

Published online 12/28/2009 10:41 PM

## **Farm groups mixed on benefits of reform**

By Amy Bickel - The Hutchinson News - [abickel@hutchnews.com](mailto:abickel@hutchnews.com)



MCPHERSON - Derek Sawyer tries not to think about it much.

At 29, he says he's relatively healthy. A trip to the doctor's office is a rarity. Moreover, farm safety isn't something he takes lightly.

"Farming is one of the highest-risk occupations," he said from his McPherson County farm. "Every task we perform we have to think safety first."

Yet, despite working in one of the nation's hazardous professions, the fourth-generation farmer doesn't have health insurance.

Enhanced costs are the main reason, he said. Manager of the crops and cattle operation that he runs alongside his father, Doug, he relies on a fluctuating farm market for his income.

Moreover, as young farmer who graduated from Kansas State University in 2002, he doesn't have the equity built up like older farmers. There isn't time for an off-farm job that might provide benefits. And, unlike some of his peers whose spouses work full time and receive insurance, Sawyer isn't married.

For now, he preaches safety to himself and his crew of two full-time hired men and hopes he doesn't get sick. If anything major would happen, such as an accident from working cattle, being around heavy machinery or exposure to toxic chemicals, he'd pay a hefty price.

"I don't like where I am, not having health insurance right now," he said. "But hopefully, it's just for the short term."

\*\*\*

At present, the nation's congressional leaders are amid a debate on how to get more Americans insured, as well as provide affordable health insurance.

Sawyer is among 10 percent of farmers who don't have insurance, according to the Access Project, a resource center for local communities working to improve health and health care access.

The group's recent 2009 survey regarding farmers' insurance coverage and medical debt showed 54 percent of farmers receive benefits through off-farm jobs.

Other key findings include:

\* Most survey respondents reported currently owing money for medical bills. More than half the members of all racial and ethnic groups represented in the sample reported having medical debt.

\* About half of the respondents with medical debt said they had delayed a doctor's visit because of the debt; about 4 in 10 delayed a visit to a dentist.

\* One respondent in five reported using a large portion of savings to pay their medical bills, and twice that number borrowed money from friends or family members. Others put bills on their credit cards, took out loans, or borrowed against their homes.

"When you are talking about health care in general and health care premiums, right now, the costs are just too high," said Terry Holdren, national director of government relations for the Kansas Farm Bureau. "Younger farmers with younger children budget a third of their income a month for insurance coverage. They're trying to make it work with both spouses on the farm."

Both working full time on their Hoisington-area farm, Dean and Mary Anne Stoskopf buy their insurance as individual small-business owners. They represent 36 percent of farmers, according to the Access Project's data.

The Stoskopfs pay more than \$3,700 a month for a \$5,000 deductible health insurance for their family and their full-time employee's family, which will increase to a \$6,000 deductible in 2010. Plus, they put \$12,000 into two health savings accounts.

"If you have a high deductible insurance, that's the responsible thing to do," Mary Anne Stoskopf said of providing a health savings account. "It's how we try to keep the costs down. If we didn't have those high deductibles, it would be a lot more expensive."

Their insurance isn't perfect, she said. Her own insurance has gone to a managed prescription coverage, which regulates how many test strips her husband can get to check his insulin.

"If we need more, we have a way to get it paid for through the insurance, but we have to make extra steps," she said.

Meanwhile, the insurance won't allow her to pick up all the medication at one time. With her hometown of Hoisington currently without a pharmacy, it means extra trips to Great Bend.

While she says something should be done to bring down costs and make health coverage more accessible, she isn't sure if what is happening in Washington is the right answer to the Farm Belt's dilemma.

"My biggest concern is I don't think anyone knows what is in (the bill)," she said. "I don't think the ramifications of all the provisions are really known."

"If they pass something, I'm afraid it will just add bureaucratic costs and decisions will be made in Washington, D.C., rather than the hospital bedside. I think it will make life more difficult."

\*\*\*

Kansas Farm Bureau officials have worries, too, about the present proposal.

American Farm Bureau does not believe a government-run health plan that competes with private insurance companies is a good idea, with officials, including national president Bob Stallman, saying during a meeting earlier this year that "I think we will see a health care bill passed and it will probably increase taxes without improving health care."

KFB's Holdren said the organization is against the bill in its present form, including individual and employer mandates, such as "play or pay," meaning all individuals must have health insurance or be fined.

Holdren also said farmers and ranchers need a special exemption for seasonal and temporary workers.

A provision in the Senate bill mandates employers provide insurance if their operation has more than 25 employees who work more than 120 days a year - something that could affect larger custom harvest operations, who typically start the run north in May with wheat harvest, finishing the season in November when fall harvest wraps up.

The group also worries about potential cuts to Medicare, which could hurt critical access hospitals that serve much of rural Kansas.

Still, he and others agree something should be done to better the health care situation.

Besides the health risks of delaying or not seeking medical care, for farmers, there is potential for financial hardship. In one Access Project survey, one-fourth of farmers said they used other financial resources to cover health care costs. More than half reported using family savings; a quarter took on credit card debt; and others borrowed against their farm or asked family and friends for help.

Jon Bailey, director of rural research and analysis at the Center for Rural Affairs in Lyons, Neb., said this is something he 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," Bailey said. "For farmers and ranchers, the consequences of medical debt affect not only their families, but also the sustainability of their businesses."

One reason individual insurance is so expensive is because it's harder for the insurer to spread out the risk.

Holdren said one aspect they'd like to see from the health care bill is a co-op option, which would allow individuals of similar businesses to pool together for health insurance.

"A co-op would certainly help our folks," Holdren said. "This would essentially take down barriers by allowing small businesses to lump together as a group."

Other aspects that need addressed, he said, include tax credits to help the self-employed purchase health insurance and to help farm and ranch employers afford insurance for employees, significant tort reform, and protecting Medicare payments to critical access hospitals that are used by a large part of rural Kansas.

Sawyer himself has his own worries, despite the fact he doesn't have health coverage.

He fears that even though most small businesses are exempt from the "play or pay" concept, "I do worry that in agriculture, we will see our rules and regulations increase, decreasing our profit margin and increasing our costs for us."

\*\*\*

Not all farm groups are against the legislation.

The National Farmers Union supports health care reform, including the current Senate legislation.

And while both the House and Senate bills might not be perfect, Bailey, whose agency hasn't taken a stance on the proposals, said there are good things in the provisions for rural residents.

"It is definitely going to knock down the number of uninsured," he said. "They estimate that it would decrease the uninsured in rural areas to 4 to 5 percent. Right now it is about 20 percent in rural areas."

#### Breakout

#### Farmers and insurance

10 percent - no insurance

54 percent - receive insurance from off-farm employment

36 percent - purchase individual insurance

10 percent - use public programs

Source: The Access Project