

Section 1332 State Innovation Waivers:
Frequently Asked Question (FAQ) on the American Rescue Plan and Pass-through
Funding

April 2021

Q: Will the Department of Health and Human Services and the Department of the Treasury (collectively, the Departments) re-calculate 2021 pass-through based on the passage of the American Rescue Plan Act of 2021¹ (ARP)? If so, when can a state expect to receive a revised final determination of the pass-through funding amount?

A: Under the term and conditions of each waiver, “[t]he Departments reserve the right to amend...the pass-through funding amount as needed to reflect changes to applicable federal laws.” Because the ARP, alongside the opportunity to enroll in coverage through the Special Enrollment Period (SEP) provided in response to the COVID-19 public health emergency, affects the calculation of premium tax credits for the current coverage year, the Departments plan to recalculate pass-through funding amounts to account for those changes. The Departments will inform states of the adjusted final pass-through funding later this year. The pass-through funding amounts from April 2021 reflect federal law as of March 10, 2021, prior to passage of the ARP.

¹ The American Rescue Plan Act of 2021 (Pub. L. 117-2) was signed into law on March 11, 2021.