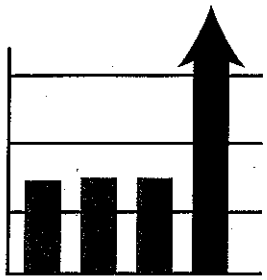
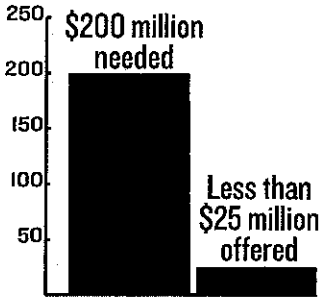
Blues Reforms Give Seniors the Blues

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.

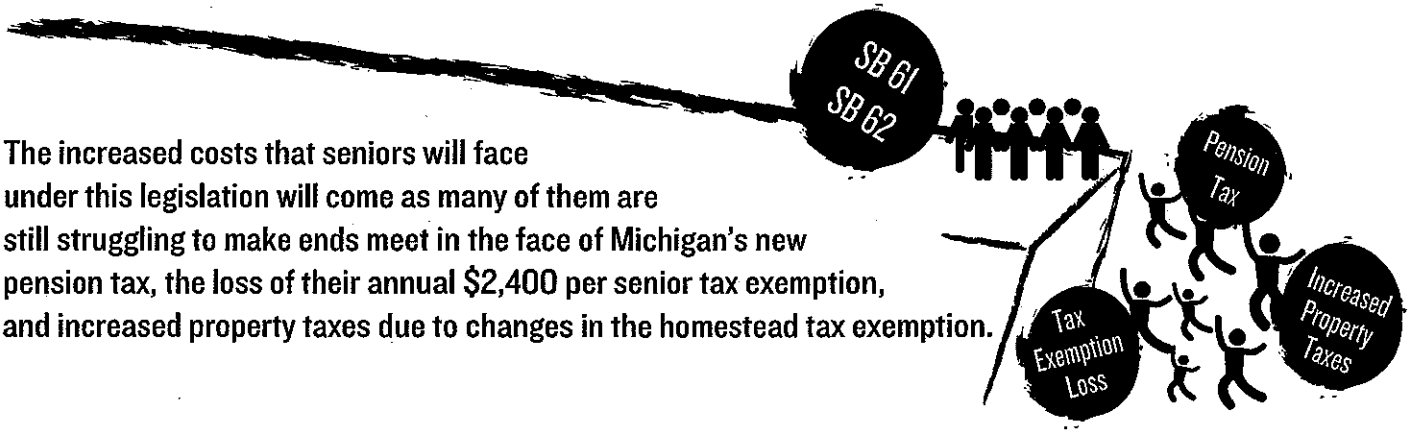
Most of these residents live on fixed incomes. Approximately half (53%) of the people on Medicare have incomes below 200% of the federal poverty level. Nearly 1 in 5 (19%) of them live below the poverty level.

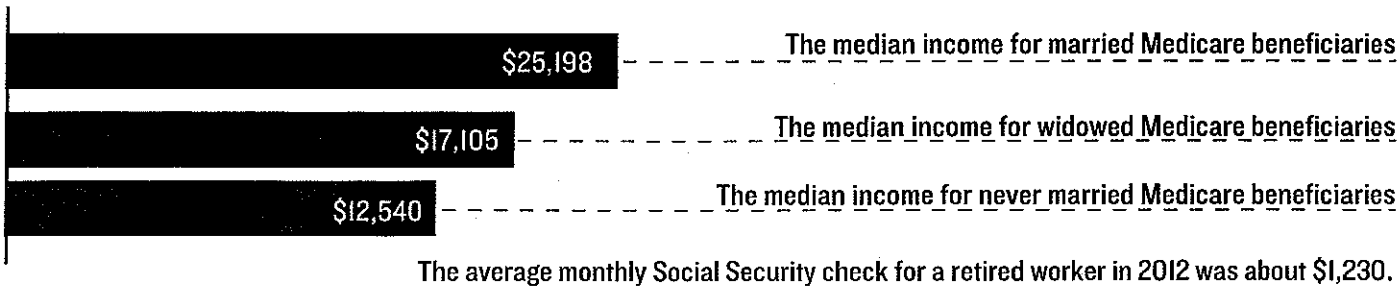


The total value of Michigan's existing Medigap support under Public Act 350 is approximately $200 million per year. The funding that SBs 61 and 62 propose to use to replace this existing support amounts to less than $25 million per year (and would only be in place for 5 years at that).

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.





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

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