No debate needed: *Farmers need health-care reform to happen*

By Cynthia Moothart
League of Rural Voters

Six hundred-plus pages of correspondence -- about 5 pounds worth -- weigh heavily on Iowa Farmers Union President Chris Petersen who, with his wife, Kristi, owns a sustainable livestock operation. The letters, stacked in yellow folders on their kitchen table, track the couple's three-year odyssey since being dropped by their private health insurer.

"When you have a personal experience it turns you into a hell-raising person," Petersen said. "The trouble is we don't have enough people speaking up when they've had bad experiences, because until the voices that vote outnumber campaign contributors, nothing is going to change."

His is a political lesson millions of Americans are learning firsthand as industry pressure threatens another generation of reforms. Although legislation in the past year has gone farther than at any time over the last century, key cost-control and accessibility measures remain at risk. And all rural residents -- particularly farm families -- will be among the greatest losers should they fail.

"Self-employed people are some of the most vulnerable in our health-care economy — and that's the dilemma of our farmers," said Merlin Friesen, a Nebraska Farmers Union member and part-time emergency room doctor. "It's one of the highest risk [professions] behind coal mining, and that accounts for a large percentage of the farm business we see."

A recent multi-state survey found that 90 percent of all farmers have health insurance, but many are covered under individual plans, resulting in higher costs and less stability than with group plans. In Missouri, farmers who purchased single plans spent on average $2,117 more each year than their counterparts with group coverage.

Regardless of the insurance type or plan, rural residents generally bear greater out-of-pocket costs, on average directly paying 40 percent of their health expenses. That means rural adults are more likely to delay or forego medically necessary care, yet they still report high levels of medical debt. That is particularly acute for farmers, with one in every five of having burdensome monthly health-care bills.

Petersen, 55, is such a patient.

As is typical among farm families, the Petersens were on-again off-again with health insurance starting in the mid-'70s, often relying upon off-farm jobs for coverage. While employed as a school bus driver, he was diagnosed with a nickel-sized hernia, a slight inconvenience compared with the downtime even such minor surgery would require while running a farm and working full time.

In 2008 47.5 percent of dairy farm families didn't have health insurance. The year before (2007) it was 35 percent. The significant rise is attributed to the deteriorating financial conditions of dairy producers.

-USDA Economic Research Service

With themselves still in good shape and their two children out of the house, things changed for the couple in 2000 when they were able afford private insurance. Five years later their agent suggested they switch to a company with lower co-pays and a better record of claims payment. The two were approved, despite Petersen's ongoing hernia and his wife's lifelong heart murmur. Each month, $700 was deducted automatically from the couple's checking account.

Just shy of a year later Petersen was pre-approved for surgery, recovering without a hitch. When bills began arriving he called his insurance agent but was assured the company simply was slow in paying the claim. Months later, being hounded by collection agencies for the full cost of surgery and post-operative care, he received the first of what would become hundreds of letters: The insurance company said Petersen's hernia was a pre-existing condition and denied the claim. It issued a new policy covering Kristi only.

Photo by Cynthia Moothart
Iowa Farmers Union President Chris Petersen and his wife, Kristi, are among the nation's many rural people who've had problems with health insurance and out-of-pocket medical costs. "As long as you don't have a claim, you have the best insurance in the world. ... "You're treated like a damn criminal when you have medical debt."

Within months, following pre-approved heart tests, Kristi's claim also was denied and she was dropped. The company cited discrepancies between medical records and insurance forms, paperwork filled out nearly two years earlier by their agent listing Kristi as an inch taller and a dozen pounds lighter than on the day of her tests.

Between 1999 and 2008, insurance premiums rose by 119 percent, compared with only a 29 percent increase in inflation. Those skyrocketing rates have struck rural areas particularly hard — and the effect extends far beyond individual families who call such places home.

"When you have a personal experience it turns you into a hell-raising person."

-Iowa Farmers Union President Chris Petersen

In the current recession, as during other modern downturns, the rural economy is shedding jobs at a pace faster than the rest of the nation — and fewer of the remaining jobs offer health benefits. Of the 45 million Americans without health insurance and 25 percent with bare-bones plans that don't adequately cover expenses, vast numbers are rural residents. The effect of such loss in paying patients is increased premium prices and diminished overall care.

During the last 25 years nearly 500 rural hospitals have closed for lack of funds and another 2,200 areas suffer from acute physician shortages. Today, of the 65 million Americans living in areas with too few primary-care providers, 50 million are rural residents. As a result, millions of unnecessary dollars are spent each year transporting urgent-care patients across miles of countryside, resulting in many surpassing the 30-minute threshold in which the nature and necessity of care explodes in price. Rural patients also are being seen for routine issues at regional health facilities, where costs are substantially higher. The average cost per day for care in big-city hospitals is about $7,000; the price is about $1,100 in rural communities.

"Farmers are getting eaten at both ends," said Friesen, the Nebraska

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Private insurers say couple are not insurable

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farmer and part-time emergency room doctor. "The health-care economy is so expensive and unattainable, and farm policy is eating the small farmers at every turn. It makes it increasingly impossible for a small operator to make an income off of farming."

Over the next 14 years the Petersens will make $200 in monthly installments for medical care they paid thousands in premium costs to cover. Now deemed uninsurable by the private market, the two also spend $1,300 a month on coverage through the Iowa Comprehensive Health Association, a safety net for those who can't get insured elsewhere. But with his $2,500 annual deductible, Petersen can afford just one of the four annual diabetes and blood-pressure checks recommended by his doctor.

"This is not health care; this is sick care, and not even comprehensive sick care," he said. "We're taking a bad situation and potentially making it worse, which costs the system even more."

With Senate and House negotiations under way — and final passage in both chambers still outstanding — what will arrive on the President's desk is unknown. But one thing is clear: Without significant cost controls and expanded access to primary care, farm families such as the Petersens will continue to be plowed under so long as profits, not concern for people, drive the nation's health care.

The League of Rural Voters is a Minnesota-based nonprofit organization working to strengthen rural communities nationwide.

Health issues threaten rural communities

By Neil Ritchie,
League of Rural Voters

Health care reform opponents argue that we should allow the free market to do its thing; that somehow corporations which have put decades of profits over people will turn things around. As a native Iowan working on behalf of rural communities, this blinkered thinking sadly suggests Harold Hill arriving back in River City with the promise of a new trombone.

For sure theirs is a complicated song and dance, but it's a storyline that lacks the credible and necessary change of heart to ensure a happy ending: Last year alone health-care corporations and their proxies spent nearly a half-billion to sink reform. And their actions don't just threaten the lives of millions of Americans; in rural places whole communities are put at stake.

The inseparable link between health care and economic viability was revealed in a study by the National Center for Rural Health Works. It found that one primary-care physician working in a rural area generates $1.2 million in annual revenue and creates 23 jobs; a single hospital accounts for as much as 20 percent of the local economy. A loss of providers, by contrast, results in devastating hardship: Even the departure of half of one full-time doctor translates into more than a half-million drop in community income and 14 jobs.

"Health care is the No. 1 provider of jobs — good jobs — in rural areas," said Val Schott, director of the Oklahoma Office of Rural Health at Oklahoma State University. "On the reverse side, as we see health care fail we see whole communities dry up and virtually disappear. Health care is critically important to payroll and jobs but also to any kind of economic development, because no one is going to move where there is not good care."

According to Claudia Tanoos, vice president of the Terre Haute (Ind.) Economic Development Corp., access to quality health care ranks among the top considerations of companies looking to launch or locate in a community — just as its absence has a crippling effect on local economies.

She knows something about this as part of the Rural Health Innovation Collaboration, launched last year to increase providers and economic-development opportunities in small Indiana communities. The group formed after the town of Clinton lost one physician to retirement and another to relocation, leaving only one doctor to care for its 5,000 residents.

"It's not just that there is health care but the right health care to ensure workers are able to come to work each day," she said. "Rural areas do have difficulty attracting industries and companies where health care isn't accessible."

Charting decades of decline

Twenty-five percent of the U.S. population is scattered across 90 percent of our nation's rural landscape, yet fewer than one in 10 physicians call such places home. Today, of the 65 million Americans living in areas with too few primary-care providers, 50 million are rural residents.

Over the last 25 years, 470 rural hospitals have closed for lack of funds and another 2,157 areas now suffer from acute physician shortages. The situation continues to worsen: Places like rural Minnesota are expected to see the number of unfilled jobs explode. In the next decade, for instance, outlying areas in the state are predicted to face a shortage of 8,000 registered nurses.

"Remote rural areas have serious access issues, especially when it comes to specialized care," said Carol Jones, a senior economist with the Economic Research Service of the USDA. "This problem has been recognized for some time, and a number of different strategies were pursued to address it. The challenge is to sort out which policies can and are making a difference and which are not."

What hasn't worked is a health-care system dominated by the free market. As noted by David Himmelstein, a physician and leading researcher at Harvard University, "medical resources follow income." And with their greater poverty rates, older residents and diffuse populations, rural areas simply aren't profitable enough to maintain comprehensive health-care infrastructure.

Equally alarming is that a majority of providers are nearing retirement age without a crop of young physicians, nurses and mental-health specialists to take their place. The Iowa Department of Public Health was stung by this reality while planning its health-provider flu vaccination program. Large numbers of medical personnel throughout the state exceeded the cutoff age of 49 to receive the live-virus H1N1 vaccine. In Van Buren — a county of just under 10,000 situated in the southeast corner of the state — not a single provider met the age requirement.

The loss of rural health facilities also jacks up the cost of care. Millions are spent each year transporting urgent-care patients across miles of countryside, resulting in many surpassing the 30-minute threshold in which the nature and necessity of care explodes in price. Rural patients also are being seen for routine issues at regional health facilities, where costs are substantially higher than in small communities. As Schott notes, the average cost per day for care in big-city hospitals is about $7,000; the price is down around $1,100 in rural areas.

Economic factors at work

Compounding the problem is the changing nature of work in rural areas, where unemployment and under-employment are chronic issues. An analysis this fall by the nonprofit JOBS Now Coalition illustrates the point. In Minnesota's Iron Range, 17,600 unemployed workers were competing for 1,500 unfilled jobs, more than half of which were part time and nearly all offering wages well below the cost of living. Of rural residents with jobs, roughly a third work for small businesses but less than half receive employer-based insurance because of prohibitive costs.

The result is that rural Americans

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