

**Timeline of Key Provisions in the American Rescue Plan Act of 2021**  
**Effective and End Dates**  
*March 26, 2021*

On March 11, President Biden signed an approximately \$1.9 trillion COVID-19 relief bill—the [American Rescue Plan Act of 2021](#) (“the American Rescue Plan,” ARPA). The American Rescue Plan includes myriad health care provisions, focused primarily in two areas: first, it provides funding the Biden administration requested to carry out its COVID-19 response plans; second, it enacts significant but largely temporary coverage policies.

Although all health care coverage provisions of the bill are temporary, many will have a lasting impact. This timeline provides the start and end dates for key health care provisions to help states plan for implementation and future policymaking. The provisions covered include:

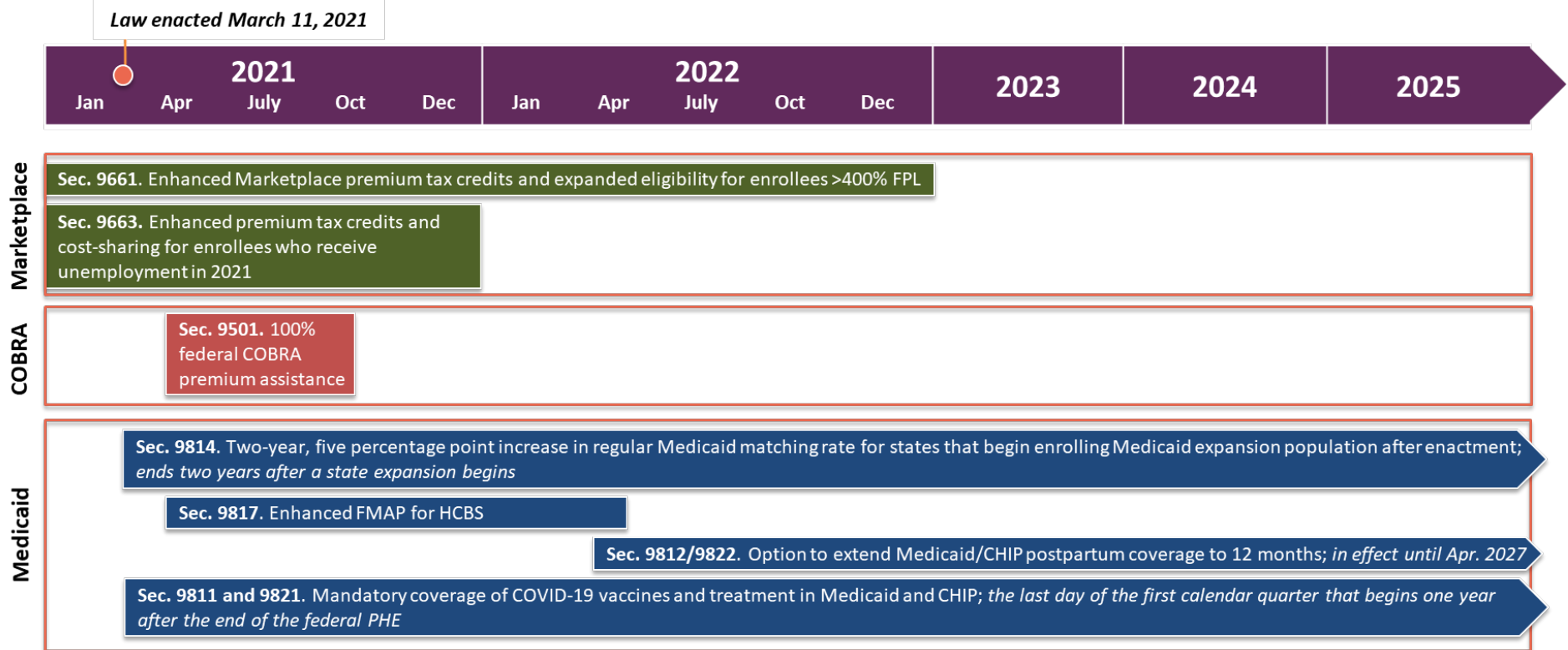
- Marketplace and commercial insurance. See page [3](#).
- Medicaid. See page [4](#).
- State and local funding. See page [7](#).

Importantly, the American Rescue Plan also includes several funds that could be made available to states and are not enumerated in this document. For example, the U.S. Department for Health and Human Services (HHS) and Centers for Disease Control and Prevention (CDC) may distribute to states and other recipients to support vaccine distribution and testing, but the law does not establish the exact dollar amount that HHS and CDC must distribute to states versus use for other purposes. Similarly, the American Rescue Plan defers to the federal government regarding the timing for distributing funds for:

- Skilled nursing facility infection control
- Community health centers
- Investment in the health care workforce
- Substance abuse disorder and mental health grant programs

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**Timeline of Key Coverage Provisions in the American Rescue Plan**



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Provision and Relevant Section	Effective Date	End Date	Notes
<b>Marketplace and Commercial Insurance</b>			
<b>Expanded Marketplace Tax Credits</b> (Sec. 9661). Provides increased assistance for people currently eligible for tax credits across all income levels, and extends tax credits to those above 400% of the federal poverty level (FPL) (who have no other offer of affordable insurance) for the first time.	January 1, 2021 <sup>1</sup>	December 31, 2022	The Centers for Medicare & Medicaid Services (CMS) has <a href="#">announced</a> that enhanced tax credits will be available on Healthcare.gov starting April 1.
<b>Zero Premium Coverage for People Who Receive Unemployment in 2021</b> (Sec. 9663). Individuals who receive an unemployment insurance payment in 2021 would be eligible to receive premium tax credits that allow them to buy a Silver-level plan with \$0 premiums in 2021 and would be eligible for the maximum cost-sharing subsidies amount, regardless of their income.	January 1, 2021	December 31, 2021 <sup>2</sup>	CMS has <a href="#">indicated</a> that enhanced tax credits will be available on Healthcare.gov starting in “early July.”
<b>Eliminating Requirement to Repay Premium Tax Credit in 2020</b> (Sec. 9662). Individuals receiving tax credits will not be required to reconcile premium tax credits if their annual income increases during 2020.	January 1, 2020	December 31, 2020	
<b>Funding for State-Based Marketplace Modernization</b> (Sec. 2801). Appropriates \$20 million in grants for state-based Marketplaces to modernize or update any system, program or technology to ensure compliance with Affordable Care Act (ACA) Marketplace requirements.	March 11, 2021 <sup>3</sup>	September 30, 2022	
<b>COBRA Subsidies</b> (Sec. 9501). Provides federal premium assistance equal to 100% of COBRA continuation coverage premiums for COBRA-eligible individuals and families.	April 1, 2021	September 30, 2021	

<sup>1</sup> Taxable years beginning after December 31, 2020.

<sup>2</sup> The act does not specify a date but indicates enhanced coverage for 2021.

<sup>3</sup> Appropriated for fiscal year 2021.

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<b>Medicaid</b>			
<b>Enhanced FMAP for Medicaid Expansion</b> (Sec. 9814). Provides states that implement a Medicaid expansion after the date of enactment with a two-year, five-percentage-point increase in the Medicaid matching rate (FMAP) for most <i>non-expansion</i> populations.	Enhanced FMAP available to new expansion states starting April 1, 2021 <sup>4</sup>	Enhanced FMAP ends two years after a state expansion begins	States that begin enrolling adults in the Medicaid expansion group during the public health emergency (PHE) will also receive the 6.2-percentage-point bump authorized by the Families First Coronavirus Response Act.
<b>State Option to Extend Medicaid and CHIP Coverage Postpartum.</b> (Sec. 9812 and Sec. 9822). Provides states the option to extend Medicaid/Children’s Health Insurance Program (CHIP) eligibility for pregnant people enrolled in Medicaid/CHIP for 12 months postpartum.	State option available April 1, 2022	State option ends March 31, 2027	American Rescue Plan does not provide enhanced FMAP for this coverage extension.
<b>Mandatory Coverage of COVID-19 Vaccines and Treatment in Medicaid and CHIP</b> (Sec. 9811 and Sec. 9821). Requires coverage, without cost-sharing, for COVID-19 vaccines and vaccine administration for Medicaid and CHIP populations; and for drugs, biologics and other treatments for most “full benefit” Medicaid and CHIP populations, plus the optional Medicaid COVID-19 testing group.	March 11, 2021	The last day of the first calendar quarter that begins one year after the end of the federal PHE <sup>5</sup>	The bill provides 100% FMAP for vaccine and vaccine administration services during this period.
<b>State Option for Community-Based Mobile Crisis Interventions</b> (Sec. 9813). Authorizes states to claim Medicaid matching funds for community-based mobile crisis intervention services for Medicaid enrollees experiencing a mental health or substance use	State option and enhanced FMAP available April 1, 2022 <sup>6</sup>	Enhanced FMAP available for three years during the five-year period in	States can claim these intervention services at an increased 85% FMAP for the first three years.

<sup>4</sup> State receipt of the enhanced FMAP is tied to when a new expansion state begins enrolling people in the Medicaid adult expansion group.

<sup>5</sup> For example, if the PHE were to end on January 30, 2022, then this provision would end June 30, 2023 (the last day of the calendar quarter that begins after January 30, 2023, the one-year anniversary of the PHE end date).

<sup>6</sup> Beginning on the first day of the first fiscal-year quarter that begins one year after the date of the enactment of this act.

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disorder crisis.  <i>Note: Section 9813 also provides the HHS Secretary with \$15 million in planning grants for states “as soon as practicable.”</i>		which the option is in effect <sup>7</sup>  State option ends March 31, 2027 <sup>8</sup>	
<b>Enhanced FMAP for Urban Indian Health Organizations</b> (Sec. 9815). Extension of 100% FMAP to Urban Indian Health Organizations and Native Hawaiian Health Care Systems.	April 1, 2021 <sup>9</sup>	March 31, 2023	Under current law, services provided to American Indian and Alaska Native Medicaid enrollees are matched at 100% FMAP only if they are provided through an Indian Health Service facility; the ARPA provides the 100% matching rates to two types of health care organizations that do not currently qualify for that matching rate.
<b>Enhanced FMAP for Home- and Community-Based Services (HCBS)</b> (Sec. 9817). Provides a one-year, 10-percentage-point FMAP increase for Medicaid HCBS authorized by state plan or waiver as well as home health, personal care, PACE, case management, rehabilitation services and other services as specified by the Secretary of HHS.	Enhanced FMAP available April 1, 2021	Enhanced FMAP ends March 31, 2022	CMS plans to issue guidance regarding the parameters of this provision, including qualifying expenditures and standards to assure that states are supplementing, not supplanting, existing investments in HCBS.
<b>State Nursing Home Strike Teams</b> (Sec. 9402 and Sec. 9818). Provides Medicaid (and Medicare) funding for states to establish	March 11, 2021 <sup>10</sup>	Funding available until expended; for	

<sup>7</sup> During the first 12 fiscal quarters.

<sup>8</sup> A five-year period.

<sup>9</sup> Eight fiscal quarters beginning with the first fiscal-year quarter beginning after the date of the enactment of the American Rescue Plan.

<sup>10</sup> Appropriated for fiscal year 2021.

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deployable strike teams to respond to COVID-19 outbreaks in skilled nursing facilities and nursing facilities.		use before one year after the end of the PHE	
<b>Maintaining Medicaid DSH Allotments During the Emergency Period</b> (Sec. 9819). The Families First Coronavirus Response Act (FFCRA) increased the Medicaid FMAP by 6.2 percentage points, but did not make a corresponding adjustment to Medicaid Disproportionate Share Hospital (DSH) allotments to reflect the increased FMAP, thereby reducing the total (state and federal) amount of DSH funding. The ARPA requires the HHS Secretary to recalculate DSH allotments to ensure the total DSH allotment (federal and state shares) is the same as it would have been without the enhanced match.	January 1, 2020 <sup>11</sup>	First fiscal year in which the FFCRA 6.2-percentage-point increase no longer applies	Funds are available for any fiscal year in which the FFCRA matching rate increase applies.
<b>Elimination of Rebate Cap</b> (Sec. 9816). Eliminates the statutory cap on Medicaid rebates that limits those rebates to 100% of the average manufacturer price (AMP).	January 1, 2024	N/A	
<b>Rebates for COVID-19 Drugs</b> (Sec. 9811). Specifies that the expanded coverage of COVID-19 drugs would be accompanied by new rebate obligations under the Medicaid Drug Rebate Program.	March 11, 2021	The last day of the first calendar quarter one year after the end of the federal PHE <sup>12</sup>	Drugs to treat or prevent COVID-19 generally have not received full FDA approval, but have been approved under an emergency use authorization (EUA). Sec. 9811 is intended to require manufacturers to pay rebates for such drugs.

<sup>11</sup> The provision shall take effect and apply as if included in the enactment of the FFCRA. The FFCRA 6.2-percentage-point FMAP increase applies to expenditures (defined by date of payment, not date of service) beginning on January 1, 2020, and will be available to states through the last day of the calendar quarter in which the PHE ends, as long as states meet certain requirements.

<sup>12</sup> Ending on the last day of the first calendar quarter that begins one year after the last day of the emergency period.

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<b>State and Local Funding</b>			
<b>Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund</b> (Sec. 9901). Creates a new Coronavirus State Fiscal Recovery Fund, appropriating \$219.8 billion for payments to states, Tribal governments and territories; \$195.3 billion is specifically allocated for states and Washington, D.C.	Funds immediately available to Secretary for distribution; <u>at least</u> 50% of state funds must be distributed within 60 days of Secretary receipt of required certifications <sup>13</sup>	Costs must be incurred by December 31, 2024	Secretary has discretion to distribute the full amount of state and territory funds in a single payment, or to split the payments into two tranches, up to 12 months apart.
<b>Coronavirus Local Fiscal Recovery Fund</b> (Sec. 9901). Creates a new Local Fiscal Recovery Fund, appropriating \$130.2 billion for payments to counties, metropolitan cities and nonentitlement units of local government.	Funds immediately available to Secretary for distribution; 50% must be distributed within 60 days of Secretary receipt of required certifications, <sup>14</sup> and 50% must be distributed <u>no earlier than 12 months</u> later		

<sup>13</sup> The Secretary may withhold up to 50% of allocated state funding for up to 12 months.

<sup>14</sup> Where states are responsible for distributing funds to recipients (i.e., nonentitlement units of government), the state must distribute payments within 30 days (unless granted an extension).

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<p><b>Coronavirus Capital Projects Fund</b> (Sec. 9901). Establishes a \$10 billion fund for the Department of the Treasury to make payments to states, territories and Tribal governments to carry out capital projects directly enabling work, education and health monitoring, including remote options, in response to COVID-19.</p>	<p>The Secretary shall establish a process for access no later than May 10, 2021</p>	<p>Funding available until expended</p>	