

# Michigan's Health Insurance Marketplace at an Affordability Crossroads



## KEY TAKEAWAY

Michigan's Health Insurance Marketplace is a critical bridge for residents who do not have Medicaid or affordable employer coverage. With enhanced subsidies now expired, consumers may face higher out-of-pocket premiums, reduced coverage, and greater financial exposure.



### 20.2%

Average approved 2026 rate increase <sup>1</sup>

Average premium rate increase approved by DIFS across Michigan's individual market plans.



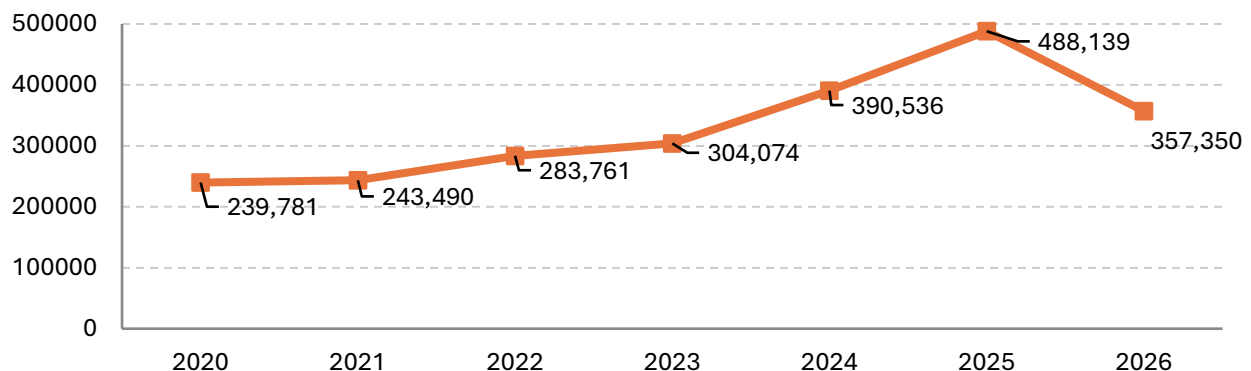
### 27%

Decrease in Michigan Marketplace enrollment <sup>2</sup>

Michigan's Marketplace enrollment decreased by 130,789 consumers in one year (Feb 2025 to Feb 2026).

## Michigan Marketplace Paid Coverage Trends, 2020-2026 <sup>2</sup>

Effectuated enrollment reflects active Marketplace coverage after premiums are paid.



## WHY 2026 MATTERS

- Enhanced federal subsidies expired at the end of 2025, returning Marketplace premium tax credit rules to the pre-2021 structure, increasing the amount many consumers must pay to keep coverage.
- Consumers with income above 400% FPL—about \$63,840 for a single-person household in 2026—no longer qualify for premium tax credits. The return of the eligibility cap means these enrollees are exposed to the full cost of premiums.
- For some households, even a modest income increase could result in much higher monthly premiums. For example, a 62-year-old Oakland County resident just above the threshold could pay \$515/month with tax credits compared to \$1,135/month without tax credits.<sup>3</sup>
- Some consumers may drop coverage, while others may choose lower premium plans with higher out-of-pocket costs.

**Sources:** <sup>1</sup>Michigan DIFS approved 2026 individual market rate changes. <sup>2</sup>CMS February 2026 Health Insurance Exchanges Monthly Effectuated Enrollment; data values used for calculating decreased enrollment and effectuated enrollment trends are from February each year for consistency. <sup>3</sup>KFF 2026 Health Insurance Marketplace Calculator, illustrative estimate for Silver Plan coverage.