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## Farmers and Health Care Reform: A Challenge and Opportunity for Extension

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## Farmers and Health Care Reform: A Challenge and Opportunity for Extension

### Abstract

The Affordable Care Act (ACA) presents both opportunities and challenges for farmers. There is a great deal of variation in how states are implementing the ACA, which creates confusion for individuals and businesses trying to understand and evaluate health insurance options. To assist farmers and farm workers with navigating ACA reforms, Extension can work across program areas and leverage their network of farm technical assistance providers and non-profits to enhance outreach and program efforts. Extension tax schools and wider adoption of the Smart Choice Health Insurance - Farm Families can expand the portfolio of tools available for working with farmers.

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Access to health care is a key asset for both human capital and workforce development in the rural and farm economy. The passage of the Patient Protection and Affordable Care Act (ACA) introduced a wide range of reforms. Braun (2012) described the unique ability of Extension to increase the number of Americans with comprehensive health insurance coverage by working with state and local communities and policy makers to address knowledge gaps and improve health insurance literacy. Extension and the land-grant system have a long history of recognizing the diversity and needs of

different populations (Atiles & Eubanks, 2014). The ACA presents both opportunities and challenges for farmers (across row-crop, horticulture, livestock, and diversified production systems), which can be addressed through education, outreach, and research. We consider how Extension can work across program areas to assist farmers and farm workers with navigating ACA reforms.

## **Challenge: Farmer, Family and Farmworker Health**

Farmer access to affordable health care and insurance is particularly important because farming ranks among the most dangerous occupations in the U.S. (CDC, 2013). The injury rate for agricultural workers is 40% higher than the rate for all workers, and injuries often result in lost work time and permanent impairment (U.S. Department of Labor, 2010). When operators, family members, or employees are unable to work because of health problems, both farm viability and quality of life are negatively affected (Gillespie & Johnson, 2010). The ability of farm families to manage health problems is dependent on access to care that is made more affordable through health insurance.

## **Issue: ACA Implementation—Opportunity and Challenges for Extension**

The central goal of the ACA is to connect uninsured people to affordable, good quality health insurance. The implementation of the ACA is expected to increase opportunities for small-business owners and entrepreneurs, like farmers, who may have been limited by "job lock" (Fairlie, Kapur, & Gates, 2010). Job lock results when a person feels compelled to seek and maintain outside employment to access employer-based health benefits either because of a pre-existing condition or denied coverage, or because they cannot obtain affordable health insurance in the individual market. Under the ACA, access to high-quality health insurance coverage will no longer be exclusively tied to employment, nor will pre-existing conditions limit coverage options. Farmers may benefit from the ACA because the majority (86.5%) are considered to be family or sole proprietor firms (USDA NASS, 2007).

The structure of the marketplace exchange and Medicaid policy is different across states; this variation can significantly impact an individual's ability to access affordable health insurance (National Advisory Committee on Rural Health, 2014). Despite extensive media campaigns and news coverage, the Kaiser Family Foundation (Hamel, Firth & Brodie, 2014) survey found many Americans remain unaware of the status of Medicaid in their state. Within states that have expanded Medicaid programs, 29% say their state has not expanded Medicaid, and 36% say they don't know. Additionally, 50% of the uninsured are unaware the ACA gives states the option of expanding Medicaid, and more than 40% do not know that the ACA provides financial help to low- and moderate-income individuals to purchase coverage.

The ACA Navigator program is an important resource for consumers to access health insurance products through ACA Marketplaces. Each State Navigator program is structured differently, providing a range of services and information that can include identifying health coverage options in their Marketplace, completing eligibility and enrollment forms, and providing referral support for people with complaints or grievances. The degree to which the farm sector will benefit from the ACA partly depends on the extent to which insurance Navigators are trained to address the unique needs of farm families and on the coordination of Navigators and farm technical assistant providers.

Extension is uniquely positioned to address one of the primary challenges posed by the ACA, the variation of implementation across states. Extension has a key role to play in both educating individuals about the ACA and informing policy makers about bottlenecks and challenges experienced by insurance seekers. State implementation varies in three ways:

1. In-state expansion of Medicaid;
2. Investment and support of health insurance navigators;
3. Health insurance marketplace exchanges, operated as a Federally-Facilitated Marketplace (FFM), State-Partnership Marketplace (SPM), or State-Based Marketplace (SBM).

Recognizing Extension's role in rural health care, the USDA awarded \$1.25 million to set up a network of Extension educators in 12 FFM states to assist the uninsured and underinsured with navigating the Marketplace (no funding was granted for SPM and SBM states) (HHS, 2013). In all states, Extension can provide valuable health insurance information for farmers.

## **Responding to Farm Family Needs**

Family farms are complex businesses entities. Family members may be employees and/or part owners, and families must address both enterprise and household needs with health concerns spanning multiple life-stages. Farm business programs currently address the costs but not knowledge of health insurance. There is an opportunity to fill this programming gap by incorporating ACA benefits into farm business planning. Extension educators who understand both production and family systems can assist farmers as they make health insurance decisions for themselves, their families, and their employees.

## **Responding to Farm Worker Needs**

Few farmers offer health insurance benefits to their employees. A healthier workforce with fewer turnovers can decrease production costs resulting from training new workers and help increase farm profitability. Extension has an opportunity to support a healthier and more robust workforce by reaching out to farmers as employers and to farm workers.

Most farm workers are insured through workers compensation for on-the-job injury that does not cover illnesses or non-work related injury. A key provision of the ACA is to increase access to health care, particularly among the uninsured, through the expansion of Medicaid. Documented farm workers may benefit from the ACA. However, a U.S. Department of Labor National Agricultural Workers Survey (2010) found the farm workforce is generally less educated with limited English skills, highly mobile, and socially isolated. These characteristics limit their ability to navigate the maze of local, state and federal social services.

Under the ACA, employers must provide health insurance if they have 50 or more full-time employees (businesses employing 50 to 99 full-time workers won't face fines for failing to provide coverage until 2016) (HealthCare.gov, 2014). Large fruit and vegetable growers seasonally require many hired workers, exceeding the 50 or more employee mandate under the ACA. While it remains unclear how

larger growers will be impacted by the ACA because hiring status of workers may vary (e.g., employee, contract labor through a third party), outreach to farm workers and their employers to inform them of their options under the ACA will increase the health and welfare of the agricultural workforce.

Some states are requiring employers with fewer than 50 employees to offer health insurance. In Vermont, firms that employ more than four full-time employees must provide coverage or pay an assessment fee per employee (Vermont Health Connect, 2014). The differences between federal and state policy mandates create a varied mix of health care policies that is confusing for employers to navigate, creating a knowledge gap that Extension can bridge.

## **Response—Extension Tax Schools**

Extension Tax Schools are an often overlooked resource for providing health insurance knowledge as several ACA outreach efforts to farmers have recommended working with tax accountants to identify coverage options and income-based program eligibility. Farmers are often unsure how to estimate incomes due to high variability from year to year, and ACA subsidies and penalties affect federal taxes. In response, farmers are directed to consult with tax service providers who themselves are: 1) unsure of laws under revision, 2) have not structured their workload to accommodate the added time needed to guide farmers through the decision making process, and 3) are untrained in providing health insurance education to clients. Conversely, farmers may not understand their responsibilities and have unrealistic expectations of what tax accountants can do.

## **Response—Smart Choice Health Insurance® for Farm Families**

Smart Choice Health Insurance® is a comprehensive, research-based Extension curriculum that equips consumers with tools, understanding, and the confidence needed to make the better decisions when choosing health insurance plans. To date the curriculum has been adopted in 35 states with 114 certified Smart Choice Educators (Braun, 2014). An eight-state pilot with over 600 consumers found the curriculum reduces confusion and increases confidence and capability to choose coverage. A team is adapting the curriculum to reflect farmers' information needs as consumers and employers (O'Neill & Riportella, 2013). Wider adoption and use of the adapted curriculum will expand the portfolio of tools both Extension and farm service providers have for working with farmers.

## **Opportunity: Building Bridges Across Program Areas**

Declining fiscal resources have decreased the number of educators able to provide individual health care education. However, creating stronger partnerships across Extension program areas, such as between Family and Consumer Sciences and Agricultural and Natural Resources and facilitating strategic collaborations among Extension's network of local and regional farm technical assistance providers, consultants, and non-profits would enhance outreach and program efforts that can increase the overall health, welfare, and productivity of the nation's farmers and farm workers.

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