Farm households’ health insurance coverage and costs
2017 National Farmer and Rancher Survey Findings
March 2019

Health-Related Insurance Coverage
Farm households report high rates of health insurance coverage (Figure 1) similar to an earlier study. 93% had full health insurance coverage (year-round for all household members); 4% had partial coverage (only some members have coverage and/or had coverage for part of the year); and 3% had no coverage.

Fig 1. Farm households’ health insurance coverage
- The majority (81%) had prescription drug coverage.
- One-third had dental or vision coverage, potentially leading to delays in care and increased health risks.
- Less than one-fourth of farm households had disability insurance (20%) and long-term care insurance (21%) raising questions about how to pay for health care or farm labor in case of injury or illness, which could impact farm financial stability.
- Only 17% had helicopter evacuation insurance, which can be a significant issue for remote rural farms.

Multiple plans require families to navigate different co-pays, deductibles, health insurance rules, and health care provider networks.

Fig. 2. Percent of households covered by same plan or more than one plan

Source of Health Insurance Coverage
- Farm households were primarily insured through an off-farm employer (41%); followed by direct purchase of private policy (28%); or public health insurance such as Medicaid, Medicare, or children's health insurance program (CHIP) (24%) (Table 1).
- 40% of households purchased a private plan through the state or federal marketplace, with 50% receiving a tax credit or subsidy.
- 12% purchased health insurance through the Farm Bureau, Farmers’ Union, parents’ plans, or healthcare sharing ministries.

Table 1. Farm households' source of health insurance coverage

<table>
<thead>
<tr>
<th>Source of health insurance</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-farm employment</td>
<td>41%</td>
</tr>
<tr>
<td>Public insurance</td>
<td>36%</td>
</tr>
<tr>
<td>Direct purchase of private policy</td>
<td>33%</td>
</tr>
<tr>
<td>Farm Bureau or Farmers' Union</td>
<td>6%</td>
</tr>
<tr>
<td>Through parents' plan</td>
<td>4%</td>
</tr>
<tr>
<td>Healthcare sharing ministries</td>
<td>2%</td>
</tr>
</tbody>
</table>

Sources of Health Insurance Coverage
Almost one-third of farm households (29%) reported more than one source of health insurance in 2016. Nearly half (48%) of the households with at least one member over 65 (i.e. eligible for Medicare) reported more than one plan compared to 18% of households with no members under 65 (Figure 2).
Health Insurance Premiums & Deductibles

- In 2016, farm households paid $659 in premiums per month on average. Public plans had the lowest monthly payments ($295/month) while direct purchase of plans had the highest ($915/month) (Table 2).

**Table 2. Average monthly health insurance premiums paid in 2016**

<table>
<thead>
<tr>
<th>Premium Source</th>
<th>All Households</th>
<th>All Members under 65</th>
<th>At least one member over 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-farm employment only</td>
<td>$538</td>
<td>$568</td>
<td>250</td>
</tr>
<tr>
<td>Public insurance only</td>
<td>$295</td>
<td>$73</td>
<td>365</td>
</tr>
<tr>
<td>Direct purchase of private policy only</td>
<td>$915</td>
<td>$926</td>
<td>538</td>
</tr>
<tr>
<td>Farm Bureau or Farmers' Union only</td>
<td>$854</td>
<td>$973</td>
<td>511</td>
</tr>
<tr>
<td>Multiple sources</td>
<td>$746</td>
<td>$719</td>
<td>765</td>
</tr>
</tbody>
</table>

- For households who did not have any members over 65, public plans were the least expensive ($75/m). In contrast Farm Bureau or Farmers’ Union plans were the most expensive ($973/m).

- For households with at least one member over 65, off-farm employment coverage was the cheapest ($250/m) while having multiple plans was the most expensive ($765/m).

- 23% of the households have plans with deductibles higher than $5,000, strongly indicating a high deductible plan, while 31% have deductibles between $2,000 and $5,000 potentially placing them in the high deductible plan range (Figure 3).

- Note: The IRS defines a high deductible plan as one that has a deductible higher than $1,350 for an individual and $2,700 for a family.

**Fig. 3. Total annual deductibles for health insurance**

Health Care Out-of-Pocket Expenses

- About half (53%) of farm households with health insurance spent less than $3,000 in 2016 in health expenses (including doctors' visits, hospital stay, dental, vision, co-payments, and deductibles) compared to 64% of households without health insurance (Figure 4). These out-of-pocket expenses exclude the cost of premiums.

**Fig. 4. Out-of-pocket health expenses in 2016**

**Conclusions**

Results from these farm households raise questions about the adequacy of coverage and issues of underinsurance. While our data does not include a direct measure of underinsurance we found that:

- Over half of the households (55%) are not at all or slightly confident that they could pay for the costs of a major illness or injury without going into debt.

Health insurance is connected to farm viability:

- Over three-fourths (79%) of these households said health insurance was a risk management tool.

- 72% want the USDA to represent them in national health insurance policy discussions.

**Endnotes**


[2] Share of premium paid by the household and does not include employer contributions or subsidies.  [3] The average premium for coverage through a parents’ plan and healthcare sharing ministries is not included due to the low number of responses.  [4] IRS High deductible health plan definition: https://goo.gl/HsZCeS

Authors: Florence Becot and Shoshanah Inwood, the Ohio State University (OSU), emails: becot.1@osu.edu and inwood.2@osu.edu.

Project Partners: Alana Knudson, Walsh Center for Rural Health Analysis, NORC at the University of Chicago; Jason Parker, OSU; Jane Kolodinsky, University of Vermont; Bonnie Braun, University of Maryland Extension; Stephen Goetz, Scott Loveridge, Rachel Wellborn, and Don Albrecht, Rural Development Centers. Project funding: USDA NIFA grant number 2015-2014-05623”. Data collected in 2017 from surveys of 946 farmers and ranchers in PA, MA, VT, NE, MI, KY, MS, UT, WA, and CA. See https://goo.gl/XL6D77 for details about study methods and https://www.hirednag.net for information about the project.