Jim's Perspective…

American Rescue Plan

As you know, on March 11, President Joe Biden signed an approximately $1.9 trillion COVID-19 relief bill called the American Rescue Plan (ARP). According to the Tax Foundation, the United States has now provided about $6 trillion in total economic relief to the American people during the coronavirus pandemic. This 242 page law provides a little something for almost everyone. You would never see anything like this in the Nebraska Legislature since it has a rule that all bills must be limited to a single subject. The ARP law includes many health care provisions, focused primarily in two areas:

- Providing funding requested to carry out the Biden administration's COVID-19 response plans, and
- The most significant changes to health care coverage and access to affordable health insurance since the passage of the Affordable Care Act (ACA).

Although all health care coverage provisions of the bill are temporary, many of these provisions lay the groundwork for future policy discussions, with the potential for adoption of the Bernie Sanders' idea of "Medicare for all." For example, the bill includes provisions that temporarily make ACA Marketplace subsidies more generous and available to more Americans, including those in "middle" income brackets. The Department of Health and Human Services (HHS) estimates that these provisions will reduce costs for existing enrollees and for 14.9 million uninsured Americans who are eligible for financial assistance. The temporary nature of the ACA Marketplace improvements raises the question of whether Congress would seek to permanently modify these policies to avoid their termination, but still, it may be worthwhile for small business owners and various employees to take a look at the ARP health insurance benefits. Mark Suhr alerted me to the extensive free government health insurance benefits that are contained in ARP. I have very little background with health insurance, and I am simply passing along a "heads up" that it might be useful to take a look at the health insurance benefits of ARP.

Among the most important health care coverage provisions in the bill are:

- Enhancements to the advance premium tax credits available for individual insurance coverage purchased on the ACA Marketplace, including increased premium and cost-sharing assistance for Americans who receive unemployment insurance in 2021;
- Increased subsidies to make COBRA coverage available to people who lose employer-sponsored coverage;
- Time-limited Medicaid matching rate increase for states that adopt the Affordable Care Act Medicaid expansion; and
- Establishment of an option for states to extend the period of time for which postpartum women are eligible for Medicaid/the Children's Health Insurance Program (CHIP).

Some other significant health care provisions of the American Rescue Plan are three temporary enhancements for advance premium tax credits available for individual insurance coverage purchased on the ACA Marketplace.

Zero Premium Coverage for People Who Receive Unemployment Insurance in 2021

Individuals who receive an unemployment insurance payment in 2021 would be eligible to receive premium tax credits that allow them to buy a Silver-level plan with $0 premiums in 2021 and would be eligible for the maximum cost-sharing subsidies amount, regardless of their income. According to the Centers for Medicare & Medicaid Services, enhanced tax credits for consumers receiving unemployment compensation will be available starting this summer.

Enhanced Federal Tax Credits in 2021 and 2022

Financial assistance for people currently eligible for tax credits is increasing across all income levels and is extended to those above 400% of the federal poverty level FPL (who have no other offer of affordable insurance) for the first time. See the chart below for the proposed increased subsidies effective December 31, 2020, through 2022. Recently, HHS issued a fact sheet with initial information for consumers about how to receive additional tax credits on Healthcare.gov. Starting April 1, enrollees may update their application and re-select coverage before the end of the special enrollment period on May 15. If consumers do not re-select a plan during the enrollment period, the enhanced subsidies will be reconciled in their tax filing next year.

HHS estimates that increased subsidies under the revised affordability scale shown in the chart below will reduce the cost of health care coverage for 9 million consumers currently receiving financial assistance on the Marketplace. And as noted above, an additional 14.9 million uninsured people would be eligible for federal assistance if they choose to enroll in coverage, including 3.6 million uninsured Americans who are newly eligible for subsidies. Increased affordability with more financial assistance may prompt uninsured individuals who have forgone coverage in the past to enroll.

Proposed Premium Percentages by Household Income, Based on the Cost of a Silver Plan

Household Income (% of the FPL)	**Original 2021 Premium Percentage**	**Proposed Temporary Premium Percentage, 2021–2022**
Up to 150% $19,320 person $39,750 family	2.07%–4.14%	0%
150%–200%	4.14%–6.52%	0%–2%
200%–250%	6.52%–8.33%	2%–4%
250%–300%	8.33%–9.83%	4%–6%
300%–400%	9.83%	6%–8.5%
Over 400%	No subsidies	8.5%

Eliminating Requirement to Repay Premium Tax Credit in 2020

In tax year 2020, individuals receiving tax credits will not be required to reconcile premium tax credits if their annual income increases during the year.

The details to obtaining health insurance benefits under ARP are not easy to fully appreciate, but one main point is that those already receiving tax credits need to reapply to get their new tax credits and may be able to get a better plan. Those that had a higher income and did not qualify for a tax credit need to see what tax credits they are now eligible for and apply for new insurance using these tax credits. It is also a great opportunity for those that have put themselves at risk by not having insurance or purchased a medi-share plan, to enroll in a new plan now. Below is one last chart from Mark Suhr showing some tax credit examples available in Seward County

Health Insurance Premium Tax Credit Examples

Location Zip Code	Insured Age/Sex	Spouse Age/Sex	Dependent Age/Sex	Dependent Age/Sex	Dependent Age/Sex	Dependent Age/Sex	Family Adjusted Gross Income	Estimated Monthly Credit/Savings	Estimated Annual Tax Credit/Savings
68434	62 M	59 F					$ 90,000.00	$ 2,307.00	**$ 27,684.00**
68434	60 M	58 F					$170,000.00	$ 1,979.00	**$ 23,748.00**
68434	62 F						$ 48,000.00	$ 1,229.00	**$ 14,748.00**
68434	35 M	35 F	12 M	13 M			$120,000.00	$ 1,329.00	**$ 15,948.00**
68528	30 M		10 F				$ 50,000.00	$ 886.00	**$ 10,632.00**
68434	54 M	54 F	18 F	20 F			$ 88,868.40	$ 2,601.00	**$ 31,212.00**
68434	55M	56F					$ 75,000.00	$ 1,922.00	**$ 23,064.00**
68434	32M						$ 50,000.00	$ 311.00	**$ 3,732.00**
68456	41M	40F	16M				$100,000.00	$ 1,162.00	**$ 13,944.00**
68434	50M	49F	49F	20M	18F	18F	$120,000.00	$ 3,259.00	**$ 39,108.00**
68434	26M		3F				$ 50,000.00	$ 750.00	**$ 9,000.00**
68434	60M	60F					$100,000.00	$ 2,210.00	**$ 26,520.00**

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