

# The End of the COVID-19 Public Health Emergency: American Rescue Plan Subsidies

The American Rescue Plan Act (ARPA) allocated \$195.3 billion in recovery funds to states and D.C. to help with the pandemic's health, economic and fiscal impacts and contribute to recovery. State fiscal recovery funds (FRF) must be obligated by December 31, 2024 and spent by December 31, 2026.

The [Treasury Department's guidance](#) encouraged states to:



Focus on people  
"most  
disproportionately  
impacted by the  
pandemic"



Use the funds for a  
strong, inclusive, and  
equitable recovery



Reduce health  
inequities across  
racial and economic  
groups

## Impact

- ★ State FRF provided states the flexibility to use the funds to address pandemic-related budget gaps and help people hit hardest
- ★ States have disbursed about [\\$148 billion](#) of the \$195.3 billion allocated\*
- ★ [10% of all state FRF funding](#) have been allocated to health and the public health response, and 46 states have allocated their FRF for these purposes\*
- ★ ARPA provided an infusion of funding to states ([4.9%-22.7% of state budgets in FY20](#)) and allowed states to jumpstart long-term investments in health

\*As of September 2, 2022

## Implications When State FRF are Obligated and Spent

- ★ States have an opportunity to allocate [remaining state FRF funds to sustainable programs](#) that improve health care coverage, make coverage more affordable, and advance health equity
- ★ States that do not allocate resources to programs to help communities that were hardest hit by the pandemic may exacerbate health disparities
- ★ States that allocated funding on projects with one-time costs will have to figure out ways to maintain the projects when FRF run out



1 in 4 adults are skipping care or medicine due to rising costs, and nearly half of adults in lower-income households are doing so.

Source: [West Health and Gallup Study, 2022](#)



## Initiatives

### State Initiatives that Made Care More Affordable

- ★ Maine: \$39 million for the [Small Business Health Insurance Premium Relief Program](#) to provide premium payment relief to small businesses that provide their employees with group health insurance
- ★ Mississippi: \$60 million to [defray increases in state and school employee health insurance costs](#)
- ★ Washington: \$35 million for health care services for [uninsured and underinsured individuals under 200% federal poverty level, regardless of immigration status](#)

### State Initiatives that Made Care More Personalized

- ★ California: \$597.55 million to [Mental Health Services Oversight and Accountability Commission](#) for partnerships between counties and schools, and to develop and expand evidence-based behavioral health programs
- ★ Colorado: \$550 million to create a [behavioral and mental health cash fund](#), of which \$31.75 million has gone to the [Primary Care and Behavioral Health Statewide Integration Grant Program](#) for the implementation of evidence-based clinical integration care models
- ★ Maine: \$4.5 million to establish the [Family Caregiver Grant Pilot Program](#) to increase the number of families served by the Respite Care Fund and provide eligible family caregivers up to \$2,000 a year if they are not otherwise receiving payment for caregiving services



## Recommendations

### Federal and State Policy Recommendations

#### IMMEDIATE OPPORTUNITIES

- ★ Continue to center people and apply an equity lens to economic recovery programs using resources like PolicyLink's [American Rescue Plan Act: Centering Equity and Impacted Communities](#) and The Century Foundation's [Health Coverage Equity Framework](#)
- ★ Develop sustainable funding streams for initiatives that used ARPA funds

#### LONGER-TERM SOLUTIONS

- ★ Invest in health care programs that improve affordability and outcomes, and advance health equity
- ★ Strategically disseminate funding announcements to ensure groups representing and serving low-income communities of color and difficult to reach communities are aware of funding opportunities

### UNITED STATES OF CARE

United States of Care (USofCare) is a non-partisan non-profit working to ensure everyone has access to quality, affordable health care regardless of health status, social need, or income. By putting the needs of people at the forefront of our research and policy solutions, we can create a health care system that works for people.

This one-pager is part of USofCare's playbook, "The End of the COVID-19 Public Health Emergency: Lessons Learned from the Pandemic and Implications for People."

