



American Rescue Plan FAQ for Certified Enrollers

This document will continue to be updated with additional information as it becomes available. If you have American Rescue Plan-related questions that you do not see answered here, you may send your questions to OutreachandSales@covered.ca.gov for potential inclusion in a future version of this FAQ.

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Background

The American Rescue Plan (2021 Federal Stimulus Package) was signed by President Biden on March 11, 2021, to help rebuild the U.S. economy affected by the COVID-19 pandemic and continuing recession.

What Will the American Rescue Plan Do for Consumers?

Reduce Required Household Contribution

The American Rescue Plan improves affordability of health care coverage by expanding premium assistance for 2021 and 2022. It increases federal premium tax credits (PTC) by limiting the consumer’s required contribution to no more than 8.5% of household income, which means consumers at any income level may be eligible for more financial help, regardless of their [Federal Poverty Level \(FPL\)](#). This also means no consumer will pay more than 8.5% of household income toward the second lowest-cost Silver plan (benchmark plan), effectively eliminating the PTC “cliff” at 400% FPL.



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Suspend Federal APTC Reconciliation for Tax Year 2020

For tax year 2020, the American Rescue Plan suspends repayment of excess advance premium tax credit (APTC) owed to the IRS. Consumers would be eligible for additional APTC when they reconcile for tax year 2020 if they did not receive the maximum allowed APTC during the year. For more information as it becomes available, please visit the [Claiming and Reconciling APTC](#) and [The American Rescue Plan Act of 2021](#) pages on the IRS.gov website.

Increase Financial Help for Consumers Who Receive Unemployment Compensation During 2021

For households in which the primary tax filer or their spouse receives or is approved to receive unemployment insurance benefits (UIB) for one (1) or more week in 2021, the FPL for the purposes of eligibility determinations for APTC and Cost-Sharing Reductions (CSR) would be locked at 138.1% FPL. Effectively, that means that—for any tax household in which the primary tax filer or their spouse received UIB for 1 week or more during 2021—any household income above 138.1% of FPL is disregarded for the purposes of financial help eligibility calculations. The FPL lock will apply to the APTC & CSR determination for all members of the tax household that are not otherwise determined eligible for Medi-Cal or CHIP programs and meet all other APTC program requirements.

Increase and Extend Unemployment Benefits

The American Rescue Plan extends expanded unemployment benefits with a supplemental weekly payment of \$300 through September 6, 2021. These supplemental UIB payments **are** counted as income for determining eligibility for Covered California programs but are **not** counted as income for determining eligibility for Medi-Cal programs (including both MAGI and non-MAGI programs). For more information, please visit our [CARES Act webpage](#).

Provide Recovery Rebates (Stimulus Payments) to Individuals

The American Rescue Plan will provide \$1,400 direct payments to individuals (\$2,800 to married couples filing jointly) and eligible dependents, subject to household income limits. To qualify for the full payment, household income must be below the income threshold of \$75,000 for individuals, \$112,500 for heads of household, \$150,000 for married couples filing jointly. These stimulus payments are **not** counted as income for determining eligibility for either Covered California or Medi-Cal programs (including both MAGI and non-MAGI programs). For more information, please visit our [CARES Act webpage](#).

Expand Child Tax Credits

The American Rescue Plan increases tax credits for families, up to \$3,000 per child between ages 6 and 17 and up to \$3,600 per child under age 6, as well as to offset up to \$8,000 in annual childcare costs. Full tax credit eligibility is subject to household income limits.



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COBRA

- The American Rescue Plan provides federal subsidies to cover 100% of COBRA premiums for up to six months from April 1 through September 30, 2021.
- Applies to employees currently eligible for COBRA (lost job/reduction of hours in last 18 months).
- Employees remain eligible if they did not elect or discontinued COBRA at an earlier point.
- Employers must provide notice and open enrollment to eligible former employees not now enrolled in COBRA.
- Subsidies are retroactive to April 1 if signed up for within 60 days of notice.

Does this Fix the “Family Glitch”?

No, the American Rescue Plan does not address “family glitch,” which can affect households in which one or more members are offered Employer-Sponsored Insurance (ESI) through their job. If a member of the household is offered ESI that is considered affordable, no other household members or dependents who are also offered ESI through the same employer are eligible to receive financial help if they purchase their insurance through Covered California. ESI is considered affordable if the employee’s share of the premium for the lowest-priced plan available to cover *just* the employee—not their dependents—is 9.83% or less of their household income for 2021. The American Rescue Plan did not change the 9.83% of household income determination for ESI affordability.

What Do I Need to Do to Help My Consumers?

The American Rescue Plan significantly increases affordability and financial help for Covered California enrollees, as well as enrollees through the other state-based exchanges and the federally facilitated marketplace. Throughout April, Covered California will be automatically redetermining eligibility and providing updated subsidy amounts for **current Covered California enrollees** who:

1. Have provided Consent for Verification; AND
2. Applied via a subsidized application; AND
3. Are eligible; AND
4. Have not terminated or cancelled their enrollment; AND
5. Are not in a QHP hold or in carry forward status (CFS).

You should review your book of business to ensure that **all** your consumers have active Consent for Verification provided through 2022. **Please reach out now to your consumers whose Consent needs to be provided or extended, so they don’t miss out on the timely application of increased financial help.** For instructions, please see our [Consent for Verification Quick Guide](#).

What are the Off-Exchange Opportunities?

The American Rescue Plan creates a *substantial* sales opportunity for Certified Enrollers. Californians currently insured off-exchange AND uninsured Californians will have a significant increase in the amount of financial help available if they purchase insurance through Covered California:



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- Your current **off-exchange customers** may be able to save hundreds—or even *thousands* of dollars—by switching to the same or similar coverage through Covered California. If a consumer enrolls in the same plan and provider network at Covered California as they had off-exchange, they can keep their Primary Care Provider, and payments toward their Deductible(s) and Maximum Out of Pocket will transfer to the new plan.
- Generally, your current **on-exchange consumers** will be automatically redetermined to maximize their savings (please see the numbered list in the [What Do I Need to Do to Help My Consumers? section](#) for potential exclusionary scenarios).

When Will CalHEERS Update with American Rescue Plan Calculations?

April 5, 2021

The expanded financial help eligibility calculations will go live in CalHEERS on April 5, 2021; therefore, any consumer Reporting a Change (RAC) to their case on or after April 5 who is eligible for increased financial assistance will see that increased assistance applied to their net premium, effective May 1, 2021. Any new consumer submitting an application on or after April 5, 2021 who is eligible for financial assistance will see the full American Rescue Plan assistance applied to their net premium, effective May 1, 2021. *Note: Due to varying billing cycles across our health insurance carriers, although the change will be effective in CalHEERS as of May 1, 2021, consumers may receive May bills from their carriers that do not yet reflect the updated values from CalHEERS. Health insurance carriers may have different policies regarding how the credit of net premium difference may apply to future months' premiums, and consumers' experiences may differ. If you or your consumer have questions regarding May and future premium bills, [please contact the applicable health insurance carriers](#).*

April 12, 2021

The expanded financial help eligibility calculations will go live in Shop & Compare on April 12, 2021. Covered California is in the final stages of creating an American Rescue Plan Calculator to help Certified Enrollers estimate their consumers' increased financial help eligibility. *Note: This Calculator and the Shop & Compare Tool are only estimates, and individuals will receive more accurate results by completing the Covered California application.*

Approximately April 15-30, 2021

Covered California will automatically redetermine eligibility for every consumer who meets the eligibility and system conditions listed in the [What Do I Need to Do to Help My Consumers? section](#) of this document. All eligibility redeterminations will be effective May 1, 2021.

Summer 2021

CalHEERS will launch the enhanced Unemployment Insurance benefit (UIB). Households receiving or approved to receive at least 1 week of UIB during 2021 may be eligible for increased financial help for the remainder of plan year 2021; details for eligibility to this additional financial help are still being finalized and will be shared once available. The premium assistance eligibility will be determined for all months of coverage through Covered California in 2021, meaning that consumers who did not receive



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the maximum annual premium assistance they qualified for in advance will be eligible for a tax refund or credit when they file their 2021 federal tax return and reconcile their premium tax credits with the IRS.

Why is Covered California Adjusting Income for Consumers to 138.1% Instead of 133% as Listed in the American Rescue Plan?

Although the American Rescue Plan includes a provision for incomes above 133% of [Federal Poverty Level \(FPL\)](#) to be disregarded when calculating advanced premium tax credits and cost-sharing reduction for individuals who receive or are approved to receive UIB in 2021, the CalHEERS system automatically determines Medi-Cal eligibility at incomes at or below 138% of FPL due to a 5% income disregard for Medi-Cal eligibility in California. In order to avoid confusion with Medi-Cal eligibility, Covered California will adjust incomes above 138.1% of FPL downward—to 138.1%—for the purpose of financial help eligibility calculations. The American Rescue Plan’s required contribution tables provide consumers below 150% of FPL maximum annual Advance Premium Tax Credits equal to the Second Lowest Cost Silver Plan available, so there will be no difference in practice for consumers: In short, consumers receive the same Advance Premium Tax Credit at 133% and 138.1%.

Will Covered California be Contacting Consumers?

Yes, Covered California will be contacting consumers with information about how the American Rescue Plan may save them money, based on their enrollment situation. As Covered California produces these notices, samples will be added to a forthcoming American Rescue Plan Consumer Notices Guide for Enrollers.