



## KEY HEALTHCARE PROVISIONS

American Rescue Plan Act of 2021



# American Rescue Plan Act Of 2021: Key Healthcare Provisions

On March 10, 2021, Congress passed the American Rescue Plan Act of 2021. The sweeping \$1.9 trillion legislative package includes a significant range of policies to provide additional pandemic relief. This includes direct assistance to people in the form of \$1,400 checks, funding for the COVID-19 public health response, extended unemployment benefits, extended paid sick leave, funding for states and schools, housing assistance, new child anti-poverty measures, and much more.

The American Rescue Plan also includes historic expansions of the Affordable Care Act (ACA) that will dramatically improve marketplace access and affordability. And the legislation subsidizes COBRA continuation coverage for laid-off workers and includes new incentives for states that have not yet expanded their Medicaid programs.

## Building on the ACA Marketplace Subsidies

The American Rescue Plan makes significant changes to bolster the ACA and improve marketplace access and affordability by:

1. Extending ACA subsidies to higher-income people who do not currently qualify for 2021 and 2022;
2. Increasing ACA subsidies for lower-income people who already qualify for 2021 and 2022;
3. Providing maximal ACA subsidies for individuals that receive unemployment benefits in 2021; and
4. Preventing taxpayers who misestimated their income in 2020 from having to repay excess premium tax credits at tax time.
5. It also provides \$20 million for marketplace modernization to help state-based marketplaces update their systems to comply with the American Rescue Plan.

## COBRA Subsidies

The American Rescue Plan will subsidize 100 percent of the cost of premiums for COBRA continuation coverage for workers who are laid off or have reduced hours. The subsidy will begin on April 1, 2021 and extend through September 30, 2021.

COBRA subsidies are not available to those who are eligible to enroll in another group health plan, a flexible spending arrangement, a qualified small employer health reimbursement arrangement, or Medicare.

## ACA Open Enrollment Extended Again in PA

Pennsylvanians have an extra three months to sign up for government subsidized health insurance in 2021, the second time Affordable Care Act enrollment has been extended since January.

Pennie, the state's online health insurance marketplace for subsidized coverage, extended open enrollment until August 15<sup>th</sup>.

## **Additional resources**

For more information on the American Rescue Plan Act of 2021, visit

<https://www.hhs.gov/about/news/2021/03/12/fact-sheet-american-rescue-plan-reduces-health-care-costs-expands-access-insurance-coverage.html>

Our benefits department specializes in implementing group health insurance plans for businesses of all sizes. Reach out to one of our representatives to find out how we can implement the right plan to fulfil your needs.

***Reach out to Mike, Jay or Brin in our Health & Life Department by calling 610-777-4123***

