

For brokers and producers only

Date: April 1, 2021

Market: Individual Market and Group

President Signs \$1.9 Trillion COVID Relief Package, Including Individual Market and COBRA Subsidies

On March 11, the president signed a \$1.9 trillion COVID relief reconciliation package, the *American Rescue Plan Act of 2021*, ([HR 1319](#)) into law. The bill includes expanded subsidies for the individual marketplace, COBRA subsidies, and COVID relief for individuals, businesses, and state and local governments. Key items include:

Individual Market Premium Subsidies: Effective January 1, 2021 for two years, this law fully subsidizes individual market premiums for individuals with household incomes below 150% of the Federal Poverty Level (FPL) and expands existing premium subsidies for those with incomes between 150% FPL and 400% FPL. The law also removes the income cap, allowing households above 400% FPL to qualify for subsidies if the cost of health insurance is greater than a certain percentage of the household income. For 2021 only, the law provides full premium and cost-sharing subsidies to any individual who receives unemployment benefits.

COBRA Subsidies: Effective from April 1 through September 30, 2021, this law provides 100% federal subsidization for COBRA continuation coverage. The subsidy will be funded through a payroll tax credit to allow employers and plans to be reimbursed for the full amount of COBRA premiums. Employers and group health plans will be required to provide new notices to those who become eligible for COBRA coverage.

COVID Relief: The law provides the following to individuals, businesses, and states/localities:

- **Individuals:** Provides up to \$1,400 per person and dependent in direct payments depending on income. Extends federal unemployment programs to September 6, 2021. Expands the earned income tax credit (EITC) and child tax credit for one year. Expands support for certain federal assistance programs.
- **Businesses:** Provides \$7.25 billion to the Paycheck Protection Program, \$15 billion for Economic Injury Disaster Loan advance payments, \$25 billion for struggling restaurants and \$1.25 billion to shuttered venues. Extends the employee retention credit to December 31, 2021 and payroll tax credits for paid sick/family and medical leave to September 30, 2021.
- **States and Localities:** Provides \$195.3 billion to states and \$130.2 billion to localities to support essential workers, infrastructure, and the response to the COVID pandemic.
- **Testing:** Provides over \$50 billion for testing, contact tracing, mitigation and surveillance.
- **Vaccines:** Provides \$15 billion to improve vaccine supply, distribution and administration, as well as increase vaccine confidence.

In coordination with the state exchanges, CareFirst BlueCross BlueShield is sending communications to ACA individual market subscribers alerting them to the increased and expanded eligibility for ACA

premium subsidies in 2021. Subscribers will be advised to visit their state's exchange to determine their eligibility.

For more information

If you have any questions, please contact your broker sales representative.