

The Chadron Record

Families pinched by health care costs

By Center for Rural Affairs Tuesday, August 04, 2009

A report released June 24 by The Access Project found that farm and ranch operators, like many self-employed Americans, cannot afford the cost of health insurance offered to small business owners. While family farmers and ranchers are insured at a rate higher than the general population, still one in ten (10%) was uninsured, or had an uninsured family member, sometime during the previous year.

The report, 'Who is Uninsured?' is based on data gathered through the 2007 survey of farm and ranch operators in seven Great Plains states. The report found that uninsured farm and ranch operators were more likely to say that their principal occupation was farming or ranching than their insured counterparts. They also had lower incomes and were more likely to live alone.

“Those most reliant on income derived from the family farm or ranch are least likely to be able to afford private health insurance,” said Carol Pryor, lead author of the report and Policy Director at The Access Project. “This threatens both their health and their livelihoods. Washington must act to develop alternatives to a private market that is unwilling or unable to provide affordable protection to the self employed and small business owners.”

The survey found that more than one-third of the uninsured farm and ranch operators spent more than 10% of their income on health care costs. They were also four times more likely to have incomes under \$20,000 than those with insurance.

The Access Project's report is the fifth 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).

The report finds that uninsured farmers and ranchers face much greater barriers to getting care and suffer higher levels of financial hardship than those with insurance. They delayed needed care more than twice as frequently as those with insurance - more than a third of the uninsured delayed care (34%) versus 15% of the insured. The uninsured were also more likely to:

- * Draw down resources, such as withdrawing money from savings or taking out loans, to pay for health care (40% vs. 25%);
- * Spend more than ten percent of their income on health care (34% vs. 29%);
- * Report that health care costs contributed to financial problems (32% vs. 22%);

* Accrue medical debt (32% versus 16%).

Isa Kirk, who owns a horse ranch in South Dakota with her husband Jack, was uninsured when she was diagnosed with cervical cancer. It was only because she was able to get coverage from All Women Count, a program run by the South Dakota Department of Health, and from Medicaid, that she was able to afford care.

She said, “If not for All Women Count, Jack and I might have lost our home, ranch and livelihood due to medical bills.” But now that she no longer qualifies for those programs, she is once again uninsured. She said, “We are determined to continue to live a healthy lifestyle and have faith, since it seems very unlikely for me to obtain health coverage.”

Jon Bailey, Director of Rural Research and Analysis at the Center for Rural Affairs in Lyons, noted that plans to reform the health care system nationally must take into account the needs of rural businesses and communities. “Health reform that continues to rely solely on the private insurance market and attempts to strengthen employer-provided insurance, no matter how regulated or reformed, will be irrelevant to a large number of rural people. If you want farmers to continue growing the food for our families, and if you want rural communities to thrive, then availability of affordable and quality health insurance must be effectively addressed.”

The findings from this report raise questions regarding the availability and affordability of health insurance coverage, especially for those families without access to employer-based coverage. Their lack of insurance may not only put their health at risk, but also their businesses. The Access Project urges policymakers, as they work to reform our nation’s health care system, to consider options for expanding the availability of comprehensive insurance coverage and ensuring that this coverage is affordable for lower income families.

The full report is available online at: www.cfra.org/files/AccessProject-2007-Health-Insurance-FarmRanchSurvey.pdf