

# Will Health Care Reform Help Rural America?

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**W**hite House officials recently hosted a roundtable on rural America and health care reform. Family farmers, ranchers, rural residents including small business owners support health care reform. Recent studies point out that rural

Americans are twice as likely to go without health insurance or carry inadequate insurance when compared to urban Americans.

Critical differences exist between urban and rural areas regarding insurance coverage. Rural areas have older, poorer and less educated populations that typically need more health care. Rural health care needs differ and problems with insurance are generally worse in more remote areas.

Rural people like urban residents receive health insurance in three ways; through employment, individual purchasing, and public insurance. However, urban residents get coverage through their employer more often than rural residents. The main reasons are that a higher percentage of employment in rural areas comes from small businesses and those employed by small businesses are more likely to be uninsured. Also rural workers more often in low wage or part time employment are more likely to be uninsured. Also more self employed workers in rural areas are likely to lack insurance.

Public insurance (medicare and medicaid) is also a more important source of insurance in rural America than in urban areas. Rural people who are older and with lower incomes are more likely to need and be eligible for public programs.

In recent years exploding health care costs have shaken the long established employer supplied health insurance. Many question the long term viability of using employment as the major means of providing insurance. Rising costs are a special problem in rural areas where more are self employed and wages are lower. Higher costs also make it more difficult for employers to provide health insurance. In many rural areas part time or seasonal workers are not eligible for health insurance benefits.

Some employers are experimenting with providing health insurance through sharing cost of premiums or deductibles. Health Savings Accounts or Medical Savings accounts are possible but all these plans force employees to make tough decisions about dropping coverage or accepting inadequate plans. The condition of Medicaid is often troublesome since states continually seek ways to control and cut costs leaving this source of health care in a state of vulnerability to tight budget conditions in different states. Inadequate reimbursement rates hurt health care providers in rural areas.

A 2006 study showed that many farmers and ranchers lack adequate coverage since they

have to buy individual health insurance policies. These are more expensive than group policies. The study also showed that 20 percent of respondents said they had debt for medical expenses and around 25 percent reported medical expenses contributed to financial problems.

These data indicate that developing a health care policy that will satisfy everyone is almost impossible. However, some key issues will need to be addressed if any health care plan can be developed.

Can government force all employers and individual to buy health insurance, even if they do not want it? At what amount of income would government stop paying part of the premium for individuals?

Could private cooperatives organized for farmers, ranchers, and small agribusiness firms provide health insurance at lower cost more efficiently than government? Will private health insurance firms that now serve many people be able to continue in business if government subsidized insurance plans siphon away customers now served by private health care companies?

Will a new national health care plan allow patients to choose their own doctor? Will it encourage qualified young people to study medicine and enter the medical profession as more people are covered by some kind of health care? Will the plan address malpractice litigation that has caused some doctors to retire early or move to another state?

There has been lots of talk about unserved and underserved people who need health care. Will the experiences of medicare and medicaid programs teach policy makers some of the limits and problems of government paid health care. If government is involved, will payments to doctors and hospitals cover the costs of services provided?

Can American policymakers learn anything from the experiences of Great Britain, Canada, or other European countries who have adopted national health care systems? Some people in these countries may wait many months for needed treatments due to greater demand. Age or health condition may limit or restrict some procedures for some people that need them.

If "free" or low cost government sponsored national health care is adopted, more eligible people seeking health care will mean higher costs. Consequently, some way to fund new programs and provide enough medical personnel to perform treatment will be needed or eventually the various medical services must be rationed through some criteria for limiting services.

Will the health plan adopted recognize the special needs of rural areas, rural hospitals, and doctors who work away from densely populated urban areas? The decisions to address these critical issues affect all Americans but those in rural communities and small towns have a special interest in seeing that their needs are served.  $\Delta$

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