



American Rescue Plan Batch Redetermination of APTC

August 2021

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Agenda

- American Rescue Plan, APTC, and Unemployment Compensation
- American Rescue Plan Batch Redetermination
- Who is Eligible for Batch Redetermination?
- Batch Redetermination Process Timeline
- Consumer Notification of Batch Redetermination
- Consumers Should Still Update Marketplace Applications
- State-Based Exchanges and Batch Redetermination

American Rescue Plan and APTC

- The American Rescue Plan Act of 2021 (ARP), signed into law on March 11, 2021, makes major improvements in the affordability of health coverage through all Exchanges.
- The ARP increases eligibility for advance payments of the premium tax credit (APTC) through the 2021 and 2022 coverage years by reducing the percentage of household income that consumers are expected to contribute toward their insurance premiums before APTC becomes available.
- This reduction means that many low-income consumers will qualify for \$0 premiums for their Exchange plan because the entire cost of the premium can be covered by the premium tax credit.



American Rescue Plan and APTC (Cont.)

- The ARP also eliminates the household income limit for APTC for the 2021 and 2022 coverage years. Previously, only households with income below 400 percent of the federal poverty level (FPL) could qualify for APTC and cost-sharing reductions (CSRs). Now, households with higher incomes may qualify as well, if otherwise eligible.
- These two ARP provisions are referred to in this webinar as the APTC expansion provisions. Exchanges using the federal eligibility and enrollment platform implemented these new provisions on a prospective basis for consumers who submit new applications and actively update their enrollments starting April 1, 2021.



American Rescue Plan, APTC, and Unemployment Compensation

- The ARP also provides additional financial assistance to consumers who received or are eligible to receive unemployment compensation (UC) for any week beginning in 2021.
- If a taxpayer in the household receives or is approved to receive UC for any week beginning in 2021, then the taxpayer may be eligible for a premium tax credit that covers the taxpayer's entire tax household's premium cost for the applicable benchmark Exchange plan, regardless of the household's actual income amount.



American Rescue Plan, APTC, and Unemployment Compensation (Cont.)

- If a consumer in the household receives or is approved to receive UC for any week beginning in 2021, individuals in the household who enroll in a Silver-level plan may also qualify for CSRs.
- These changes also apply to households that in the past have not qualified for APTC or CSRs due to income below 100 percent of the FPL in states that did not expand Medicaid.
- These provisions adjust APTC and CSR eligibility for 2021 only and are referred to in this webinar as the UC provisions. Exchanges using the federal eligibility and enrollment platform implemented this change in APTC and CSR eligibility on a prospective basis for consumers who receive UC **and submit new applications or actively update their enrollments starting July 1, 2021.**

ARP Batch Redetermination

- While Exchanges using the federal eligibility and enrollment platform will apply ARP APTC expansion and UC provision updates prospectively for consumers who actively return to the Exchange to submit an application and enroll in coverage or update their existing application and enrollment starting April 1 and July 1, respectively, CMS understands that some consumers may not return to update their application and enrollment.
- To ensure as many impacted consumers as possible receive enhanced benefits, Exchanges using the federal eligibility and enrollment platform will automatically update APTC for certain eligible consumers who do not return to actively update their enrollments by early August through a batch redetermination process with an effective date of September 1, 2021.



ARP Batch Redetermination (Cont.)

- Recalculating APTC according to the ARP provisions for eligible enrollees will help lower the cost of monthly premiums for consumers who do not actively return to update their applications.
- Additionally, the batch redetermination process minimizes barriers for enrollees in accessing increased financial help. Many State-based Exchanges that are not using the federal eligibility and enrollment platform are also taking this approach.



What is ARP Batch Redetermination?

- Exchanges using the federal eligibility and enrollment platform will run a batch eligibility redetermination process for current APTC-eligible enrollees who are enrolled in a plan whose APTC-eligible premium is not already fully covered by APTC. The APTC applied to their enrollments will be updated based on the ARP's APTC expansion and UC provision updates.
- This batch redetermination process is *not* a redetermination of a consumer's eligibility for Exchange coverage and/or financial assistance.
- The batch process will not reassess a consumer's eligibility for other insurance affordability programs such as Medicaid and the Children's Health Insurance Program (CHIP) and will not create new data matching issues (DMIs).

What is ARP Batch Redetermination? (Cont.)



- The amount of APTC for which a consumer is eligible under the ARP updates will be applied to active enrollments only.
- Assistors should note that **the batch redetermination process will only apply increased APTC prospectively, effective September 1, 2021.**
- Consumers enrolled in an Exchange plan whose APTC is automatically increased through the batch redetermination process may be able to receive additional premium tax credit when they file their federal income tax return for 2021 and reconcile APTC.

Who is Eligible for ARP Batch Redetermination?

- The batch redetermination process will increase APTC for existing enrollees who:
 - Are APTC-eligible in their latest application version;
 - Have a share of premium they currently are paying after APTC greater than \$0;
 - Elected to apply their full APTC amount to their plan; and
 - Have not updated their enrollment after April 1 if they have not received UC or after July 1 if they have attested to receiving UC.



ARP Batch Redetermination Process Timeline



- The batch redetermination process will take place in August 2021 when Exchanges using the federal eligibility and enrollment platform will send issuers information about the more generous APTC via enrollment update transactions. For consumers whose enrollment is updated through the batch redetermination process, their new APTC will be applied to their policies effective September 1, 2021.
- Issuers on Exchanges using the federal eligibility and enrollment platform will reflect the lower cost to enrollees on the September premium bill or, if September's invoice has already been sent, by updating the billing. Consumers who do not wish to have the additional APTC applied to their plan must return to their application to reduce the amount of APTC applied before September 1.

Consumer Notification of ARP Batch Redetermination

- Existing enrollees who are APTC-eligible in their latest application version and who have not updated their application after Exchanges using the federal eligibility and enrollment platform implemented the APTC expansion and/or UC provisions will receive a paper-only Exchange notice in advance of the batch redetermination process.
- This pre-redetermination process notice will encourage them to update their application and enrollment to receive greater financial assistance and inform them that the Exchange may automatically increase their APTC if they do not update their application and enrollment. Consumers will receive this pre-redetermination process notice starting in late July through U.S. postal mail only. Pre-redetermination process notices will not be available electronically.

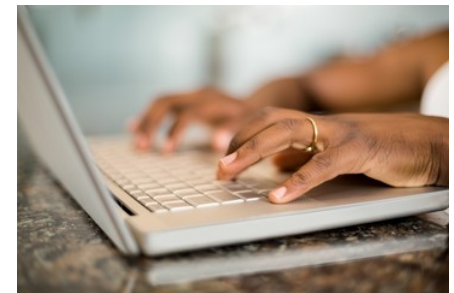


Consumer Notification of ARP Batch Redetermination (Cont.)

- Enrollees whose enrollment is later updated through the batch redetermination process will receive an updated eligibility determination notice (EDN) and an APTC expansion re-enrollment message (either through U.S. postal mail or electronically, depending on consumers' notification preferences). Both the EDN and APTC expansion re-enrollment message will inform consumers that their APTC was increased due to the batch redetermination process.
 - The EDN will share the consumer's new maximum APTC amount.
 - The APTC expansion re-enrollment message will indicate how much APTC was applied to the consumer's policy and the new share of premium the consumer is responsible to pay.
- Exchanges using the federal eligibility and enrollment platform plan to send EDNs and APTC expansion re-enrollment messages to the household contacts of consumers whose applications are run through the batch redetermination process in early August.

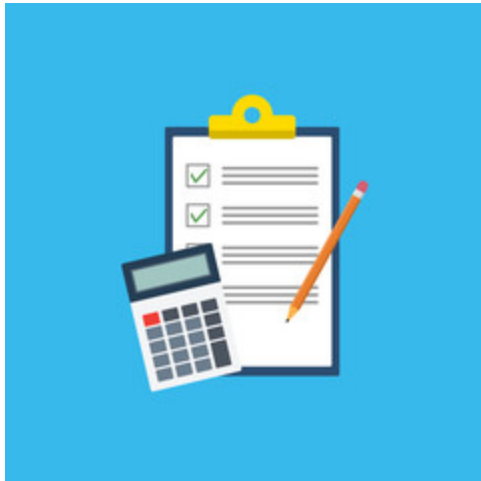
Consumers Should Still Update Marketplace Applications

- All consumers are encouraged to return to the Exchange as soon as possible to update their application to determine whether they are eligible for increased financial assistance, apply the benefits to their plan, or to review other plan options.
- Consumers who receive or are eligible to receive UC for any week beginning in 2021 should still come back and update their application and enrollment after July 1. Consumers who receive or are eligible to receive UC for any week beginning in 2021 may be eligible for even more financial help with their 2021 coverage, including through increased CSRs.
 - These consumers must actively update their application and enrollment to get their increased benefits because the ARP batch redetermination process will not automatically redetermine CSR eligibility.



Consumers Should Still Update Marketplace Applications (Cont.)

- While the Exchange will increase APTC for some consumers who do not actively update their application and enrollment by August 15, it will only do this for select enrollees and only by using those enrollees' latest available attestations, which may not be accurate if enrollees' information, APTC preferences, or receipt of unemployment compensation have changed.
- Additionally, some enrollees may not qualify to have their APTC increased automatically through the batch redetermination process.
- Consumers enrolled in qualified health plans who do not come back and submit an application and are not run through the batch redetermination process (for example, those who have not elected to apply their full APTC amount to their plan) may receive additional premium tax credits when they file their annual federal income tax return for 2021 due to the changes enacted in the ARP.



State-based Exchanges and ARP Batch Redetermination

- Most State-based Exchanges that operate their own eligibility and enrollment platforms are running or have run a batch redetermination process to apply ARP benefits for their enrollees.
- Consumers in states that operate an Exchange with its own eligibility and enrollment platform should check with their State-based Exchange about whether their eligibility for financial help will be or has been automatically redetermined.

