

Farm households' health insurance coverage and costs

2017 National Farmer and Rancher Survey Findings

March 2019

Health-Related Insurance Coverage

Farm households report high rates of health insurance coverage (Figure 1) similar to an earlier study¹. 93% had full health insurance coverage (year-round for all household members); 4% had partial coverage (only some members have coverage and/or had coverage for part of the year); and 3% had no coverage.

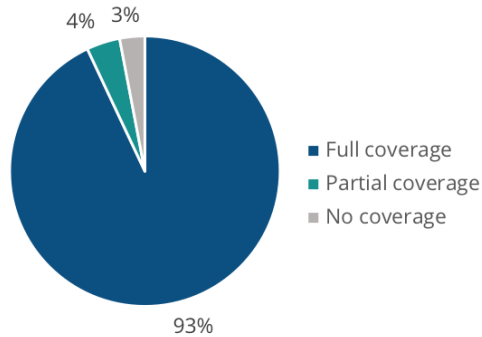


Fig 1. Farm households' health insurance coverage

- The majority (81%) had prescription drug coverage.
- One-third had dental or vision coverage, potentially leading to delays in care and increased health risks.
- Less than one-fourth of farm households had disability insurance (20%) and long-term care insurance (21%) raising questions about how to pay for health care or farm labor in case of injury or illness, which could impact farm financial stability.
- Only 17% had helicopter evacuation insurance, which can be a significant issue for remote rural farms.

Sources of Health Insurance Coverage

Almost one-third of farm households (29%) reported more than one source of health insurance in 2016. Nearly half (48%) of the households with at least one member over 65 (i.e. eligible for Medicare) reported more than one plan compared to 18% of households with no members under 65 (Figure 2).

Multiple plans require families to navigate different co-pays, deductibles, health insurance rules, and health care provider networks.

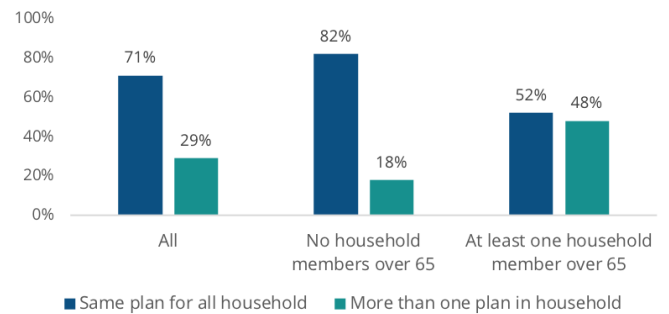


Fig. 2. Percent of households covered by same plan or more than one plan

Source of Health Insurance Coverage

- Farm households were primarily insured through an off-farm employer (41%); followed by direct purchase of private policy (28%); or public health insurance such as Medicaid, Medicare, or children's health insurance program (CHIP) (24%) (Table 1).
- 40% of households purchased a private plan through the state or federal marketplace, with 50% receiving a tax credit or subsidy.
- 12% purchased health insurance through the Farm Bureau, Farmers' Union, parents' plans, or healthcare sharing ministries.

Table 1. Farm households' source of health insurance coverage

Source of health insurance	Percent
Off-farm employment	41%
Public insurance	36%
Direct purchase of private policy	33%
Farm Bureau or Farmers' Union	6%
Through parents' plan	4%
Healthcare sharing ministries	2%

Health Insurance Premiums & Deductibles

• In 2016, farm households paid \$659 in premiums per month on average^{2,3}. Public plans had the lowest monthly payments (\$295/month) while direct purchase of plans had the highest (\$915/month) (Table 2).

Table 2. Average monthly health insurance premiums paid in 2016

	All households	All members under 65	At least one member over 65
Off-farm employment only	\$538	\$568	\$250
Public insurance only	\$295	\$73	\$365
Direct purchase of private policy only	\$915	\$926	\$538
Farm Bureau or Farmers' Union only	\$854	\$973	\$511
Multiple sources	\$746	\$719	\$765

- For households who did not have any members over 65, public plans were the least expensive (\$75/m). In contrast Farm Bureau or Farmers' Union plans were the most expensive (\$973/m).
- For households with at least one member over 65, off-farm employment coverage was the cheapest (\$250/m) while having multiple plans was the most expensive (\$765/m).
- 23% of the households have plans with deductibles higher than \$5,000, strongly indicating a high deductible plan, while 31% have deductibles between \$2,000 and \$5,000 potentially placing them in the high deductible plan range (Figure 3).
- Note: The IRS defines a high deductible plan as one that has a deductible higher than \$1,350 for an individual and \$2,700 for a family.

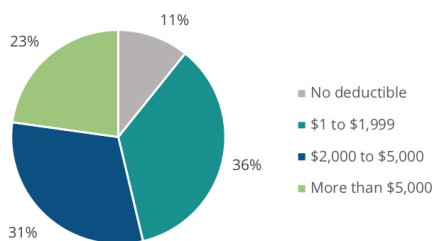


Fig. 3. Total annual deductibles for health insurance

Health Care Out-of-Pocket Expenses

• About half (53%) of farm households with health insurance spent less than \$3,000 in 2016 in health expenses (including doctors' visits, hospital stay, dental, vision, co-payments, and deductibles) compared to 64% of households without health insurance (Figure 4). These out-of-pocket expenses exclude the cost of premiums.

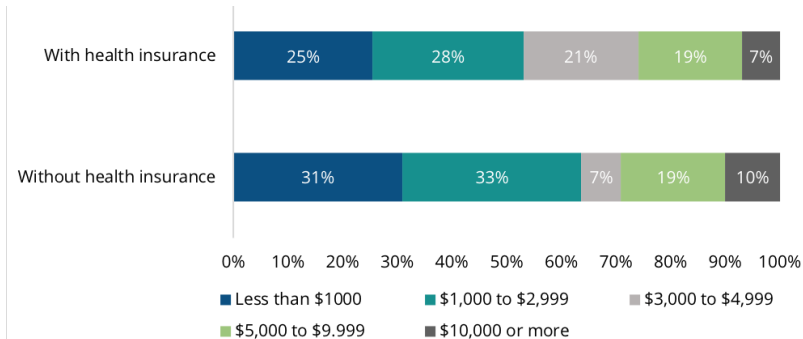


Fig. 4. Out-of-pocket health expenses in 2016

Conclusions

Results from these farm households raise questions about the adequacy of coverage and issues of underinsurance. While our data does not include a direct measure of underinsurance we found that:

- Over half of the households (55%) are not at all or slightly confident that they could pay for the costs of a major illness or injury without going into debt.
- 22% of the farm households had a medical or dental debt of over \$1,000.

Health insurance is connected to farm viability:

- Over three-fourths (79%) of these households said health insurance was a risk management tool.
- 72% want the USDA to represent them in national health insurance policy discussions.

Endnotes

[1] USDA. (2015). Health Insurance Coverage: <https://goo.gl/1XVaj9>.
 [2] Share of premium paid by the household and does not include employer contributions or subsidies. [3] The average premium for coverage through a parents' plan and healthcare sharing ministries is not included due to the low number of responses. [4] IRS High deductible health plan definition: <https://goo.gl/HsZCeS>

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