

Posted on Fri, Sep. 07, 2007

Farmers struggling with insurance costs

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DES MOINES, Iowa --

The cost of health care in the U.S. is putting a pinch on many family farmers and ranchers who struggle to pay high premiums and out-of-pocket expenses, a new report has found.

About 90 percent of the more than 2,000 farmers and ranchers who were surveyed said they had some sort of health coverage, according to the 2007 Health Insurance Survey of Farm and Ranch Operators released Thursday.

However, many complained of high premiums, and more than a quarter said high out-of-pocket insurance costs were creating financial problems, the report found.

The money problems included using up savings, being forced to take off-farm employment, delaying investments in their operation, and difficulty paying rent, mortgage and other bills.

Most of the 10 percent of respondents who reported that all, or at least one family member was not insured at some point in 2006, said they did not have coverage because it was too expensive.

"Medical costs are way out of line," one respondent said. "Insurance company costs have gone way beyond affordable when income has stayed the same."

Alana Knudsen, a co-author of the study, said the survey shows that policy solutions are needed "to ensure that farm and ranch operators and other small business owners are able to pay for health care services in their rural communities."

The study found that about 20 percent of farmers and ranchers had outstanding medical debt. One in six put off doctor visits because they could not afford medical services, they were uncomfortable about their outstanding medical debt, or their work demand was too great.

"The deductibles are too high, so you don't go to doctors as often as you should go," a respondent said.

The report was based on telephone surveys earlier this year with farmers and ranchers in Iowa, Minnesota, Missouri, Montana, Nebraska, North Dakota and South Dakota. Researchers at the University of North Dakota's Center for Rural Health, Brandeis University and The Access Project analyzed the results.

The study said the seven Great Plains states account for more than a quarter of the total U.S. agricultural market.

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

Researchers pointed out that farmers and ranchers often must purchase more expensive insurance because they do not have an employer-sponsored plan to help offset costs.

"Those who purchase insurance in the non-group market are more likely to face financial strains due to medical costs than other insured people," the study said.

About 36 percent of the farmers and operators said they purchased insurance directly, while another 10 percent had some sort of public insurance coverage such as Medicaid and Medicare. More than half of those surveyed, or 54 percent, said they were getting health coverage through off-farm employment of their own or their spouse's.

"If I did not have to pay health insurance coverage, I could devote all my time to farming and make more money, but I have to work in town to afford health insurance coverage," a respondent said.

The study said that although farmers and ranchers may have higher incomes and net worth than average U.S. households, much of their cash is tied up in their operations, and that farm incomes can vary greatly from year-to-year.

Yvette Oloff, who raises cattle and row crops at a family farm in Persia, Iowa, said she lost health coverage when she left her job after suffering from lung problems in 2001. Since then, the family has gone \$24,000 in debt to the local bank to pay insurance premiums and farm expenses.

"Instead of affording a new pickup, we go into debt for our health insurance," she said.

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