

American Rescue Plan Frequently Asked Questions (FAQs)

March 30, 2021

What does the American Rescue Plan Act of 2021 (ARP) law mean?

The new law will lower premiums for most people who currently have an on-exchange health plan and allow for increased financial assistance for more consumers. Customers who currently have a health insurance plan may be eligible to receive increased tax credits to reduce their monthly premiums. Individuals and families may be eligible for a temporary increase in subsidies (Advance Premium Tax Credits) for this year, with no one paying more than 8.5% of their household income towards the cost of their insurance plan. The new law will also make premium tax credits available to these families who may not have been previously eligible.

When will the extra tax credits be available?

Beginning on April 1, the increased tax credits and lower income contributions under the American Rescue Plan Act will become available for all new customers and current enrollees. The change in premiums and/or subsidy amounts will not be available until the first of the month and customers must update their eligibility application for the updates to be applied to their policy. This means that if they update their application or enroll in a new plan on or after April 1, they may receive the increased premium tax credits for 2021 Marketplace coverage effective May 1. Customers should update their application if they feel that they qualify for the additional subsidy.

**Note that for a change to take place, a new bill cycle needs to run. Bills run around the 10th of each month. If a customer updates their financial information on 4/25, the May bill has already generated. Changes will be reflected in the June bill which would go out around May 10th and would include any adjustments for the prior month.*

***Note that the birth of a child during SEP can still have a retroactive effective date and the new tax credits can still apply.*

EXISTING MARKETPLACE CUSTOMERS

Are customers who are already enrolled in a Marketplace able to lower their monthly premiums?

Beginning April 1, current enrollees, including those who recently enrolled through the 2021 Special Enrollment Period, can update their applications in order to receive their new eligibility amounts. They will need to reselect their current plan in order for the changes to take effect to possibly reduce their monthly payments for the remainder of the year. Updates to subsidy amounts will not be automatically made to your customer's policies; they will need to manually update their eligibility application for changes to occur.

Are customers who are already enrolled in a Marketplace able to change their plan to lower their monthly premium?

Yes, as part of the 2021 SEP opportunity that will run through August 15, customers can choose a different plan for the remainder of the year. They may be able to choose a plan with lower out-of-pocket costs for the same price or less than they are currently paying. If they are moving from one Cigna IFP plan to another Cigna IFP plan, we will credit any out of pocket expenses expenditures made towards their deductible and out-of-pocket expenses on their new plan. If they change carriers, the amount they've paid towards the deductible and out-of-pocket expenses will reset and will not provide credit for any accumulations with the old carrier.

Do customers who are currently enrolled in a Marketplace plan need to update their applications?

If they like their plan, they do not need to change, although Cigna recommends they update their application and review plan options during this Special Enrollment Period that runs through August 15. They may be eligible to qualify for an APTC or increased subsidy and may be able to choose a plan with lower out-of-pocket costs for the same price or less than they are currently paying. If they enrolled in this plan prior to April 1, they have the option to wait until they file their taxes next year in 2022 to receive the additional premium tax credit amount.

If a customer is already paying a low premium, or no premium, should they take any action?

Customers who are already paying low or no premiums may benefit from changing plans. They could find a plan with more generous cost-sharing and lower out-of-pocket costs. They may be able to find plans with lower out-of-pocket expenses and lower deductibles for a similar premium to what they're currently paying.

If a customer has already used their plan, will they need to start over with their cost share if they change plans?

No, their cost share will transfer over into their new plan as long as they stay on a similar plan with Cigna. When they change plans to a new carrier, the amount they've paid towards the deductible may be reset to zero if they choose a new plan. They would then need to start paying for out-of-pocket expenses to reach the deductible on their new plan.

CUSTOMERS WITHOUT APTC OR ENROLLED IN OFF-EXCHANGE PLANS**Can a customer still qualify for a subsidy if they aren't currently enrolled in a Marketplace plan?**

Yes, if they enrolled in an off-exchange plan, they may be eligible now for a premium tax credit under the new guidelines with the American Rescue Plan. They will need to submit their application and review plan options during the 2021 Special Enrollment Period that runs through August 15. They should consider how much they've already paid toward their deductible when deciding whether to make a change to a new carrier. When they change Cigna plans, the amount they've paid towards the deductible will be carried over to their new Cigna plan. Please note this will not occur immediately and could take up to 14 business days to be processed.

If a customer has a plan but didn't qualify for a subsidy, could they be eligible now?

Yes, they may be eligible now for an advanced premium tax credit under the new guidelines with the American Rescue Plan. If they're a Marketplace customer, they will need to update their application. If they're an off-Marketplace customer, they'll need to submit a new application to the Marketplace. Once their application is submitted or updated, they can keep the same plan and/or review their plan options during the 2021 Special Enrollment Period that runs through August 15. Customers will not need to keep both plans, but we do not recommend cancelling current coverage until they have received approval or verification on their new plans.

Is it possible for a customer with an off exchange plan to change to another off exchange plan?

Yes. During the Special Enrollment Period that runs through August 15, they can review plan options and make different plan selections.

CUSTOMERS WHO ARE RECENTLY UNEMPLOYED**What if only one member of a customer's household received unemployment compensation in 2021?**

A member's whole family will be eligible (rated at 133% federal poverty level). The exception to this rule is if the member on the plan is eligible for employer coverage that is considered affordable and not eligible for APTC currently. That member will not be provided the updated APTC calculation on the policy.

What if a customer received unemployment only in 2020 or for less than one full week in 2021?

Unfortunately, they are not eligible for the enhanced benefit in this instance.

Will this benefit be extended beyond into 2022?

This additional subsidy will not be available beyond 12/31/21, as it is specific to unemployment for 2021. However, the American Rescue Plan does provide increased subsidies through all of 2022 for many members.

[Click here for additional information from CMS.](#)

COLORADO CUSTOMERS**Notes:**

- 1) *Colorado has also officially extended their Uninsured Enrollment Period (UEP) through August 15. [See the related press release.](#)*
- 2) *Here are some important dates:*
 - a. *Starting on April 15, new and existing customers can update their application to receive increased APTC.*
 - b. *Starting on April 15, the application will include questions about unemployment. Customers will be rated accordingly, based on their responses.*
 - c. *4/15 – 5/14 existing customers cannot change plans without an existing SEP.*
 - d. *5/15 – 8/15 existing customers can change plans.*

During the current Uninsured Enrollment Period, are customers able to change their plans?

Prior to May 15, they must have a qualifying life event to be able to change their plan. Beginning on May 15, they will have the ability to change their plan without a special qualifying life event. This will run through the end of the Uninsured Enrollment Period or through August 15th.

This chart provides an example of the net (after subsidy) consumer premiums before and after the ARP subsidy change for customers of up to 400% FPL. The example is based on a single household, 50 year old consumer, National Average Benchmark Silver.

% FPL	Associated Income Level (continental US)	Pre-ARP Net Premium	ARP Consumer Premium
133%	\$16,971	\$29.27	\$0.00
150%	\$19,140	\$66.03	\$0.00
200%	\$25,520	\$138.66	\$42.53
250%	\$31,900	\$221.44	\$106.33
300%	\$38,280	\$313.58	\$191.40
400%	\$51,040	\$418.10	\$361.53