



Underinsurance among Self-insured Farmers

Agricultural Health Partners of Spencer, Iowa and the AgriSafe Network assessed to what extent farmers were considered underinsured.

Underinsurance can be defined as having limited benefit coverage, high burden of cost, and by dissatisfaction with care. The quality of health coverage was characterized by **economic**, **structural**, and **attitudinal** measures.

Quality measures of health insurance coverage

- | | | |
|---|---|--|
| Economic | Structural | Attitudinal |
| <ul style="list-style-type: none"> • Out of Pocket Costs • Premiums • Deductible • Co-pay | <ul style="list-style-type: none"> • Preventive Care • Prescription Drugs • Dental | <ul style="list-style-type: none"> • Perception of unmet needs • Satisfaction • Understanding |

Source: "Measuring Adequacy of Coverage", State Health Access Data Assistance Center of University of Minnesota, www.shadac.umn.edu

Data Collection

A random sample of 2000 Iowa farms were surveyed in 2001 and 2004 by mail questionnaire, of which 41% participated.

Key Findings

Cost. Over a third of farmers among the lowest income bracket (<\$30,000) paid over 30% of their income on health care costs.

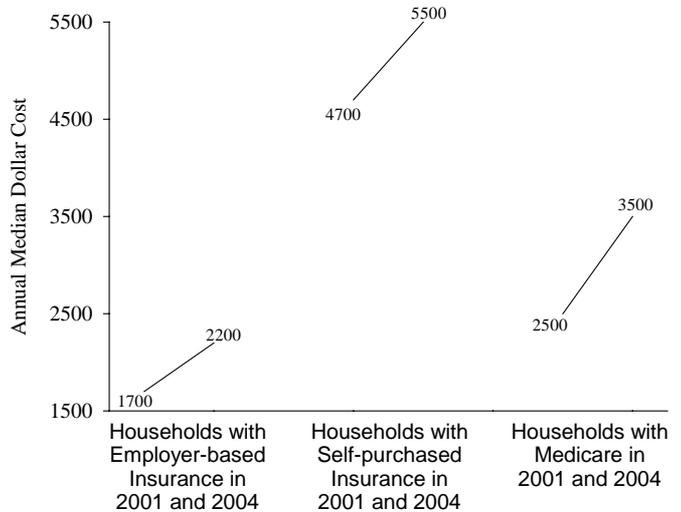
- ✓ 1/4 of farm households spend more than 25% of their income on health care

Source of health insurance. Nationally, only 6% of the American population has health insurance through self-insured policies. Among Iowa farms, 55% have self-insured policies.

Source of Health Insurance	Survey of Iowa Farms - under 65 years
Employer-based	38%
Self-insured	55%
Public (Medicaid, SCHIP)	2%
Uninsured	5%

Economic measures. Self-insured policies are more of a financial burden. Farmers who are self-insured are more likely to become uninsured in the near future.

Median premium cost by insurance type and year



Families covered under self-insured policies must meet a deductible that is twice as high as that of employer-purchased plans. High deductibles may limit a family's ability to use preventive care.

Structural measures. Self-insured policies are related to reduced use of preventive health services. Delay in seeking preventive care can result in poor quality of life and costly treatment of advanced diseases.

Use of preventive services by insurance coverage

	Employer Based	Self Purchased
all survey respondents		
office visit in past year	83%	77%
blood pressure in past year	83%	78%
cholesterol in past year	52%	47%
women > 19 - 64 years		
gynecological exam in past year	70%	55%
children <11 years		
well-child visit in past year	61%	44%

Almost 25% of self-insured have only major medical plans that require payments towards high deductibles. In addition to not having comprehensive coverage, self-insured are less likely to have dental health and prescription drug coverage.

Benefits of health plan by insurance coverage

Respondents <65 yrs	Employer Based	Self Insured
Prescription drug coverage	91%	68%
Dental coverage	50%	14%

Attitudinal measures. Self-insured families were less satisfied and less likely to understand their health plan. Farmers may perceive that their plan is comprehensive only to discover after a medical event that their plan is inadequate and requires high out-of pocket expense.

Concurring responses to following statements

	Employer Based	Self Purchased
Paying for health care services is a financial burden	69%	83%
Health insurance adequately covers the health care needs of my household	70%	51%

Increasing Access to Affordable Coverage

Many farm families may already be eligible for public programs, which could increase the quality and affordability of health insurance. Although 17-21% of our farm families were eligible for Medicaid or the SCHIP program only 1% were enrolled. Designing enrollment strategies to attract farmers to these programs can reduce the number of underinsured farm families.

Shifting Policy Changes

Particular attention was given to differences found among employee-sponsored verses self-insured plans. Differences between cohorts highlight the significance in the type of coverage, not necessarily the presence of health insurance. This is an important distinction; policymakers believe that most farming populations are generally well covered, citing that over 95% carry some form of health insurance. This study suggest that although farmers may purchase health insurance, the quality and cost of the coverage is generally poor. Specifically, the self-insured farmers in the study indicated lack of access to adequate and affordable health care.

Time for Innovation

Changes in the individual insurance market can drastically affect farmers, as they are more likely to self purchase health insurance than the general population. Innovative partnerships must be developed between the health insurance industry, policy makers, health care providers and farming groups to improve the quality of health insurance among those who are self-insured.

Additional Information

To access the chart book which contains additional data visit the AgriSafe Network website at:

www.agrisafe.org