

# American Rescue Plan lowers health insurance premiums for District residents

The American Rescue Plan Act of 2021 (American Rescue Plan) lowers health insurance premiums. For DC residents, the American Rescue Plan reduces premiums for health insurance through DC Health Link, provides health insurance for as little as \$2/month to people who lost their jobs, and pays for 100% of COBRA premiums for laid-off workers.

## Monthly Premium Reductions for DC Health Link Customers in 2021 and 2022

### **How does the American Rescue Plan help me to afford private health insurance?**

The American Rescue Plan lowers health insurance premiums on DC Health Link.

### **I already get premium reductions. Will my premiums go down?**

**Yes.** The American Rescue Plan decreases your premiums. For example, if you are a 30-year-old resident with an annual income of \$30,000 and already pay a reduced premium of \$200/month for a silver plan, your monthly premium will go down to \$90/month.

### **I don't qualify for reduced premiums under the Affordable Care Act (ACA). Does the American Rescue Plan reduce my premiums?**

**Yes.** The American Rescue Plan reduces your premiums so you will not pay more than 8.5% of your income on premiums. For example, if you are a 30-year-old resident with an annual income of \$45,000 and already pay the full monthly premium of \$377/month for a silver plan, your premium will go down to \$282/month.

The ACA lowered premiums for people who had incomes up to 400% of Federal Poverty Level (FPL) -- \$51,040 per year (or \$104,800 per year for a family of 4). Having a higher income meant that you did not qualify for premium reductions under the ACA. The American Rescue Plan protects everyone. No one will pay more than 8.5% of their income on health insurance premiums.

### **I am in the U.S. on a Visa and don't qualify for Medicaid coverage because of my visa status. Will my premiums for private health insurance go down?**

**Yes.** Depending on your income, your premiums may be as low as \$2/month. The American Rescue Plan includes immigrants who don't qualify for Medicaid coverage. Visit the [Eligible Immigration Statuses for Private Health Coverage Through DC Health Link](#) FAQ page for categories of immigrants who qualify for reduced premiums.

### **If I enroll, how long will my premium stay this low?**

The reduced premium under the American Rescue Plan is for all of 2021 and all of 2022 unless Congress extends or makes permanent.

### **What if my income changes?**

Your monthly premium is based on your income. If your income goes down, you may qualify for lower monthly premiums. If your income goes up, your monthly premium may go up. You will not pay more than 8.5% of your annual income on health insurance premiums.

### **Do I have to enroll in a specific plan?**

**No.** You can enroll in any plan – bronze, silver, gold, or platinum – and apply the amount of monthly reductions you qualify for to the plan of your choice. The American Rescue Plan calculates the amount of the reduction using the cost of the second lowest silver plan, your income, and your age to determine your monthly premium reductions.

### **Will everyone's premium be reduced?**

**No.** Not everyone will qualify for monthly premium reductions because affordability is determined by the cost of the second lowest price silver plan, age, and income. Because DC's premiums are already among some of the lowest in the country, some people already pay less than 8.5% of their income on premiums.

### **I qualify for monthly premium reductions, but I chose to pay my full monthly premium instead. Can I claim the amount of reduced premiums during tax time when I file my taxes?**

**Yes.** You can get the amount of reduced premiums when you file your taxes. When you do that, each month you pay full price for premiums.

### **When will this new benefit be available on DC Health Link?**

This new benefit will be available starting in April at [DCHealthLink.com](https://DCHealthLink.com).

### **I am currently enrolled in a health plan through DC Health Link and pay full price for my premiums. What do I have to do to get lower monthly premiums?**

Starting in April, through your [DCHealthLink.com](https://DCHealthLink.com) account you will be able to provide income and household information and instantly find out if and how much your monthly premiums will decrease. You'll also be able to apply those premium reductions and see your new premium.

### **I am currently enrolled on DC Health Link and pay reduced monthly premiums. What do I have to do to lower my monthly premiums more?**

Nothing. In April, DC Health Link will automatically recalculate eligibility for customers who currently receive monthly premium reductions under the ACA. Based on the information you already provided, you will see lower monthly premiums automatically. These will be reflected on your May invoice from your health insurance company. Because the American Rescue Plan makes these changes effective January 1, 2021, you will receive the full value of the premium if you've been covered since January 2021.

For example, if you qualify for a \$100/month reduction (or \$1,200/year reduction) and are enrolled from January 1, 2021 to December 31, 2021, your May through December invoices will reflect a premium reduction of \$150 each month (the full \$1,200/year reduction). Note that you may receive an initial invoice for May that does not yet reflect the new savings. The health plan

will send an updated invoice later in April for your May premium that reflects the updated premium reductions.

**I am currently not enrolled on DC Health Link. What do I do to get low monthly premiums provided by the American Rescue Plan?**

Starting in April you can go to [DCHealthLink.com](https://DCHealthLink.com) and do a quick check to see how much in premium reductions you may qualify for under the American Rescue Plan. Provide information about your income and household, find out how much your premiums will be reduced, select a health plan, and enroll.

## Examples of How the American Rescue Plan Will Lower Monthly Premiums for District Residents

Examples based on 2021 premium for the second lowest cost silver plan on DC Health Link.

### Monthly Premiums for a 30-year-old

| Annual Income | ACA      | American Rescue Plan  |
|---------------|----------|-----------------------|
| \$30,000.00   | \$200.07 | \$90.43               |
| \$45,000.00   | \$332.51 | \$279.70              |
| \$60,000.00   | \$332.51 | \$332.51 <sup>1</sup> |

### Monthly Premiums for a 45-year-old

| Annual Income | ACA      | American Rescue Plan |
|---------------|----------|----------------------|
| \$30,000.00   | \$202.82 | \$93.18              |
| \$45,000.00   | \$376.70 | \$282.44             |
| \$60,000.00   | \$504.09 | \$433.07             |

### Monthly Premiums for a 60-year-old

| Annual Income | ACA | American Rescue Plan |
|---------------|-----|----------------------|
|---------------|-----|----------------------|

|             |          |          |
|-------------|----------|----------|
| \$30,000.00 | \$209.08 | \$99.44  |
| \$45,000.00 | \$382.96 | \$288.70 |
| \$60,000.00 | \$895.93 | \$439.34 |

<sup>1</sup> No premium reduction because the cost of coverage is lower than the 8.5% of income affordability protection.

## Private Health Insurance for as Little as \$2/Month Through DC Health Link for Residents Who Received Unemployment Compensation in 2021

### How does the American Rescue Plan help me to afford private health insurance if I've been laid-off?

The American Rescue Plan makes health insurance on DC Health Link almost free. Pay as little as \$2/month depending on which plan you select.

### Do I qualify if I received unemployment compensation in 2021?

**Yes.** You qualify if you received unemployment compensation any time in 2021. You do not have to be receiving unemployed compensation when you apply for health insurance.

For example, if you received unemployed insurance January 1 through January 7, 2021 and you apply for health insurance April 1, 2021, you qualify for health insurance for \$2/month because you received unemployment insurance for at least one week in 2021.

### Do I qualify if I am eligible for other coverage such as Medicaid, Medicare, or employer-sponsored coverage?

**No.** You do not qualify if you are eligible for other coverage such as Medicaid, Medicare, or employer-sponsored coverage.

### What type of unemployment compensation qualifies?

All types of unemployment compensation qualify. This includes Regular Unemployment Compensation, Pandemic Emergency Unemployment Compensation (PEUC), Extended Unemployment Compensation, and Pandemic Unemployment Assistance (PUA).

### How long will my premiums stay low once I enroll?

This benefit is currently a temporary benefit and will expire Dec 31, 2021 unless Congress extends or makes permanent.

### Do I also qualify for lower deductibles, copayments, and coinsurance when I use my health plan?

**Yes.** You also get cost sharing reductions, but you must select a silver level plan. When you enroll in any silver plan, you will not have annual deductibles and you will have very low copays

and coinsurance when you use your benefits. If you enroll in platinum, gold, or bronze plan, the regular deductibles, copayments, and coinsurance apply.

### **When will DC Health Link have this new benefit?**

This new benefit will be available on DC Health Link starting in April. Go to [DCHealthLink.com](https://DCHealthLink.com) to enroll.

## **Free COBRA for Laid-Off Residents**

### **I've been laid off. How does the American Rescue Plan help me pay for my COBRA premiums?**

The American Rescue Plan pays for **100%** of your COBRA premiums. For more details go to: <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premiu...>

### **What is COBRA?**

COBRA is continuation health insurance coverage offered by employers with 20 or more employees. Federal law requires employers to provide this benefit. It lasts for 18 months for laid off workers. DC requires employers with fewer than 20 employees to provide continuation coverage for 3 months.

### **Does the American Rescue Plan pay premiums for state or local COBRA?**

**Yes.** The federal government will pay for federal or local COBRA premiums. DC has local COBRA. DC COBRA lasts for 3 months.

### **If I enroll in COBRA, how long will my COBRA premiums be paid for?**

The federal government will pay your COBRA premiums starting April 1, 2021 through September 30, 2021.

### **Does the American Rescue Plan extend my COBRA to longer than 18 months?**

**No.** The American Rescue Plan does not extend COBRA. The 18 months for COBRA continues to apply. It also does not extend DC COBRA. For DC COBRA, the 3 months duration continues to apply.

### **I was laid off from my job. Do I qualify for the federal government to pay 100% of my COBRA premiums?**

**Yes.** Because you were laid off, you qualify for the federal government to pay 100% of your COBRA premiums.

### **My spouse and children were covered under my health insurance when I was laid off. Will the federal government pay 100% of their COBRA premiums too?**

**Yes.** If your family members were enrolled in your employer-sponsored coverage when you were laid off, the federal government will pay 100% of their COBRA premiums.

### **I am eligible for coverage through my new job. Do I qualify for the federal government to pay my COBRA premiums through my former employer?**

**No.** You do not qualify if you are eligible for other employer-sponsored coverage or Medicare.

**I resigned from my job. Do I qualify for the federal government to pay 100% of my COBRA premiums?**

**No.** Only people who are laid-off qualify for the federal government to pay 100% of their COBRA premiums. Because you resigned, you do not qualify. If you were terminated for gross misconduct, you also do not qualify.

**How will the federal government pay for my COBRA premium?**

The federal government will pay your insurance company or your group health plan directly.

**I was laid off and my job-based coverage ended December 31, 2020. I was eligible for federal COBRA but did not enroll. Can I still enroll to receive free COBRA coverage?**

**Yes.** The American Rescue Plan gives you a new opportunity to enroll in federal COBRA. Starting April 1, 2021, you can enroll even if you missed or decided not to enroll during your initial 60-day COBRA election period when you were laid-off. You can also reenroll if you dropped COBRA. The American Rescue Plan does not extend your 18 months of federal COBRA or 3 months of DC COBRA.

If you are eligible for federal COBRA coverage your COBRA would have started January 1, 2021 and would end June 30, 2022 (18 months starting January 2021). Under the American Rescue Plan, you can enroll in COBRA because you are still within your federal COBRA 18-months coverage period even though you did not enroll initially.