

# CENTER *for* RURAL AFFAIRS



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Good Afternoon and thank you to the members of this interim committee for the opportunity to speak today. My name is Melissa Florell. I have lived in rural Nebraska my entire life. I grew up on a farm in northeast Nebraska and now my husband, children, and I farm near Kearney. My perspective on health care reform is both personal and professional as I practice as a registered nurse. Through talking to friends, family, and my patients, I've realized that our nation's health care system is inaccessible to many people, especially those living in rural areas. The high cost of health care inhibits economic growth and reinvestment in small businesses, including family farms. Farm families are more likely to be uninsured or underinsured than non-farm families and a staggering number carry medical debt.

The cost of health insurance continues to rise while benefits decrease, causing hardships for many families, including my own. Because I choose to work part-time as a nurse in order to complete an advanced nursing degree and play a more active role in our farm operation, I am not eligible for health care benefits through my employer. For this reason we purchase insurance on the private market. Our family's health insurance (we are a healthy family of 5) with a \$3000 deductible has a monthly premium of over \$750. When we reapplied to our insurance company a year ago in order to attempt to qualify for a lower premium, my sons who have no chronic illnesses were excluded. Health care costs are a monthly conversation in our home, and the saddest part is that many farm families struggle even more with health care costs than we do.

A 2007 survey conducted by The Access Project found that families purchasing health insurance on the private market spend \$4359 more annually than those receiving insurance coverage through their employers. These individual insurance plans only cover an average of 63% of medical costs, compared to group insurance which covers an average of 75% of costs.

Agriculture continues to be an integral part of the rural economy and for this economy to remain strong quality health insurance must be accessible. These are personal stories, but they are not isolated incidents. They are examples of why the current insurance market does not provide adequate options for rural residents, especially those who are self-employed. So many people I know wait too long to seek care, because they feel they can't afford it, or fear becoming uninsurable.

The Patient Protection and Affordable Care Act supports initial steps to improve access to and the availability of health care in our country, including rural Nebraska. In addition to the challenge of obtaining adequate and affordable health insurance, rural residents also face a critical shortage of primary care providers. Primary care providers offer routine primary care,

health promotion and disease prevention, and treat chronic health care conditions— fundamental needs of the rural population who are consistently found to have higher incidence of chronic illnesses such as arthritis, asthma, heart disease and untreated mental disorders than urban residents. The shortage leads to diminished health status and quality of life for rural residents. The primary care workforce is composed of physicians, nurse practitioners, physician assistants and registered nurses, and shortages exist in all areas of this workforce. In order to build strong rural communities we must invest in all parts of the health care workforce.

Title V of the PPACA contains provisions with the potential to positively impact the rural health care workforce. Rural physician training grant and interdisciplinary community based linkages programs are both intended to recruit prospective primary care providers from rural areas and support them, financially and academically, in their preparation. Both programs contain support for Area Health Education Centers (AHECs). AHECs work to adapt national initiatives to address local and regional health care issues. They also use community-based training to recruit, train, and retain rural health care providers. The health reform law also contains provisions supporting the recruitment and retention of registered nurses and advanced practice nurses. Registered nurses make up the largest sector of the health care workforce and are facing severe, increasing shortages. The law authorizes \$338 million dollars for FY 2010 for existing and revised title VIII nursing workforce development programs, including advanced education grants, nursing workforce diversity grants, and nurse education, quality and retention programs. Faculty nurse education is also supported through loan repayment and scholarship programs to support increasing capacity for registered nurse programs. Grant programs for Nurse Managed Health Clinics, Family Nurse Practitioner training program, and a demonstration project to reimburse hospitals for costs associated with training advance practice nurses recognize and support the important contribution these practitioners play in primary care.

Nebraska's effective implementation of national health care reform can help to ensure vibrant, healthy rural communities and the new state-level health insurance Exchange that will be created under the Affordable Care Act will serve as a major insurance marketplace when it begins 2014. The Exchange will provide many currently un and underinsured Nebraskans with a simple way to obtain quality, affordable coverage. This is especially true for rural Nebraskans who are less likely to have access to health insurance than those in non rural areas. As Nebraska policy makers decide how to structure the Health Insurance Exchange, they must consider the unique circumstances of rural residents.

Rural places and their residents are more isolated and this is particularly true of low-income rural residents who need access to affordable health insurance most. Information about the Exchange will be difficult to spread to these populations without a specific emphasis and significant resources.

I am concerned about what seems like the conventional wisdom that the Exchange must

be web-based to be effective and efficient. This may be true for the largest number of people across the nation, but it is not necessarily true for many rural people in our state. Generally, rural people have less access to high speed telecommunications technology. Again, that is particularly true for low-income rural residents. A web-based Exchange will leave out a significant portion of the rural population and provide less than optimum service for a larger share of the rural population. If that is the case, health care reform will accomplish little to address the health insurance disparities currently endured by many rural people.

Small businesses and self-employed individuals make up a substantial percentage of the Nebraska's rural population compared to urban areas. Historically these workers have the highest likelihood of being uninsured due to the high cost resulting from very small risk pools. The Exchange must be structured to insure that rural small businesses can pool their employees with other small businesses in order to spread the risk and lower insurance costs. It would also be most optimum to create one insurance pool with both small business and individual consumers. Regulations should create incentives for states to create one insurance pool, and allow people buying in both the individual and the small business pool to be captured in that one insurance pool. Such a structure will be extremely beneficial to rural small businesses and their employees and families. The opportunity for broader pools will address many of the issues that lead to high rates of uninsurance and underinsurance in rural areas.