

## 2021 AMERICAN RESCUE PLAN ACT FAQs Related to the ACA Marketplace

UPDATED: 4/16/2021

### GENERAL INFORMATION

**Q 1: What is the American Rescue Plan Act (ARP)?**

**A 1:** ARP is legislation enacted in March 2021 in response to COVID-19 designed to provide financial relief to Americans, including improving the affordability of health insurance purchased through the Affordable Care Act (ACA) Marketplace. The ARP expands the financial assistance available, so more Americans are eligible and can receive help paying for their health insurance. This may lower the monthly premiums for people who currently have or will enroll in a Marketplace health plan.

**Q 2: How has eligibility for financial assistance changed through ARP?**

**A 2:** ARP temporarily expands advanced premium tax credits (APTC) to individuals with incomes above 400 percent of the federal poverty level (FPL), and it increases the amount of the tax credits for those with incomes between 100 and 400 percent FPL.

**Q 3: When will these changes be effective?**

**A 3:**

- The new APTC eligibility guidelines will appear on the Marketplace beginning April 1, 2021.
- Consumers may enroll in a Marketplace plan until the end of the Special Enrollment Period (SEP), which is currently August 15.
- Members may change their plan until the end of the SEP.
- Members may complete the re-determination process for additional APTC anytime in 2021 by updating their Marketplace application and re-selecting their plan.
- Updated tax credits and lower premiums would begin the following month.

**Q 4: How long will the changes be in effect?**

**A 4:** The updated eligibility guidelines will remain in effect through the end of 2022.

**Q 5: Will there be a new Federal Poverty Level (FPL) chart?**

**A 5:** No, ARP did not change the Federal Poverty Levels. The percent of income based on Federal Poverty Level is what was changed by ARP.

**Q 6: Does this impact anyone with group coverage?**

**A 6:** No, this will have no impact on anyone with group coverage. The APTC tax credits are not available for those covered under employer-sponsored group coverage.

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### CURRENT MEMBERSHIP

**Q 7: What does this mean for current members?**

**A 7:** Current members (including those who enrolled during the SEP) who weren't originally eligible for financial assistance could now be eligible. Also, current members who are currently receiving financial assistance could be eligible for additional assistance.

**Q 8: What actions do members need to take to see the savings this year?**

**A 8:** Currently, the Marketplace will not automatically update subsidy eligibility on behalf of current members. Here is what they will need to do:

- **Marketplace members receiving a subsidy:** update their Marketplace application after April 1 to see if they are eligible for additional tax credits.
- **Marketplace members not receiving a subsidy:** update their Marketplace application after April 1 to see if they are now eligible for tax credits.
- **Private Marketplace members:** create a Marketplace application and provide their financial information to determine if they are now eligible for tax credits.
- The updated tax credits would begin the following month.

**Q 9: When will new premium amounts be reflected on a member's bill?**

**A 9:** It depends on when a member's application is updated with their new subsidy amount. In most cases, new premium amounts will be reflected on a member's next bill. It could take up to two billing cycles to reflect the new premium. This will depend on when in the month their application is updated. Regardless, we will credit any overpayment back to the member.

**Q 10: Do current BlueCross Marketplace members have to do anything?**

**A 10:** No, Marketplace members may receive the additional tax credit amount (if eligible) next year when they file and reconcile their 2021 federal income taxes, if they do not take any additional action this year.

**Q 11: If a current BlueCross BlueShield of South Carolina ACA member chooses a new BlueCross ACA plan, will their incurred deductible and maximum out-of-pocket transfer to the new policy?**

**A 11:** Yes, any deductible or maximum out-of-pocket accumulated during the 2021 plan year will transfer to the new policy regardless of metal band, as long as the plan is a BlueCross ACA plan.

**Q 12: Does this impact a member's current coverage?**

**A 12:** No. A member's coverage will not change unless they actively switch to a new plan prior to August 15.

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**Q 13: I enrolled a client in a Private Marketplace plan. Can they switch to a Marketplace plan to take advantage of the additional financial assistance?**

**A 13:** Yes. During the SEP, Private Marketplace members can switch to a plan on the Marketplace.

**Q 14: What if a member received too large of subsidies in 2020?**

**A 14:** The ARP removes the requirement to pay back any extra subsidy received in 2020. Members who have not yet filed their 2020 taxes will not be required to pay back excess subsidies received last year. Members who have already filed their taxes and paid back 2020 subsidies should contact their accountant.

**Q 15: What happens to the Agent on Record (AOR) when a member updates their Marketplace application after April 1?**

**A 15:** The AOR will remain intact. It would only change if another agent or broker assists the member with their plan change or eligibility redetermination and the member updates the AOR.

**Q 16: What if a member is receiving unemployment compensation?**

**A 16:** Members who received unemployment compensation during any week in 2021 could be eligible for additional savings later this year. The Marketplace will have information at a later date once these savings are available. At that time, members can go back to the Marketplace to update their application to receive additional tax credits to lower their premiums.

**Q 17: How does the ARP affect COBRA coverage?**

**A 17:** The ARP provides subsidies to cover 100% of COBRA premium cost for a maximum of six months, beginning April 1 through September 30, 2021 for employees and their dependents who are COBRA eligible. This provision is for individuals who:

- are eligible for COBRA due to a termination of employment or reduction in hours (unless the termination was voluntary).
- would still be in their COBRA coverage but did not enroll.
- dropped COBRA coverage but would still be within their COBRA period had they not dropped it.

**Q 18: How do members receive the COBRA subsidy amount?**

**A 18:** The member does not receive the subsidy directly. The employer has the administrative responsibility for capturing the payroll tax credit.



South Carolina

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## **2021 AMERICAN RESCUE PLAN ACT FAQs Related to the ACA Marketplace**

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**Q 19: What about members on State Continuation coverage?**

**A 19:** BlueCross will make adjustments to the group's premium. State Continuation applies to employers with less than 20 employees and non-Employee Retirement Income Security Act of 1974 (ERISA) employers.