NEWS RELEASE: STIMULUS BILL EXPANDS ACCESS TO FREE OR LOW-COST HEALTHCARE COVERAGE FOR HAWAII RESIDENTS

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Stimulus Bill Expands Access to Free or Low-Cost Healthcare Coverage for Hawaii Residents

HONOLULU — Two provisions in the American Rescue Plan Act of 2021 (ARP), signed into law by President Biden on March 11, 2021, lowers health insurance costs for millions of Americans, including thousands in Hawaii. One provision provides a 100 percent COBRA subsidy for up to six months. Another provision increases the Premium Tax Credit, which will extend Affordable Care Act (ACA) subsidies to higher-income individuals.

“It was around this time last year when Hawaii went into lockdown as the world faced a pandemic that made very clear the critical role healthcare has in our communities. With the American Rescue Plan, President Biden committed to providing affordable healthcare for all American citizens. In Hawaii, this will mean significantly expanding access to free or low-cost

healthcare to individuals and families, ensuring that no one gets left behind," said Insurance Commissioner Colin M. Hayashida.

"Some COBRA enrollees may see premiums drop to zero. Some Marketplace enrollees are likely eligible for new or larger subsidies and our uninsured population may be eligible for new Marketplace subsidies and possibly free premiums. I urge them to visit HealthCare.gov starting April 1 to see if they now qualify when they didn't before or if they now qualify for lower cost plans," Hayashida continued.

The new law provides for a 100 percent COBRA subsidy for up to six months from April 1 through September 30, 2021, for anyone who lost health coverage because of an involuntary termination or involuntary reduction in hours on or after November 1, 2019. Employers and plan administrators will determine and notify eligible individuals and their dependents by May 31, 2021.

Employees who previously did not elect COBRA coverage or those whose COBRA coverage ended will be offered a special election opportunity of at least 60 days to elect COBRA coverage. This special election opportunity allows these individuals to apply for COBRA coverage only, and is not retroactive to the date coverage was lost.

The COBRA subsidy does not extend COBRA coverage, and COBRA coverage will still expire 18 months after coverage was lost.

The ARP also assists eligible families and individuals to cover premiums for health insurance purchased through the ACA Marketplace. The new law increases the Premium Tax Credit for most consumers by reducing the share of income consumers contribute to premiums and by removing the upper income limit. This will extend ACA subsidies to higher-income individuals who do not currently qualify for 2021 and 2022, and increase ACA subsidies for lower-income individuals who already qualify for 2021 and 2022.

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The Hawaii Insurance Division regulates the Hawaii insurance industry, issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints.

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