

Study shines light on health-care debt in rural areas

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She's a dairy farmer north of North Bend and Joyce Glodowski is up against it.

It's bad enough that her milk cows aren't nearly the cash cows they were before the dairy sector slid into a deep slump last year.

But on top of that, according to the results of a new survey of farm and ranch residents in Nebraska and six other states, Glodowski is one of many who feel trapped between persistent health problems and the rising cost of health care.

Glodowski, 52, said her premium for health insurance increased almost \$150 a month in September. Coverage under her Dairy Farmers of America policy now costs her almost \$800 a month.

"I can't afford to leave it," she said in a telephone interview, "because I need insurance. But I can't afford to keep it either."

Glodowski is talking about her personal dilemma as the Nebraska Center for Rural Affairs joins the Boston-based Access Project and other partners in wheeling out the results of a health-insurance survey of operators of more than 2,000 non-corporate farms and ranches in Nebraska, Iowa, Minnesota, Missouri, Montana and North and South Dakota.

The focus was on medical debt and its consequences.

Jon Bailey, the Center for Rural Affairs' director of rural research and analysis at Lyons, said the findings suggest many people in rural settings are sinking under the weight of medical costs even when they have health insurance.

Bailey sees that as cause for alarm as Congress struggles to pass meaningful health-care reform. He called it "additional evidence that the current health insurance system does not work for large parts of rural America."

Among the patterns revealed in the study:

- Even though more than 90 percent of respondents said everyone in the household had health insurance, almost 20 percent were carrying medical debt. The median amount was \$1,100.
- 31 percent of the people with medical debt said they had delayed medical care.
- More than half of those carrying medical debt said they had to use savings accounts and other financial resources to deal with it.
- In a state-by-state breakdown of household spending on health care premiums and out-of-pocket spending in 2007, Nebraska's was the highest median amount at \$8,300. Montana was next at \$7,500, and Missouri was lowest at \$5,378.

The Access Project, founded in 1998, bills itself as a resource center for local community health and health-care access. Carol Pryor, its policy director, said this is the first time, as far as she knows, that the health-care research spotlight has been aimed so directly at rural residents.

"Nobody has done that," Pryor said.

The research team routed its inquiry through a farmer data base maintained by the U.S. Department of Agriculture.

"They had a group that was very responsive to these types of requests," Pryor said.

"Accrual of medical debt is a good indicator that health care is not affordable," she said.

"These kinds of things not only undermine family finances," she said, "but also one of the things people say is they can't make investments in the farm or they have to invest in employment, which takes away from the time they can invest in the farm."

Glodowski appears to be an example of many of the report's most significant conclusions.

She has what she described as a vein disease and circulation problems that require her to take the blood thinner Coumadin.

She also takes prescription medicine for colitis.

Complications of surgery to remove her appendix when she was in her 20s "kind of ruined one leg."

She's trying to pay off bills for out-of-pocket medical expenses, and she needs out-patient surgery on both legs, at a cost of \$6,000.

"I moved it to October," she said of her planned surgery, "and as of yesterday, I moved it to December."

Despite what looms on the medical front, "after the first of the year, I will take a much higher deductible just to afford the premiums."

As the Access Project research team used a teleconference to lay out its findings, its leadership also enlisted North Dakota farmer Craig Pausch and Montana home-care worker Patricia DeJong to offer their experiences with health insurance.

DeJong said she and husband, Dan, were uninsured when he was diagnosed with lymphoma. "As Dan's medical bills spiraled out of control," she said, "we made the painful decision to sell our fourth-generation ranch." She said their ordeal broke his spirit.

"It's been two years since Dan passed, and I still don't have health insurance."

Pausch, a grain and livestock producer, said he has to pay \$60 every three months for diabetes medicine. It took three years to pay off the bills that came with 2005 surgery to remove his gall bladder.

Meanwhile, the \$788 he had been paying per month for family coverage recently increased to \$1,027.

"But even with such a high premium, we still have to pay most of our medical bills out of pocket, because we have a deductible (per person) of \$1,500, plus a family deductible of \$1,500."

Dennis Berens, director of the state office of Rural Health, said that agency contributed several thousand dollars to the cost of the Access Project study.

Berens said more analysis may be needed to know why Nebraska tops seven states in the region in spending on premiums and out-of-pocket costs. One possible factor could be rural customers "buying catastrophic insurance and hoping they're not going to get sick."

The Center for Rural Affairs and North Dakota farmer Pausch think a public option is an important part of health reform.

"Do you really think I would be paying \$12,000 a year," said Pausch, "if I had more choices for health insurance coverage?"

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