

Health Care Reform For Farmers



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Health care reform has received lots of media coverage but few have looked at how proposals may directly affect our nation's farmers. In agriculture the farm operator may be an independent proprietor with no hired help. He or she may be a farm operator with one or more full time employees. Or the operation may include both full time and part time seasonal workers. So if a final bill passes, the farm operator may be affected in different ways.

The House bill that passed by only five votes was described by the Wall Street Journal as "a breathtaking display of illiberal ambition, intended to make the middle class more dependent on government through the umbilical cord of universal health care.

It creates a vast new entitlement, financed by European levels of taxation on business and individuals."

How to pay for this proposed health care should shock most farmers and small businessmen who know they must match their income with expenses. The proposed House and Senate bills will increase government debt or require higher taxes to pay for them. As the Wall Street Journal points out, "The House long term insurance program starts collecting premiums in 2011 but doesn't start paying benefits until 2016 and then runs out of money in 2029." Senator Conrad of North Dakota called it 'a Ponzi scheme of the first order".

The proposed Senate bill "includes a similar gimmick by using 10 years of new taxes to finance only 7 years of spending." So deficits are expected to explode in the second decade and beyond in both House and Senate bills.

The American Farm bureau Federation has called for Congress to oppose the health care bills. President Stallman in a letter to House members pointed out that health insurance costs are an ongoing and significant expense for agricultural employers and health care reform must not unduly burden farm and ranch businesses with costs they can't afford.

Stallman agrees that tax incentives in the House bill are designed to help small employers cover health care expansion, but there are no allowances for seasonal workers common to the agricultural industry.

The farm bureau position states that health care is primarily the responsibility of individuals and they are opposed to provisions that require individual coverage. Since most farmers and ranchers are self employed and would already cover themselves if they could afford it, passing a mandate accompanied by the threat of a tax for noncompliance only makes the situation worse for people unable to afford coverage, Stallman asserts.

Farm Bureau supports private market based reforms and is opposed to creating a government operated health insurance program. They favor creating an exchange where individuals and businesses can easily compare and purchase private insurance that will encourage competition necessary to bring about cost savings.

The Wall Street Journal concludes that the House bill is not the result of a national consensus in favor of expanding state power. The House vote was possible because temporary liberal majorities are intent on fulfilling their dreams of a cradle to grave entitlement state. The Senate bill is also very complex and lengthy debate is expected. If legislation now being considered is passed, the Journal predicts that Americans, including farmers and those in agriculture will be paying the bills for generations to come.

Like many pieces of legislation, there are usually unintended consequences. With health care reform, the unintended consequences will likely be higher government expenditures, rising deficits, and rationing of health care as demand rises with the same or fewer number of doctors and other professionals to provide services. Older persons could be most affected if health care must be rationed. Many rural areas now lack the needed health care services. Will health care reform improve health care for rural residents?

Rising federal deficits raise the threat of inflation. While inflation could mean higher commodity prices, it could also mean higher production costs for farm operations.

While many people support improved health care, the proposals now being considered in Congress could create more problems than they solve. Such a major change in our national policy should require some very careful study and not be voted in without careful study of the consequences, both favorable and unfavorable. Δ

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