



The Uninsured in Michigan

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Introduction

Uninsured Americans face substantial barriers to receiving and paying for high quality health care services. The economic recession from 2007 to 2009 caused the uninsured rate to surge in Michigan and in the United States as a whole.¹ Michigan's uninsured population peaked at 1.2 million in 2009 (12.4 percent of the total state population); the national uninsured rate peaked a year later in 2010, with 47.2 million people uninsured (15.4 percent of the population). The uninsured rate declined from 2010 to 2011 both in Michigan and the United States overall. This recent reduction in the uninsured rate was driven largely by increased insurance coverage among young adults ages 18 to 25, many of whom acquired or retained coverage as a result of the Affordable Care Act (ACA).²

This issue brief describes trends in the rates of the uninsured in Michigan and the United States from 2008 to 2011, as well as uninsured rates by age, race/ethnicity and income in Michigan.³

Key findings include:

- In 2011, 11.8 percent of people in Michigan and 15.1 percent of Americans were uninsured. Compared to 2008, an additional 60,000 people in Michigan and an additional 2.6 million Americans were uninsured in 2011.
- Young adults ages 18 to 25 made up the largest percentage of Michigan's uninsured population in 2011, but this age group also experienced the largest decline in the uninsured rate from the previous year, primarily as a result of the ACA.
- People ages 55 to 64 in Michigan experienced the largest increase in the uninsured rate from 2010 to 2011, likely due to high rates of long-term unemployment and the reduction of employer-sponsored health benefits for early retirees.
- In 2011, Hispanic people in Michigan had the highest uninsured rate among all racial/ethnic groups, but this rate declined from the previous year faster than that of any other group.
- Nearly half of the uninsured population in Michigan (over 500,000 people) lived below the poverty line in 2011.

¹ P. Fronstein. 2012. Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2012 Current Population Survey. (Washington, D.C.: Employee Benefit Research Institute). http://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=4896

² S.R. Collins et al. June 2012. Young, Uninsured, and in Debt: Why Young Adults Lack Health Insurance and How the Affordable Care Act is Helping (New York, NY: The Commonwealth Fund), Publication 1604, Vol. 14. <http://www.commonwealthfund.org/Publications/Issue-Briefs/2012/Jun/Young-Adults-2012.aspx>

³ All data in this brief is drawn from the American Community Survey and is accessed through the State Health Access Data Assistance Center (SHADAC). <http://www.shadac.org/>.

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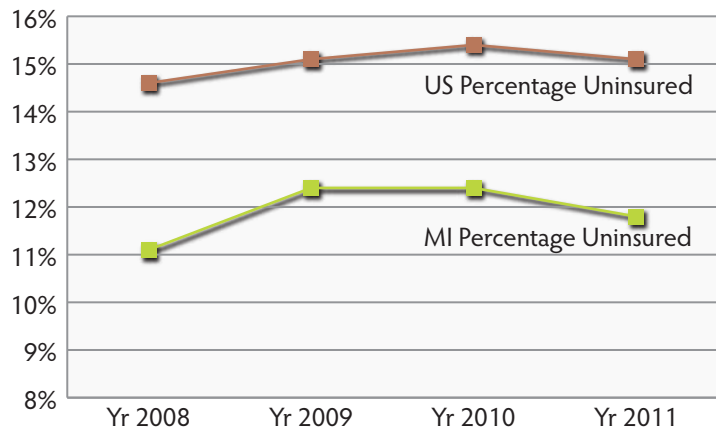
Trends in the Rates of Uninsured

From 2008 to 2011, the proportion of people without health insurance grew in the United States and in Michigan, largely as a result of the economic recession.⁴ The uninsured rate remained lower in Michigan than in the United States between 2008 and 2011, as it has for many years, but the uninsured rate in Michigan changed more rapidly than the U.S. rate.⁵ From 2008 to 2009, Michigan's uninsured population grew faster than the national rate, from 11.1 percent to 12.4 percent, compared to an increase from 14.6 percent to 15.1 percent nationally. Because Michigan had a smaller reduction in the privately-insured rate and a larger increase in the rate of public coverage from 2009 to 2010, the percentage of those who were uninsured remained the same during this time, while the U.S. rate continued to increase from 15.1 percent in 2009 to 15.4 percent in 2010.

Uninsured rates began to drop in 2010 both in Michigan and in the United States as the economy improved. Even though the rate of the uninsured declined in 2011 compared to 2010, there were still 60,000 more people uninsured in Michigan in 2011 compared to 2008. In the United States overall, there were 2.6 million more Americans uninsured in 2011 compared to 2008.

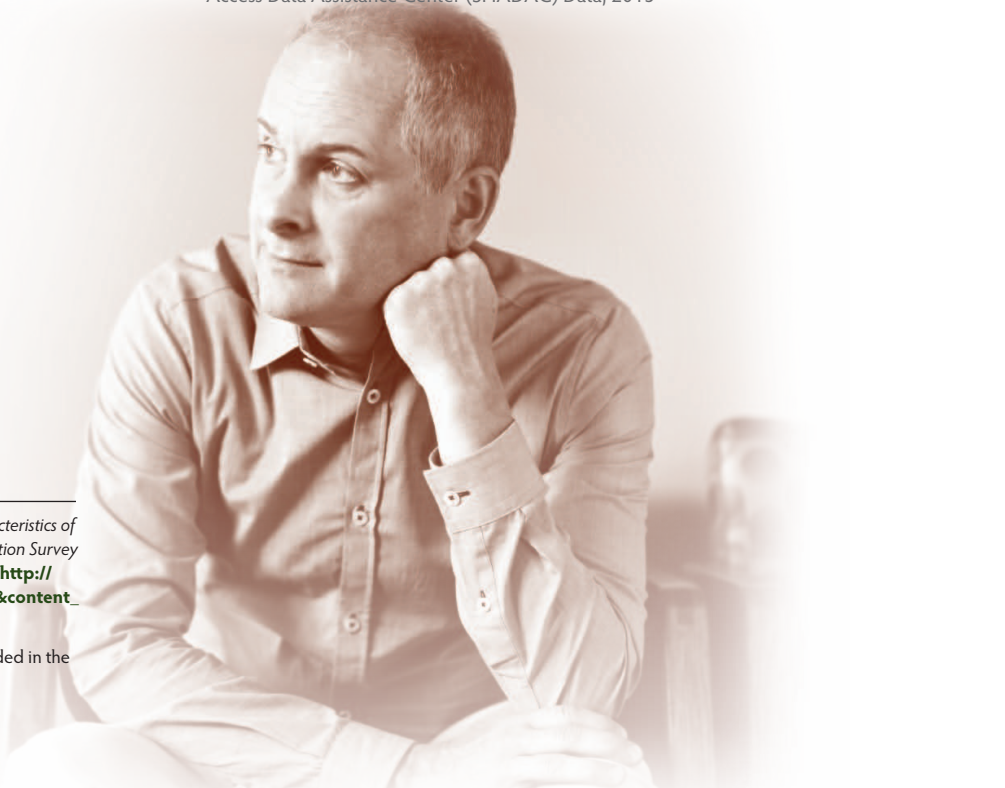
FIGURE 1

FIGURE 1
The Uninsured as a Percentage of the Total Population, United States and Michigan, 2008 to 2011



Year	US			MI		
	Total Population (thousands)	Uninsured Population (thousands)	Percent uninsured	Total Population (thousands)	Uninsured Population (thousands)	Percent uninsured
2008	299,853	43,712	14.6%	9,873	1,092	11.1%
2009	302,783	45,853	15.1%	9,842	1,219	12.4%
2010	305,354	47,173	15.4%	9,768	1,207	12.4%
2011	307,594	46,299	15.1%	9,766	1,152	11.8%

SOURCE: Center for Healthcare Research & Transformation (CHRT), using State Health Access Data Assistance Center (SHADAC) Data, 2013



⁴ P. Fronstein. 2012. *Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2012 Current Population Survey* (Washington, D.C.: Employee Benefit Research Institute). http://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=4896

⁵ A comparison of state rankings by uninsured rate is included in the Appendix.

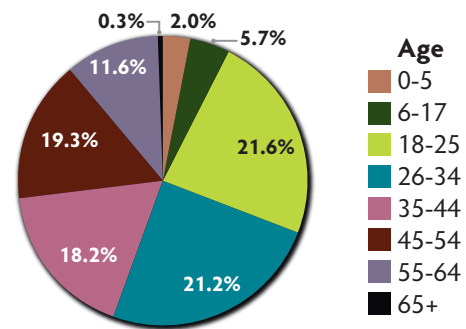
Uninsured by Age

In 2011, 92 percent of the uninsured individuals in Michigan were adults under age 65. Due to categorical limits in the current Medicaid program, many adults, especially those without children, are not eligible for Medicaid and have few other public insurance options.⁶ Less than 1 percent of the uninsured are age 65 or older because Medicare covers most people in this age group. Children also made up a small proportion (7.7 percent) of the uninsured, since many low-income children are eligible for public coverage through Medicaid (in Michigan, called Healthy Kids) and the State Children's Health Insurance Program (called MIChild) at higher qualifying income levels than adults. Young adults ages 18 to 25 made up the largest proportion of the uninsured in 2011. **FIGURE 2**

Despite the fact that young adults made up the largest age group among the uninsured, the decrease in the overall uninsured rate from 2010 to 2011 in Michigan was primarily attributable to an increase in coverage for those aged 18 to 25. In this age group, the uninsured rate fell from 26.3 percent in 2010 to 22.4 percent in 2011. The decline was largely a result of a provision in the ACA that required insurers to allow young adults up to age 26 to remain on their parents' health plan.⁷ Nationally, 6.6 million individuals in this age group either acquired or retained health insurance in 2011 as a result of this provision.⁸ In 2011, those aged 26 to 34 had the highest uninsured rate (23.9 percent) in Michigan, although the rate in this age group also fell by 1.5 percentage points from 2010.

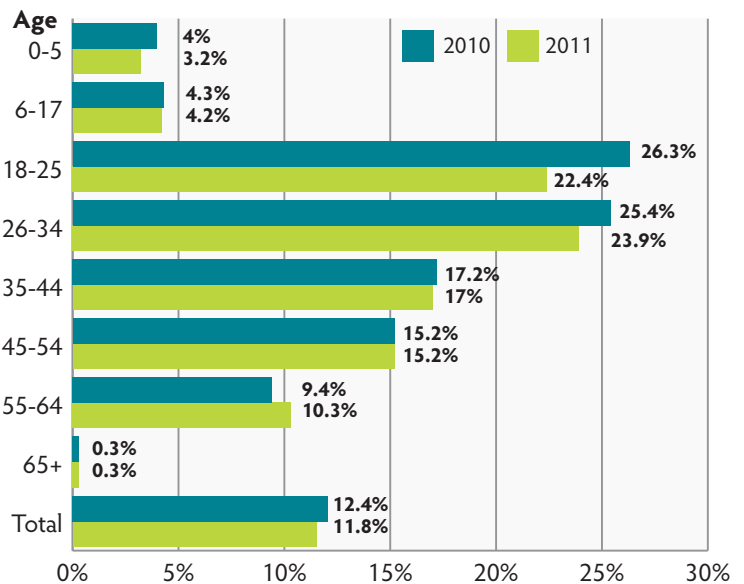
Adults aged 55 to 64 were the only age group in Michigan for which the uninsured rate rose from 2010 (9.4 percent) to 2011 (10.3 percent). This may have been because adults aged 55 and older faced higher long-term unemployment rates than younger workers from the beginning of the recession through 2011 and because many employers eliminated health insurance coverage for early retirees in this period.⁹ **FIGURE 3**

FIGURE 2
Distribution of the Uninsured by Age, Michigan, 2011



Source: CHRT, using SHADAC Data, 2013

FIGURE 3
Uninsured Rate by Age, Michigan, 2011



Age Range	2010			2011		
	% Uninsured	Number of Uninsured (thousands)	Total Population (thousands)	% Uninsured	Number of Uninsured (thousands)	Total Population (thousands)
0-5	4	29	717	3.2	23	708
6-17	4.3	69	1,613	4.2	66	1,576
18-25	26.3	283	1,075	22.4	249	1,110
26-34	25.4	259	1,022	23.9	244	1,022
35-44	17.2	219	1,274	17.0	210	1,238
45-54	15.2	226	1,493	15.2	223	1,468
55-64	9.4	118	1,252	10.3	134	1,295
65+	0.3	3	1,323	0.3	4	1,350
Total	12.4	1,207	9,768	11.8	1,152	9,766

Source: CHRT, using SHADAC Data, 2013

⁶ Some low-income adults under age 65 qualify for Medicaid in Michigan if they are disabled, pregnant or have dependent children. Income eligibility levels are generally much lower for parents than for children, and adults without children are generally ineligible. Beginning in 2014, the Affordable Care Act allows states to expand Medicaid eligibility to all individuals below 138 percent of the federal poverty level.

⁷ S.R. Collins et al. June 2012. Young, Uninsured, and in Debt: Why Young Adults Lack Health Insurance and How the Affordable Care Act is Helping (New York, NY: The Commonwealth Fund), Publication 1604, Vol. 14. <http://www.commonwealthfund.org/Publications/Issue-Briefs/2012/June/Young-Adults-2012.aspx>

⁸ Ibid.

⁹ G. Claxton et al. 2012. Employer Health Benefits 2012 Annual Survey. (Menlo Park, CA: Kaiser Family Foundation and Chicago, IL: Health Research & Educational Trust). <http://kaiserfamilyfoundation.files.wordpress.com/2013/03/8345-employer-health-benefits-annual-survey-full-report-0912.pdf>

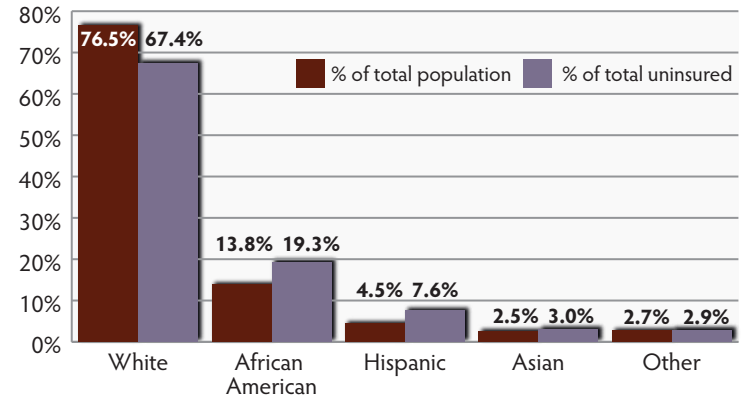
Uninsured by Race

Long-standing disparities in insurance status by race/ethnicity persisted in Michigan in 2011, with all minority groups experiencing disproportionately high uninsured rates. Hispanic individuals had the largest disparity in insurance status, followed by African Americans. While the majority of the uninsured in 2011 in Michigan (67.4 percent) were white, this rate was disproportionately low relative to the proportion of whites in the total population. **FIGURE 4**

From 2008 to 2011, Hispanic individuals in Michigan had the highest uninsured rates. This rate fell from 23.6 percent in 2009, the official end of the recession, to 19.8 percent in 2011, but remained the highest uninsured rate among all racial/ethnic groups in the state. This decline was nearly three times larger than the decline during this same time period in the national uninsured rate for Hispanics (which fell from 31 percent in 2009 to 29.7 percent in 2011). The uninsured rate for "other" racial/ethnic groups dropped by 2.5 percentage points during this time, while the rate for whites declined by 0.7 percentage points.

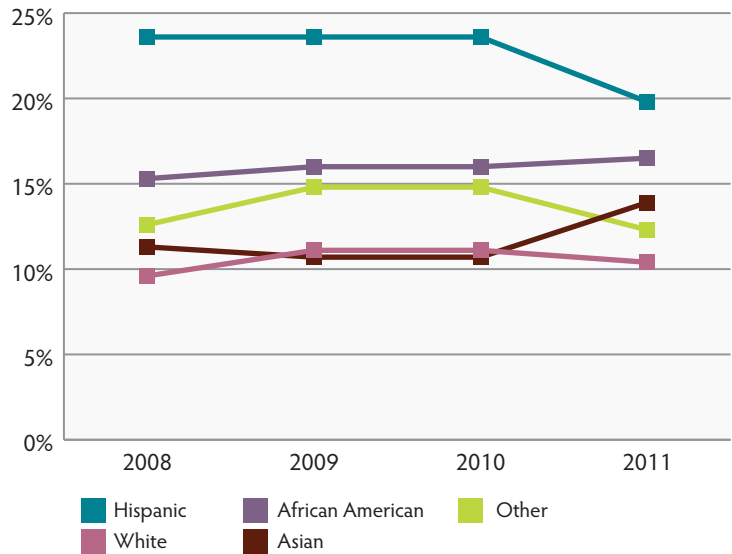
The uninsured rate among African Americans and Asian Americans in Michigan rose from 2009 to 2011, despite the official end of the recession in 2009. For African Americans, the uninsured rate rose from 16 percent in 2009 to 16.5 percent in 2011. Asian Americans had an even larger increase in the uninsured, from 10.7 percent in 2009 to 13.9 percent in 2011. Although persistent inequalities in insurance status continue, Hispanic, Black, Asian and "other" racial/ethnic groups had significantly lower uninsured rates in Michigan compared to national averages. **FIGURE 5**

FIGURE 4
Uninsured vs. Total Population by Race/Ethnicity, Michigan, 2011



Source: CHRT, using SHADAC Data, 2013

FIGURE 5
Rates of Uninsured by Race/Ethnicity, Michigan, 2008 to 2011

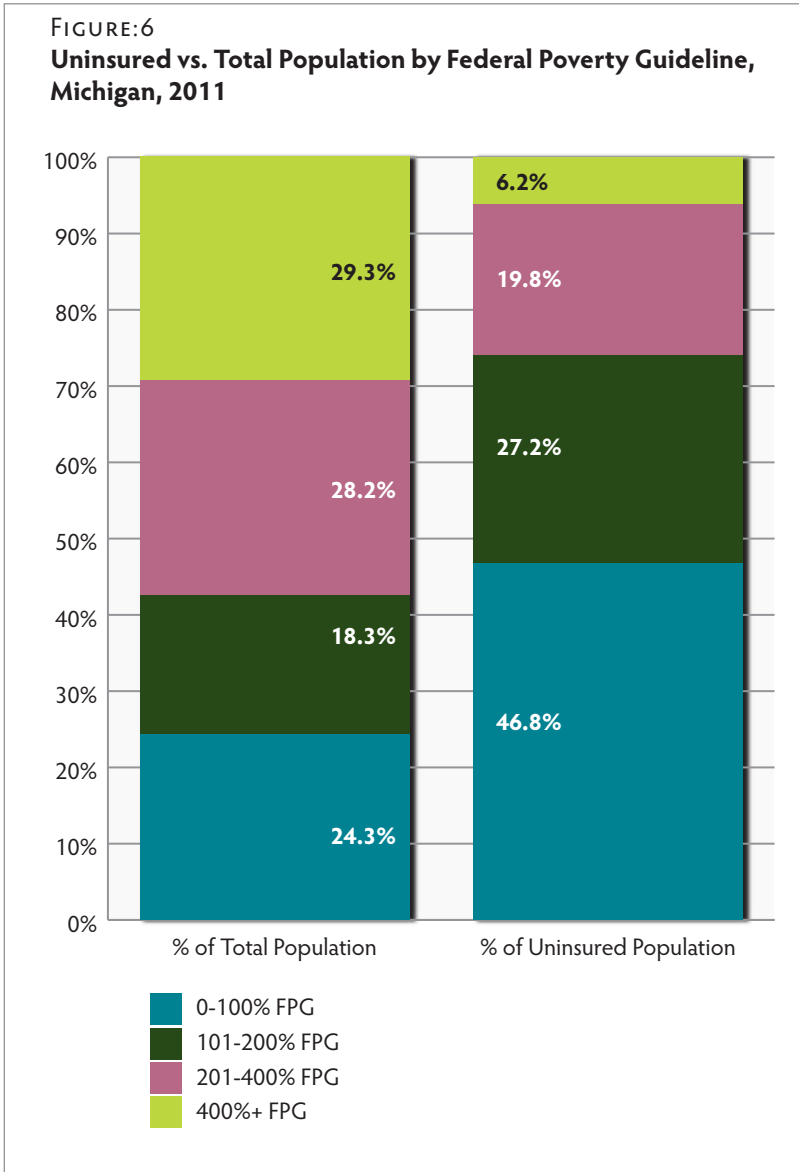


	2008		2009		2010		2011	
	% Uninsured	Number of Uninsured (thousands)	% Uninsured	Number of Uninsured (thousands)	% Uninsured	Number of Uninsured (thousands)	% Uninsured	Number of Uninsured (thousands)
Hispanic	23.6	95	23.6	99	22.4	97	19.8	88
White	9.6	739	11.1	848	11.2	838	10.4	776
African American	15.3	203	16	214	15.6	209	16.5	222
Asian	11.3	25	10.7	26	11.6	28	13.9	34
Other	12.6	31	14.8	33	13.1	35	12.3	33
Total	11	1,092	12	1,219	12	1,207	12	1,152

Source: CHRT, using SHADAC Data, 2013

Uninsured by Income¹⁰

In 2011, nearly half of all uninsured people in Michigan (over 500,000) had incomes at or below 100 percent of the Federal Poverty Guidelines (FPG).¹¹ Beginning in 2014, people with incomes from 100 to 400 percent of the FPG will be eligible for subsidies to purchase coverage on new health insurance exchanges, but those below the poverty line will be ineligible for subsidies.¹² In 2011, people with incomes between 101 and 400 percent of the FPG accounted for 47 percent of the uninsured in Michigan. Most of the individuals in this income group were between 101 and 200 percent of the federal poverty limit. Only 6.2 percent of the uninsured had incomes above 400 percent of the FPG. **FIGURE 6**



Source: CHRT, using SHADAC Data, 2013

¹⁰ In the SHADAC data, income is defined as the total income of people in the same health insurance unit (HIU). HIU is a narrow definition of a family unit, which focuses on family relationships that typically allow people to become eligible for private or public coverage (e.g., a HIU may include parents and children living in the same household, but exclude grandparents residing with them).

¹¹ The Federal Poverty Guideline (FPG) is the poverty threshold used by the Department of Health and Human Services to determine eligibility for federal programs. The term FPG often is used interchangeably with the term Federal Poverty Level (FPL), which is a slightly different calculation used primarily for statistical purposes.

¹² Kaiser Family Foundation. July 2012. *Explaining Health Care Reform: Questions about Health Insurance Subsidies* (Menlo Park, CA), publication number 7962-02. <http://kaiserfamilyfoundation.files.wordpress.com/2013/01/7962-02.pdf>

Conclusion

The economic recession from 2007 to 2009 led to increased uninsured rates in Michigan and the United States, which peaked at 12.4 percent in Michigan in 2009 and at 15.4 percent in the United States in 2010. Beginning in 2010, however, both Michigan and the United States experienced substantial declines in uninsured rates, due primarily to ACA provisions that increased rates of private coverage among young adults ages 18 to 25.

FIGURE: A-1

State Comparisons: Uninsured Rates, All Ages, 2008 and 2011

2011 Rank	2008 Rank	State	% Uninsured 2011
1	1	Massachusetts	4.2
2	2	Hawaii	7.0
3	6	Vermont	7.1
4	3	District of Columbia	7.4
5	7	Connecticut	8.5
6	5	Minnesota	8.7
7	13	Delaware	8.8
8	4	Iowa	9.0
9	8	Wisconsin	9.2
10	15	New Hampshire	9.9
11	10	North Dakota	9.9
12	9	Pennsylvania	10.0
13	16	Maryland	10.1
14	11	Rhode Island	10.9
15	12	Maine	11.0
16	19	New York	11.4
17	17	South Dakota	11.5
18	18	Michigan	11.8
19	14	Nebraska	11.8
20	20	Ohio	12.0
21	21	Virginia	12.3
22	22	Kansas	12.6
23	24	Illinois	12.8
24	23	New Jersey	12.9
25	25	Missouri	13.6
26	30	Alabama	14.0
27	26	Washington	14.0
28	27	Kentucky	14.4
29	29	Indiana	14.5
30	28	Tennessee	14.8
31	32	Utah	15.0
32	37	Colorado	15.1
33	31	Wyoming	15.2
34	33	West Virginia	15.3
35	35	Oregon	15.5
36	38	Idaho	15.6
37	34	North Carolina	16.2
38	36	South Carolina	16.6
39	39	Arkansas	16.9
40	44	Arizona	17.1
41	41	Louisiana	17.5
42	42	Mississippi	17.6
43	40	California	18.0
44	46	Oklahoma	18.4
45	43	Montana	18.6
46	45	Georgia	19.4
47	47	Alaska	19.5
48	49	New Mexico	19.9
49	48	Florida	20.8
50	50	Nevada	21.9
51	51	Texas	22.9
		United States	15.1

Source: CHRT, using SHADAC Data, 2013



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