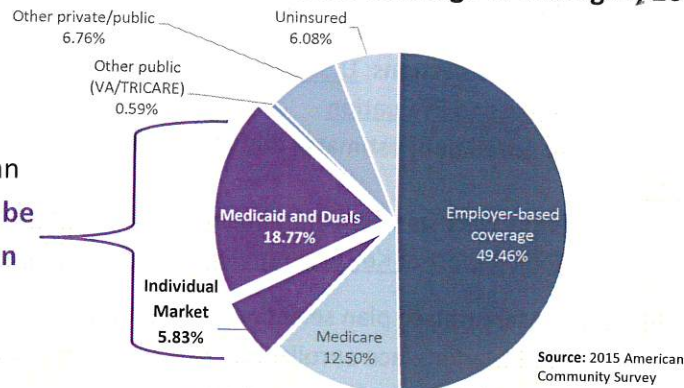




American Health Care Act: Michigan Impacts

Health Insurance Coverage in Michigan, 2015

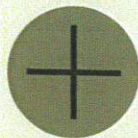
Segments of the Michigan population most likely to be affected by the American Health Care Act



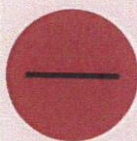
Individual Market	Medicaid
<p>MARCH 2016</p> <p>An estimated 533,000 Michiganders were in the individual market:</p> <ul style="list-style-type: none"> • 187,000 estimated off-exchange enrollees • 346,000 plan selections on Michigan's Health Insurance Marketplace 	<p>DECEMBER 2016</p> <p>An estimated 2,449,000 Michiganders were enrolled in Medicaid coverage:</p> <ul style="list-style-type: none"> • 649,000 Healthy Michigan Plan beneficiaries • 1,800,000 "traditional" Medicaid beneficiaries

According to the [Congressional Budget Office](#) (CBO), the American Health Care Act would have differential impacts on individuals depending on factors such as age, income, geographic location, plan choice, and overall health. In general, the CBO concluded that people who are older, sicker, or receive their coverage through Medicaid will likely see higher costs or lower levels of benefits, while people who are higher income, younger, and healthier are likely to face lower costs or tax savings.

Of those who bought coverage in Michigan's individual market in 2016 many of the:

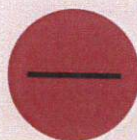


- **86,000 people age 18-34** might have received higher tax credits and/or lower premiums relative to the ACA
- **9,000 people with household incomes above 400% of the federal poverty level** (\$47,520 for an individual in 2016; currently not eligible for tax credits under the ACA) would receive tax credits under the AHCA (those with annual incomes below \$115,000)
- **Estimated 187,000 off-exchange enrollees currently not eligible for tax credits** would receive tax credits under the AHCA



- **100,000 people age 55-64 who selected coverage through Michigan's Health Insurance Marketplace** would face higher costs relative to the tax credits they would receive under AHCA
- **233,000 people with household incomes below 250% of the federal poverty level** (\$29,700 for an individual in 2016) would face higher costs over time with potentially lower tax credits and/or when cost-sharing reduction subsidies are repealed in 2020
- **533,000 people who had individual coverage** would be at risk of facing a 30% surcharge with a gap in coverage of more than 63 days

Of those with Medicaid coverage in Michigan in 2016:



- **Among the 649,000 Healthy Michigan Plan beneficiaries**, those with a gap in coverage of more than 30 days would be at risk of losing coverage beginning in 2020
- **1,800,000 "traditional" Medicaid beneficiaries** would be at risk of losing benefits and/or seeing provider payments cut beginning October 1, 2019 when per capita cost caps would begin to take effect

Beyond these coverage changes, individuals with annual incomes above \$200,000 and couples with annual incomes above \$250,000 would see tax cuts as a result of repealing the ACA's taxes in ACHA. In 2015, approximately 150,000 households in Michigan earned annual incomes of \$200,000 or more (data on incomes above \$250,000 is not available).¹ In addition, 209,000 Michigan households who paid a tax penalty for not having insurance (the individual mandate penalty) in 2015 would see tax savings as a result of repealing the individual mandate penalty under AHCA.²

For more details, see CHRT's companion piece, "American Health Care Act: Key Provisions and Implications in Michigan."

Data Notes

Approximate estimates of overall health insurance coverage in Michigan by category are based on 2015 American Community Survey one-year estimates. Updated information on Medicaid and individual market enrollment was provided by the following sources:

- 2016 Marketplace plan selections: [U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation](#)
- 2016 off-exchange enrollment estimates and total individual market estimates: [Mark Farrah Associates](#)
- Medicaid and Healthy Michigan Plan enrollment: [Michigan Department of Health and Human Services, Green Book Report of Key Program Statistics for January 2017](#)

Approximate estimates of Marketplace plan selections in Michigan by age and income level are based on ASPE data on percentages of Marketplace enrollees by age and income. Percentages were used to calculate estimated numbers of enrollees in these categories:

- For age, numbers were calculated based off the percentage of plan selections with available data on age (345,811 plan selections) and rounded to the nearest thousand.
- For income, numbers were calculated based off the percentage of plan selections with available data on household income (316,499 plan selections) and rounded to the nearest thousand.

Under current law, individuals with annual incomes of \$200,000 or more and couples with annual incomes of \$250,000 or more are subject to a 0.9 percent Medicare payroll tax on earnings above these amounts. The AHCA would repeal this tax. The American Community survey collects information on household income in the past 12 months. It provides data on the number of households with incomes of \$200,000 or more, but does not provide further data on income levels within this range. Because of this limitation, we are unable to estimate the number of Michigan households with incomes above \$250,000.

¹ "Household Income In The Past 12 Months (In 2015 Inflation-Adjusted Dollars)," American FactFinder: https://factfinder.census.gov/bkmk/table/1.0/en/ACS/15_1YR/B19001/0400000US26

² Tax Year 2014: Individual Income and Tax Data, by State and Size of Adjusted Gross Income, U.S. Internal Revenue Service (IRS): <https://www.irs.gov/uac/soi-tax-stats-historic-table-2>

