

Health Insurance Needs of Farm Families

Wisconsin is one of 20 states that received a grant in 2000-01 from the Health Resources and Services Administration (HRSA), U.S. Department of Health and Human Services to explore new approaches to increasing access to health insurance for state residents. Research under Wisconsin's State Planning Grant has focused on several topics, including understanding the particular circumstances of farmers in accessing health insurance coverage.

This briefing paper provides information about the health insurance needs of Wisconsin farmers and their families. Characteristics of farm families including their uninsured rate, their health circumstances, and insurance availability and affordability are examined. In addition, the results of two short surveys of farmers and their families are presented. While these surveys cannot represent the experience of farm families statewide, due to their small sample size and limited geographic perspective, both provide information about the health insurance needs of some Wisconsin farmers.

Wisconsin Farmers

Wisconsin farmers are important to the state's character and economy. According to 1997 U.S. Census Bureau data, Wisconsin ranked eleventh in the nation for the number of farms in the state.¹ That same year, the market value of all agricultural products sold in Wisconsin totaled \$5.6 billion, the tenth highest in the nation. Wisconsin also ranked second in the nation for the annual value of all dairy products sold for the year at \$2.75 billion.²

Current information regarding the number of people involved in farming in Wisconsin, including farm owners, operators, workers and their families is not available. However, the National Agricultural Statistics Service publishes statistics on the number of farm workers in Wisconsin, Minnesota and Michigan collectively. In April 2001, there were 43,000 agricultural workers across the three states.³ This represents a reduction of 10,000 workers compared to April 2000. These employees work an average of 36.5 hours per week, expect to be employed for 150 days or more this year and were paid an average wage of \$9.57 per hour. This data does not include farm owners and operators.

Information on the number of farms in Wisconsin is more readily available. In 2000, there were about 78,000 farms in the state covering a total of 16.3 million acres. The average size farm was 210 acres.⁴ As Table 1 illustrates, both the number of farms and total land of farms have decreased since 1980. The average farm size increased by 10% between 1980 and 1990, decreased between 1990 and 1995, but has remained constant since then. Nonetheless, the average Wisconsin farm in 2000 is 5% larger than it was in 1980.

Table 1. Number of Farms, Farms Size and Total Farm Land in Wisconsin, 1980 - 1999.

Year	Number Farms	Average Farm Size (acres)	Farm Land (million acres)
1980	93,000	200	18.6
1985	83,000	216	17.9
1990	80,000	220	17.6
1995	80,000	210	16.8
2000	77,000	210	16.3

Source: Wisconsin Agriculture Statistics Service
February 2000

Health Insurance Coverage of Farmers

Based on the 2000 Wisconsin Family Health Survey data, individuals residing on farms are significantly more likely to be uninsured than non-farm household residents in Wisconsin. The uninsured rate for farm residents is 10% as compared to 6.0% for non-farm residents.⁵

There are a number of factors that may account for higher uninsured rates of farm families. Like other self-employed business owners, farmers may not have access to affordable insurance in the group market. There are also a number of occupational risks associated with farming that make the purchase of health care coverage in the individual market a costly endeavor. Finally, some farm families may be precluded from eligibility for public insurance programs such as Medicaid and BadgerCare due to excess income related to farm equipment depreciation.

Health Insurance: Farmers' Perspectives

Two regional surveys of Wisconsin farmers have been conducted to better understand their health insurance needs. While these surveys cannot present a representative statewide picture of farmers, due to their small sample size and limited geographic perspective, both provide information about the health insurance needs of some Wisconsin farmers.

Dairy Farmers in Barron County

In September 2000, the Barron County Health Department conducted a survey of dairy producers in Barron County.⁶ Surveys were mailed to 809 dairy farmers identified through the Farm Service Agency. The survey achieved a 28% response rate with 228 surveys returned. The respondents were not asked about farm size. The respondents were asked to report on their own insurance coverage and that of their families where applicable. The most common reason cited for lack of insurance was that the insurance coverage available to respondents had high premiums and high deductibles with modest coverage. Some respondents reported purchasing major medical coverage at a good initial price, but within a few years the premium increased to a point that made it unaffordable.

Farmers may seek off-farm work for the purpose of accessing employer-sponsored health insurance. According to Census of Agriculture data, nearly half of the farm operators in Wisconsin worked off-farm in 1997.⁷ Among the 189 Barron County dairy farmers that did have insurance for themselves or their families, approximately 30% had health insurance through a job off the farm. The remaining 70% of the insured survey respondents purchased their own insurance. Both price and coverage differences were reported between the policies available to these two groups.

Health insurance premiums and deductibles were considerably higher for Barron County dairy farm families who purchased their own coverage as compared to those who obtained coverage through off-farm employment. Over 42% of the dairy farmers reported annual deductibles in excess of \$1,000, while only 4% with access to employer-sponsored coverage off the farm reported annual deductibles over \$1,000. In addition, while over 70% of the dairy farmers with access to off-farm employer-sponsored coverage reported monthly premiums between \$50 and \$200, 82% that

purchase their own coverage reported monthly premiums in excess of \$200.

The insured Barron County dairy farmers also reported coverage differences depending on the source of their coverage. Farmers who obtained their coverage through non-farm employment were more likely to report coverage of primary care services, such as annual physicals and immunizations. Primary care services were less likely to be reported as covered under the self-purchased policies. For example, only 21% of the farmers with self-purchased insurance reported coverage of immunizations, compared to 81% of those with non-farm employer-sponsored insurance. Figure 1 (page 3) compares coverage for primary care services reported by the Barron County respondents who purchased their own health insurance with those who obtained coverage through off-farm employment.

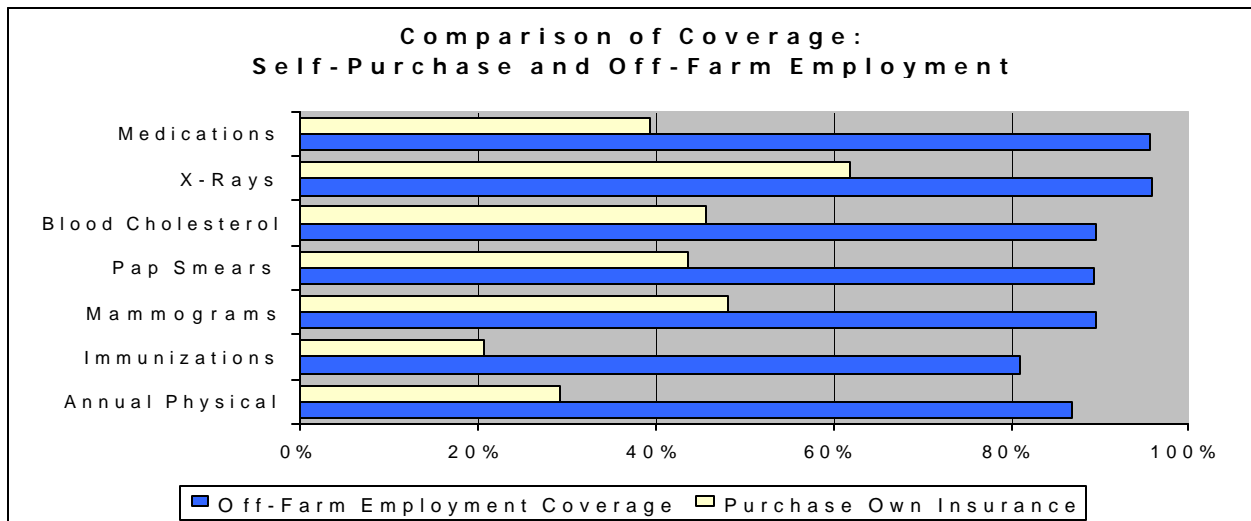
Family Health Center of Marshfield, Inc.

A second survey was conducted by the Family Health Center of Marshfield, Inc. (FHC) in July 2001. This survey was mailed to 68 farmers who participate in the Family Health Center of Marshfield, Inc. The Family Health Center provides health care services to individuals in eleven counties in Wisconsin. Members pay a monthly premium on a sliding-fee scale that is based on income, and all must have income at or below 200% of the federal poverty guideline. Members are generally not eligible for other programs such as Medicaid or BadgerCare.

The survey was returned by 34 farmers or 50% of the sample. Nearly all of the respondents reported being full-time farmers as opposed to part-time. Over two-thirds of the respondents were married, and 80% of these farmers reported farming as the primary occupation of their spouse. Nearly all of the respondents were owners of small farms and had fewer than three employees. None of the respondents was under the age of 35.

Approximately 50% of the respondents reported at least one family member being uninsured. Of those who reported a reason for not having health insurance, all indicated that they did not have health insurance because they could not afford it and all but one rated having health insurance coverage as either "very important" or "important".

Figure 1. Percent of Respondents Who Purchase Own Insurance Who Reported Coverage of Primary Care Services, Compared to Percent of Respondents With Insurance Through Off-Farm Employment.



Source: Barron County Health Department, 2000

Respondents were asked, if they or someone in their family did not have health insurance but would like insurance, where they would want to obtain coverage. Respondents were given choices of government-sponsored; employer-sponsored; purchase directly themselves from insurance agents; purchase from a farmer's trade association, fraternal order or cooperative; or from some other source. For those who indicated a preference, about three-fourths of the farmers indicated that they would prefer government-sponsored insurance. The remaining one-quarter indicated they would prefer to purchase insurance through a farmer trade association, fraternal order or cooperative.

Like the Barron County dairy farmers, these farmers reported high out-of-pocket costs for their coverage. A total of eight respondents reported self-purchase of coverage in the private market. The monthly premium amounts for these individuals ranged from \$93.50 to \$884. The individual with the lower premium had purchased single coverage and reported having an uninsured spouse and child in the household. The \$844 premium provided coverage for a respondent and her spouse, both of whom were between the ages of 55 and 64. Four of the eight reported annual deductibles: one at \$1,000, one at \$2,500 and two at \$5,000.

While data is not available on whether or not the policies cited cover primary care services, the

farmers' participation in the FHC (with its emphasis on primary care) suggest that they do not. Like the Barron County dairy farmers, this group appears to be paying for expensive, but limited health care coverage.

The survey also asked farmers about their attitudes towards health insurance generally and about certain features of, and experiences with, health insurance.

The farmers surveyed almost unanimously agree (97%) that having health insurance is important.⁸ Health insurance is a matter of concern among the majority of those surveyed, with 85% indicating that they worry about not having health insurance. Furthermore, 47% reported difficulty in obtaining insurance for themselves and/or their families, but over one-quarter reported they did not face such difficulty.

Separate questions were asked about whether respondents believed it was an employer's responsibility to provide coverage for their employees and whether it is the government's responsibility to provide health insurance for its citizens. About 53% of the respondents agreed that employers should provide insurance, while 61% agreed that the government should provide insurance to its citizens.⁹

Summary

Farm families in Wisconsin are more likely to be uninsured than the general population. There can be significant consequences to being uninsured for farm families. Similar to the general population, a lack of health insurance can lead to lack of access to health care services. Farmers who do not have any health insurance or who have high deductibles are not likely to seek treatment for minor accidents or chronic conditions. Farmers who are members of the FHC and who responded to a recent survey also indicated that poor health status can have direct economic consequences, resulting in the loss of their farm and livelihood.

In general, the farmers who responded to the surveys discussed in this paper reported high out-of-pocket costs for health care coverage that did not provide comprehensive coverage for primary care services. In addition, farmers participating in the FHC had higher rates of uninsurance and reported difficulties obtaining affordable coverage on their own. While not a statewide representation, these two surveys provide insights into the perspectives of some Wisconsin farmers.

About the Family Health Center of Marshfield, Inc.

The Family Health Center of Marshfield, Inc. (FHC) is a federally funded Community Health Center that has been in existence since 1974. The Family Health Center provides primary care and community health services to low-income, uninsured or underinsured residents in north central Wisconsin. An eleven member Board of Directors, the majority of whom are or were participants of the program, governs FHC.

Medical care is provided through a contractual arrangement with Marshfield Clinic. In addition to Marshfield Clinic, FHC has an affiliated network of physicians, hospitals, pharmacies, and dentists to assist in providing comprehensive care throughout an expansive 7,372 square mile predominantly rural service area. The Family Health Center also operates a mail order pharmacy for its members.

Notes

1. U.S. Department of Agriculture, National Agricultural Statistics Service. 1997 Census of Agriculture. Released February 1999.
2. The definition of a farm for census purposes is any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year
3. U.S. Department of Agriculture, National Agricultural Statistics Service, Agricultural Statistics Board. "Farm Labor". Washington D.C. May 18, 2001.
4. Wisconsin Agricultural Statistics Service. "Number of Farms – 2000". February 28, 2001.
5. Wisconsin Family Health Survey, 2000. Wisconsin Department of Health and Family Services, Division of Health Care Financing, Bureau of Health Information. September 2001. The Family Health Survey is a representative survey of Wisconsin's household residents conducted each year.
6. Newmann, Kathleen. Barron County Health Department. "Health Care Survey Results: Barron County Dairy Producers". Survey conducted September 2000. Barron County is located in Northwest Wisconsin.
7. U.S. Department of Agriculture, National Agricultural Statistics Service. 1997 Census of Agriculture. Released February 1999.
8. The survey asked whether respondents strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with several statements.
9. Respondents were asked to indicate whether they strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with these statements.

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