

## You and Health Insurance: Making a Smart Choice for Farm Families

### Abstract

This article describes and encourages use of a curriculum that was developed for Extension educators to provide farm families with information about the Affordable Care Act (ACA) and the procedure to become certified to use it. It also describes features of the ACA and unique challenges and opportunities that this law provides to farm families, including the employer mandate and an ability to earn income-based tax subsidies and expanded Medicaid coverage without application of an asset test.

### Roberta Riportella

Kansas Health  
Professor of  
Community Health  
School of Family  
Studies and Human  
Services  
College of Human  
Ecology  
Justin Hall  
Kansas State  
University  
Kansas State  
Research and  
Extension  
Manhattan, Kansas

Professor Emerita  
University of  
Wisconsin-Madison  
[rriporte@ksu.edu](mailto:rriporte@ksu.edu)

### Barbara O'Neill

Extension Specialist  
in Financial Resource  
Management  
Distinguished  
Professor  
Rutgers Cooperative  
Extension  
Cook Office Building  
Room 107  
55 Dudley Road  
New Brunswick, New  
Jersey  
[oneill@aesop.rutgers.edu](mailto:oneill@aesop.rutgers.edu)

This article describes and encourages the use of a curriculum developed for Extension educators to provide farm families with information about the Affordable Care Act (ACA). One need not like the ACA yet still need to know how it functions and what one's responsibilities are to comply with its requirements. As Inwood and colleagues (2015) noted, the ACA presents unique opportunities and challenges for farmers and ranchers (hereto described as farmers).

As other Americans, farmers are concerned about personal and family needs for health insurance. They profit from the ACA's consumer protections: no one can be denied insurance for any reason (including high risk occupations, such as farming, and pre-existing conditions); no policy cancellation for excessive use of health care; and no annual nor lifetime maximums on essential benefits. Their adult children up to age 26 can be covered in family plans. Additionally, they gain access to standardized marketplace plans offering the same essential benefits at similar prices for people of the same age and geographic region, negating the prior practices of charging farmers more for coverage.

Unlike other families, though, farmers need also to consider their responsibilities as business owners. If

their farms are small (<25 FTEs), they may qualify for tax credits to help pay for employee coverage. If large (>50 full time equivalents), they would be under the ACA employer mandate to provide insurance to their workers. However, since more than three-quarters (78%) of the 2.1 million U.S. farms rely entirely on labor provided by farm operators and their families, this mandate does not affect most (Ahearn, Williamson, & Black, 2014).

In states with less acceptance of the ACA, there has often been inadequate information shared with consumers about requirements, mandates, and opportunities. This, combined with politics, resulted in initial resistance to learning about the need to purchase health insurance, including "pushback" in some farming communities. Once provided with accurate information about their responsibilities and opportunities, however, farm families are often pleasantly surprised that their options for affordable insurance have expanded.

## Health Care Options for Farm Families

Over 11 million people have joined the ranks of the insured since January 2014, when the individual mandate went into effect. A major benefit for farmers has been more affordable policies and more choice. For instance, no longer do family members need to work off-farm to secure affordable health insurance. They too may qualify for financial assistance as have ~80% of those enrolled in marketplace plans (Kaiser Family Foundation, 2015). Tax credits to help pay premiums for those plans are available to those with income less than 400% federal poverty level (FPL) (<\$97,000 family of 4). Those with incomes less than 250% FPL (<\$60,625 family of 4) also qualify for help paying out of pocket expenses. Assistance is also available through Medicaid, the federal/state partnership health insurance program. Nearly one-fifth (17%) of 1.61 million farm families nationwide with members under age 65 had incomes below 138% FPL that makes them Medicaid eligible in expansion states (Ahearn, Williamson, & Black, 2014).

Farm families with high net worth (land, buildings, equipment, etc.) still qualify for expanded Medicaid because the ACA does not include an "asset test" for Medicaid expansion eligibility nor premium tax credits. Only income and family size are considered. This provides a significant advantage for farmers who are often "land rich and cash poor" and have flexibility to manage taxable income via the timing of receipt of income and expensing of capital purchases (Ahearn, Williamson, & Black, 2014). The median net worth of farm families because of those assets is more than five times the median of U.S. households (Hoppe, 2014).

## The Curriculum—You and Health Insurance: Making a Smart Choice for Farm Families

As the ACA rolled out, it became apparent that farm families needed targeted information about how the ACA affected them uniquely as consumers and business owners. You and Health Insurance: Making a Smart Choice for Farm Families (SCFF) was developed in response. It complements the Smart Choice Health Insurance program for consumers developed by Extension faculty at the Universities of Maryland and Delaware to help Americans understand basic health insurance terminology and make health care decisions (Russell et al., 2014). Smart Choice project team leader Bonnie Braun (2012) and others (Kim, Braun, & Williams, 2013) have presented the case for health insurance literacy educational efforts. Topics included in SCFF are: the individual and employer

mandates; how the mandates impact farms; seasonal employee rules; the consumer protections and mandated essential health care services; where, when, and how to purchase insurance, including the four "metal tiers" of coverage; and penalties for failure to comply.

SCFF has been refined several times since its original publication in 2013. It has incorporated insights from Extension faculty in several states who have used the curriculum. It will continue to be updated as specifics of ACA implementation change and to adapt to the realities of technological glitches, government policy changes, court challenges, and such. Results from research to be conducted by Inwood and colleagues (2015) on the health insurance learning needs of farm families will also inform future modifications.

Since 2013, training has been provided for Extension and other educators to use SCFF. Workshops were held at the 2014 national Women in Agriculture Educators conference and several state inservice trainings, and an archived eXtension webinar (x, 2013) is available:

<https://learn.extension.org/events/1256>. Over 100 Extension educators have been certified to deliver this program. The only requirement to use the curriculum, including its detailed speaker notes, evaluation tools, and other web-based resources, is to view the training webinar described above and alert one of the co-authors of this article that this has been done. Trained educators will then be added to the list of certified trainers and be given access to an online repository of program materials. Extension educators are invited to take the certification training to help farm families navigate the new, and often confusing, landscape of health insurance.

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