

# Evaluating the Financial Impact of the Affordable Care Act on Farmers in Wisconsin

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## Background

The Patient Protection and Affordable Care Act (PPACA) encourages the economic development of small businesses by reducing the cost of health care and provides small businesses with an incentive to offer affordable employer-sponsored health insurance.

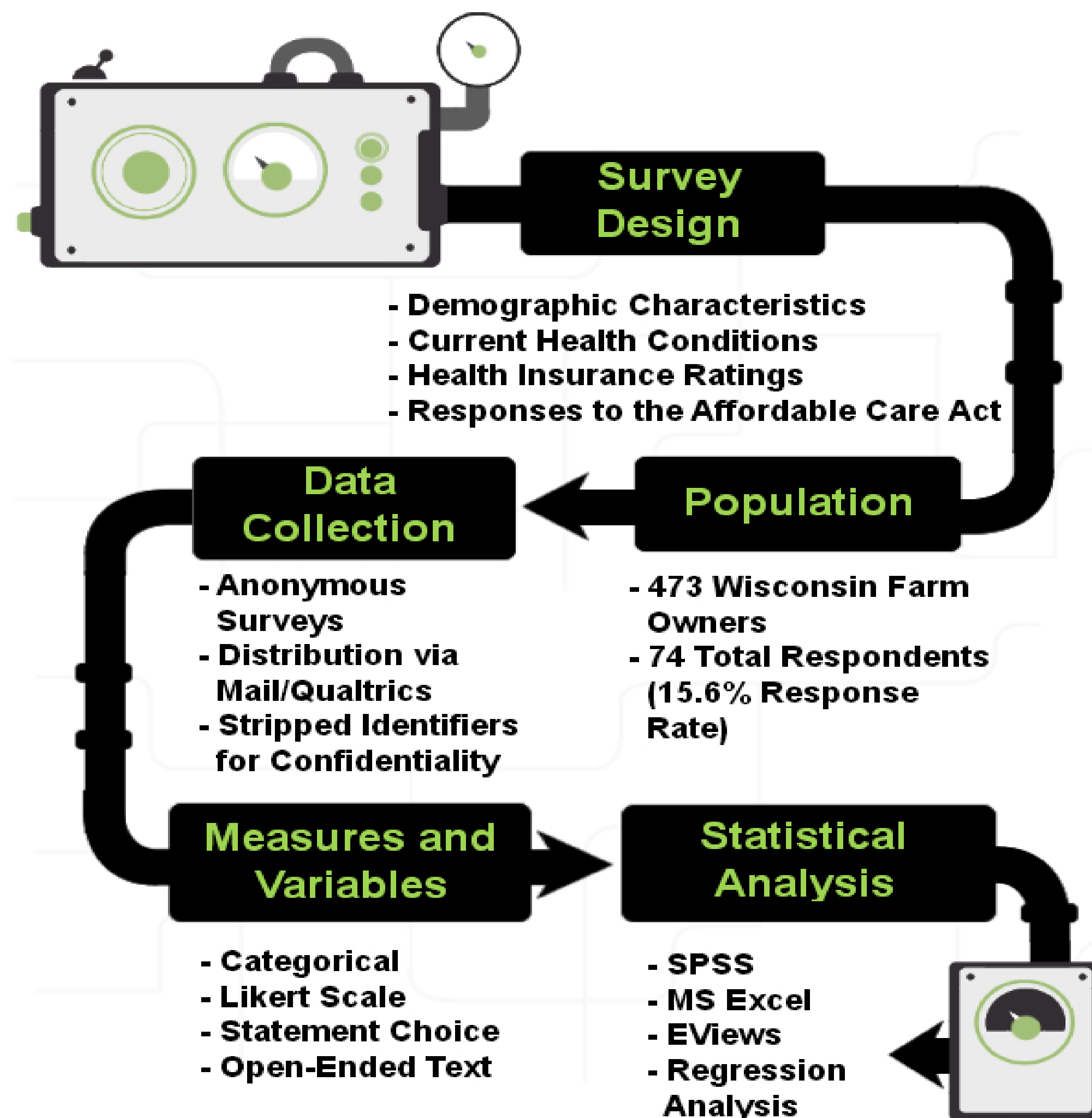
- 44 percent of farmers spent 10 percent of income on out-of-pocket medical expenses (Pryor et al., 2008).
- 23 percent of Wisconsin dairy farmers are underinsured (Wisconsin Family Farm Facts, 2002).
- 13 percent of small employers (50 or less full-time employees) are likely to start offering health coverage when the PPACA is fully implemented in 2014 (Dicken, 2012).

### Research Questions

How is the implementation of the PPACA going to financially impact Wisconsin farm owners?

Will the Affordable Care Act offer enough incentive for Wisconsin farm owners to provide employee-sponsored health insurance?

## Methods



## Key Findings



### Familiarity and Preparation of the ACA

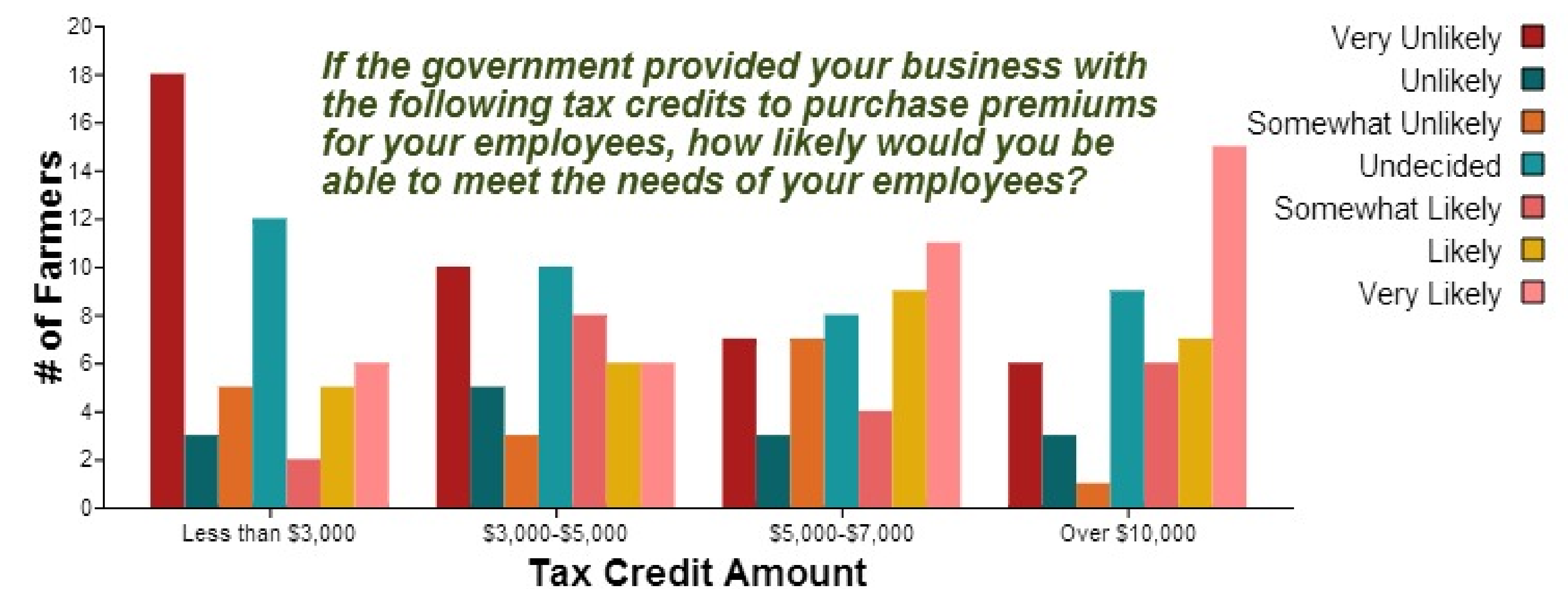
		Preparation for the Affordable Care Act				
		A Lot	Little	Some	None	Total
Familiarity of the Affordable Care Act	Not at all	0.0%	8.3%	0.0%	91.7%	100.0%
	Somewhat familiar	0.0%	15.6%	18.8%	65.6%	100.0%
Familiar	Familiar	6.7%	26.7%	40.0%	26.7%	100.0%
	Very familiar	12.5%	25.0%	37.5%	25.0%	100.0%

## Discussion

- 40.2% agree that the ACA will improve the overall quality of health care
- 56.7% are not making any plans to accommodate changes in health care reform with the ACA
- 48.3% are unlikely to provide their employees with health insurance in the future

## Results

### Tax Credit Incentive Distribution



### Regression Analysis

Table: Regression Results		
Dependent Variable: Possible Financial Struggle = 1 if yes, and 0 otherwise		
Variable	Coefficient	P-value
Income	-0.097267	0.0103
Gender = 1 if male, 0 otherwise	0.390879	0.0057
Side-job = 1 if yes, 0 otherwise	0.214652	0.0763
Work schedule = 1 if full time, 0 otherwise	0.498189	0.0162
R-squared	0.4943	
F-statistic	2.83	0.014

## Conclusion

Improving efforts to inform Wisconsin farm owners about the upcoming changes under the ACA and how it may financially impact their businesses could potentially help some farm owners provide employer-sponsored coverage.

Despite many differences in the responses between Wisconsin farm owners, an overwhelming majority recognized the need for healthcare reform but also expressed their concern about whether the ACA will properly address the fundamental issue of affordability.