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THANKSGIVING GETS HARDER FOR MANY CALIFORNIA FARMERS AND RANCHERS AS THEY STRUGGLE TO PAY HEALTH CARE BILLS ON TOP OF OTHER BUSINESS EXPENSES

New Report Finds 1 in 5 Farmers and Ranchers Say Health Care Costs Cause Financial Problems; Spend More Than A Third of Annual Income on Coverage and Care

LOS ANGELES (November 19, 2008) – During this holiday season, many of those farmers and ranchers who ensure that our holiday tables are replete with the bounty of the harvest are struggling with health care bills that, in some instances, threaten the viability of their family businesses, according to [a report](#) released today by The Access Project and funded by The California Endowment.

The report – the second analyzing data from The [2008 Health Insurance Survey of California Farmers and Ranchers](#) – looks at the financial burden of health care costs on farm and ranch families. It finds that while almost all farm and ranch operators have health insurance, one in five says that insurance premiums and other out-of-pocket health care costs are causing financial difficulties for themselves and their families. These families report spending an alarming 37 percent of their income on health care coverage and medical costs.

“A better term for health insurance that leaves nearly one in five purchasers in financial jeopardy might be called ‘product failure,’” said Carol Pryor, a report author and policy director for The Access Project.

[The survey](#) also found that more than three in 10 farmers and ranchers (31 percent) are spending at least 10 percent of their annual income on health insurance premiums, prescriptions and other out-of-pocket medical costs. Spending this much on health care is a commonly used indicator of financially burdensome health care costs.

Farm and ranch operators are especially hard hit because they are often forced to buy insurance on the individual, non-group market, where insurance generally costs more and covers less. The study shows that on average, those farmers and ranchers purchasing insurance in the non-group market spent almost twice as much on health care as those who got their coverage through off-farm or off-ranch employment. The median amount spent by farmers and ranchers who got insurance on the non-group market was \$8,500 a year (including premiums and out-of-pocket costs), compared to \$4,630 spent by people who got insurance through employment off the farm or ranch. Three in 10 of the study’s respondents purchased health coverage directly on the open market. Nationally, only eight percent of Americans obtain their health insurance this way.

Lynn McBride, Director of the California Farmer’s Union, said “Right now farmers are faced with increasing costs for everything – fuel, feed, fertilizer. Adding exorbitant health care costs on top of these expenses is simply not sustainable and threatens the viability of family farm operations.”

One-fourth of those surveyed (26 percent) report having to draw on other financial resources to cover the costs of care. Of these respondents, 70 percent dipped into family savings and nearly one in three (29 percent) incurred credit card debt or increased existing debt. Others took out a loan, borrowed against their farm, withdrew money from a retirement account or turned to friends and family for help.

“Unaffordable insurance costs and medical bills threaten not only families’ financial stability and the stability of their businesses,” said John Capitman, director of the Central Valley Health Policy Institute. “They also affect the strength of the rural economy and threaten our country’s rural heritage.”

Many states, including California, are considering requiring people to purchase insurance on the individual market if they do not have another source of coverage. This study provides information about what constitutes affordable coverage; it suggests that affordability must be considered in terms of the percent of income people spend on health care and it must take into account out-of-pocket costs as well as the cost of premiums. It also points to the lack of consumer protections in the individual market.

“Farmers and ranchers, like millions of other small business owners, face serious obstacles paying for health care coverage that is both comprehensive and affordable,” said 8th Assembly District Member-elect Mariko Yamada (D-Davis). “For people who are faced with purchasing health insurance on their own, there should be rules to ensure that they at least have access to insurance policies that are affordable and provide adequate coverage.”

John Karatzas, Executive Director of the California Small Business Majority, added “California’s small businesses need strong leadership if they are to make headway with effective reforms in the next legislative cycle.”

[This survey](#) is one of the first to closely examine the specific challenges and financial burdens of health care costs on farmers and ranchers. The Access Project, partnering with researchers at Brandeis University, contracted with the U.S. Department of Agriculture’s National Agricultural Statistics Service to conduct a randomized telephone survey of non-corporate farm and ranch operators in California. A total of 1,787 surveys were completed, with a response rate of 66 percent.

Click [here](#) for key facts from the report.

Click [here](#) to read about California ranchers' and farmers' personal experiences with health coverage and health care costs. Contact Nancy Kohn to arrange interviews with any of these spokespeople.

About The Access Project:

The Access Project has served as a resource center for local communities working to improve health and healthcare access since 1998 and is a program of [Third Sector New England](#). The [Access Project](#) is a research affiliate of the [Schneider Institute for Health Policy](#) at [Brandeis University](#). The Schneider Institute is part of Brandeis' [Heller School for Social Policy and Management](#). The work of The Access Project embodies the Heller School motto, "Knowledge Advancing Social Justice."

About The California Endowment:

The California Endowment, a private, statewide health foundation, was established in 1996 to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians. Headquartered in downtown Los Angeles, The Endowment has regional offices in San Francisco, Sacramento, Fresno and San Diego, with program staff working throughout the state. The Endowment makes grants to organizations and institutions that directly benefit the health and well-being of the people of California. To date, The Endowment has awarded approximately 9,800 grants across California totaling nearly \$1.8 billion. For more information, visit The Endowment's Web site at www.calendow.org.

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