



Farmers and Ranchers on the Great Plains: How is Their Health Insurance?

Assessing cost and adequacy of insurance coverage for small business owners operating farms and ranches in seven Great Plains states

SUMMARY

The [Access Project](#), Boston, analyzed a 2007 household survey of 2,000 farmers and ranchers in seven Great Plains states to examine the cost and adequacy of their health insurance and their overall financial status.

Although most farmers and ranchers have health insurance, they typically purchase it individually in the "non-group" market, which may provide fewer benefits at higher cost than employer-sponsored insurance. This situation can leave families with greater financial vulnerability in the event of an illness, injury or other health care event.

The project team produced 11 issue briefs summarizing the results of their analysis.

Key Findings

In a September 2008 issue brief—*Who Experiences Financial Hardship Because of Health Care Costs?*—the project team reported these key findings:

- 44 percent of respondents spent more than 10 percent of their income on health insurance premiums and additional out-of-pocket medical and prescription medication costs. Among those who said that their principal occupation was farming or ranching, this figure rose to 54 percent.
- Ranchers and farmers who purchased insurance in the non-group market were at much greater risk of spending more than 10 percent of income on health insurance and other costs compared with those who obtained insurance through government-sponsored programs or through off-farm or off-ranch employment.

Funding

The Robert Wood Johnson Foundation (RWJF) provided a grant of \$219,931 between May 2008 and January 2010 to Third Sector New England, which served as fiscal agent for the Access Project. (Third Sector New England is a nonprofit organization that

provides training, support and other services to organizations in New England and nationwide.)

CONTEXT

Family farmers and ranchers are a key part of the small business community in the United States. Although most farmers and ranchers have health insurance, they typically purchase it individually in the "non-group market," which may provide fewer benefits at higher cost than employer-sponsored insurance. This situation can leave families with greater financial vulnerability in the event of an illness, injury or other health care event.

RWJF's Interest in the Area

The RWJF Coverage team seeks to expand coverage for all Americans. As it works to meet that goal, it is important to understand the strengths and limitations of the private insurance market. To the extent that non-group coverage is leaving families at significant financial risk, it is an important limitation of private-sector coverage that may need to be bolstered by policy changes. For more on the team's strategy, read its [statement](#) on the RWJF website.

THE PROJECT

From 2008 to 2010 the [Access Project](#), Boston, analyzed a 2007 household survey of 2,000 farmers and ranchers in seven Great Plains states (Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota and South Dakota) to examine the cost and adequacy of their health insurance and their overall financial status.

Project staff designed the survey protocol in collaboration with researchers at Brandeis University, Waltham, Mass., and the Center for Rural Health at the University of North Dakota. Researchers with the National Agricultural Statistical Service of the U.S. Department of Agriculture conducted the survey.

Activities

Project staff and consultants at Brandeis University analyzed the data and summarized their findings in 11 issue briefs:

- *Four policy briefs based on aggregate data, covering these issues:*
 - *Who Experiences Financial Hardship Because of Health Care Costs?*
 - *The Costs of Dental Care and the Impact of Dental Insurance*
 - *Who is Uninsured?*

— *Who Has Medical Debt and What Are the Consequences?*

- Seven state-specific briefs (Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota and South Dakota) that focus on farmers and ranchers and summarize health insurance availability, health care costs and health care access at the state level. (See the [Bibliography](#) for details.)

Project staff distributed electronic copies of the briefs to policy-makers and reporters, as well as links to the Access Project and the Robert Wood Johnson Foundation's websites and to the Access Project's network of health care and agricultural organizations. Project staff also distributed hard copies and electronic versions of each brief through state offices of rural health in the seven target states as well as to key federal policy-makers, elected officials and others.

Communications

Access Project staff held in-person and audio news conferences featuring ranchers and farmers who had experienced hardships from medical debt. Coverage of the issue briefs appeared in 25 print and broadcast outlets, including the *Associated Press Nebraska*, the *Minneapolis Star Tribune*, *Nebraska Public Radio* and local television news and radio in the seven target states.

FINDINGS

In a September 2008 brief—*Who Experiences Financial Hardship Because of Health Care Costs?*—the project team reported these key findings:

- **44 percent of respondents spent more than 10 percent of their income on health insurance premiums and additional out-of-pocket medical and prescription medication costs.** Among those who said that their principal occupation was farming or ranching, this figure rose to 54 percent.
- **Ranchers and farmers who purchased insurance in the non-group market were at much greater risk of spending more than 10 percent of income compared with those who obtained insurance through government-sponsored programs or through off-farm or off-ranch employment.**
- **Among ranchers and farmers who purchased insurance in the non-group market, median spending on premiums and out-of-pocket costs was \$11,200—**twice that of the \$5,600 in median spending by those who got insurance through off-farm or off-ranch employment.
- **Nearly a quarter of the respondents (23 percent) reported that health care costs contributed to financial problems for them or a household member.**

- **Respondents who reported financial problems spent an average of 42 percent of their income on insurance premiums and out-of-pocket costs.** Among this group:
 - Nearly two-thirds (64 percent) said that it made it difficult to pay other bills.
 - More than a third (34 percent) said it caused them to delay making needed investments in their farm or ranch.
 - Some 17 percent said it made it hard to pay off a farm or ranch loan.

Conclusions

- **The findings make clear that even among those afforded access to health insurance coverage, health care premiums and other costs can remain a significant financial burden.** "The idea that if you have insurance, you are okay—based on this population—is not true," said the project director, Jeffrey Prottas. "These are people with health insurance and they are paying monthly premiums and some substantial percentage of their health costs out of their own pocket. [This project] identifies the next generation of concerns."

LESSONS LEARNED

1. **Gather local data whenever possible for projects that target states, especially rural ones.** There is a hunger for reliable local data, especially in rural America. A number of key policy-makers and other state and local officials said they valued the state-specific rural data. Relevant local data helped spur those key officials to further disseminate the findings. (Report to RWJF)
2. **Provide local partners with opportunities to participate in and shape research projects.** The project team offered local and state officials the opportunity to review drafts of the issue briefs. These officials willingly offered feedback and ideas for distributing the briefs. Several groups commented that they felt the project team members gave their feedback and ideas serious consideration and treated them like partners. As a result, they were invested in the project. (Report to RWJF)

AFTERWARD

With the end of the grant, Access Project staff and consultants worked to complete an article on their findings for publication in a peer-reviewed journal.

Report prepared by: Susan G. Parker

Reviewed by: Richard Camer and Molly McKaughan

Program Officer: Brian C. Quinn

RWJF Team: Coverage

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