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### **REPORT HIGHLIGHTS PLIGHT OF GREAT PLAINS FAMILY FARMERS AND RANCHERS WITH MEDICAL DEBT**

(Boston, MA)— A new report to be issued on Wednesday, October 7<sup>th</sup> by The Access Project found that family farm and ranch operators, like millions of Americans, have incurred medical debt in spite of having health insurance coverage. The report examines the characteristics of farmers and ranchers who had medical debt and the impact of the debt on their financial situation and ability to access care.

The Access Project study found that those with chronic health conditions or lower incomes were most at risk of incurring medical bills that they were not able to pay. Others at higher risk of incurring medical debt were those with no health insurance coverage, households with low or moderate incomes, people who were part of families with children, and those who reported being in poorer health.

The study also shows that medical debt is not always the result of catastrophic health care costs; in fact, 60 percent of people with debt in this study owed less than \$2,000. But farmers and ranchers spent a lot out-of-pocket before they went into debt. More than half (51%) had to draw down resources, such as savings or retirement funds, to pay for care, and those with medical debt spent almost twice as much out-of-pocket for health care as those without medical debt (\$5,222 vs. \$2,629).

“As Congress debates health reform the issue of affordability is central,” said report author Carol Pryor, Policy Director at The Access Project. “Affordability must factor in out-of-pocket costs as well as the cost of insurance premiums.”

The farmers and ranchers with medical debt were three times as likely to report that health care costs contributed to financial problems as those without medical debt.

Jon Bailey, Director of Rural Research and Analysis at the Center for Rural Affairs in Lyons Nebraska, noted that the report documents what his group commonly hears from small farmers and ranchers. “The physical and financial health of small farm and ranch operators is put at risk due to medical debt. For

farmers and ranchers, the consequences of medical debt affect not only their families, but also the sustainability of their businesses.”

Medical debt also had a strong impact on people’s ability to access care -- those with medical debt were more than twice as likely to report delaying care as those without medical debt (31% vs. 14%).

The findings indicate that health system reforms that only protect people from catastrophic debt will not be sufficient; people need to be protected from accruing lower levels of debt as well, through adequate subsidies to purchase insurance, limits on out-of-pocket costs, and limits on the percent of income people are required to spend on health care. Special attention needs to be paid to people with chronic illnesses. For example, policymakers could eliminate or lessen co-payments and other out-of-pocket costs for people with chronic illnesses for treatments that are known to be effective.

According to Pryor, setting appropriate limits on the health care costs that families have to bear is crucial. “The families in our study did not necessarily rack up hundreds of thousands of dollars in debt. But a few thousand dollars in debt, combined with high levels of cost-sharing, can also undermine families’ financial security.”

The Access Project’s report is the seventh in a series of issue briefs based on a 2007 survey of farm and ranch operators in seven Great Plains states: Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota, and South Dakota. The Access Project and its partners at Brandeis University and the University of North Dakota School of Medicine’s Center for Rural Health contracted with the USDA’s National Agricultural Statistics Service to survey more than 2,000 non-corporate farm and ranch operators (those operating as sole proprietors or partnerships).

**Members of the press:**

**To call in for the audio press conference, dial 866-420-5618. The Conference ID# is 336-56-251.** It begins at 9 AM Mountain / 10 AM Central / 11 AM Eastern Time on Wednesday, Oct. 7<sup>th</sup>.

Speakers at the Press Conference include: Carol Pryor, Senior Policy Analyst at The Access Project, Jon Bailey, Director of Rural Research and Analysis Program at the Center for Rural Affairs, a Montana widow who lost the family cattle ranch due to medical debt and a North Dakota rancher with medical debt from gallbladder surgery.

The report may be downloaded from The Access Project’s website after October 6th at **[www.accessproject.org](http://www.accessproject.org)**. An interview with one of the report authors or experts on rural health issues can be arranged by contacting either Nancy Kohn or Bill Lottero.