

American Rescue Plan Act – Kaiser Permanente for Individuals and Families (KPIF) Broker FAQs

Background

The American Rescue Plan Act (ARPA), signed by President Biden on March 11, 2021 provides support for pandemic relief, including funding to expand the Advance Payments of the Premium Tax Credit (APTC) subsidy under the Affordable Care Act for Individual & Family plan enrollees.

ARPA's Impact on Individual & Family consumers and enrollees:

- Provides a premium tax credit to eligible individuals with an income above 400% of the Federal Poverty Level (FPL) for 2021 and 2022; the upper income limit for premium tax credit no longer exists for these two years, providing higher income individuals access to premium tax credits if their benchmark plan premium exceed 8.5% of their household income and they enroll in an individual plan through a health benefit exchange;
- Increases subsidies to eligible individuals by reducing the individual's contribution for their premium; individuals with incomes at 100% and up to 150% of FPL will be eligible for very low, and in some cases zero-dollar, premium coverage; and
- Provides maximum Advance Premium Tax Credit (APTC) subsidy for individuals that receive 2021 unemployment benefits by treating their income as not greater than 133% of FPL. Individuals need to attest to being approved to receive unemployment compensation.

Timing

- The increased subsidy is available for 2021 and 2022.
- The increased subsidy amounts will be available on the health benefit exchanges starting April 1, 2021 (varying by exchange – please visit the local exchange to confirm).
- Kaiser Permanente updated the Individual & Family subsidy calculation tools, including our online quoting tool [Buykp.org](https://buykp.org).

Member Impact

- On-exchange members currently receiving APTC may be eligible for increased APTC.
- Off-exchange and on-exchange non-APTC members may be newly eligible for APTC, or a premium tax credit when they file their 2021 taxes in 2022.

The American Rescue Plan Act covers a wide range of issues, including new COBRA continuation coverage election, notice and premium assistance requirements. For more information on the impact of COBRA, please contact your Kaiser Permanente sales representative. Visit account.kp.org under "Contact Us" to find your local sales rep.

Frequently Asked Questions (FAQs)

General Questions

- **What outreach is Kaiser Permanente planning related to the American Rescue Plan Act?**
 - Kaiser Permanente is planning an outreach campaign to existing off-exchange members, encouraging them to find out if they are eligible for the expanded APTC.
 - We are refreshing our ongoing marketing to prospective consumers, in efforts to encourage uninsured individuals to enroll, including special messaging to former Kaiser Permanente Individual and Family (KPIF) plan members.
 - If a prospect signs up through an exchange, they may receive additional notification regarding their options.

- **Is Kaiser Permanente providing a Special Enrollment Period (SEP) for off-exchange plans?**
 - Yes, we are following the states' guidance and matching the COVID-19 Public Health Emergency SEP for off-exchange plans. No documentation is required for these SEPs.
 - Information below is subject to change, please contact our KPIF Broker Support team at kpif@kp.org or **1-844-394-3978, option 4** with any questions, including application receipt and effective date deadlines.

Kaiser Permanente is offering a SEP through:

State	End Date	Details
California	5/15 – off 12/31 – on	For new enrollees and existing member plan changes.
Colorado, Georgia, Hawaii, Oregon, and Virginia	8/15	
Maryland	8/15	For new enrollees (without health coverage).
Washington	8/15	For new enrollees and existing member plan changes (on-exchange only)

- **What does a member need to do to take advantage of these new subsidies?**
 - It varies depending on the state where the member has coverage. Work with your client to help them determine the best KP plan for them and assist them with any action they may need to take. If they're currently in an off-exchange plan, help them apply for an on-exchange plan if they want to take advantage of new subsidies.

State	Details
California, DC, Maryland and Washington	For most existing exchange members, no action is needed if the member's situation hasn't changed; the local State-based exchange will automatically apply eligible subsidies. <ul style="list-style-type: none"> • An exchange can automatically apply the new subsidies only if your client has previously given permission to query the IRS database. If they have not, contact the exchange and follow the exchange's directions on requesting a re-certification.
Colorado	Existing exchange members must go into their Connect for Health Colorado account and re-apply to determine their updated APTC eligibility. Connect for Health Colorado will NOT automatically update premium tax credits on behalf of current enrollees. <ul style="list-style-type: none"> • Enrollees need to include their income if they have not already done so or update their income to correctly calculate expanded subsidy eligibility. • Contact Connect for Health Colorado to see how/if you can do this on behalf of your existing exchange clients.
Georgia, Hawaii, Oregon and Virginia	Existing exchange members must go into their HealthCare.gov account and re-apply to determine their updated APTC eligibility. HealthCare.gov will NOT automatically update premium tax credits on behalf of current enrollees. <ul style="list-style-type: none"> • Enrollees need to include their income if they have not already done so or update their income to correctly calculate expanded subsidy eligibility. • Contact HealthCare.gov to see how/if you can do this on behalf of your existing exchange clients.

- **Does a member need to opt in by the 15th of the month for the new subsidies to take effect as of the 1st of the following month?**
 - The subsidy re-determination process follows the same deadline guidelines as the current COVID-19 SEP. Please visit your local health benefit exchange for eligibility date guidelines.
- **What happens if a member doesn't elect the expanded APTC subsidies in 2021?**
 - Tax credits will be reconciled when on-exchange members file their 2021 taxes in 2022.
 - When renewing into 2022, the 2022 Advance Tax Credits will be applied.
- **What plan determines how much subsidy a consumer will receive under the new law?**
 - The second lowest cost Silver plan in the area where the applicant resides will continue to be the benchmark plan for subsidies.
- **If an employer offers dependent coverage without financial help for the dependents' premiums, can those dependents now qualify for the expanded APTC?**
 - The new law does not change the eligibility for dependents who are offered coverage as long as the coverage offered to the employee's own premium is considered affordable, which now means it has to cost less than 9.83% of their household income.
- **What happens if a member isn't enrolled in an on-exchange plan for 2021, can they still get the new subsidies?**
 - Yes, however, members must move to an on-exchange plan to receive the expanded APTC. We encourage you to check with all your clients to find the best KP plan for them.
- **If a member has an off-exchange plan, but now qualifies for new subsidy and wants to move to an on-exchange plan, what do I need to do?**
 - Assist your client in applying for coverage through the local health benefit exchange to get new subsidies. With your facilitation, you remain as the Broker/Agent of Record (BOR/AOR) for your client on the new on-exchange plan.
 - After the member's enrollment in the on-exchange plan is confirmed, cancel the off-exchange plan, otherwise the member will have two coverages. Your client's off-exchange coverage can be canceled by doing one of the following:
 - The member can call Kaiser Permanente Member Services at the number on the back of their Kaiser Permanente ID card and request to terminate their coverage, OR
 - The broker can email KPIF@kp.org and we can provide detailed instructions on submitting a cancellation request (requires subscriber's signature).
- **If a member has an on-exchange plan for 2021, but didn't provide their income because they didn't qualify for subsidies - will they qualify for subsidies now?**
 - They need to update their income through the local health benefit exchange and opt-in to have their income verified on their taxes.
- **Will this law change deductibles or out-of-pocket maximums?**
 - No, not unless a member enrolls into a different plan.
 - Your client's increased premium assistance may help them afford a Gold or even Platinum tier plan. Please check with your clients as to which KP plan is right for them.
- **Will this law change the Cost-Sharing Reduction (CSR) Silver plans?**
 - Generally no, the FPL guidelines for these plans will not change under this law.
 - If they receive unemployment insurance benefits during 2021, they may be eligible for the richest CSR plan.

- **If a member changes plans or elects the APTC subsidy will this change the Broker/Agent of Record (BOR/AOR) on file?**
 - No, the BOR/AOR will stay the same. The BOR/AOR would only change if another broker assists the member with their plan change or re-determination and the member updates the BOR/AOR.
 - To ensure your BOR/AOR remains attached to the client, work with your client to help facilitate any changes to their coverage.
 - Contact your local health benefit exchange to confirm if you're still attached as BOR/AOR for your client's coverage.
- **If a member is on KP's COVID-19 Payment Plan, do these new subsidies change the member's obligation?**
 - No. Kaiser Permanente expects members on the COVID-19 Payment Plan to pay it off completely.
- **If my client receives a refund from an overpayment from the American Rescue Plan Act, can they apply that towards their COVID-19 Payment Plan balance?**
 - While we can't automatically transfer credits between accounts, your client may use the refund as an opportunity to make a payment towards their COVID-19 Payment Plan. They can do so by contacting us at the phone number on their COVID-19 Payment Plan invoice.

Existing KPIF members receiving APTC

- **Can I qualify for subsidy if I (or someone in my household) is able to get coverage from an employer?**
 - If someone in your household (for tax filing purposes) has an offer of employer-based coverage and you're a dependent of that person, you cannot receive an APTC subsidy.
- **How does a member find out if their subsidy amount increased?**
 - Your client will receive a notice from the exchange, but only in markets with automatic re-determination (CA, DC, MD and WA).
 - If your client has not received a notice, check their account at the exchange. You may need to assist them in requesting a re-determination.
- **How will the credit for past months apply to current members receiving subsidy?**
 - The credits vary by exchange. In some cases, credits will be applied to future billing months.
 - Any past credits not advanced by the exchange will be reconciled when on-exchange members file their 2021 taxes in 2022.
- **Will exchanges ever provide a credit in excess of the amount due?**
 - No, KP and the exchange will not credit amounts above the premium.
- **If a member is eligible for premium assistance which exceeds their current premium, how can they use the additional premium assistance?**
 - Members may be able to switch to a richer Kaiser Permanente plan (one with lower cost sharing) using the additional premium assistance to buy better coverage.
- **If a member terminates their plan will they get a refund for the past credit?**
 - No. However, tax credits will be reconciled when on-exchange members file their 2021 taxes in 2022.

- **Will unemployment insurance benefits impact my client's subsidy eligibility?**
 - Yes. The exchange will automatically consider your client's income to make them eligible for the highest subsidies available.
 - The exchange will use your client's actual income to determine subsidies for 2022.
 - Your client may need to attest to receiving unemployment insurance if they have not already.
 - Your client will also be offered the richest Cost Share Reduction Plan, or a CSR plan, with no deductible.

- **If a member is delinquent and they receive a grace period notice, will their new premium assistance amounts apply to what they owe?**
 - The new premium assistance amounts only apply to future months and the total amount due should be accurately reflected on their last invoice.
 - Any applicable tax credits will be reconciled when on-exchange members file their 2021 taxes in 2022.

- **Why was my client's State-based subsidy removed?**
 - State-based subsidies will be replaced by the more generous Federal subsidies under the American Rescue Plan Act.

Existing KPIF subscribers not receiving APTC

- **If a member is enrolled through an exchange but doesn't receive a subsidy, are they eligible for a subsidy with the Biden's new American Rescue Plan Act?**
 - They might be eligible. Subsidies are calculated based on income level.
 - We encourage you to check with all your clients to find the best KP plan for them.

Uninsured consumers

- **Is it better to wait and buy health care coverage after the subsidies are updated in the system to get a lower amount?**
 - We recommend enrolling now as all subsidies will be re-calculated to the first 2021 date in which the coverage was purchased. Credits will be reconciled when on-exchange members file their 2021 taxes in 2022.

Plan changes

- **If a member switches plans (i.e. from a Bronze to a Gold) and their out-of-pocket (OOP) and deductibles change, will they receive a refund for Cost-sharing they spent under their original plan?**
 - Unfortunately, no. If they change plans mid-year, any amount accrued Year to Date (YTD) carries to the new plan. However, claims determined under their prior plan will not be re-calculated.
 - For example, if they accrue \$5K under a Bronze plan in January and move to a Gold plan in April, the \$5K will not be refunded from their prior plan. However, they will have met the Gold OOP, and will not pay cost-sharing for the rest of the year.

- **Plan changes within KPIF (KPIF off to KPIF on) or (KPIF metal tier changes): If a person is enrolled in a Qualified Health Plan (QHP) off the exchange, is that person able to choose that same QHP on the exchange during the SEP and continue their accumulations towards deductible and out-of-pocket maximum?**
 - If a member transfers from a Kaiser Permanente off-exchange plan to a Kaiser Permanente on-exchange plan, any 2021 out-of-pocket expenses which have accrued towards a deductible or out-of-pocket maximum will carry over to the new on-exchange enrollment.
 - Also, if an on-exchange member uses the new subsidies to purchase a different Kaiser Permanente on-exchange plan, any 2021 out-of-pocket expenses which have accrued towards a deductible or out-of-pocket maximum will carry over to the new on-exchange enrollment.
 - Deductible and out-of-pocket accumulators carry over in all markets.
 - This will not apply if a member is changing from another Kaiser Permanente product/coverage (ex. Employer coverage, Medicaid, etc.) to KPIF or vice versa. It only applies to plan changes within KPIF.

- **What happens if my client moves their plan from one carrier to another?**
 - Your client's benefits will reset based on the start date of the plan selection and the plan rules.

- **What happens if my client's plan changes from employer coverage to a KPIF plan?**
 - Your client's deductible and OOP expenses would reset as of the new effective date of their selected plan.