



The American Rescue Plan

MTF Spring Presentations

April and May 2021

Agenda

- American Rescue Plan Overview
- American Rescue Plan: Expansion of APTCs
- Health Connector Implementation and Member Communications Timeline
- Key Takeaways



American Rescue Plan Overview

Overview of the American Rescue Plan



The American Rescue Plan was signed into law on **March 11, 2021** and significantly expands premium subsidies available through the Health Connector.

These changes represent significant, new opportunities to expand coverage and lower costs for low income and middle-income families in Massachusetts and nationally.

This expansion will result in positive impacts for the Health Connector's mission and its members (current & potential) for the duration of the APTC expansion.

American Rescue Plan & ACA Marketplaces

The law significantly and rapidly affects all ACA marketplaces, including the Health Connector and its members.

The law expands Advance Premium Tax Credits (APTC)

- Individuals with income under 400 percent FPL may be eligible for additional subsidies
- Individuals with income above 400 percent FPL may be newly eligible for APTC in order to make their enrollee contribution towards a benchmark plan not exceed 8.5 percent of household income

 Time period: 2 years (2021 and 2022)

- Anyone receiving Unemployment Income (“UI”) for any week of 2021 will be eligible for a \$0 premium plan through the Health Connector.
 - The Health Connector will do this by putting them into ConnectorCare Plan Type 2A. At this time, our HIX system is not able to do this. Members who are with us or newly enrolling with us will see these additional subsidies as soon as the system is updated or at tax time as a refund.

 Time period: 2021 only

American Rescue Plan & ACA Marketplaces

Other provisions that may impact Health Connector members:

- Tax reconciliation relief for 2020 premium tax credits for people who misestimated their 2020 income (Section 9662)
 - Current IRS guidance indicates taxpayers should not amend their return but should wait to get more direction from the IRS – see links below.
 - <https://www.irs.gov/newsroom/irs-suspends-requirement-to-repay-excess-advance-payments-of-the-2020-premium-tax-credit-those-claiming-net-premium-tax-credit-must-file-form-8962>
 - www.irs.gov/newsroom/more-details-about-changes-for-taxpayers-who-received-advance-payments-of-the-2020-premium-tax-credit
- Exclusion of \$10,200 in unemployment benefits from taxable income for TY 2020
 - This was generally the amount of the \$600 "bump" in unemployment provided last year March-July that was excluded from Medicaid income but included for APTC purposes, so individuals may see additional tax credits based on this exclusion when they file their 2020 tax returns
- 100 percent COBRA subsidization from April 1 through September 30, 2021 (Section 2401)
 - The law also will let people choose to start COBRA effective April 1, even if they were initially offered COBRA much earlier

COBRA subsidies available through the American Rescue Plan

- American Rescue Plan gives a \$0 premium for those on or eligible for COBRA. No changes will be made to their plan benefits. They will be responsible for all cost-sharing associated with their COBRA plan, like their deductible, co-pays, co-insurance.
- This \$0 premium will be available to them from April through September 2021. Their full premium would be owed for October-December.
- For some it may be beneficial to keep or enroll in COBRA. If they have paid their deductible for the year, they will only have co-pays/co-insurance. They know their providers and drugs are covered. However, the \$0 COBRA premium will end as of 9/30. They can come back before 9/23 to apply, shop & enroll in a Health Connector plan.
- For others it may be beneficial to see what they will qualify for through the Health Connector now, by using the See What You Qualify For Tool (Cost Calculator when available). They may be eligible for Connector Care which has no deductibles and low cost-sharing.
- The Health Connector newly established a Special Enrollment Period that will allow those who lose access to their subsidized COBRA coverage to shop and enroll in Health Connector plans. The bulletin is available from the Health Connector [website](#) under Rules and Regulations.



American Rescue Plan: Expansion of APTCs

American Rescue Plan: Expansion of APTCs

Impacts for Massachusetts

- Increased Affordability for Current Low-Income Enrollees
 - Further lower premiums for most ConnectorCare members

- Increased Affordability for Moderate-Income Residents
 - Eliminates subsidy ‘cliffs’ (income greater than 300 percent FPL and income greater than 400 percent FPL) by capping their expected contribution at or below 8.5 percent of income
 - New savings and lower premiums will be available to “APTC only” and some unsubsidized enrollees in Health Connector coverage

- Lower Cost Options for the Remaining Uninsured
 - Uninsured residents will have even lower-cost options from which to choose

American Rescue Plan: Impacted Populations

	Population
Currently Enrolled in Health Connector Coverage	Currently Enrolled in ConnectorCare
	Currently Enrolled in APTC-Only
	Currently Enrolled in Unsubsidized QHP – <u>Applied for subsidies</u> but didn't receive APTCs
	Currently Enrolled in Unsubsidized QHP – Did <u>not apply for subsidies</u>
Currently Not Enrolled in Health Connector Coverage	Uninsured
	Currently Enrolled outside of the Health Connector (ex. Directly through a carrier)
	People on Unemployment Income (UI) or who have been on UI this year (*note: some of these people may already be on Health Connector coverage, but not all)
	COBRA Participants

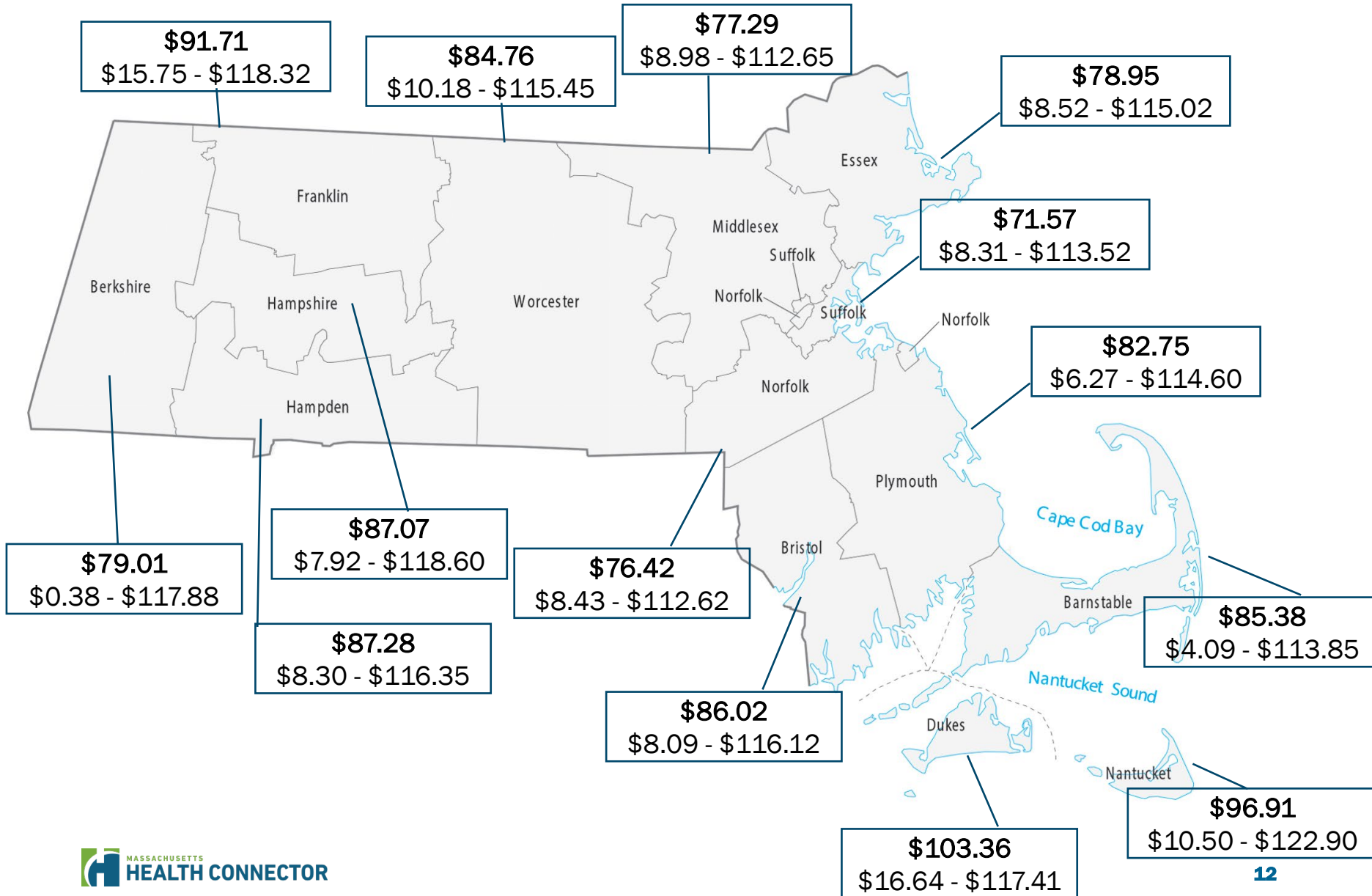
American Rescue Plan: Expansion of APTCs

ConnectorCare members already receive additional state subsidies to lower their monthly costs, so their savings may not be as great as those in other states

- Many ConnectorCare members will receive additional APTCs, but not all
 - Everyone will at least be able to access one plan at the affordability schedule, but many will receive subsidy lower their premium below the schedule
 - The 2021 affordability schedule can be found here:
<https://betterhealthconnector.com/about/policy-center/rules-regulations/affordability-schedule>
- The amount of savings for each member will be different and depend on each person's town and age.

Average monthly APTC change by county, weighted for enrollment

Range of average changes across plan types



Sample Premium Reductions for MA Residents Resulting from APTC Expansion

50 year old in Worcester



Income	\$44,660
Eligibility	"APTC Only"
Monthly premium now	\$371.58
New monthly premium	\$269.82
Monthly savings	\$101.76

30 year old in Boston



Income	\$30,000
Eligibility	ConnectorCare PT3A
Monthly premium now	\$89.00
New monthly premium	\$75.91
Monthly savings	\$13.09

25 year old in Great Barrington



Income	\$35,090
Eligibility	Uninsured but ConnectorCare eligible
Monthly premium now	If insured, \$133.00
New monthly premium	\$116.25
Monthly savings	\$16.75

45 year old in Nantucket



Income	\$51,678
Eligibility	Currently unsubsidized
Monthly premium now	\$650.91
New monthly premium	\$366.05
Monthly savings	\$284.86



Health Connector Implementation and Member Communications Timeline

APTC Expansion Timeline

Systems and operational changes needed to implement the expansion of APTCs will be separated into phases:

- **Phase 1:**

- **April:** Redetermine eligibility for APTCs for existing APTC recipients with incomes under 400 percent FPL
- April 6 – April 22 = approx. 183K enrollee redeterminations
- April 23 – May 13 = approx. 241K eligible but unenrolled redeterminations

- **Phase 2:**

- **May:** Redetermine eligibility for APTCs for individuals with income **over 400 percent FPL**
- Anyone who applied for financial assistance with income **over 400 percent FPL** will be automatically redetermined
- Anyone who **did not** apply for financial assistance must come back to the application to change their application to apply for financial assistance

- **Phase 3:**

- Plans for the implementation of additional premium tax credits for UI recipients are still in development

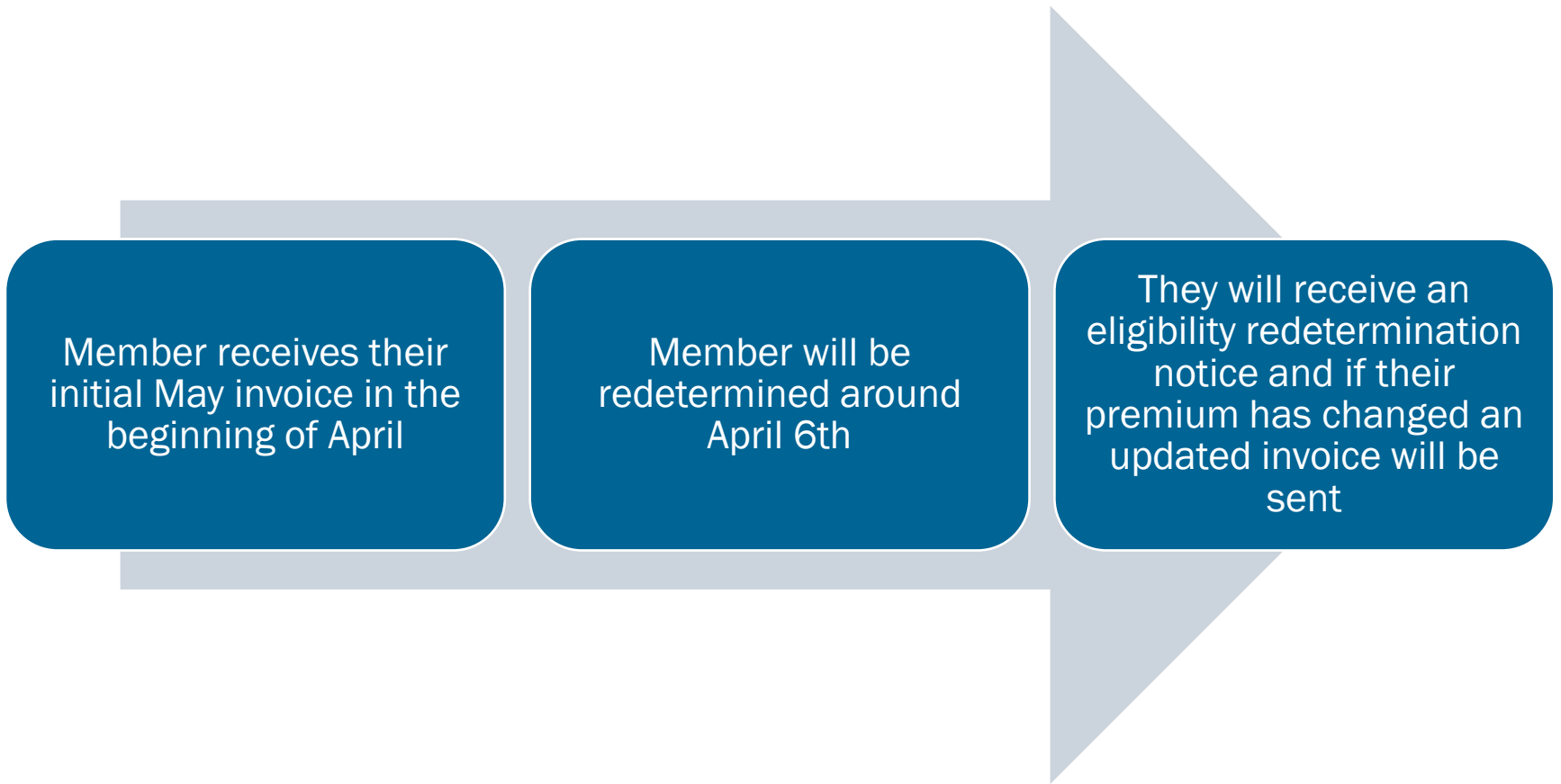
When Will Members See Changes

Members will have questions like, how much will I save and **WHEN** will I see these savings?

Population	When
Members at or below 400% FPL will be redetermined first. If they are found eligible for more subsidies...	Their subsidies will start as early as their premium for May (Bill received in April).
Members above 400% FPL who applied for financial assistance will be redetermined in early May. If they are found eligible for more subsidies...	Their subsidies will start as early as their premium for June . (Bill received in May).

All changes will be for **future** months. The subsidies cannot be applied retroactively. However, members will be eligible to receive these additional subsidies for January – Subsidy Start Date, when they file taxes next year.

When Will Members See Changes (cont'd)



APTC Expansion: Payment Considerations

Members should pay close attention to their premium bill and payments for the month of May

- Members may receive two bills in April. If they do not receive a new, updated premium bill prior to April 23, they should pay the amount owed on their bill.
 - If a member overpays for May coverage, they will receive a credit towards their June premium
- Members with auto payments that withdraw their **premium amount** or **total amount due** do not need to make any changes. Any new premium will be withdrawn for May
- However, members with custom auto payments (**fixed amounts**) will need to edit their automatic payment amount to reflect the lower premium amount

Sample Member Emails



Changes are coming

Members began receiving email communications from the Health Connector about new subsidies on Friday, March 19th

Thanks to the American Rescue Plan that was recently signed into law, many people may now be able to get lower-cost health insurance through the Massachusetts Health Connector.

We'll start checking soon to see if people who've applied through the Health Connector in the past can now **qualify for lower monthly premiums** based on changes in the new law.

If you've applied for health insurance through the Health Connector in the past, you may get a **letter in the mail** in April or May with information about the new amount of monthly tax credit that you qualify for.

If you need health coverage, this is a great time to sign up. Plans will be more affordable than ever before and you can enroll now for any reason, even if you don't have a qualifying life event.

Learn more

- [More about American Rescue Plan changes](#)
- [Find help with signing up for coverage](#)

Member Communications: Notification of Changes Coming, Program Eligibility, and Premium Changes

American Rescue Plan: Changes are coming

Changes are coming soon as a result of the American Rescue Plan that was recently passed by the federal government. Many people may now qualify for more monthly tax credit savings to help lower monthly health insurance bills.

We'll check to see if you qualify for lower monthly payments

If you asked for financial help when you applied for health insurance, we'll check soon to see if you now qualify for a lower monthly premium based on the changes.

You **don't** need to take any action to see if you qualify for these savings at this time. However, this is a good time to update your information if anything has changed since you last applied. If your income has since gone down, you may now qualify for even more savings.

You may get a new bill later this month

If your premium goes down because of these changes, you may get a new bill later in the month. Please pay the most recent premium amount you are billed for by the 23rd.

If your premium goes down after you've already made a payment, you'll see a credit on your next month's bill.

Learn more about these changes on our website at www.MAhealthconnector.org/tax-credit-changes



Learn more

We've checked to see if you now qualify for lower monthly payments

Thanks to the recent stimulus bill passed by the federal government, you may now be able to get more help paying for health insurance through the Health Connector.

We've checked to see if you qualify for **more financial help and a lower monthly premium** based on the stimulus bill changes.

Included is a letter that has information about your most recent program eligibility including the amount of Advance Premium Tax Credit (APTC) that you qualify for. APTC is applied to your monthly health insurance premium to lower the cost and make it more affordable.

If you are currently enrolled in a Health Connector plan and you now qualify for more APTC, you may find that your monthly health insurance bill is lower. You'll start to see a lower monthly premium cost, beginning with your bill for May coverage. You can sign into your account at MAhealthconnector.org to check the details about your program eligibility and new premium information.

If you're not currently enrolled with the Health Connector but you still need health coverage, now is a great time to enroll. Our health plans may be more affordable than ever based on these changes. If your income has gone down since you last updated your application, you may now qualify for even more savings. Sign into your account at MAhealthconnector.org to review and update your application, then choose a plan to enroll.

Learn more about these changes on our website at www.MAhealthconnector.org/tax-credit-changes



Learn more

Your monthly premium has changed

You are getting the enclosed bill because your monthly premium has changed.

There are many reasons why your monthly premium could change, such as a change in your household. However, many people are currently seeing lower premiums because of the American Rescue Plan that was recently passed by the federal government. Many people now qualify for more monthly tax credit savings to help lower monthly health insurance bills.

Please pay your new premium amount by its due date. If you just made a payment, it may not be reflected in this new bill yet. To see your most up to date billing information, please check your online account.

How to view your billing information online:

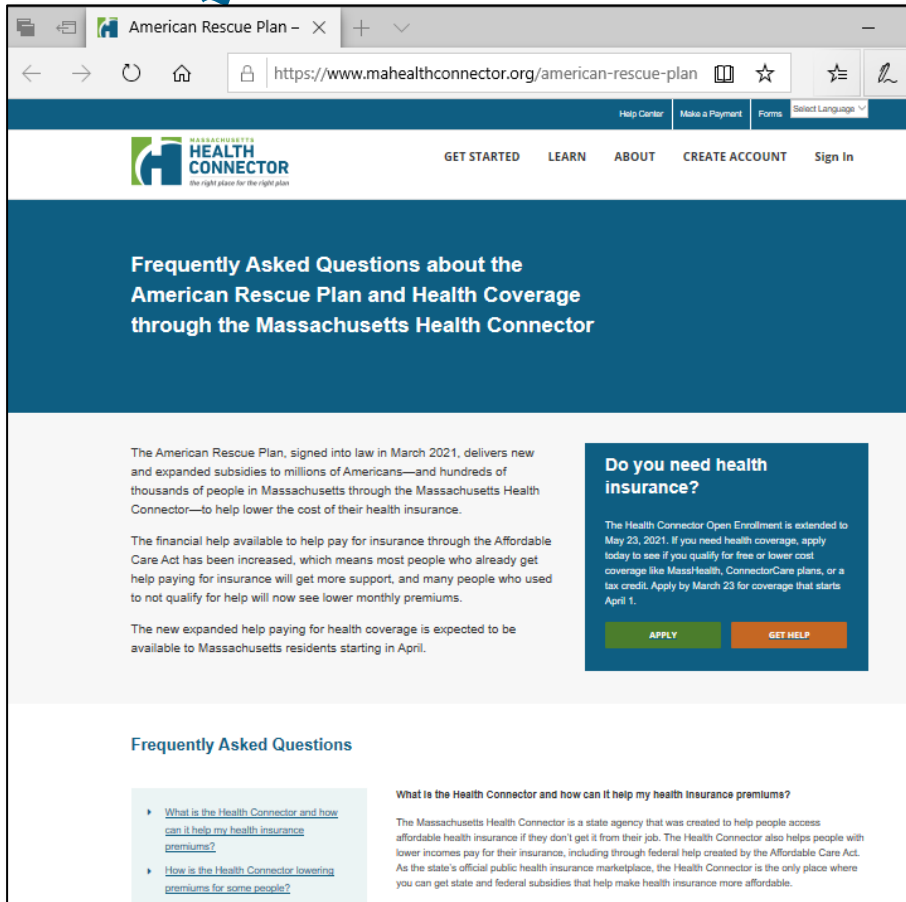
1. Sign into your account at MAhealthconnector.org
2. Click on the Make a Payment button
3. From here, you can see your current amount owed and any payments you've recently made or scheduled

Learn more about these changes on our website at www.MAhealthconnector.org/tax-credit-changes



Learn more

Health Connector Webpage: Pop-ups, New URL and FAQs



Health Connector pop-up text on homepage

- Content: *“The American Rescue Plan Act of 2021 helps lower health insurance premiums for Health Connector members and provides new help paying for health insurance premiums for people who’ve never qualified before.”*

New webpage with information for members and the public about the American Rescue Plan

<https://www.mahealthconnector.org/americanrescueplan>

- Page is live and currently includes:
 - FAQs
 - Links to the application (for new applicants interested in lower premiums)
 - Enrollment deadlines
- Going forward, it will include:
 - Information about upcoming public webinars
 - Links to other relevant updates
 - New Premium Cost Estimator Tool



Key Takeaways

Key Takeaways

IMPORTANT: Anyone helping an applicant or member with their online application at MAhealthconnector.org should continue to help as they normally would. Changes to allow for more premium tax credits will occur on the back end and done by the system.

- The newly available APTCs are based on the principle that the cost of health insurance should be at or below 8.5% of a household income. If a member qualifies, additional APTCs help fill in the gap and they may be eligible for a lower monthly premium.
- Health Connector members who've already completed an application for financial assistance don't need to take any action to get these new savings.
 - Members at or below 400% FPL will be redetermined first. If they are found eligible for more subsidies, then their subsidies will start as early as their premium for May coverage
 - Members above 400% FPL will be redetermined in early May. If they are found eligible for more subsidies, then their subsidies will start as early as their premium for June coverage

Key Takeaways (*cont'd*)

- All changes will be for FUTURE months. HOWEVER, members found eligible may receive these additional tax credits for January – Start Date, during tax time next year
- Open Enrollment will continue until at least July 23rd, which allows individuals outside of the Health Connector to apply, review these new subsidies and potentially change to a plan through the Health Connector
- Anyone receiving Unemployment Income (“UI”) for any week of 2021 will be eligible for a \$0 premium plan through the Health Connector. The Health Connector will do this by putting them into ConnectorCare Plan Type 2A
- The American Rescue Plan gives a \$0 premium for those on or eligible for COBRA. No changes will be made to their plan benefits. They will be responsible for all cost-sharing associated with their COBRA plan, like their deductible, co-pays, co-insurance
- The Health Connector has established a new SEP for those who lose access to the COBRA subsidies at the end of September