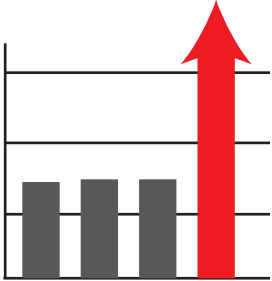




Blues Reforms Give Seniors the Blues

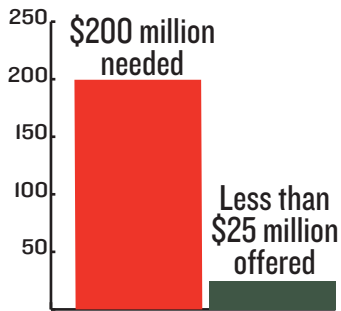
There Are Approximately 200,000 Medigap Customers In Michigan.



Senate Bills 61 and 62 will **increase Medigap rates** approximately **\$900 per person per year** (\$1800 for a married couple) for seniors and people with disabilities, and many will pay even more based on their age.

Most of these residents live on fixed incomes. Approximately half (53%) of the people on Medicare have incomes below 200% of the federal poverty level. Nearly 1 in 5 (19%) of them live below the poverty level.

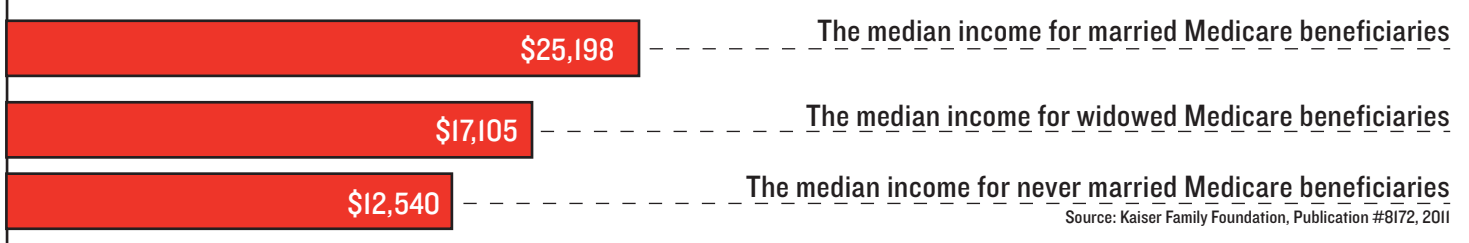
Source: Kaiser Family Foundation, Publication #7860, 2009



The **total value** of Michigan's existing Medigap support under Public Act 350 is **approximately \$200 million per year***. The **funding** that SBs 61 and 62 propose to use to replace this existing support amounts to **less than \$25 million per year** (and would only be in place for 5 years at that). *MCL 550.1609(5)

This means that **7 out of every 8 seniors** who currently benefit from the Medigap subsidy under Public Act 350 **will lose that subsidy** as of 2016, because of this legislation.

The **increased costs that seniors will face** under this legislation will come as many of them are still struggling to make ends meet in the face of Michigan's new pension tax, the **loss of their annual \$2,400 per senior tax exemption**, and **increased property taxes** due to changes in the homestead tax exemption.



Source: Kaiser Family Foundation, Publication #8172, 2011

The average monthly Social Security check for a retired worker in 2012 was about \$1,230.

Source: SSA.gov, 2012

