



State of Vermont
Agency of Human Services
280 State Drive, Center Building
Waterbury, VT 05671-1000

Global Commitment Register

October 27, 2022

GCR 22-100
FINAL

Temporary Adjustments to Premium Assistance under the American Rescue Plan Act

Policy Summary:

The Agency of Human Services is providing this notification on the time-limited changes to eligibility for premium assistance under the Health Benefits Eligibility and Enrollment rules (HBEE) due to the federal American Rescue Plan Act of 2021 and the Inflation Reduction Act of 2022. The temporary adjustments to premium assistance described in [Final GCR 21-024](#) and below have been extended through taxable year 2025.

For taxable years 2021 through 2025 (January 1, 2021 – December 31, 2025), federal law expands the availability of premium tax credits to individuals with household income above 400% of the Federal Poverty Level (FPL) and decreases the expected premium contribution percentages (“applicable percentages”) for individuals between 100% and 400% of the FPL. As a result, most eligible individuals with qualified health plans (QHPs) through Vermont Health Connect now qualify for larger premium tax credits. They have the option to either pay less in premiums each month or to receive a larger tax refund when they file their federal taxes. See the table under Additional Information below for the changes to the expected premium contribution percentages.

Sections of HBEE rules that are superseded by the time-limited changes to premium assistance under federal law include the following:

- HBEE Part 2, Section 12.03(a) Applicable tax filer
- HBEE Part 7, Section 60.07(b) Applicable percentage table for APTC

Effective Date:

January 1, 2021 – December 31, 2025

Authority/Legal Basis:

[Section 9661 of the American Rescue Plan Act](#)
[Section 12001 of the Inflation Reduction Act](#)

Population Affected:

Vermonters who may be eligible for premium assistance by enrolling in a qualified health plan through Vermont Health Connect.

Fiscal Impact:

There is no direct fiscal impact as premium tax credits are 100% federally funded. DVHA will monitor for any indirect fiscal impact to the State due to consumer choices.

To be added to the GCR email list, send an email to AHS.MedicaidPolicy@vermont.gov.

Additional Information:

- Current [HBEE adopted rules](#) are available on the AHS website at this link.
- Visit this link for more information about [Financial Help through Vermont Health Connect](#).
- [More information about eligibility thresholds](#), including an updated household income threshold table for Advanced Premium Tax Credits, Vermont Premium Assistance, and Cost Sharing Reductions, is available on the Vermont Health Connect website.

The Applicable Percentages for 2021-2025 can be found on the next page.

2021-2025 Applicable Percentages

The "applicable percentage" is the maximum proportion of a subsidy-eligible household's income that can be spent on the marketplace's benchmark plan. After being calculated as a dollar figure, the difference between the applicable amount and the benchmark premium becomes a premium tax credit which can then be applied to any qualified health plan in the marketplace. For eligible Vermonters with income up to 300% FPL, Vermont Premium Assistance provides an additional 1.5% of household income in assistance if the member's selected premium is not entirely covered by the federal premium tax credit. The applicable percentages for all income levels increase proportionally from the initial to final percentage. For example, Vermonters at 250% and 300% FPL have applicable percentages of 2.50% and 4.50% respectively, so an eligible Vermonter at 275% FPL would be expected to contribute 3.50% of their income to the cost of the benchmark plan, with premium tax credits and Vermont Premium Assistance covering the rest of the cost.

Household income (expressed as a percentage of federal poverty level, or FPL)	Federal Applicable Percentage (premium tax credit only)		Vermont Applicable Percentage (with Vermont Premium Assistance)	
	Initial percentage	Final percentage	Initial percentage - VT	Final percentage - VT
<133%	0.00%	0.00%	-1.50%*	-1.50%*
133-150%	0.00%	0.00%	-1.50%*	-1.50%*
150-200%	0.00%	2.00%	-1.50%*	0.50%
200-250%	2.00%	4.00%	0.50%	2.50%
250-300%	4.00%	6.00%	2.50%	4.50%
>300-400%**	6.00%	8.50%	6.00%**	8.50%
>400%>	8.50%	8.50%	8.50%	8.50%

*If a member has a negative applicable percentage, DVHA will apply Vermont Premium Assistance to any remaining portion of a member's monthly premium that is not covered by their application of advance premium tax credit.

**Because a Vermonter at 300% FPL has an applicable percentage of 4.50%, no Vermonter has an applicable percentage of 6.00%. However, 6.00% is used as the initial percentage for determining applicable percentages for Vermonters between 300% and 400%.