MEDICAID EXPANSION:

A LIFELINE FOR FARM FAMILIES AND OUR RURAL COMMUNITIES

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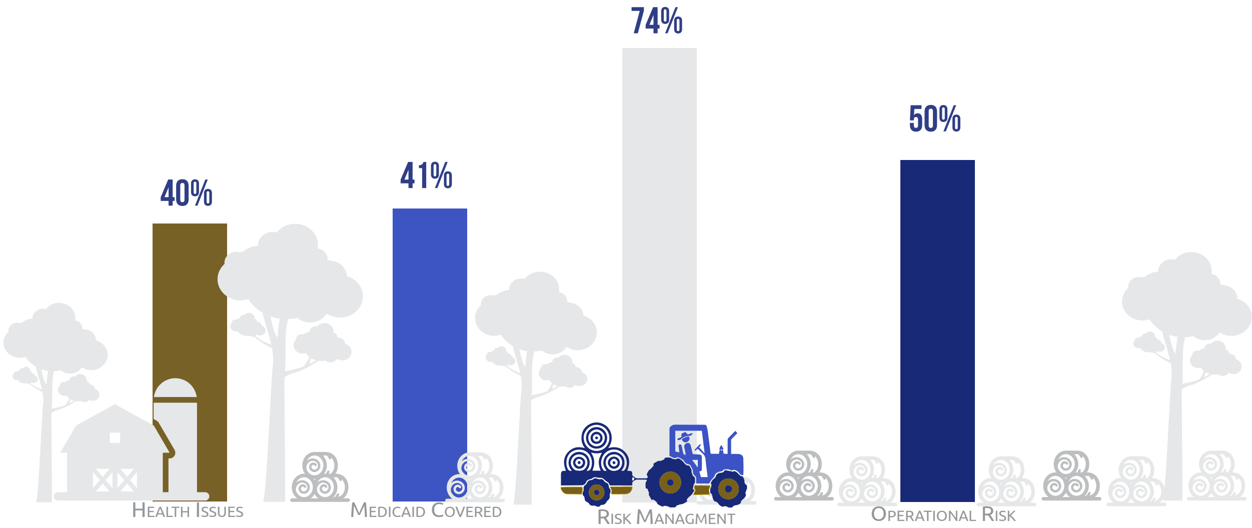
HEALTH INSURANCE



THE FARM FAMILY AND THE FARM ENTERPRISE

The farm enterprise and farm family are often treated as separate, but the two are intertwined. Two out of five farmers (40%) reported that they or a family member had health problems affecting their ability to farm. In addition, 50% reported they would have no one to run the farm in the case of a major illness or injury. According to analyses, these findings demonstrate the way in which health outcomes create constraints on the farm operation with direct implications for enterprise growth and development. Current farm risk management programming focuses on production and marketing related risks, and currently places little emphasis on health risk outside of farm safety. These findings reinforce the need for more active integration of health into business and risk management planning.

SPREADING THE RISK AROUND

Insurance companies think farming is risky. Medicaid Expansion spreads the risk around. Farming is an inherently dangerous occupation, and many farmers view health insurance as part of their risk management strategy. In a recent study, three out of four famers surveyed (74%) reported that health insurance is an important or very important risk management strategy. As one farmer from Kentucky shared, “You have to have insurance. We have a risky job.” Another farmer from Mississippi simply said, “Show me a farmer who is not injured.” Nonfatal injuries and work-related illnesses can result in lost work time and permanent impairment that reduce farm productivity and profitability.

*Information provided courtesy of the Agriculture and Applied Economics Association (AAEA)

> “EXPANDED MEDICAID HAS PROVIDED MORE HEALTH INSURANCE OPTIONS FOR YOUNG FARMERS IN THE EARLY PHASE OF THEIR BUSINESS CYCLE. BY REMOVING THE NEED FOR A FULL-TIME OFF-FARM JOB WITH BENEFITS, FARMERS REPORTED BEING ABLE TO INVEST MORE TIME AND MONEY INTO GROWING THEIR OPERATION.— AAEA

THE NEXT GENERATION

Medicaid expansion is growing the next generation of North Dakota farmers. It could be in South Dakota too. North Dakota Governor Dalyrymple’s bipartisan expansion of Medicaid has been vital to growing the next generation of North Dakota farmers. In fact, the Young Farmer Coalition cites health insurance as one of the top three issues affecting the trajectory and success of young and beginning farmers. Examining macro-level data, Ahearn, Williamson, and Black (2015) and Bubela (2016) initially expected farmers would have little incentive to purchase a health insurance plan in the marketplace because of the burden of high costs on a young and beginning farmer’s operation. However, subsequent research conducted through AAEA, concludes that access to affordable health insurance through marketplace subsidies and Medicaid expansion has benefitted young farmers, especially in Medicaid expansion states.

INVESTING IN FARM FAMILIES

During tough times, Medicaid expansion would allow South Dakota farmers to invest in their farms. Among young farmers, 18 to 34, over 11% report purchasing a policy from the health insurance marketplace, and almost half (41%) enrolled in a public health insurance program (Medicaid, TRICARE, or CHIP). Young and beginning farmers who purchased health insurance plans in the marketplace were able to take advantage of the available income-based subsidies, as one young farmer from Massachusetts explained, “It is cheaper for me to purchase a Silver plan in the marketplace than to go without health insurance and pay the penalty. And I really like having health insurance.” A young diversified farming couple in Vermont explained, “This insurance [Medicaid] means I can keep farming, it reduces the risk of farming for me and I don’t worry as much about being in a really risky occupation hard on my body.” Marketplace and expanded Medicaid have provided more health insurance options for young farmers in the early phase of their business cycle. By removing the need for a full-time off-farm job with benefits, farmers reported being able to invest more time and money into growing their operation.

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RURAL DEVELOPMENT

JOBS AND ACCESS TO CARE

In a recent AAEA survey, the majority (72%) of farmers 18–64 years old reported having full-time, part-time, or temporary off-farm work for additional income and access to health insurance. Understanding the relationships among types of jobs (e.g., salary, hourly), employers (e.g., public, private, nonprofit), and benefit packages that are supporting farm families is critical to understanding their effect on the farm business and rural economic development. While off-farm work provides an important source of income, cash flow, and health insurance, it also takes time and energy away from the farm enterprise and family and is an added source of tension and distraction. In AAEA interviews, farmers consistently highlighted the stress of commuting long distances to work, farming, and family obligations and the additional stress of performing well at their job to attracting new businesses offering quality jobs. Another challenge some farmers noted is the lack of physical access to healthcare resulting from rural hospital closures. Several farmers reported the consolidation of rural healthcare facilities, resulting in longer distances to travel for services. Employers prefer to locate in communities with high-quality healthcare services leaving rural communities without strong healthcare systems at a disadvantage in attracting new businesses offering quality jobs.

> “WE WOULD LOVE IT IF WE DIDN’T HAVE TO WORRY ABOUT ME HAVING A FULL-TIME JOB FOR INSURANCE SO THAT WE COULD JUST FARM AND RANCH.— Multigenerational Kentucky Farmer

“ MEDICAID EXPANSION IS AN UNDENIABLE BENEFIT TO FARM FAMILIES AND RURAL COMMUNITIES

— North Dakota Center for Rural Health

IN CONCLUSION

Medicaid is critical to ensuring that farm families and rural communities have health coverage, which generally have lower rates of employer-sponsored coverage than other areas. Nearly one in four rural Americans have health coverage through Medicaid. By opening the doors to Medicaid expansion, South Dakota will expand access to care in rural communities, reduce rural hospitals' uncompensated care costs, and helped rural health providers keep their doors open. Indeed, Medicaid expansion has allowed well over 1.7 million rural Americans to gain coverage who had not previously been eligible. Following Medicaid expansion, the uninsured rate in rural parts of expansion states decreased by a median of 44 percent. In rural states that expanded Medicaid, uninsured rates dropped significantly after the ACA became law. Expanding coverage and improving access to health care are important goals under any circumstances, but they're especially important during a pandemic. Although Medicaid expansion alone won't solve all of the the health and economic challenges facing rural communities and farm families, South Dakota will make MAJOR improvements in health coverage and access to care by qualifying and passing Medicaid expansion via the ballot measure in 2022, but we need your help.

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