

Health Insurance and Farm Risk Management: Questions to Ask Farmers and Ranchers

Background: Professionals working with farmers and ranchers asked for a tool to use during educational programs and/or farm and ranch visits to bring awareness of the role of health insurance in farm and ranch viability.

Purpose: This tool is intended to assist advisors and consultants in guiding farmers and ranchers toward informed and intentional decisions about potential business risks and how to manage health care costs.

Use: The suggested questions can be used during individual consultations; as part of farm, finance or health meetings; in newsletters or incorporated into press releases. All or some of the questions can be used, as you deem appropriate for a given situation.

Getting Started: Following is information you can use to frame the conversation:

- Strong agricultural business management plans address the variety of risks that can impact the operation and the viability of the enterprise.
- A recent study of farmers and ranchers found that almost half are concerned they will have to sell farm or ranch assets to address health related costs such as long-term care, nursing home, or in-home health assistance.
- About the same percentage say that health care or health insurance costs impact farm investments.
- Many farmers and ranchers don't consider the impact of health care costs in their business planning, although the risk can be significant.

Keeping these things in mind, here are some questions to consider:

- Does your health and your family members' health have any effect on the way you run your farm or ranch business?
- If your health or the health of one of your family members were to change due to injury or illness, what impact would it have on your business?
- Health care costs include insurance premiums, out-of-pocket expenses, deductibles and insurance co-pays. Are these health care costs figured in as part of your farm or ranch business plan?
- Can the profits from your farm or ranch cover the costs of health care?
- In the event of a health incident such as an accident, illness, emergency room care or hospitalization, rehabilitation services, or long-term care, could you cover your health care costs without going into debt?
- If the answer is "no", could health care needs and the costs to cover health care be a potential threat to your farm or ranch viability?
- If you opt to "self-insure" by relying on savings, sale of farm or ranch assets or other resources in order to cover expenses, how will spending these resources impact your business operation?
- Looking ahead to potential life changes—such as having a baby, kids going to college, adult children turning 27, you or your spouse turning 65, or eldercare for a parent—have you planned for the ways these transitions might affect your health care costs and overall finances?
- How confident are you that you can choose and use a health insurance plan that fits your needs?

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