

# **2008 Health Insurance Survey of California Farm & Ranch Operators**

## **MEDIA REPORT**



**Communications & Public Affairs Department**

**August 15, 2008**

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## **Report: Farmers, ranchers hit hard by health care costs**

SACRAMENTO

July 23, 2008 10:14am

- **Families have inadequate or costly coverage, it says**
- **'It is no longer just the uninsured who are suffering'**

About a third of California's farmers and ranchers are forced to buy health insurance through the costly individual market because they have no access to lower-cost group coverage, according to a report Wednesday by a group dubbed the "Access Project" and commissioned by the California Endowment.

Family farmers and ranchers who purchased health coverage through the individual market spent approximately \$4,600 more on premiums and out-of-pocket health care costs than those farmers and ranchers who obtained group health coverage from off-ranch or off-farm employment, the report says.

"In many cases this is resulting in these family-owned small businesses carrying on average more than \$4,000 in medical and \$1,700 in dental debt," says Carol Pryor, lead author of the report and senior policy analyst for the Access Project. "This suggests that it is no longer just the uninsured who are suffering from high health care costs – those with health coverage are also struggling and, in some cases, delaying needed care."

The impact of health care costs on non-corporate farm and ranch operators is significant for a number of reasons, the report says. First, family farms dominate U.S. agriculture and they collectively generate 85 percent of the value of production. In California, most farms (98 percent) are family farms; they produce \$32 billion per year in value; and support more than 1.1 million jobs, approximately 7.4 percent of all employment in the state.

For farmers and ranchers, health care expenses have the potential to affect not only their families' economic security, but also the financial viability of their businesses, which may in turn impact the larger, already challenged California and national economy, the report says.

“The financial burden on farm and ranch operators that this study reveals represents a significant drain on the ability of these rural businesses to grow and thrive,” says Bill Lottero, co-author of the report.

Other findings of the report:

- More than half (55 percent) of respondents obtained health coverage through off-farm or off-ranch employment.
- Among those who said their principal occupation was farming or ranching, nearly half (48 percent) bought insurance through the individual market.
- Even though most respondents had health insurance, about one in four (26 percent) had to dip into their financial resources to pay for health care. Of these seven in 10 had to use family savings, almost three in 10 increased their credit card debt, 15 percent borrowed against their home or business, and more than one in 10 (11 percent) withdrew money from a retirement account.
- Thirteen percent of respondents said they had debt resulting from medical or dental bills. Among these respondents the average amount of medical debt was \$4,276 and average amount of dental debt was \$1,760.

The Access Project is a research affiliate of the Schneider Institute for Health Policy at Brandeis University. 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.

The survey instrument was pre-tested with farmers and ranchers in January 2007 and revised based on the pre-test results. Fielding of the California survey began in September and was completed in December of 2007. The original sample of 3,598 was adjusted to reflect the 870 operators who were inaccessible either because their phone numbers were disconnected or because surveyors were unable to reach them after at least 13 dial attempts. A total of 1,787 farm operators responded to the survey. The response rate, based on the adjusted sample size of 2,728, was 66 percent.

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WEDNESDAY, JULY 23, 2008

## **Agriculture Daily News July 23**

Agriculture:

\*Report: Farmers, ranchers hit hard by health care costs -- About a third of California's farmers and ranchers are forced to buy health insurance through the costly individual market because they have no access to lower-cost group coverage, according to a report Wednesday by a group dubbed the "Access Project" and commissioned by the California Endowment. Family farmers and ranchers who purchased health coverage through the individual market spent approximately \$4,600 more on premiums and out-of-pocket health care costs than those farmers and ranchers who obtained group health coverage from off-ranch or off-farm employment, the report says.  
Central Valley Business Times 7/23/0



## California's Farmers and Ranchers Hit Hard By Health Care Costs

A new report, issued by The Access Project and commissioned by The California Endowment, that surveyed more than 1,700 California family farmers and ranchers finds that approximately one in three must purchase health coverage through the costly individual market because they have no access to lower-cost group coverage. Furthermore, these family farmers and ranchers who purchased health coverage through the individual market spent approximately \$4,600 more on premiums and out-of-pocket health care costs than those farmers and ranchers who obtained group health coverage from off-ranch or off-farm employment.

The impact of health care costs on non-corporate farm and ranch operators is significant for a number of reasons. First, family farms dominate U.S. agriculture and they collectively generate 85 percent of the value of production. In California, most farms (98%) are family farms; they produce \$32 billion per year in value; and support more than 1.1 million jobs, approximately 7.4 percent of all employment in the state. For farmers and ranchers, health care expenses have the potential to affect not only their families' economic security, but also the financial viability of their businesses, which may in turn impact the larger, already challenged California and national economy.

"Families that are forced to rely on California's individual market pay more for their health coverage policies and deductibles, and in many cases this is resulting in these family-owned small businesses carrying on average more than \$4,000 in medical and \$1,700 in dental debt," said Carol Pryor, lead author of the report and Senior Policy Analyst for The Access Project. "This suggests that it is no longer just the uninsured who are suffering from high health care costs - those with health coverage are also struggling and, in some cases, delaying needed care."

The report, 2008 Health Insurance Survey of California Farm and Ranch Operators, cautions that families forced to rely on the individual market for health coverage may have no alternative but to pay high premiums for policies that also include significant deductibles, thus resulting in higher health care costs for those that experience illness. According to a recent report, people in California who purchase health coverage through the individual market bear a much greater share of the cost of care. In 2006, insurance covered 54.6 percent of a typical consumer's medical bills in the individual market, compared to 83.3 percent in the small group market. Research also shows that Americans delay care due to medical costs and steep insurance premiums. Nationally, only approximately 8 percent of the insured purchase health coverage in the individual market, while approximately 30 percent of California's family farmers and ranchers have no alternative but to purchase health coverage in the individual market.

"The financial burden on farm and ranch operators that this study reveals represents a significant drain on the ability of these rural businesses to grow and thrive," added Bill Lottero, co-author of the report.

Robert Ramming, 52, a Yolo County retail fresh-market organic farmer said, "The roughly \$8,000 per year we spend on minor medical bills, health insurance premiums, and modest dental & vision care is a major chunk of our family's income and the largest item in our budget. If we can make it to age 65 still in good health, and if Medicare is still functioning and solvent, then maybe my wife and I can start saving for retirement."

Bette Hinton M.D. M.P.H Director-Health Officer County of Yolo Health Department said "At a time when non-farm employers are cutting back on their provision of health care insurance to employees, this lack of available/affordable insurance is bad news for Yolo County which has a largely agricultural economy."

Yolo County Supervisor Helen M. Thomson said "Yolo County's long standing commitment to agriculture includes ensuring there is an adequate health care and delivery system for farmers, their families and their farm workers. This study demonstrates the tough fiscal reality of obtaining health insurance and the costs and impacts of illness on California farms. This is an escalating crisis we all now face."

Other significant findings of the report include:

-- More than half (55%) of respondents obtained health coverage through off-farm or off-ranch employment.

-- Among those who said their principal occupation was farming or ranching, nearly half (48%) bought insurance through the individual market.

-- Even though most respondents had health insurance, about one in four (26%) had to dip into their financial resources to pay for health care. Of these seven in 10 had to use family savings, almost three in 10 increased their credit card debt, 15 percent borrowed against their home or business, and more than one in 10 (11%) withdrew money from a retirement account.

-- Thirteen percent of respondents said they had debt resulting from medical or dental bills. Among these respondents the average amount of medical debt was \$4,276 and average amount of dental debt was \$1,760.

-- Sixteen percent of respondents said they or a household member delayed seeking needed health care services, with the majority (65%) saying the primary reason for delaying care was because they could not afford the cost.

-- On average, farm and ranch families reported spending \$8,817 on health insurance premiums and medical out-of-pocket expenses; this translates into spending of over \$700 a month.

-- More than half (54%) of respondents reported that they had household incomes between \$20,000 and \$99,000. For many of these families, average overall health care expenditures constituted between nine and 44 percent of their income.

"Clearly, our current system of health coverage is not supporting the health care needs of all Californians. The individual health coverage market is fraught with high costs and uncertainty for consumers," said Robert K. Ross, M.D., president and CEO of The California Endowment. "And now we're seeing a number of these family businesses struggling to meet their health care costs because the policies available to them are not adequately covering their health care expenses, leaving them to bear the burden."

Click [here](#) to access the report. Interviews with family farmers surveyed for the report can be facilitated by contacting Jeff Okey at (213) 928-8622 or via email at [jokey@calendow.org](mailto:jokey@calendow.org).

NOTE TO EDITORS: The Access Project in partnership with the Yolo County Public Health Department will be holding a discussion about the growing burden of health care costs on California's family farmers and ranchers at 10 a.m. on July 31 in the Walker Room of the Herbert Bauer Alcohol, Drug, and Mental Health and Health Department located at 137 N. Cottonwood Street, Woodland, CA 95695. RSVP by Monday, July 28 to Norma Springsteen at [norma.springsteen@yolocounty.org](mailto:norma.springsteen@yolocounty.org).

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](http://www.calendow.org).

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## Farmers Facing High Healthcare Costs

Jul 25, 2008

Kenny Goldberg



About one in three family farmers and ranchers in California don't have access to low-cost group health insurance. A new report from the [California Endowment](#) says farmers' out-of-pocket expenses and premiums average more than 88-hundred dollars a year. KPBS Reporter Kenny Goldberg has more.

98 percent of California farms are family-owned and operated. Those that have to buy health insurance on the individual market spend a lot more on premiums and out-of-pocket costs.

The report says more than half of all farmers get coverage through other employment. But among those whose main job is farming, nearly half purchase health insurance on their own.

About seven out of ten farmers say they've had to dip into their savings to pay for health care.

Family-owned small businesses are especially susceptible to rising healthcare costs. The report says in California, these businesses carry an average of more than 55-hundred dollars in dental and medical debt.

Kenny Goldberg, KPBS News.



Tuesday, Jul. 29, 2008

## **Ranchers deal with growing problem -- rising insurance costs**

**Report says farmers spend inordinate amount of income on health care.**

By CAROL REITER  
[creiter@mercedsun-star.com](mailto:creiter@mercedsun-star.com)

A health insurance survey of California farmers and ranchers didn't surprise Atwater dairy farmer Paula Floriano at all.

According to the survey by The Access Project, growers spend a large portion of their income on accessing health care.

Floriano knows what that's like.

"We pay more than \$1,100 a month for health insurance for us and our two kids," Floriano said. On top of those high payments, the Floriano family has \$40 doctor co-payments, the first \$250 per person is out of their pocket and a total of \$8,000 out-of-pocket expenses are taken before insurance covers everything.

"We only go to the doctor if we have to go -- it has to be a necessity or we just don't go," Floriano said.

The Atwater dairy family has a lot of company. Bill Lottero, field director for The Access Project, said his organization has been studying issues of the financial burden of health insurance and medical debt since about 2000. "We thought that a good slice to look at would be farmers and ranchers," Lottero said.

The survey looked at farm families that made between \$40,000 and \$99,000 a year in income.

"We found that families were spending anywhere between 9 and 44 percent of their income for their health insurance," Lottero said.

Anything beyond 10 percent of income going to health insurance becomes a problem, he added. Farmers may dip into their savings or take on additional credit card debt to pay their health insurance bills and their co-pays.

And it isn't just the farmers and ranchers who suffer when health insurance rates are high, Lottero said. Small rural businesses also are hit because the farmers may not be buying necessities, instead putting their money into health care.

Rural health care providers also suffer when farmers can't pay their bills. "These guys operate on thin profit margins. We're seeing providers that just aren't getting paid," Lottero said.

The farms examined by the project were mostly family farms, since they dominate U.S. agriculture. Up to 98 percent are family farms; in California, about 80,000 farms are either family or individually operated. The farms also support more than 1 million jobs, according to the study.

Although many of the farmers and ranchers may have higher average incomes than households as a whole, that doesn't mean they have readily available cash. Much of the net worth of farm households is based on assets necessary to continue farming.

Farmers who are uninsured cite the cost of health premiums as the reason they aren't covered.

And if a grower has a pre-existing condition, the insurance company won't cover the person. "If something occurs and you're not covered, you're kind of stuck," Floriano said.

Because the Floriano family is self-employed, they have no workers' compensation insurance either.

"No matter how much we use our policy, it goes up every other year," Floriano said. "I think that if we don't go to the doctor every time we get a splinter, we should get some kind of incentive for that."

But even though health insurance is expensive, Floriano said her family can't go without it.

"If you're on a tractor and get your leg cut off, you need that insurance," Floriano said.

*Reporter Carol Reiter can be reached at (209) 385-2486 or creiter@mercedsun-star.com.*

## Health premiums distress families down on the farm

By RACHEL RASKIN-ZRIHEN/Times-Herald staff writer  
Article Launched: 07/29/2008 07:13:13 AM PDT



ROSE LOVEALL-SALE of Morning Sun Herb Farm in Vacaville fears soaring health insurance premiums may drive her out of the business she loves. (Courtesy photo)

Solano County herb farmer Rose Loveall-Sale says that if her health insurance premiums continue rising, she'll have to consider a career change. It's a plight shared by farmers and ranchers statewide, a new survey shows.

The owner of Vacaville's Morning Sun Herb Farm said she's already had to make adjustments. "I had to come off one of my medications because I couldn't afford it," she said. "It went from \$20 for nine pills to \$40 for four pills, with each extra pill \$90."

A new Access Project report that surveyed more than 1,700 California family farmers and ranchers found about one-third have no access to group health coverage and must buy expensive individual insurance. The study, commissioned by the California Endowment, also found that the family farmers and ranchers with individual health coverage spent nearly \$5,000 more on premiums and out-of-pocket health care costs than those with group health coverage.

The Access Project is a research affiliate of the Schneider Institute for Health Policy at Brandeis University. Since 1998, it has worked to improve health and healthcare access, according to a statement.

Loveall-Sale said she and her husband are insured through his retirement as a mechanical engineer for a major firm, but they're bracing for cutbacks in retiree benefits.

"We've seen a lot of changes to the negative side," she said. "I'm seeing things degrading. We've never had health care debt before, but my husband had two minor surgeries and now we do. I was told you can negotiate these things, but that's just not true."

In California, 98 percent of farms and ranches are family-owned, produce \$32 billion annually in value and support more than 1.1 million jobs, the survey found.

Health care expenses can affect farmers' and ranchers' families' economic security and the financial viability of their businesses. That in turn could impact the larger, already challenged California and national economy, the report notes.

(The report) "suggests that it is no longer just the uninsured who are suffering from high health care costs - those with health coverage are also struggling and, in some cases, delaying needed care," said Carol Pryor, the report's lead author and senior policy analyst for the Access Project.

Some are unable to save for retirement, it found.

"The financial burden on farm and ranch operators that this study reveals represents a significant drain on the ability of these rural businesses to grow and thrive," report co-author Bill Lottero said.

Loveall-Sale said most local farmers must have one spouse working outside the family business just for the medical insurance. The survey's findings support that contention.

"If you're farming full-time, you could be in trouble," she said.

At 46, and after 14 years in the business, farming is what Loveall-Sale enjoys, but she's not sure she'll be able to continue.

"I love what I do," she said. "I love the freedom of working for myself. I believe in the greening of the planet and it's my goal to get everyone to plant something other than lawn. It would be a shame to have to stop because of health insurance."

Loveall-Sale said she and her husband pay \$300 in monthly health insurance premiums, and it's a stretch. "When you're working with a narrow profit margin, another few hundred dollars a month for health care costs is huge," she said.

- E-mail Rachel Raskin- Zrihen at [RachelZ@thnewsnet.com](mailto:RachelZ@thnewsnet.com) or call 553-6824.



## **Access Project Report: California's Farmers and Ranchers Impacted by Health Care Costs**

Released : Monday, July 28, 2008 11:08 PM

A new report, issued by The Access Project and commissioned by The California Endowment, that surveyed more than 1,700 California family farmers and ranchers finds that approximately one in three must purchase health coverage through the costly individual market because they have no access to lower-cost group coverage.

Furthermore, these family farmers and ranchers who purchased health coverage through the individual market spent approximately \$4,600 more on premiums and out-of-pocket health care costs than those farmers and ranchers who obtained group health coverage from off-ranch or off-farm employment.

The impact of health care costs on non-corporate farm and ranch operators is significant for a number of reasons. First, family farms dominate U.S. agriculture and they collectively generate 85 percent of the value of production. In California, most farms (98 percent) are family farms; they produce \$32 billion per year in value; and support more than 1.1 million jobs, approximately 7.4 percent of all employment in the state. For farmers and ranchers, health care expenses have the potential to affect not only their families' economic security, but also the financial viability of their businesses, which may in turn impact the larger, already challenged California and national economy.

"Families that are forced to rely on California's individual market pay more for their health coverage policies and deductibles, and in many cases this is resulting in these family-owned small businesses carrying on average more than \$4,000 in medical and \$1,700 in dental debt," said Carol Pryor, lead author of the report and Senior Policy Analyst for The Access Project. "This suggests that it is no longer just the uninsured who are suffering from high health care costs - those with health coverage are also struggling and, in some cases, delaying needed care."

The report, Health Insurance Survey of California Farm and Ranch Operators, cautions that families forced to rely on the individual market for health coverage may have no alternative but to pay high premiums for policies that also include significant deductibles, thus resulting in higher health care costs for those that experience illness. According to a recent report, people in California who purchase health coverage through the individual market bear a much greater share of the cost of care. In 2006, insurance covered 54.6 percent of a typical consumer's medical bills in the individual market, compared to 83.3 percent in the small group market. Research also shows that Americans delay care due to medical costs and steep insurance premiums. Nationally, only approximately 8 percent of the insured purchase health coverage in the individual market, while approximately 30 percent of California's family farmers and ranchers have no alternative but to purchase health coverage in the individual market.

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.

(Comments on this story may be sent to [health@closeupmedia.com](mailto:health@closeupmedia.com))

## Bitter harvest

# Study finds many farmers, ranchers have no access to group health care

By Rachel Raskin-Zrihen/Times-Herald, Vallejo  
Article Launched: 08/03/2008 07:19:33 AM PDT



Rose Loveall-Sale prepares a winter culinary planting in this 2007 photograph. Like many growers the local herb farm owner says she struggles with growing healthcare costs. ([Ryan Chalk/The Reporter](#))

Local herb farmer Rose Loveall-Sale says that if her health insurance premiums continue rising she'll have to consider a career change. It's a plight shared by farmers and ranchers statewide, a new survey shows.

The owner of Vacaville's Morning Sun Herb Farm said she's already had to make adjustments.

"I had to come off one of my medications because I couldn't afford it," Loveall-Sale said. "It went from \$20 for nine pills to \$40 for four pills, with each extra pill \$90."

A new The Access Project report that surveyed more than 1,700 California family farmers and ranchers, found about one third have no access to group health coverage and must buy expensive individual insurance. Commissioned by The California Endowment, the study also found that the family farmers and ranchers with individual health coverage spent nearly \$5,000 more on premiums and out-of-pocket health care costs than those with group health coverage.

The Access Project is a research affiliate of the Schneider Institute for Health Policy at Brandeis University. It's worked to improve health and healthcare access since 1998, according to a statement.

In Loveall-Sale's case, she said she and her husband are insured through his retirement as a mechanical engineer for a major firm, but they're bracing for cutbacks in retiree benefits.

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#### Advertisement

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#### style="padding: 5px 5px 5px 5px;"> **Key findings of The Access Project report:**

- More than half obtained health coverage through off-farm or off-ranch employment.
- Among those who said their principal occupation was farming or ranching, nearly half bought individual health insurance.
- Even though most had health insurance, about 26 percent dipped into savings, credit cards, home or business equity or retirement accounts - to pay for health care.
- Thirteen percent said they had debt resulting from medical or dental bills averaging about \$4,276 and \$1,760 respectively.
- Sixteen percent said they or a household member delayed seeking needed health care services, with most blaming high costs for the delay.

"We've seen a lot of changes to the negative side," she said. "I'm seeing things degrading. We've never had health care debt before, but my husband had two minor surgeries and now we do. I was told you can negotiate these things, but that's just not true."

In California, 98 percent of farms and ranches are family owned, produce \$32 billion annually in value, and support more than 1.1 million jobs, the survey found.

Healthcare expenses can affect farmers' and ranchers' families' economic security and the financial viability of their businesses. That in turn could impact the larger, already challenged California and national economy, the report notes.

(The report) "suggests that it is no longer just the uninsured who are suffering from high health care costs - those with health coverage are also struggling and, in some cases, delaying needed care," said Carol Pryor, the report's lead author and senior policy analyst for The Access Project. Some are unable to save for retirement, the survey found.

"The financial burden on farm and ranch operators that this study reveals represents a significant drain on the ability of these rural businesses to grow and thrive," added report co-author Bill Lottero.

Loveall-Sale said most local farmers must have one spouse working outside the family business just for the medical insurance. The survey's findings support that contention.

"If you're farming full-time, you could be in trouble," she said.

At 46, and after 14 years in the business, farming is what Loveall-Sale enjoyed, but she's not sure she'll be able to continue.

"I love what I do," she said. "I love the freedom of working for myself. I believe in the greening of the planet and it's my goal to get everyone to plant something other than lawn. It would be a shame to have to stop because of health insurance."

Loveall-Sale said she and her husband pay \$300 in monthly health insurance premiums, and it's already a stretch.

"When you're working with a narrow profit margin, another few hundred dollars a month for health care costs is huge," she said.

- On average, farm and ranch families reported spending more than \$700 a month on health insurance premiums and out-of-pocket medical expenses.

- More than half reported household incomes between \$20,000 and \$99,000. Many of these families reported between 9 and 44 percent of their income went to overall health care expenditures.

*Source: 2008 Health Insurance Survey of California Farm and Ranch Operators*

## Health costs hit farmers

County leaders look for more than Band-aid fix

By ROBIN HINDERY

Article Created: 08/05/2008 07:08:49 AM PDT



About a dozen Yolo County supervisors, health care advocates and other local leaders gather in Woodland to discuss a new report on the financial burden of health care on family farmers and ranchers. Even for the largely middle-class California ag community, rising costs are becoming too much to bear, the report says. (Robin Hindery / Democrat )

In light of a new report on the increasing burden of health care costs on California's family farmers and ranchers, Yolo County policymakers are discussing ways to better protect area residents and the agriculture-dominated local economy.

At a meeting in Woodland on July 31, a group of 14 individuals that included three county supervisors, as well as the county's health department director and its agricultural commissioner, gathered to learn more about the report and start brainstorming ways to ease the financial burden on the ag community.

The report was issued in May by the Access Project, a Boston-based group that works with cities and counties around the country to promote health access. The findings were based on a survey last year of nearly 1,800 family farmers and ranchers throughout California, where 98 percent of farms are family-owned and operated.

The authors found that roughly one-third of the respondents have no access to group health coverage and do not qualify for government sponsored programs, and must therefore purchase insurance through the individual market. Among those whose principal occupation was farming or ranching, that figure jumped to 48 percent.

Those numbers are significantly higher than the national average; a mere eight percent of insured Americans purchase individual insurance.

Buying direct comes at a significant cost: The survey found that families with non-group health coverage spent nearly \$4,700 more per year on premiums and out-of-pocket expenses than those who got their

insurance through employment outside the family farm or ranch.

"These costs end up eating up a family's savings, increasing their credit card debt or taking away from their retirement funds," said Bill Lottero, the Access Project's field director and a co-author of the report, which was funded by the California Endowment, a private health foundation. "When I speak to young people from farming families, they name this as a barrier to getting into farming."

California's family farms produce \$32 billion per year in value and support 1.1 million jobs, according to the U.S. Department of Agriculture and the California Farm Bureau Federation.

Lottero, who led the Woodland discussion, noted that farm and ranch operators have higher incomes and are insured at much higher rates than the general population; 90 percent of the respondents to Lottero's survey said all members of their household had been continuously insured during the previous year.

Yet 13 percent of respondents said they were saddled with medical debt and some families reported that as much as 44 percent of their income went toward health care-related expenditures. In addition, 16 percent of respondents said they or a family member had delayed seeking medical care, mainly because they could not afford the anticipated cost.

Woodland farmer Robert Ramming, whose family owns and operates Pacific Star Gardens, an organic "U-pick" farm and fruit stand, is all too familiar with the financial burden of health care, which costs him roughly \$8,000 per year, he said. His family of six purchased health insurance through the individual market, and insurance premiums alone eat up about \$6,000 annually, he said.

"Our family is in good health and we have a high-deductible policy, and even so, we're spending a huge amount of money on premiums," he said. "If we had anything like a preexisting (medical) condition or a string of bad luck, we'd be up a creek."

Ramming, who is 52, said he hopes that when he and his wife turn 65, Medicare will still be there to take care of them. Then, he said, they can finally start putting some money into a retirement fund - a fund that is currently nonexistent, thanks to the family's health care bills and other pressing business and personal expenses.

The pain of individual farming families like Ramming's trickles outward through the economy, said John Karatzas, the California project director for the Small Business Majority, a national nonprofit organization of business entrepreneurs.

"Research tells us that most small businesses are getting killed by health care costs," he said. "It's going to stifle economic development. We really can't survive this way."

Yolo County Supervisor Helen Thomson expressed concern that prohibitive health care costs would harm not only patients but also local health care providers and clinics.

"The situation is becoming very scary," she said at the Woodland discussion, held at the county health department headquarters on N. Cottonwood Street.

Lottero said he viewed the informal gathering as a jumping-off point, a way to raise concern among local policymakers and spur them to take action on behalf of Yolo County's large - and profitable - agricultural community. Local farmers and ranchers produced more than \$370 million worth of goods in 2006, according to the Yolo County Farm Bureau.

Lottero also encouraged the attendees to reach out to other influential individuals and groups, including the farm bureau and state-level lawmakers, some of whom have important health care reform bills pending in the Legislature.

Ultimately, Lottero said, he hopes to see California's agricultural businesses community connect with the broader small business community and come together for a statewide health care summit about a year from now. He plans to continue meeting with county leaders around the state to help make that happen.

Ramming, who attended the Woodland discussion and took extensive notes, said he hoped to see fewer policy meetings and more concrete action in the coming months and years.

"The local 'powers that be' seem to be on same page understanding the problem," he said in a phone interview Monday. "They seem to be realizing that the problem (of health care costs) isn't just affecting underemployed people, lower-income folks. It has expanded to the middle class and the upper-middle class, and something has to be done."

## Healthcare In Crisis

With at least 47 million uninsured, healthcare in the US is in a state of crisis. Let's explore this problem.

WEDNESDAY, AUGUST 6, 2008

### Health costs hit farmers - Woodland, California

In light of a new report on the increasing burden of health care costs on California's family farmers and ranchers, Yolo County policymakers are discussing ways to better protect area residents and the agriculture-dominated local economy.

At a meeting in Woodland on July 31, a group of 14 individuals that included three county supervisors, as well as the county's health department director and its agricultural commissioner, gathered to learn more about the report and start brainstorming ways to ease the financial burden on the ag community.

The report was issued in May by the Access Project, a Boston-based group that works with cities and counties around the country to promote health access. The findings were based on a survey last year of nearly 1,800 family farmers and ranchers throughout California, where 98 percent of farms are family-owned and operated.

The authors found that roughly one-third of the respondents have no access to group health coverage and do not qualify for government sponsored programs, and must therefore purchase insurance through the individual market. Among those whose principal occupation was farming or ranching, that figure jumped to 48 percent.

Those numbers are significantly higher than the national average; a mere eight percent of insured Americans purchase individual insurance.

Buying direct comes at a significant cost: The survey found that families with non-group health coverage spent nearly \$4,700 more per year on premiums and out-of-pocket expenses than those who got their insurance through employment outside the family farm or ranch.

"These costs end up eating up a family's savings, increasing their credit card debt or

taking away from their retirement funds," said Bill Lottero, the Access Project's field director and a co-author of the report, which was funded by the California Endowment, a private health foundation. "When I speak to young people from farming families, they name this as a barrier to getting into farming."

California's family farms produce \$32 billion per year in value and support 1.1 million jobs, according to the U.S. Department of Agriculture and the California Farm Bureau Federation.

Lottero, who led the Woodland discussion, noted that farm and ranch operators have higher incomes and are insured at much higher rates than the general population; 90 percent of the respondents to Lottero's survey said all members of their household had been continuously insured during the previous year.

Yet 13 percent of respondents said they were saddled with medical debt and some families reported that as much as 44 percent of their income went toward health care-related expenditures. In addition, 16 percent of respondents said they or a family member had delayed seeking medical care, mainly because they could not afford the anticipated cost.

Woodland farmer Robert Ramming, whose family owns and operates Pacific Star Gardens, an organic "U-pick" farm and fruit stand, is all too familiar with the financial burden of health care, which costs him roughly \$8,000 per year, he said. His family of six purchased health insurance through the individual market, and insurance premiums alone eat up about \$6,000 annually, he said.

"Our family is in good health and we have a high-deductible policy, and even so, we're spending a huge amount of money on premiums," he said. "If we had anything like a preexisting (medical) condition or a string of bad luck, we'd be up a creek."

Ramming, who is 52, said he hopes that when he and his wife turn 65, Medicare will still be there to take care of them. Then, he said, they can finally start putting some money into a retirement fund - a fund that is currently nonexistent, thanks to the family's health care bills and other pressing business and personal expenses.

The pain of individual farming families like Ramming's trickles outward through the

economy, said John Karatzas, the California project director for the Small Business Majority, a national nonprofit organization of business entrepreneurs.

"Research tells us that most small businesses are getting killed by health care costs," he said. "It's going to stifle economic development. We really can't survive this way."

Yolo County Supervisor Helen Thomson expressed concern that prohibitive health care costs would harm not only patients but also local health care providers and clinics.

"The situation is becoming very scary," she said at the Woodland discussion, held at the county health department headquarters on N. Cottonwood Street.

Lottero said he viewed the informal gathering as a jumping-off point, a way to raise concern among local policymakers and spur them to take action on behalf of Yolo County's large - and profitable - agricultural community. Local farmers and ranchers produced more than \$370 million worth of goods in 2006, according to the Yolo County Farm Bureau.

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[August 10, 2008]

## Lack of a group health plan poses challenge for farmers

(Record, The (Stockton, CA) (KRT) Via Acquire Media NewsEdge) Aug. 10--Eric Leffler, a cherry and walnut farmer in Lodi, knows his income may rise and fall with the fortunes of weather and market demand.

That makes it difficult sometimes for the single father to continue to meet the needs of his three children, including a daughter with Down syndrome. One major challenge is health insurance, especially since Leffler, like many farmers and other self-employed business owners, must buy individual plans.

He had had access to a group plan as a contract farmer with Diamond Foods Inc., but his contract recently expired. As a result he's paying higher premiums, even with a high deductible.

"I pay probably almost \$850 a month," he said recently. "It's probably four times my food bill and it's probably three times as much as my electric bill."

But with a family to protect, he's got little choice.

"I just have to work longer or harder," he said. "You just have to have it."

Leffler is not alone.

A recent survey found about one-third of California farmers responding had costly individual plans and paid \$4,600 a year more on health care than others who had group coverage from off-farm employment taken by themselves or a spouse.

According to the Access Project, which conducted the research and promotes change in public health policies, health care expenses have the potential to affect not only farm families' economic security, but also the viability of their businesses, which may in turn impact the larger, already challenged California and national economies.

"This is a burden and it's not working for them," said Bill Lottero, co-author

of the report and Access Project field director.

The findings may not be entirely surprising, given that all self-employed business operators face much the same issues, he said.

However, the study (commissioned by The California Endowment and available on the Internet at [www.accessproject.org](http://www.accessproject.org)) is the first to look specifically at the burden of health care costs on California farmers and ranchers.

"We saw this as unique," Lottero said.

Philip Martin, University of California, Davis, professor and chairman of the UC Comparative Immigration & Integration Program, expressed doubts about the survey's sample, of more than 1,700 ranchers and farmers.

"The median percentage of income from farming was 15 percent, and 55 percent of respondents got health insurance from a nonfarm job," he said. "These do not sound like fulltime farmers to me."

Still, he agreed, "The important message is there is no doubt that health insurance is a serious issue."

And not just for farmers.

"The threat to all of us is a health care system in which health care costs are going up much faster than wages," Martin said.

He also noted there are insurance packages available through farm industry groups, such as the California Farm Bureau Federation.

Those plans help a little, said Kenny Watkins, a Linden farmer who serves as second vice president of the state federation.

"It's unbelievable what health care costs," he said. "What my family costs is \$1,400 a month."

Watkins explained that what he receives is an individual policy but is slightly less expensive than if purchased outside the Farm Bureau's umbrella.

"It's not affordable, but it's more affordable access to health plans," he said.

Health coverage is a constant challenge.

When he was just starting in farming, he went years with no insurance at all.

"I couldn't afford it," Watkins said. "There wasn't any money to buy it with."

And his wife, Molly Watkins, worked off the farm for many years, commuting to Sacramento, in part to get the group health coverage afforded by her employer.

That's a familiar story, Lottero said, recalling a Stanislaus County farmer he interviewed about health insurance.

"He's lucky enough to have it, but his son, who wants to be in farming, can't afford it," Lottero said. "He has no health insurance."

Access Project officials suggest there are policy changes, currently under consideration in the state Legislature, that may ease the burden on farmers as well as other self-employed people and small business owners.

Those include legislation to standardize and set minimum benefit standards for individual health policies; to make a high-risk insurance pool more affordable for people with pre-existing conditions; and to create a statewide public insurer that might offer more affordable options in the private, non-group market.

Contact reporter Reed Fujii at (209) 546-8253 or [rfujii@recordnet.com](mailto:rfujii@recordnet.com).

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# Business

## LACK OF A GROUP HEALTH PLAN POSES CHALLENGE FOR FARMERS

By **Reed Fujii**  
August 10, 2008  
Record Staff Writer

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## **Lack of a group health plan poses challenge for farmers**

Reed FujiiThe Record, Stockton, Calif.

Released : Sunday, August 10, 2008 4:00 AM

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