



News Release

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New Report Details Impact of the Affordable Care Act in Michigan

Hundreds of thousands of Michigianians have gained coverage, and millions more have had their coverage substantially improved

Today, the U.S. Department of Health and Human Services released an extensive [compilation](#) of state-level data illustrating the substantial improvements in health care for all Americans over the last six years. The data show that the uninsured rate in Michigan has fallen by 51 percent since the Affordable Care Act (ACA) was enacted in 2010, translating into 618,000 Michigianians gaining coverage. And, in addition to residents who would otherwise be uninsured, millions more Michigianians with employer, Medicaid, individual market, or Medicare coverage have also benefited from new protections as a result of the law.

“As our nation debates changes to the health care system, it’s important to take stock of where we are today compared to where we were before the Affordable Care Act,” said Secretary Sylvia M. Burwell. “Whether Michigianians get coverage through an employer, Medicaid, the individual market, or Medicare, they have better health coverage and care today as a result of the ACA. Millions of Americans with all types of coverage have a stake in the future of health reform. We need to build on our progress and continue to improve health care access, quality, and affordability, not move our system backward.”

Highlights of today’s data release include:

Employer Coverage: 5,876,000 people in Michigan are covered through employer-sponsored health plans. Since the ACA was enacted in 2010, this group has seen:

- **An end to annual and lifetime limits:** Before the ACA, 3,547,000 Michigianians with employer or individual market coverage had a lifetime limit on their insurance policy. That meant their coverage could end exactly when they needed it most. The ACA prohibits annual and lifetime limits on policies, so all Michigianians with employer plans now have coverage that’s there when they need it.
- **Young adults covered until age 26:** An estimated 73,000 young adults in Michigan have benefited from the ACA provision that allows kids to stay on their parents’ health insurance up to age 26.

- **Free preventive care:** Under the ACA, health plans must cover preventive services — like flu shots, cancer screenings, contraception, and mammograms — at no extra cost to consumers. This provision benefits 4,543,547 people in Michigan, most of whom have employer coverage.
- **Slower premium growth:** The average premium for Michigan families with employer coverage grew 3.5 percent per year from 2010-2015, compared with 6.8 percent over the previous decade. Assuming Michigan premiums grew in line with the national average in 2016, family premiums in Michigan are \$3,300 lower today than if growth had matched the pre-ACA decade.
- **Better value through the 80/20 rule:** Because of the ACA, health insurance companies must spend at least 80 cents of each premium dollar on health care or care improvements, rather than administrative costs like salaries or marketing, or else give consumers a refund. Michiganians with employer coverage have received \$63,103,476 in insurance refunds since 2012.

Medicaid: 2,300,958 people in Michigan are covered by Medicaid or the Children’s Health Insurance Program, including 941,328 children and 252,704 seniors and people with disabilities covered by both Medicaid and Medicare. The ACA expanded Medicaid eligibility and strengthened the program for those already eligible.

- **181,000 Michiganians have gained coverage through Medicaid:** An estimated 181,000 Michiganians have health insurance today because Michigan expanded Medicaid under the ACA. Coverage improves access to care, financial security, and health, resulting in an estimated 21,000 more Michiganians getting all needed care, 25,800 fewer Michiganians struggling to pay medical bills, and 220 avoided deaths each year.
- **Thousands of Michiganians with a mental illness or substance use disorder are getting care:** Thanks to expansion and improved access to treatment, an estimated 17,000 fewer Michiganians are experiencing symptoms of depression.
- **Michigan is saving millions in uncompensated care costs:** Instead of spending \$190 million on uncompensated care, which increases costs for everyone, Michigan is getting \$1 billion in federal support to provide low-income adults with much needed coverage.
- **Children, people with disabilities, and seniors can more easily access Medicaid coverage:** The ACA streamlined Medicaid eligibility processes, eliminating hurdles so that vulnerable Michiganians could more easily access and maintain coverage.
- **Michigan can better fight opioids:** Under the ACA, CMS provided technical assistance that is giving Michigan the opportunity to strengthen Medicaid services for people struggling with opioid abuse or other substance use disorders (SUDs). For example, Michigan received support to: better identify individuals with an SUD; expand coverage for effective SUD treatment; enhance SUD care delivered to beneficiaries; and develop payment mechanisms for SUD services that incentivize better outcomes

Individual market: 313,123 people in Michigan have coverage through the Marketplace. Individual market coverage is dramatically better compared to before the ACA:

- **No discrimination based on pre-existing conditions:** Up to 4,394,173 people in Michigan have a pre-existing health condition. Before the ACA, these Michiganians could have been denied coverage or charged an exorbitant price if they needed individual

market coverage. Now, health insurance companies cannot refuse coverage or charge people more because of pre-existing conditions.

- **Tax credits available to help pay for coverage:** Before the ACA, only those with employer coverage generally got tax benefits to help pay for health insurance. Now, 275,080 moderate- and middle-income Michigianians receive tax credits averaging \$233 per month to help them get covered through HealthCare.gov.
- **Women pay the same as men:** Before the ACA, women were often charged more than men just because of their gender. That is now illegal thanks to the ACA, protecting roughly half the people of Michigan.
- **Greater transparency and choice:** Before the ACA, it was virtually impossible for consumers to effectively compare insurance plan prices and shop for the best value. Under the ACA, Michigan has received \$10 million in federal funding to provide a more transparent marketplace where consumers can easily compare plans, choosing among 62 plans on average.

Medicare: 1,947,787 people in Michigan are covered by Medicare. The ACA strengthened the Medicare Trust Fund, extending its life by over a decade. In addition, Medicare enrollees have benefited from:

- **Lower costs for prescription drugs:** Because the ACA is closing the prescription drug donut hole, 212,075 Michigan seniors are saving \$249 million on drugs in 2015, an average of \$1,176 per beneficiary.
- **Free preventive services:** The ACA added coverage of an annual wellness visit and eliminated cost-sharing for recommended preventive services such as cancer screenings. In 2015, 949,718 Michigan seniors, or 74 percent of all Michigan seniors enrolled in Medicare Part B, took advantage of at least one free preventive service.
- **Fewer hospital mistakes:** The ACA introduced new incentives for hospitals to avoid preventable patient harms and avoidable readmissions. Hospital readmissions for Michigan Medicare beneficiaries dropped 3 percent between 2010 and 2015, which translates into 1,767 times Michigan Medicare beneficiaries avoided an unnecessary return to the hospital in 2015.
- **More coordinated care:** The ACA encouraged groups of doctors, hospitals, and other health care providers to come together to provide coordinated high-quality care to the Medicare patients they serve. 25 Accountable Care Organizations (ACOs) in Michigan now offer Medicare beneficiaries the opportunity to receive higher quality, more coordinated care.

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