



An Overview on the American Rescue Plan Act for Consumers

Health insurance tax credits bring welcome relief for those seeking individual health insurance for themselves and their families including those who have experienced unemployment in 2021

Since the American Rescue Plan Act (ARP) was passed on March 11, 2021, **more people than ever before qualify for help to pay for health insurance coverage, even those who have not been eligible for financial assistance in the past.** Now, most people currently enrolled in Marketplace plans or looking to enroll may qualify for increased tax credits, which will directly decrease health insurance premiums. The important thing to know is even if an individual already receives Marketplace credits, or they are newly eligible to receive credits, they must go out to the Marketplace to determine their updated eligibility and reselect their current plan or select a new plan to take advantage of the additional credits available. They have until **August 15th** to do this during the **Special Enrollment Period (SEP)**. The tax credits will be retroactive to April 1, 2021 if they are already in a Marketplace Plan. The retroactive portion of the tax credit will be handled on the 2021 tax return. If you would like to determine eligibility, please contact the Marketplace by calling (800) 318-2596 or visiting healthcare.gov. You can also reach out to a broker or assistor.

Changes to COBRA plans

The American Rescue Plan Act provides a 100% subsidy of COBRA premiums from April 1, 2021, through Sept. 30, 2021, for employees and their family members who lost health insurance due to the **involuntary termination (or reduction in hours)** of their employment. These individuals would be allowed to elect subsidized COBRA even if they had earlier declined the COBRA option or had enrolled in COBRA and then dropped it. The subsidy would not apply to employees who voluntarily terminated their employment or who qualify for another group health plan. Impacted individuals should connect with their former employer to learn more and enroll or re-enroll in COBRA benefits.

Community Health Option Members

If you have an individual or family Health Options' plan through the Marketplace, you have received a communication notifying you about the ARP benefits. In the letter, we encouraged Members to reach out to the Marketplace to determine their revised eligibility. We also suggested that they switch to another Health Options' plan with reduced out of pocket costs with enhanced tax credits. If a switch is made, any 2021 expenditures towards their deductible or out of pocket maximum will carry over to **any new Health Options' plan** they choose, if there is no interruption in coverage, and if they are not transitioning from a group to an individual plan.

Questions?

Health insurance can be confusing, but these ARP provisions are worth spending a little time researching. Although healthcare.gov determines eligibility for COBRA provisions, Marketplace plans and premium tax credits, the Member Services team at Health Options can help answer any questions about the ARP and Health Options coverage. We can be contacted at (855) 624-6463, Monday through Friday, 8 a.m. to 6 p.m.

To read the full **HHS press release**, visit: <https://www.hhs.gov/about/news/2021/03/23/2021-special-enrollment-period-access-extended-to-august-15-on-healthcare-gov-for-marketplace-coverage.html>