

Keith Olsen is a farmer from Grant and president of Nebraska Farm Bureau Federation. As Farm Bureau president, he serves on the board of directors of Blue Cross and Blue Shield of Nebraska, which administers the group health plan available to Farm Bureau members. In this news release, Olsen is commenting only on behalf of Nebraska Farm Bureau.

The Obama Administration's proposal to mandate certain kinds of health care coverage could increase the cost of health insurance for farmers and ranchers and other self-employed individuals in Nebraska and the nation by more than 100 percent, Nebraska Farm Bureau warned Monday, Aug. 17.

A large majority of food producers are self-employed and many buy their own health insurance without the benefit of being part of a group, Farm Bureau President Keith Olsen said.

A 2007 survey conducted for the U.S. Department of Agriculture found that 46 percent of Nebraska's farmers and ranchers purchased their health insurance on an individual basis directly from an insurer.

"If a farm or ranch family can obtain health insurance through a spouse's off-farm job, that's usually the route they go," Olsen said. "But that approach isn't available to everyone."

"The primary issue we continue to worry about is the affordability of health insurance," he said. Responses from Farm Bureau members surveyed online last week showed a monthly health insurance premium ranging from \$500 to \$1,000-plus a month for a high-deductible, family policy. Most of those surveyed had deductibles of about \$5,000.

The proposals now moving through Congress include the concepts of "Guarantee Issue" and "Community Ratings," Olsen said.

Guarantee Issue requires insurers to provide health insurance coverage to anyone at any time, or forces them to renew policies they would prefer to drop.

Community Rating limits premium differences across policies and requires insurers to charge uniform premiums regardless of age, health conditions, etc.

Currently only New York, New Jersey and Massachusetts have both Community Rating and Guaranteed Issue laws on the books; these states have the most expensive individual insurance markets in the country, he said.

A 2008 study conducted by researchers from MIT, the Brookings Institution and Brigham Young University found that implementation of Community Rating and Guarantee Issue resulted in premium increases of 108 to 227 percent for high-deductible family policies.

"While the New Jersey insurance market is quite different from ours, we can reasonably expect to see significant premium increases for Nebraskans who purchase health insurance directly from insurers," Olsen said.

Such increases would make private health insurance unaffordable for many farmers and ranchers, he said. "They can't pass cost increases on to their customers the way other businesses can.

"We share the Administration's goal of reining in health care costs, but we would rather see health care reform that improves and builds on the current health care delivery system," he said.