"

On the Plan Selection Introduction page, click "Next"

On the "Plan Selection Dashboard" click the "Review Plan Selections" button

Change the amount of APTC applied, check the box at the bottom of the page, and click the "Confirm Plan Selections" button

Receive confirmation of the change

### Current NY State of Health Enrollees Who Receive Financial Assistance

**Existing enrollees can get larger tax credits.** Low and moderate-income individuals (income up to \$51,040 for an individual and \$104,800 for a family of four) who were previously eligible for tax credits are now eligible for higher tax credits. These individuals can update their tax credit amount online or through Customer Service. Starting in June, NY State of Health will automatically apply the higher tax credit without the enrollee needing to take any action. Enrollees can also update their tax credit amount by logging into their NY State of Health Account, contacting an Enrollment Assistant, or calling 1-855-355-5777.

- The amount of the tax credit will be based on the enrollee's income. (For example, an individual with income of \$35,000 would receive a tax credit of \$359 per month, or \$4,308 per year, but now is eligible for a higher tax credit of \$439 per month, or \$5,268 per year.)

<https://info.nystateofhealth.ny.gov/americanrescueplan>

NY State of Health is working to make these increased tax credits available to you as soon as possible. We will send you a letter with your new, larger tax credit amount in early April.

**Follow the instructions in the letter to tell us how much you want to apply to your monthly premium cost.** After you do this, your changes will start on the first day of the following month.

- [Click here to watch a video that explains how to change the amount of premium tax credit applied to your account each month.](#)

If you have questions, you can get help:

- By calling the NY State of Health Customer Service Center at 1-855-355-5777, or
- From a local Enrollment Assistant. Find one at <https://info.nystateofhealth.ny.gov/findassistantor>.

# Implementation Timeline



## June 2021 Above 400% FPL

NY State of Health for the first time, **expanded tax credits** to tens of thousands of additional **New Yorkers with higher incomes** who, before the American Rescue Plan, did not qualify for financial assistance.

APTC is now available for individuals and families over 400% FPL.

### Examples:

An individual in Kings County earning \$55,000 per year (430% of FPL) would receive over \$230 per month (\$2,800 per year) in APTC.

An individual with an income of \$64,000 per year (501% of FPL) in Nassau county, will now qualify for \$144 per month in APTC.

### QHP Premium Contribution with APTC

Annual Household Income		Expected Premium Contribution		
% of FPL	Income Amount*	% of Income	Annual Dollar Amount	Monthly Dollar Amount
> 400%	> \$51,040	<b>8.5%</b>	> \$4,338	> \$362

\*for a household of one (1) based on 2020 FPLs (Used for 2021 QHP Eligibility)

# APTC Expansion Overview



The expected premium contribution has been reduced under the American Rescue Plan.

- Prior to the law, individuals may be required to contribute up to 9.83% of household income. Now, anyone over 400% FPL will have a maximum income contribution of 8.5%.
- Tax credits are available to higher income families for the first time ever.
- 8.5% of income is the cap for 2021 and 2022.
- All APTC eligible consumers may claim retroactive PTCs (back to January 2021) when they file their taxes for the 2021 tax year.
  - In order to be eligible for retroactive PTC, the consumer must have been enrolled in a QHP through NY State of Health.

In summary, APTC eligibility has expanded to higher income earners and subsidies have been expanded for lower and middle-income earners.

# Coverage for Unemployed New Yorkers



The American Rescue Plan provides coverage for unemployed New Yorkers.

- Permits the continuation of many unemployment benefits put in place by the CARES Act and the Families First Coronavirus Relief Act, through August 29, 2021.
- NY State of Health has enhanced system functionality to implement new rules to allow consumers who have been eligible for unemployment insurance for at least one week in 2021, a \$1 health plan through NY State of Health for coverage that lasts through the end of 2021.
- NY State of Health has identified and contacted individuals in our system who qualify for this benefit and will continue this process several times a month through the end of the year.
- To be eligible for this plan, the consumer cannot be eligible for other health insurance such as Medicaid, Medicare, Child Health Plus, Essential Plan or (affordable) employer-sponsored coverage.

## COBRA Continuation of Coverage

- Ability to continue group health coverage under former employers' plan.
  - Includes dental and vision plans.
  - Excludes disability and life insurance plans.
- Applies to employers with 20 or more employees.

**Source:** <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premium-subsidy-for-employers-and-advisers>

- **Important:** NY State of Health does not offer consultative or tax advice. Please visit [www.irs.gov](http://www.irs.gov) and [www.dol.gov](http://www.dol.gov) for more information.

# American Rescue Plan and Premium Assistance



- COBRA eligible individuals pay 0% of their COBRA premiums between April 1 – September 30, 2021.
- Premiums reimbursed to employer, plan or insurer via payroll tax credit.
- Includes second election period (called an “extended election period”).

# COBRA Subsidy

- Generally, an individual is eligible for this COBRA subsidy if:
  - A qualified beneficiary as a result of an involuntary termination of employment (not for gross misconduct) or a reduction in hours;
  - Eligible for COBRA continuation coverage at any time during the assistance period; and
  - Elects' coverage.

# Premium Subsidy Duration



- Premium subsidy is generally available:
  - Beginning on or after April 1, 2021, and ending September 30, 2021; or
    - End of the qualified beneficiaries' maximum COBRA continuation period; or
    - First date eligible for another group health plan or Medicare.
      - The qualified beneficiary is required to notify the plan of eligibility for other group health plan coverage or Medicare.

# Attestation



- Self certification or attestation of eligibility status.
  - Employers may require individuals to self-certify or attest that they are eligible for COBRA premium assistance or other group health plan coverage of Medicare.

# Extended Open Enrollment



The 2021 Open Enrollment Period has been extended through the end of this year. This gives people the opportunity to apply for the first time, update their application or change plans.

- Applying or updating their application will likely result in more tax credits for those currently enrolled and newly eligible.
- This ongoing Open Enrollment Period extension will allow as many consumers as possible to access these enhanced tax credits, while taking into consideration the on-going public health emergency.

# Resources



- The NY State of Health has created an American Rescue Plan:
  - Financial assistance fact sheet, <https://info.nystateofhealth.ny.gov/sites/default/files/American%20Rescue%20Plan%20Fact%20Sheet%20-%20English.pdf>.
  - Coverage for unemployed New Yorkers fact sheet, <https://info.nystateofhealth.ny.gov/sites/default/files/Fact%20Sheet%20for%20UI%20B.pdf>.
- The NY State of Health anonymous shopping tool has been updated to reflect the new larger tax credits available to New Yorkers with lower, moderate and higher incomes as provided in the American Rescue Plan, you can access the anonymous shopping tool here, <https://nystateofhealth.ny.gov/individual>

# Resources Contd.



- The NY State of Health American Rescue Plan FAQ's can be found here, <https://info.nystateofhealth.ny.gov/sites/default/files/American%20Rescue%20Plan%20Frequently%20Asked%20Questions.pdf>.
- The IRS FAQs regarding COBRA Continuation of Coverage under the American Rescue plan can be found here, <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/cobra-premium-assistance-under-arp.pdf>.
- For more information on the COBRA Premium Subsidy please visit, <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premium-subsidy-for-employers-and-advisers>.

# Thank you for joining us!

