

## Case Study Profile Series: Utah July 2016

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## Study Background and Purpose

Health insurance and health care affect farm economic development, including risk management, productivity, health, retirement, off-farm income, and land access. Researchers at the University of Vermont and NORC at the University of Chicago have partnered with Regional Rural Development Centers on the “Health Insurance, Rural Economic Development and Agriculture” (HIREDnAg) project. The goal of this national study is to understand how health insurance influences farm family decision making, quality of life, and economic development.

Farming ranks among the most dangerous occupations in the U.S. (CDC 2013; BLS 2011). Health and safety risks inherent in agricultural work include sun and heat exposure, heavy lifting and bending that lead to chronic back and joint pain, operating farm machinery, exhaustion, exposure to disease from farm animals, and handling chemicals and dangerous materials. Mental health issues can be exacerbated by economic hardships, chronic pain, stress, long hours, and solitude.

Health insurance is one way to access and pay for needed health care. Having health insurance increases the likelihood of accessing preventive care and treatment in a timely manner, resulting in improved health outcomes, and reduced medical debt (Dorn, 2008). Farming families who are uninsured or underinsured can accrue crushing medical debt which can

increase financial risk, lead to farm foreclosure, and reduce overall quality of life. A previous study showed that while most farmers had health insurance from off-farm jobs, 20% had outstanding debt from medical bills with 25% reporting health care expenses contributed to their financial problems (Lottero, Pryor, Rukavina, Prottas, & Knudson, 2009). In addition to the occupational farmer health and safety concerns, studies have consistently found that longtime farmers, beginning farmers, and hired workers identify the high cost of health insurance as a major barrier to job creation and the ability to farm full-time (Inwood, 2015; Mishra, El-Osta, & Ahearn, 2012; Vermont Sustainable Jobs Fund, 2011, ORDP 2006; Young Farmers Coalition 2011).

Farmers and ranchers make health insurance decisions from two perspectives: 1) “Farmer and family” health insurance decisions are made for themselves and their families, and; 2) “Farmers as employers” decide if and how to offer health insurance to employees. As a result, past and future health insurance policy may affect farmers through both individual and employer requirements. Federal and state health insurance policies require individuals, families, and employers to make decisions within a complex and continually evolving policy environment.

## Core Objectives:

- Understand how health insurance influences:
  - Operator and farm worker health, vitality, and quality of life
  - Farm labor supply
  - The way farm operators structure their enterprise
  - The way farm operators manage family and business resources
- Conduct a needs assessment of farm and ranch technical assistance providers (farm viability and business planning professionals and tax accountants). Develop outreach and educational tools to assist farmers and ranchers in understanding health insurance options.
- Communicate the results of the study to national and state policy makers to inform them about how health insurance impacts the vitality of the farm sector and the overall rural American economy.

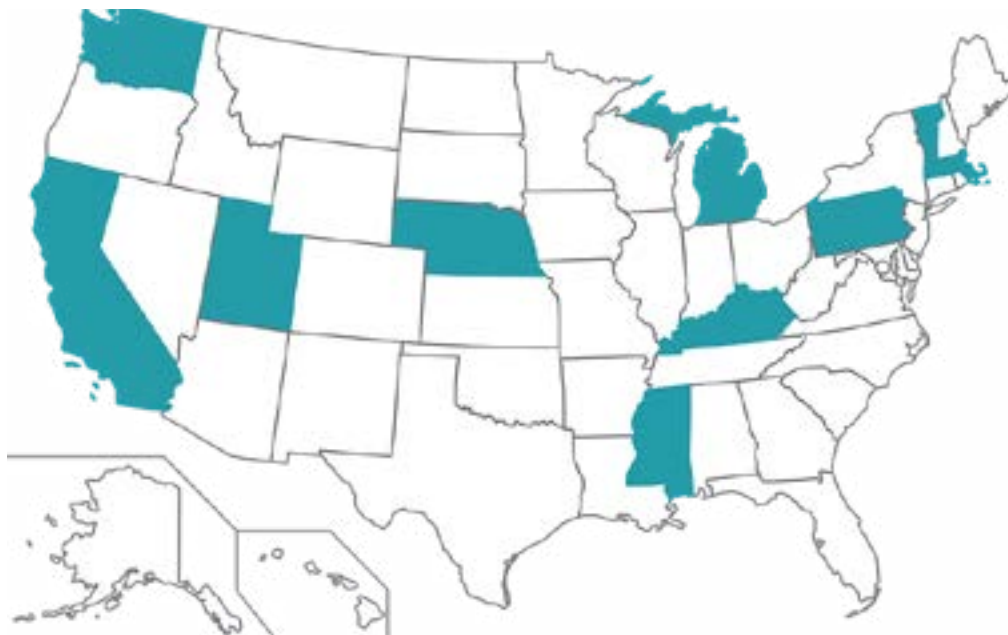
## Selection Criteria:

- Active agricultural base, regional, and production variation;
- Medicaid expansion policy;
- State receptivity to participating in the study.

In this HIREDnAg case study profile series, we examine the health insurance and agriculture sector in each of the ten case study states. The health insurance policy landscape shifts rapidly; these reports are based on data accurate as of July 2016. Additionally, all agricultural data reported in this series are from the 2012 Census of Agriculture unless otherwise noted (United States Department of Agriculture, 2012).

The selected sites are shown on the map in Figure 1 and selected information related to the agricultural sector and health care policy landscape of these states is available in Table 1.

Figure 1: Map of Case Study States



**Table 1. Selected information related to the study states' agricultural sector and health care policy landscape**

Study States	Number of Farms <sup>a</sup>	Farmland (in acres) <sup>a</sup>	Number of Principal Operators <sup>a</sup>	Medicaid Expansion <sup>b</sup>	Marketplace <sup>b</sup>	Percent Uninsured population <sup>c</sup>
California	77,857	25,569,001	122,387	Yes	SBM	12.4
Kentucky	77,064	13,049,347	113,037	Yes	SBM	8.5
Massachusetts	7,755	523,517	12,275	Yes	SBM	3.3
Michigan	52,194	9,948,564	78,948	Yes*	SBM	8.5
Mississippi	38,076	10,931,080	54,778	No	FFM	15.0
Nebraska	49,969	45,331,783	74,786	No	FFM	9.7
Pennsylvania	59,309	7,704,444	90,595	Yes*	FFM	8.5
Utah	18,027	10,974,396	28,130	No	FFM	12.5
Vermont	7,338	1,251,713	12,012	Yes	SBM	5.0
Washington	37,249	14,748,107	59,784	Yes	SBM	9.2

\*Michigan has an approved section 1115 ACA expansion waiver; Pennsylvania's section 1115 ACA expansion waiver was denied

<sup>a</sup>2012 Census of Agriculture, <sup>b</sup>Marketplace abbreviations: State-Based Marketplace (SBM), State-Partnership Marketplace (SPM) Federally-Facilitated Marketplace (FFM) Source: Henry J. Kaiser Family Foundation, <sup>c</sup>American Community Survey, 2014 estimate

## Utah

Utah had a population of 2,916,303 residents in 2014 (United States Census Bureau, 2014). Utah did not expand Medicaid and is operating a Federally-Facilitated Marketplace with six participating insurers (Centers for Medicare and Medicaid Services, 2016; The Henry J. Kaiser Family Foundation, 2016). In the spring of 2016, Utah legislators passed a bill to expand Medicaid to the poorest residents and if approved by the government, Medicaid coverage for these residents would start during the 2017 enrollment period (Stuckey, 2016). Starting in the 2016 enrollment period, the second largest health insurance provider in the Utah marketplace and one of the health insurance coops left the market place. As a result, 68% of the Utah counties only had one insurance provider in the marketplace (Leonard, 2015). Between 2009 and 2014 the rate of uninsured residents dropped by 8.9% from 401,077 to 365,523. In 2015, Utah had the lowest average health insurance cost of any state, \$4,498,

compared to the national average of \$6,128 (Chen, 2015). Overall, 56.1% of the population had health insurance through employment alone, while 7.5% reported health insurance coverage through Medicaid or other means-tested programs alone (United States Census Bureau, 2009, 2014).

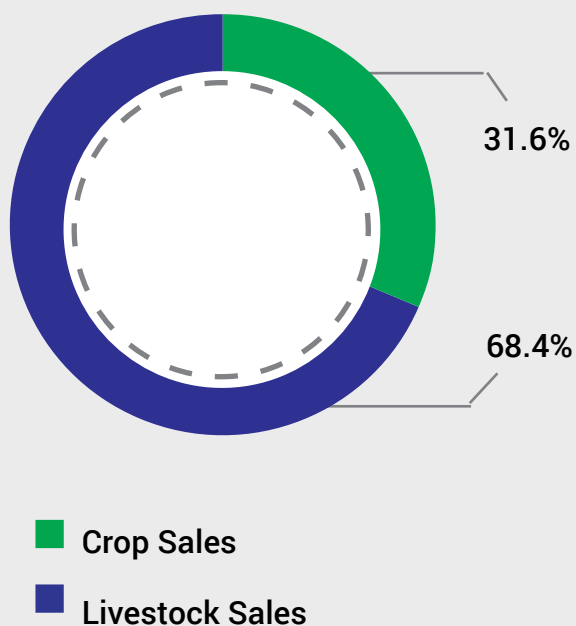
## Farm Size and Type

The majority of agricultural sales in Utah come through the sales of dairy products and livestock (Figure 2). Livestock, milk and dairy products were responsible for 68.4% of Utah's \$1.2 billion in agricultural sales. Cattle and calves represented the largest sales in livestock, with over \$364 million in sales.

Contrary to the trend in many other states, the number of farms in Utah increased between 2007 and 2014. The number of farms increased by 7.9%, from 16,700 to 18,027 farms, while farm sales increased from \$1.4 billion to \$1.8 billion. Of the 18,027 farms, the majority (89.0%) are considered hobby or small farms

with sales under \$1,000 and \$100,000 respectively, 5.0% are considered medium with sales between \$100,000 and \$250,000 and 6.0% are considered large with sales over \$250,000. The majority of the sales, 71.5%, come from the large farms (Table 2).

**Figure 2: Breakdown of Agricultural Sales in Utah**



**Table 3: Percentage of Utah Farms Engaged in Alternative and Direct Marketing Channels**

Alternative Marketing Channel	Percentage of Utah's Farms
Direct Sales	10.4%
Value-Added	6.3%
CSA	0.8%
Tourism	1.3%
Certified Organic	0.3%

In Utah, 0.3% of farms are certified organic. Ten percent of Utah farms reported direct sales to consumers, 6.3% engaged in value-added activities while 0.8% of farms reported selling through a CSA. 1.3% of farms reported tourism activity (Table 3).

**Table 2: Total Farms and Sales by Farm Size**

Farm Size	Percentage of Farms	Percentage of Sales
Large	6.0%	71.5%
Medium	5.0%	18.2%
Small	59.8%	10.4%
Hobby	29.2%	N/A

## Farmer Population

There are 28,844 farm operators in Utah including 18,027 principal operators. The average age of the principal operator in Utah is 58.3 years old, 34.2% of the principal operators were 65 years and older, and 6.4% of the principal operators were under the age of 35. Farming was the primary occupation for 38.5% of the principal operators while 81.7% of households reported that farming accounts for less than 25% of their total household income. Women farm operators (including first, second, and third) account for 28.4% of operators compared to the national average of 30.5%. Minorities account for 18.6% of the general population in Utah, but only 5.1% of farm operators (United States Census Bureau, 2014). Minorities counted in this figure include Hispanic, Black, Native American, and Asian farmers. Beginning farmers in this area represent 19.3% of the principal operators, just over the national average of 18.1% (Table 4).

**Table 4: Beginning, Women, and Minority Farmers in Utah**

Category	Percentage of Farmers
Beginning Farmers	19.3%
Women-Principle Operator	11.2%
Women	28.4%
Minority	5.1%

## About the Authors

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## Additional Information

For more information about this study and findings, contact Shoshanah Inwood at 802-656-0257 or email: [Shoshanah.Inwood@uvm.edu](mailto:Shoshanah.Inwood@uvm.edu)

Project website: [www.hirednag.net](http://www.hirednag.net)

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## Health Insurance Information and Programs for the Agricultural Sector

Nationally, USDA refers farmers and ranchers to the national website [healthcare.gov](http://healthcare.gov). States vary in whether they offer health insurance services to farmers. Given state health insurance policy variations we examined if states have specific health insurance programs or outreach efforts directed towards farmers by consulting the websites of the state agencies of agriculture, state extension services, and state exchanges (when applicable). The Utah Department of Agriculture and Food does not currently provide health insurance information for the agricultural sector. Utah State University Extension has conducted workshops for small businesses on the ACA, though none were specifically targeted to the agricultural sector. Avenue H, the Utah Health Insurance Marketplace for Small Businesses, provides limited information for small business owners through its website.

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