



AMERICAN RESCUE PLAN ACT 2021

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American Rescue Plan Act of 2021 Can Make Your Health Care More Affordable

- The [American Rescue Plan Act of 2021](#) aims to make health insurance more affordable for people affected by the pandemic. The health care related provisions include:
 - Affordable Care Act subsidies
 - New COBRA subsidies
 - Additional Medicaid coverage
 - Relief from the premium tax credit clawback

Affordable Care Act (ACA) Subsidies

- The American Rescue Plan Act expands eligibility for the ACA [premium tax credit](#) and increases the amount for some people who are already eligible.
- This subsidy lowers the monthly cost, also known as "premium", for people who buy their insurance through their [state marketplace](#) or [healthcare.gov](#).
- During 2021 and 2022, individuals and families above the income threshold can access premium tax credits. They will not pay more than [8.5 percent](#) of their household income for a plan purchased through the [state marketplace](#) or [healthcare.gov](#).
- Individuals who receive unemployment benefits during 2021 may also be eligible for a premium tax credit.
 - A [special enrollment period](#) for the marketplaces began Feb. 15 and runs through May 15. During this time, individuals can enroll, re-enroll, or change their health plans.

New COBRA Subsidies

- The American Rescue Plan will subsidize [100 percent](#) of the monthly costs, or premiums, for COBRA from April 1, 2021 through September 30, 2021.
 - This program allows individuals who lost their job or had hours reduced stay on their employer's health insurance for 18 or 36 months.
- For people who've had significant health care spending during the year — and have met their deductible — it may make sense to initially go with COBRA and then choose an ACA plan during the next open enrollment period.
 - With the new fully subsidized COBRA premium, millions of people who lost their employer-sponsored health insurance will have health coverage.

Expands Medicaid Program

Some changes to the federal-state Medicaid program include:

- Increasing funding to states for home- and community-based services
- Allowing states to offer 12 months of postpartum coverage for new mothers
- Requiring the coverage of COVID-19 vaccines and treatment for Medicaid enrollees
- Expanding COVID-19 testing for people who are uninsured

Relief From the Premium Tax Credit Clawback

- This affects people who underestimated their estimated annual income when applying for health insurance through the ACA marketplace. Previously, these individuals would have had to pay back some of the tax credits they received.
 - The elimination of this “clawback” is because many people faced unsteady employment in 2020 and may have misreported their 2020 estimated income.

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