

Health Insurance & Farm Risk Management: Farm Households & Farm Employees

2017 National Farmer and Rancher Survey Findings

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Health and health insurance are important risk management strategies for the farm enterprise and farm household. In this brief we examine the role of off-farm employment as a mechanism that farm families use to access health insurance. We also examine if and how farmers offer health insurance to their employees.

Off-Farm Employment & Health Insurance

In 2016, 50% of all farm households had off-farm employment. Off-farm employment was important for two main reasons: 80% of farm households reported that they needed the income and 53% said that need health insurance (Figure 1).

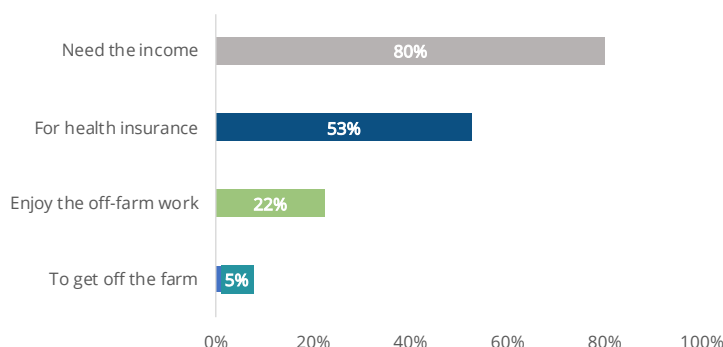


Figure 1. Reasons for maintaining an off-farm job

In total, 41% of farm households obtained health insurance through an off-farm employer. Those employees were working off-farm jobs in different sectors of the economy (Figure 2), including:

- 52% in the private sector
- 46% in the public sector
- 8% in the non-profit sector

When asked if they accessed health insurance through their employer, almost three quarters (70%) of farm households working in the public sector reported that they do compared to just over half (54%) of farm households working in the private and non-profit sectors.

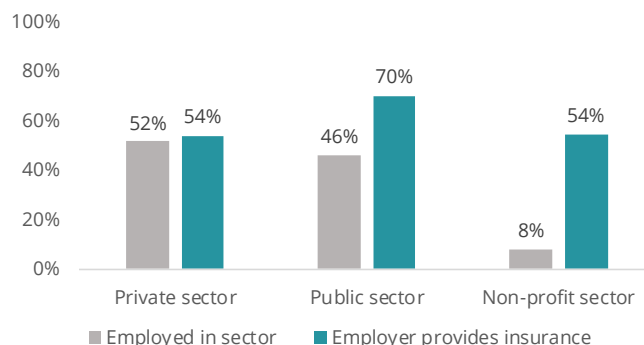


Figure 2. Sector of employment and source of insurance coverage

In 2014, new health insurance options became available through the insurance marketplace and/or expansion of Medicaid. As a result of these changes:

- 16% of farm households reported shifting from an employer-based health insurance plan to a marketplace or public option in last 5 years. This finding holds across states that have expanded Medicaid and those that have not.
- 8% of households reported that insurance options through HealthCare.gov, an individual state insurance marketplace and/or Medicaid have decreased the need for off-farm work. This finding holds across states that expanded Medicaid and those that had not as of 2017.

Insurance Coverage for Farm Workers

Beginning in 2014, health insurance reforms required that employers with 50 full-time equivalent employees or more offer health insurance coverage to at least 95% of their employees and their dependent children, with some variations in requirements across states.

Almost all of the sample (98%) had less than 50 employees and are therefore exempt from the

requirement to offer health insurance (unless their state threshold is lower).

A little over half (54%) of farm households reported hiring farm workers and interns. On average, they employed 3.4 full time workers and 5.5 part time or seasonal employees.

Only 16% of farmers offered health insurance to their employees. Less than 5% offered other related health benefits such as dental and vision insurance, health savings accounts, and flexible spending accounts.

Farmers with employees were asked about their employees' health insurance coverage separate from what they provide or don't provide, they reported:

- 41% -- all had health insurance
- 28% -- some had health insurance
- 10% -- had no insurance
- 21% -- were not sure

Farmers shared how health insurance regulations influence their staffing and hiring decisions (Table 1):

- 43% reported that the health regulations are not at all or slightly influential
- 30% reported these regulations are moderately or very influential

Table 1. Influence of health insurance regulations on staffing and hiring decisions

	Percent
Not at all or slightly influential	43
Neutral	28
Moderately or very influential	30

Conclusions

- These farm households relied on off-farm employment for income as a diversified livelihood strategy. They also use their off-farm jobs to get health insurance. Time working off-farm limits time available for farm work.
- Farm households lived experiences likely vary based on the type of jobs and benefits offered in the local labor market and the state policy context they are embedded in.
- Ability to access non-employer provided health insurance depends on public policy decisions made state and federal government. Those who used a non-employer source did not need to

spend their time off the farm working to get health insurance.

- As employers, a majority of farmers are not required to offer health insurance. Though not required, some farmers in this survey offered health insurance to employees. Provision of health insurance may be an incentive to attract and retain farm workers. Retention lower turnover costs.

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