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Health Insurance Coverage among Wisconsin’s Dairy Farmers
Jeremy D. Foltz, PhD, Carol J. Roth, MPH, and Bradford L. Barham, PhD
Department of Agricultural and Applied Economics
University of Wisconsin-Madison

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Wisconsin dairy farmers work in one of the most dangerous occupations in the United States. Thousands of them and their families are at an even higher risk because they do not have adequate health insurance coverage. This creates problems not only for Wisconsin’s farm families but also for the vitality of the dairy sector, an industry that generates billions of dollars of farm and manufactured product sales and is the backbone of the state’s agricultural sector.

Many dairy farmers are forced to choose which family members will be insured and which ones will not, or whether to go without health insurance entirely. Current solutions in both the public (e.g. Badger Care) and private (e.g. co-ops, off-farm work, or private pay insurance) sectors are not effectively addressing this issue. This lack of adequate health insurance coverage may partially influence current and future dairy farmers to exit or not start in the business.

Health Insurance Coverage
Results from a survey of a representative sample of dairy farms indicated that almost 20% of Wisconsin dairy farm families are completely uninsured. About another 25% of Wisconsin dairy farm families have at least one uninsured family member. Four out of five Wisconsin dairy farm families have no preventive care coverage. Most of those with insurance have only major medical coverage with high deductibles. These rates of being uninsured, underinsured, and lacking preventive care coverage for dairy farmers and their families are far above the state average for non-farm households, and even above those of other types of farm households.

Figure 1 shows in detail the types of health insurance coverage of dairy farm families, including those without coverage. As is evident, the plurality of dairy farmers (43%) had only catastrophic coverage: more than a $500 deductible and no preventive care. Only 17% had the type of coverage most Wisconsin residents would consider adequate: preventive care with a low deductible. Clearly even for those with health insurance, the quality of that insurance is quite low.

Figure 2 shows the coverage rates for different family members. Farm spouses, because they are more likely to work off-farm, have higher rates of coverage than the primary farm operator. What is surprising is that children are less likely to have health insurance coverage than their parents. In addition dairy farm families with children under 18 living at home were no more likely to have health insurance than those without children.

Sources of Health Insurance:
Table 1 shows where dairy farm families purchased their health insurance. As is evi-
<table>
<thead>
<tr>
<th>Source of Health Insurance</th>
<th>Percent of Insured</th>
<th>Percent of All Dairy Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased directly from insurance agent</td>
<td>58</td>
<td>49</td>
</tr>
<tr>
<td>Benefit from off-farm employment</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Purchased directly from co-op or farm org</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Federal Program (Medicare, Medicaid, etc)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>State Program (BadgerCare, Risk Sharing Plan, etc)</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No Insurance</td>
<td>n/a</td>
<td>17</td>
</tr>
</tbody>
</table>

Figure 3 Health Insurance Coverage by Dairy Farm Size

Figure 4 Did your spouse work off-farm?

Figure 5 How Long Do You Plan to Continue Farming?

Health Insurance and Farm Structure

Problems with access to health insurance may have significant long-term effects on the overall health of the dairy industry. If it is difficult and expensive to get health insurance as a dairy farmer, this may dissuade potential entrants into the sector and reduce current dairy farmers to exit the industry. As indicated above, more than a quarter of those with insurance get it through off-farm work. However, as is shown in Figure 4, while working off farm provides some benefits, it still mostly provides coverage with a high deductible. In addition, when family members work off the farm, the amount of time that they can contribute to the dairy enterprise is reduced. From a farm management perspective, this loss of time puts a cap on the number of cows a family farm can reasonably handle and likely reduces the income that can be generated from farming.

Figure 5 shows the relationship between types of health insurance coverage and the future plans of Wisconsin dairy farmers. No distinct pattern is evident -- farmers with no coverage are as likely to exit the business as those with coverage that includes a low deductible. Those with high deductibles were more likely to say that they would only stay in the business 2-5 years as compared to the other categories.

Thus, for those who are currently dairy farming, the state of their health insurance coverage does not appear directly related to their future plans. Note that those in this sample of continuing dairy farmers are those who have chosen to continue being dairy farmers rather than quit and take jobs that might have benefits, thus are less likely to be concerned about health insurance than those who have already quit or have decided not to get in. More refined research on the relationship between health insurance and farming is warranted to control for this sample selection bias as well as other factors influencing entry and exit choices.

Insurance by Farm Size:

The dairy farm health insurance crisis is most acute for the small dairy farm, but the problem exists even for larger operations. As Figure 3 demonstrates, dairy farms with under 50 milk cows have the highest rates of no coverage. Equally striking is the fact that types of coverage are about the same across the three largest herd size categories and the rates of no coverage are also about equal (12%) among them. This suggests that while the health insurance crisis is worst for the smallest farms, it is a problem that cuts across all sizes of dairy farms.

Conclusion

The fact that Wisconsin has a relatively small percentage of the total population that is uninsured masks critical problems of inadequate health care insurance for certain populations, including Wisconsin’s dairy farmers. Multiple strategies need to be developed that allow quality health care to be affordable and accessible for Wisconsin dairy farmers and others in rural areas.

1In 2001 the University of Wisconsin’s Program on Agricultural Technology Studies (PATS) sent the survey to 1600 dairy farmers randomly chosen from the state’s dairy producer’s list. Of the 1600, 54% (n=849) returned usable data. Along most major indicators (e.g., size of farm, age of producer, etc.) available this sample is representative of the state’s dairy producers.