

MORE CHOICES, BETTER COVERAGE:

Health Insurance Reform and Rural America

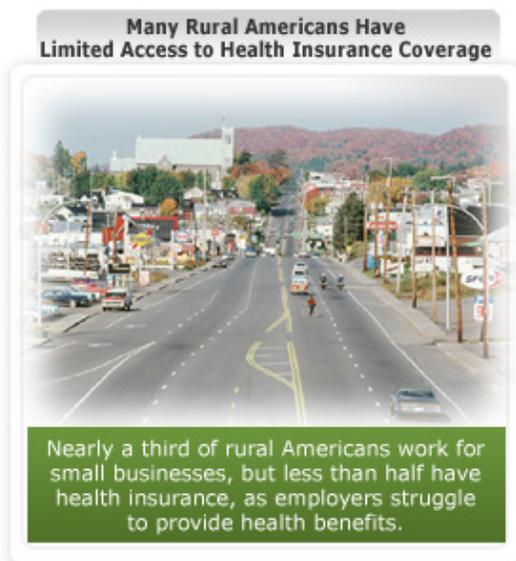
For 50 million Americans living in rural areas across the country, accessing quality health care is not only challenging but costly.¹ Rural areas have higher rates of poverty, chronic disease, and uninsurance, and millions of rural Americans have limited access to a primary health care provider. With the recent economic downturn, there is potential for an increase in many of these health and access disparities that are already a problem in rural communities.

Health insurance reform aims to extend coverage to all Americans and improve the delivery of vital health care to rural America.

Problem: Many Americans in rural areas are not given choices of quality affordable health insurance.

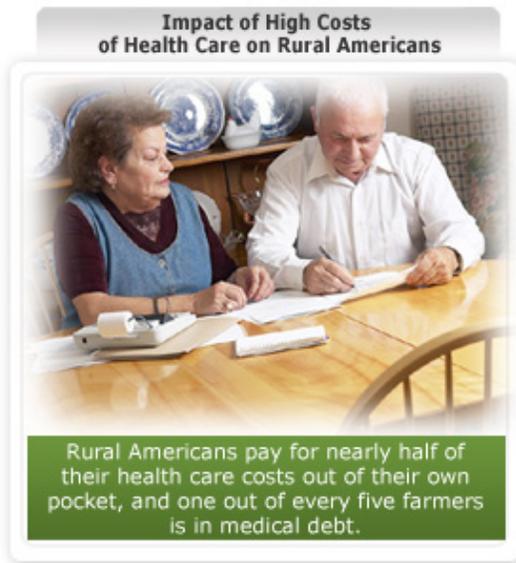
High poverty rates and job loss in the current economic recession highlight the difficulties of accessing health care and rising health care costs in rural areas. Fifteen percent of Americans in rural areas live in poverty, compared to 12 percent of people in urban areas, leaving many unable to pay for health insurance.² One in five uninsured Americans – 8.5 million people – lives in a rural area.³ Uninsurance rates are higher for rural minority populations, the rural poor, and those with less than a high school education.⁴

All too often the American health insurance system provides limited coverage and leaves rural Americans particularly vulnerable to falling through the cracks. In the current recession, the rural economy is losing jobs at a faster rate than the rest of the nation, and loss of jobs can lead to loss of health coverage. In particular, rural communities dependent on manufacturing have lost nearly 5 percent of their jobs since the recession began – and these are jobs that often offer some of the best benefits.⁵



Source⁶

Many rural residents work for small business, part-time, seasonally, or are self-employed, making them less likely to have private, employer-sponsored health care benefits. Nearly a third of rural Americans work for small businesses, but less than half have health insurance, as employers struggle to provide health benefits.⁶ A multi-state survey of farm and ranch operators found that, while 90 percent of farmers have insurance coverage, one-third purchased it directly through an insurance agent (compared to the national average of 8 percent).⁷ And in many rural states, one insurance company dominates more than 80 percent of the market,⁸ meaning that families are often limited to a choice between only one or two insurers. As a result, some rural residents are unable to purchase a health insurance plan that is right for them.



Source ¹¹

People in rural areas are also more likely to have chronic health conditions such as heart disease and diabetes⁹, which insurance companies can use to deny coverage or charge prohibitively high premiums. In most states' individual insurance markets, insurance companies can also retroactively cancel the entire policy if any condition was missed – even if the medical condition is unrelated, or if the person was not aware of the condition at the time.¹⁰

The absence of affordable, comprehensive coverage choices leaves Americans in rural communities without protection from the high costs of health care, which impacts their ability to prosper. Rural Americans pay for nearly half of their health care costs out of their own pocket, and one out of every five farmers is in medical debt.¹¹

Health Insurance Reform Solutions

End Discrimination Based on Pre-existing Conditions and Health Status.

Health insurance reform will prevent insurance companies from denying coverage based on a person's health, and it will end discrimination that charges more based on someone's medical conditions. Within a year of enactment, people who have health problems but currently cannot obtain health insurance will be able to purchase an affordable health plan through a subsidized "high-risk pool."

Provide affordable choices.

Many Americans in rural communities lack employer-sponsored coverage. Health insurance reform will create a health insurance exchange so families can compare prices and health plans in order to decide which quality affordable option is right for them. The exchange will guarantee that there will always be choices of quality, affordable health insurance, regardless if someone moves, changes jobs, loses a job, or becomes sick. Reform will also provide premium assistance to make coverage affordable for rural Americans.

Provide a tax credit for small businesses to purchase health benefits.

Rural Americans who work for small business are often unable to obtain insurance. Health insurance reform will provide a sliding scale tax credit to enable rural small businesses to provide health benefits to their employees.

Limit out-of-pocket spending.

Rural Americans spend more out-of-pocket than their urban counterparts. Health insurance reform will limit what insurance companies can require you to pay in out-of-pocket expenses such as deductibles and co-payments.

Problem: Many rural Americans do not have access to health care providers.

Along with comprehensive and affordable coverage, access to health care providers is a key component of obtaining high quality care. Unfortunately, rural Americans lack a choice of providers to cover their health care needs.

There were only 55 primary care physicians per 100,000 residents in rural areas in 2005, compared with 72 per 100,000 in urban areas. The rate decreases to 36 per 100,000 in isolated, small rural areas.¹² There are nursing shortages as well, with less than half as many nurses per capita in isolated rural areas than in urban areas.¹³ As a result, a full 68 percent of underserved communities across the nation are in rural areas.¹⁴

Travel time to visit a provider is also longer for rural patients than it is for urban patients. One national survey found that fourteen percent of rural patients traveled more than 30 minutes to visit their provider, while only 10 percent of urban patients did so.¹⁵ It takes more than twice as long for EMS personnel to arrive at a crash scene in a rural community as it does in an urban community, a measure that reveals a problem with timely delivery of emergency care in rural areas.¹⁶

The decreased quality of care associated with a thin provider workforce can be expected to further erode if action is not taken. Rural areas have a higher percent of physician generalists nearing retirement than urban areas, and recruitment and retention of physicians continue to be a challenge.¹⁷

Health Insurance Reform Solutions

Expand the health care workforce in areas where people need them.

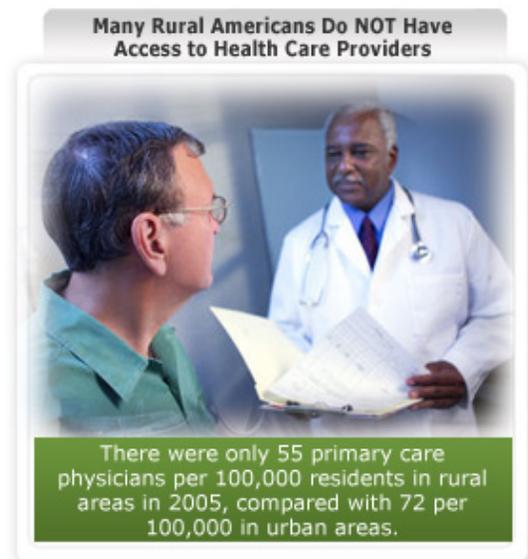
Health insurance reform will invest in the National Health Service Corps, which provides scholarships and loan repayments to primary care providers who practice in underserved areas. Reform will fund grants, scholarships, and loan repayment programs for a range of providers, including doctors, nurses and nurse practitioners, physician assistants, dentists, and mental health providers. The proposals will also provide payment bonuses to primary care providers practicing in underserved areas.

Problem: Access to quality health care and prevention in rural America must be improved.

Rising costs of health care, lack of meaningful coverage, and lack of access to health care providers leave too many rural Americans without high quality health care. Consequently, many rural Americans are affected by potentially preventable chronic disease and their associated complications.

Rural residents are more likely to report fair to poor health status¹⁸ and are more likely to have experienced a limitation of activity caused by chronic conditions than urban residents.¹⁹ Obesity is more common among rural residents than urban residents, as are diabetes,²⁰ heart disease, and high blood pressure.²¹

The percentage of diabetes patients who received all three recommended exams for diabetes is lower for patients in rural areas than in metropolitan areas (32 percent versus 42 percent). Perhaps as a result, rates of admissions for uncontrolled diabetes are higher among residents



Source ¹²

of rural areas.²² Rural women are also less likely than urban women to be in compliance with mammogram screening guidelines (71 percent versus 78 percent), and are less likely to have had a pap smear done within the past three years (86 percent versus 91 percent).²³

Health Insurance Reform Solutions

Improving Access to Preventive Services

Health insurance reform ensures that all Americans have access to free preventive services under their health insurance plans. By investing in prevention and public health programs, health insurance reform will proactively work to create a system that prevents illness and disease instead of a reactionary system that waits too long to provide treatment.

Promote high quality care.

Health insurance reform will develop national priorities on quality, standardize quality measurement and reporting, invest in patient safety, and reward providers for high-quality care. As a result, rural Americans will receive higher quality care, and will have better information to support their health care choices.

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