

## A Primer on the American Rescue Plan's Private Health Insurance Provisions

The American Rescue Plan Act of 2021 (ARP) makes major changes to the Affordable Care Act's health insurance subsidy provisions. As a result, millions of Americans will have the opportunity to enroll in affordable comprehensive health coverage, including the [15 million uninsured](#) Americans who are currently eligible to purchase coverage on the Health Insurance Marketplace. This primer summarizes the ARP's health insurance provisions and provides resources to help people find coverage that suits their needs.

### Background

Under the Affordable Care Act, also known as Obamacare, people with incomes between 100% and 400% of the federal poverty level are eligible to receive financial assistance to reduce the cost of health insurance purchased through the Health Insurance Marketplace. The subsidies have helped make coverage affordable for millions of people, but premiums and cost-sharing may still be high for people who don't receive large subsidies.

Having health comprehensive coverage is especially important during the COVID-19 pandemic. To encourage people to enroll in coverage, the ARP temporarily expands eligibility and the generosity of financial subsidies for health coverage purchased through the Health Insurance Marketplace. It also enables those receiving unemployment benefits to enroll in zero-premium health insurance plans and provides financial help to people who have lost their job but remain enrolled in their employer's health coverage through COBRA.

#### *Subsidies for Health Insurance Purchased through the Health Insurance Exchange*

The Affordable Care Act provides premium tax credits to eligible people with incomes between



Specifically, [guidance](#) from the Centers for Medicare and Medicaid Services recommends the following (Note that state-operated marketplace policies may be different):

- On or after April 1, those who want to sign up for new coverage should go to the marketplace, submit their application, and select a plan. Enhanced premiums for healthcare.gov plans will be applied starting May 1.

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U.S. Department of Health and Human Services. The American Rescue Plan: Reduces Health Care Costs, Expands Access to Insurance Coverage and Addresses Health Care Disparities. Fact Sheet. <https://www.hhs.gov/sites/default/files/fact-sheet-hhs-american-rescue-plan-health-insurance-coverage.pdf>