

How Health Insurance Impacts Farmers' Health and Farm Viability

**NOSORH Regional Meeting
Charlottesville, VA
June 13, 2018**

Alana Knudson, PhD
Walsh Center for Rural Health Policy



The
UNIVERSITY
of VERMONT



at the UNIVERSITY of CHICAGO



PennState



MICHIGAN STATE
UNIVERSITY



MISSISSIPPI STATE
UNIVERSITY.

USDA ERS: ARMS Survey

Farmer Health Insurance Questions 2006, 2011, 2015



United States Department of Agriculture
Economic Research Service



[All Articles](#) [About](#)

[ERS Home](#) [ERS Info](#)

[Home](#) / [Amber Waves](#) / [2008](#) / [April](#) / [Health Insurance as a New Indicator of Farm Households' Well-Being](#)

Finding: Farm Economy

April 01, 2008



Health Insurance as a New Indicator of Farm Households' Well-Being

by Mary Ahearn



[Amber Waves Home](#)

[All Articles](#)

[About Amber Waves](#)

Previous Farmer Health Insurance

- 2007 ACCESS Project
 - 7 Great Plains states including: Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota, and South Dakota
 - 54% of famers insured through off-farm jobs
 - 25% reported health care expenses contributed to financial problems
 - 20% reported debt from medical bills
- 2007 and 2014 USDA –AFRI National Farm Persistence & Growth at the Rural-Urban-Interface Studies

Health Insurance Rural Economic Development and Agriculture (HIREDnAg) Project



United States
Department of
Agriculture

National Institute
of Food and
Agriculture

"The project was supported by the Agricultural and Food Research Initiative Competitive Program of the USDA National Institute of Food and Agriculture (NIFA), grant number 2015-2014-05623"

Research and Extension Team

Project Directors

Shoshanah Inwood
Ohio State University

Alana Knudson
NORC Walsh Center for Rural Health Analysis

Project Team

Ohio State University

University of Vermont

University of Maryland Extension

Center for Rural Affairs

Northeast Rural Development Center

North Central Rural Development Center

Southern Rural Development Center

Western Rural Development Center

4 Year Research and Extension Goals

How Does Health Insurance Impact

- Economic development through food and agriculture
- Farm and Ranch
 - Development
 - Workforce Vitality
 - Risk Management
 - Quality of Life
 - Family Health

The screenshot displays the HIREDnAg website. At the top, the logo 'HIREDnAg' is accompanied by a green leaf icon and a navigation menu with links for HOME, ABOUT, TEAM, REPORTS, and WEBINARS. Below the navigation is a tagline: 'Health Insurance, Rural Economic Development and Agriculture'. The main content area features a large photograph of a man, a young girl, and a young boy standing in a golden wheat field. To the right of the photo is a text box: 'Understanding farm and ranch families' unique health insurance needs to develop educational tools that will support a healthy agricultural sector.' Below the photo is a grid of five service categories: 'communities' (working with farmers, ranchers, extension workers, and technical assistants), 'listening' (learning about extension and tax experts), 'speaking' (talking to farmers and ranchers), 'training' (developing educational tools), and 'policy' (analyzing the impact of policies). The footer contains contact information for Shoshannah Inwood at the University of Vermont, the USDA logo, and the National Institute of Food and Agriculture logo.

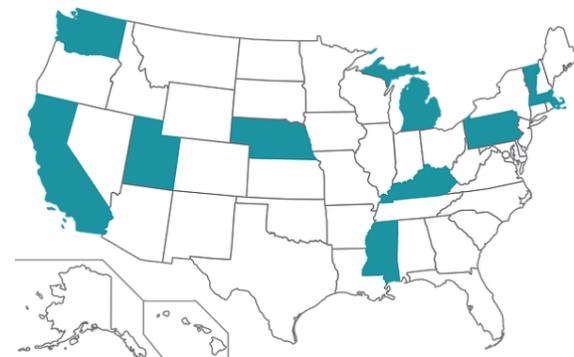
2014-2017 Research and Extension Activities

Extension and Technical Assistance Research

- National focus groups
 - Extension
 - Technical Assistance Providers
 - Tax Accountants
- Development of Tools and Resources
- Farm Foundation Policy Roundtable

Farmer Research

- Longitudinal Farm and Ranch Family Interviews
- Farm Household Survey
- 10 Case Study States
 - VT, MA, PA, KY, MS, NE, MI, UT, WA, CA



Farmers Wear Two Hats

Individual & Family



Employer



Results

Interviews with Farm Families in 10 States

On-Line Survey

- Sample Size = 1,062
- Average Age = 60 years old

Multi-generation Farm	61%
Beginning Farmer or Rancher	13%
White	89%
Not-White	11%
Male	59%
Female	41%

Health Insurance and Risk Management

- 73% of farmers report health insurance is an important or very important risk management strategy for their farm or ranch

“You have to have insurance. We have a risky job.”

“[We have health insurance] for security. We don’t want to put the farm at risk if something were to happen. We worry about maybe catastrophic hospital bills putting our farm at risk. We feel like you have to have it to have security.”

(Utah Rancher)

2016 Health Insurance Coverage

The majority of farmers (92%) reported their households had coverage

- 68% of households covered under one plan
- 32% had multiple plans
- 38% had children under the age of 26 covered on their plan

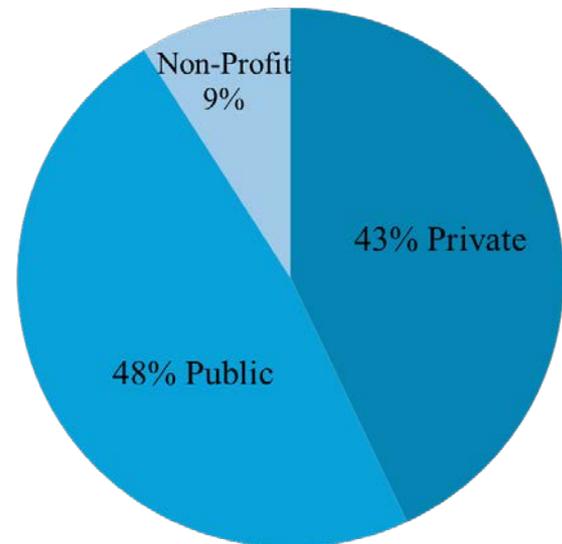
Off Farm Work – Income, Benefits and Stress

“We really would love it if we didn’t have to worry about me having a full-time job for insurance so that we could just farm and ranch. We would be okay on the farm without my full-time job, but you have to have it for the insurance.

So that would just be a goal, to not to have to have a full-time job...you’d get more done so you’re not doing everything in the dark at 11 o’clock at night.”

Preliminary Survey Findings

Almost 50% of farm families have an off-farm job (for income and insurance)



Farm Families' Source of Employer-Based Coverage

Some farm families are signing up for health insurance for the first time.

Others are finding new options.

“It’s a good plan like we used to have where we could see good doctors.”



Health Insurance Marketplace

- Individuals without employer-based insurance found options in the marketplace
- 14% of farmers reported new insurance options decreased need for off-farm work
- Young and beginning farmers report expanded Medicaid options provide time and energy to invest in the farm

“This insurance [Medicaid] reduces the risk of farming for me and I don’t worry as much about being in a really risky occupation hard on my body.” (Young First-generation Farmer)

2016 Health Insurance Coverage

Factors limiting visits to health care provider:

- Deductible costs (39%)
- Out-of-pocket costs (40%)
- Distance to provider (9%)

Other types of coverage:

- Prescription drug coverage (78%)
- Dental (44%)
- Vision (36%)

Seeking other types of coverage in concentrated marketplaces with high premiums

- Christian Managed Health Care plans
 - Covers illness and catastrophic

Health Insurance and Life-Course

Parental health insurance coverage until age 26 viewed as a valuable benefit.

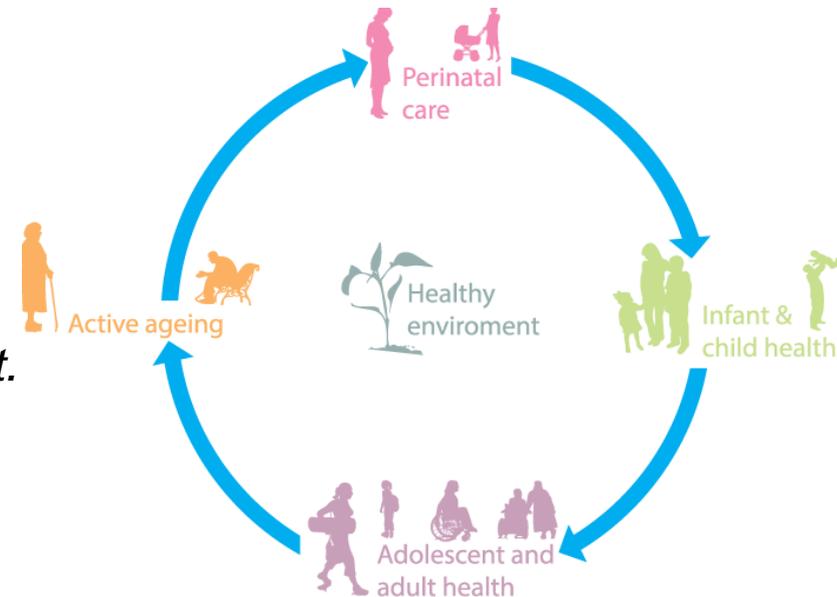
Prioritize having health insurance for children.
"It is difficult [to get to the doctor]...we travel about 45 miles to get there to a pediatrician. I like that there is no copay for well child and women's checks."



Older farmers report delaying health care till age 65 and eligible for Medicare.

"Once we hit 65 everything was taken care of"
(Kentucky Farmer)

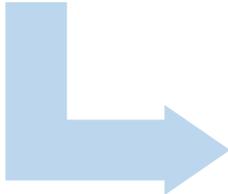
"I have a Christian Managed Health Care Account. I need a shingles vaccine. They don't cover it. I'll wait two years till I'm 65 and then Medicare will cover it" (Michigan Grower)



Risk Management & Economic Development

- 64% report a pre-existing health condition
- 40% report they or a family member has a health problem affecting their ability to farm
- 52% are not confident they could pay costs of a major illness without going into debt

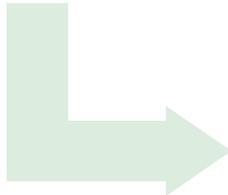
Off-farm
employment
with Benefits



Stage 4
Throat Cancer



Lose off-farm
job



Individual
Market



Production
system
change based
on health

We want the minimal
care but we're scared
of catastrophic.



"I'm ashamed I don't understand the plans."

Kentucky Multi-generation Farm Couple
57 and 52 years old

Land is a farmer's most valuable asset

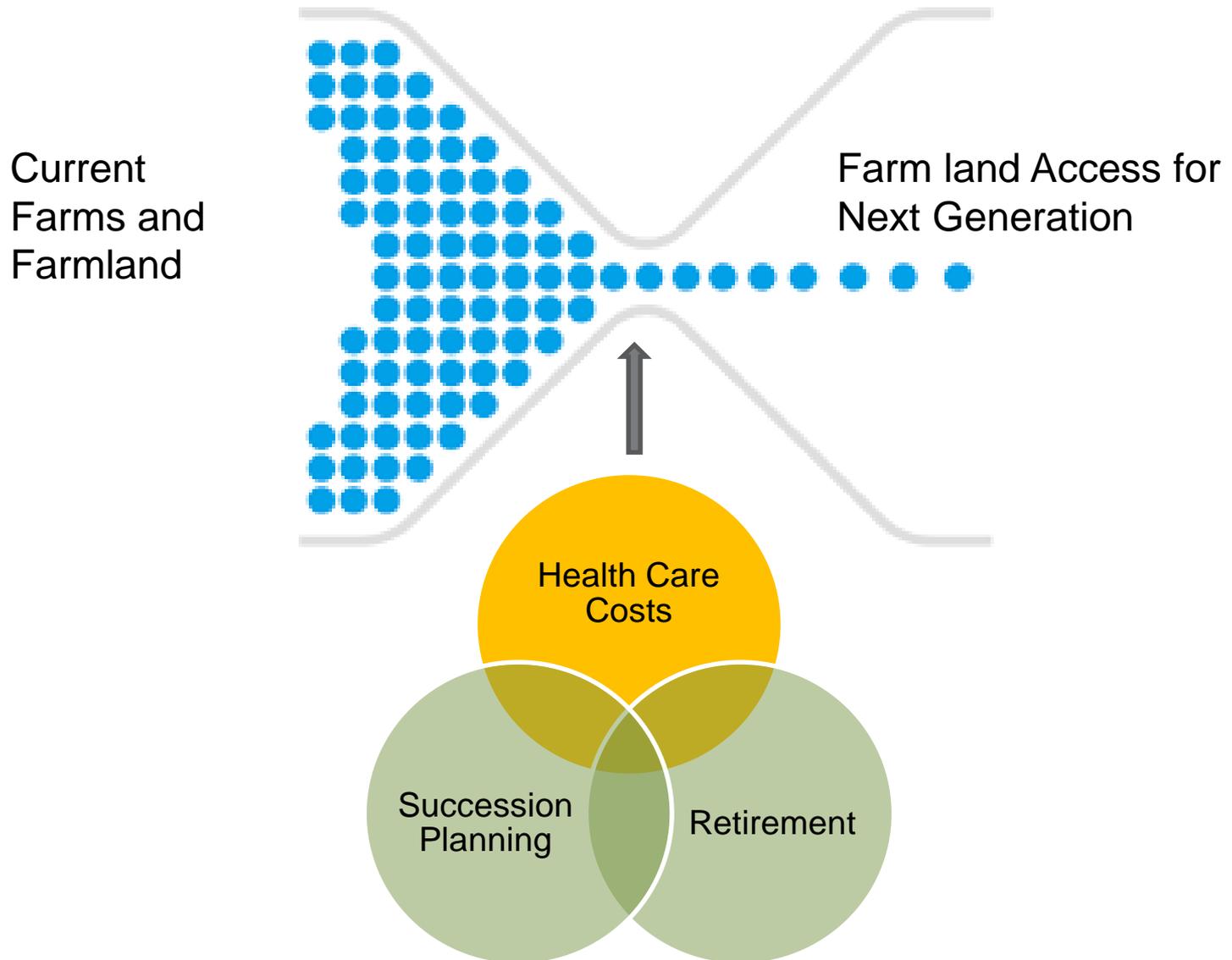
- **54% concerned will have to sell some or all of their farm assets to address health related costs**
 - Long term care, nursing home, or in home health assistance

To afford retirement and long term health care needs farmers may need to

1. Farm longer to augment their incomes or
2. Sell land to the highest bidder which may result non-farm development.

Health insurance can affect the availability and cost of farm land for young farmers

Farmland Access Bottleneck for Next Generation



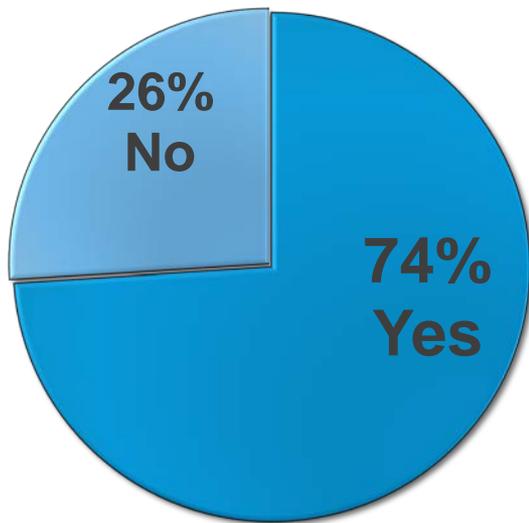
Rural Development & Access to Local Providers

- Most insurance plans include defined networks that exclude some rural local providers

“We can no longer get our prescriptions from the local pharmacy because we got this plan -- they only let us get prescriptions at CVS.

There is a CVS nearby, but I would have rather gotten ours from the Cornerstone Pharmacy which is a local business. But Humana has an alliance with WalMart, and Walmart owns CVS. We now have to buy it at CVS which just makes me mad.”

Should USDA represent farmer needs in national health insurance policy discussions?

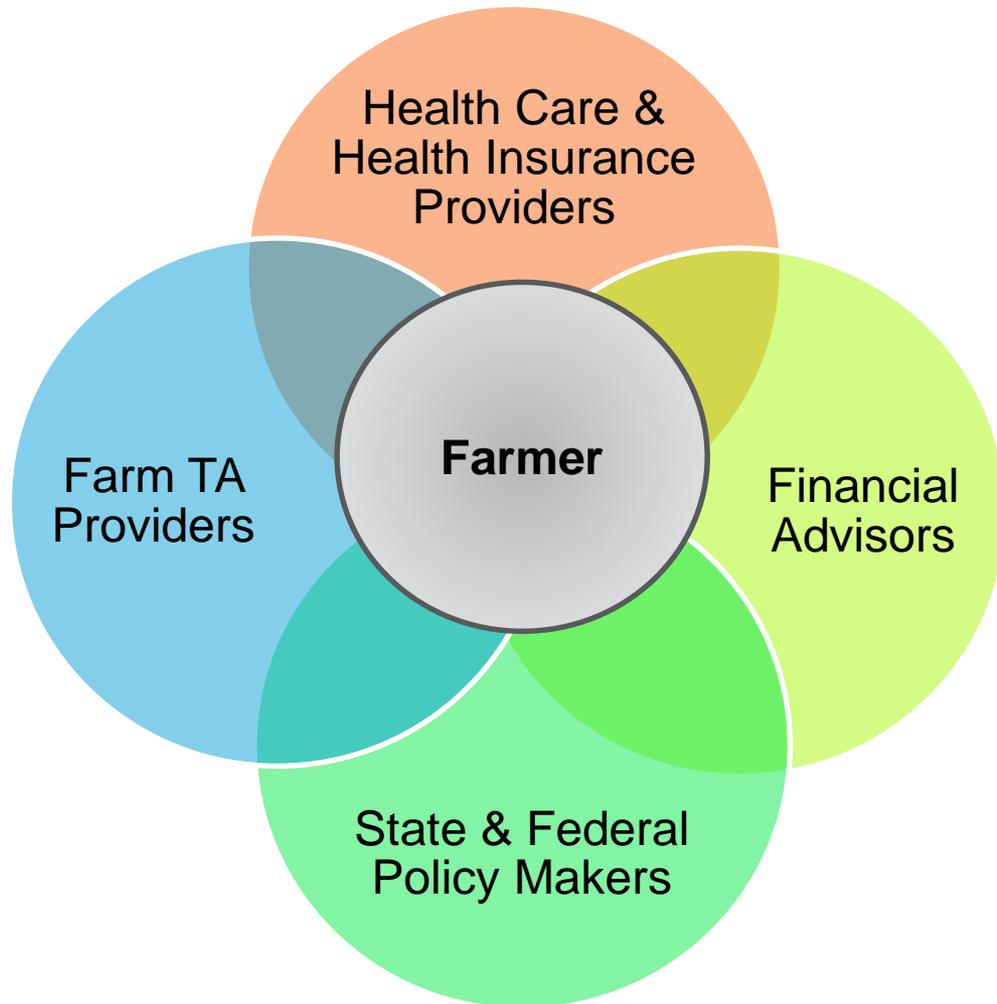


“If they could understand that it’s a hardship on a farm family to have insurance. I wish there was a health insurance for farmers only – that took into account the reality of life on a farm and that was affordable to farmers, that separated us from the rest of the business world because farmers – we don’t even compare.”

Health Insurance is Linked to:



Coordinated Approach



Tools – Smart Choice & Smart Use

- Insert into any whole farm planning curriculum
- Four farmer life-course case studies
 - Young family
 - Middle age
 - Older adult
 - Mixed Medicare/non-Medicare household



Contact Information

Alana Knudson, PhD

Knudson-alana@norc.org

301-634-9326

Shoshanah Inwood, PhD

inwood.2@osu.edu