



Farmers' Health
Cooperative
of Wisconsin



Bringing Health Home

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Presented by:

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The Beginning

- Strong concern about the future health of Wisconsin's dairy industry
 - \$20 billion per year economic contribution
- Many elected officials in Wisconsin talked about healthcare - and have done nothing
- Wisconsin agricultural producers pay three times as much for health care as salaried employees and twice as much as other self-employed individuals
- Uninsured rate is higher for ag producers
- Most ag producers health plans are catastrophic in nature with high premiums and deductibles, low benefits and little access to preventive care
- The net result is health insurance has become the primary concern of agricultural producers in Wisconsin



The Beginning

"... We have gone without health insurance for 12 years because decent health insurance is just too costly... this is money that is hard to justify with all the bills and then living expenses. So, we take the risk of going without... that's one more worry on our shoulders, hoping that nothing serious happens anyone in our family."

- Dairy Farmer, 100-cow herd



The Creation of FHCW

- The Cooperative Network pursued legislation, today known as *Co-op Care*, to provide a statutory model for a health insurance purchasing cooperative pilot project – Wis. Stat. Section 185.99
 - Strong support from agricultural organizations such as the Wisconsin Farm Bureau as well as many cooperatives
 - Little opposition from insurance companies – “we don’t want to insure agricultural producers – too much risk”
 - Unanimous legislative approval and strong support from Governor Jim Doyle
- *Co-op Care* Law contains important provisions
 - Regulated as one large group
 - 3-year commitment



Bylaws & Articles

The cooperative is organized for the following purposes:

- a) To ensure the members become better informed about health care trends and cost increases;
- b) To ensure all members receive their health care benefits under the same group health insurance policy;
- c) To ensure the members are actively engaged in designing health care benefit options that are offered by the insurer and that meet the needs of the members;
- d) To ensure the health insurance risk of all patron members is pooled;
- e) To ensure the members actively participate in health improvement decisions for the cooperative;
- f) To work with the Cooperative Network, and its successors, to provide affordable, quality health insurance options for CN member cooperatives and their members; and
- g) For any other lawful purpose under Chapter 185.99 of the Wisconsin Statutes



FHCW Formation Process

- Obtained upfront funding for stop loss and to pay actuarial, legal costs and other administrative costs
 - \$79,000 grant: Wisconsin Department of Agriculture, Trade and Consumer Protection
 - \$10,000 grant: AgStar Foundation
 - \$450,000 grant: UW School of Medicine and Public Health's Partnership for a Healthy Future Fund
 - \$4.48 million federal appropriation: (a portion to be used for start-up costs and a portion allocated for stop-loss fund for FHCW: \$200,000 used for Health Risk Assessments) Applies to both Wisconsin and Minnesota.



FHCW Formation Process

- Created staffing to get project off the ground
 - Small team supplemented by cooperative members
- Determined what insurance coverage the market wanted and needed
 - Professional telephone survey done of more than 4,000 producers
 - Professional focus groups held
 - Current insurance offerings in Wisconsin were analyzed
- Finding insurers who were willing to participate
 - Many insurers were interested but a real commitment was elusive
 - Primary concern over farm safety and general health



FHCW Partners

Agri-Services Agency

- A subsidiary of Dairylea Cooperative
- 30-years in business working with farmers and agri-businesses
- Administers insurance for nearly 70,000 people in 48 states
- Provides the following services to FHCW:
 - Premium quotes
 - Underwriting
 - Enrollment
 - Customer Service
 - Premium billing and collection



FHCW Partners

Aetna

- One of the nation's top five insurance carriers
- Provides the following services to FHCW:
 - Claims payment
 - Provider contracting
 - Nurse line
 - Chronic disease management, case management , utilization management, etc.



Who is eligible?

- To be eligible for FHCW, potential members must:
 - Be 18 through 64 years old, and
 - Live or work in Wisconsin, and
 - Actively work in production agriculture so that at least 66 percent of income is derived from farming. (Co-op producer ID, WI tax schedules F or C)
 - An agribusiness must be a business enterprise providing direct services to production agriculture and directly related to the production of food, feed or fiber
 - Dependents may be covered until age 25, if unmarried and at least 50% financially dependent upon parents
 - Join the cooperative and pay member dues



FHCW Key Features

- Six benefit plans to choose from
- FHCW provides coverage for work related injuries and provides additional accident coverage
- FHCW members enjoy the benefits and protections of large group purchasing: unlimited lifetime benefit, state mandates, preventive care coverage, prescription drug coverage
- State-wide provider network
- What really sets us apart: FHCW does not deny coverage for eligible members
- Risk of applicant is evaluated and member is placed in a risk tier; all members receive same renewal increase each January 1 (unless age bracket change during year)



FHCW Membership

- Insurance became effective 4-1-07
- 2,500 people currently insured
- Enrollment in 61 of 72 counties in Wisconsin
- Average age is 44.4 years old
- High retention rate
- First year premium increase: 7.9%, second year 9.8%



Improving Wisconsin Rural Healthcare

- FHCW contracted with Rural Health Initiative of Shawano County in Northeast WI
- FHCW worked with University of Wisconsin to develop an Health Risk Assessment (HRA) questionnaire specific to farmers
- 839 HRAs performed. Of those surveyed:
 - 63% visited primary care provider for follow-up
 - 78% made personal lifestyle changes
 - Many positive comments:
 - “I lost 25 lbs” “ I lost 30 lbs” “I lost 40 lbs”
 - “I came home and made huge diet changes and started exercising. I can’t believe how much I lowered my numbers”
 - “The screening was great, I would have never gotten him there is it wasn’t mandatory”



Improving Wisconsin Rural Healthcare

- 8% were previously uninsured
- 65% said benefits improved as a result of enrollment in FHCW
- 25% said they did not previously have coverage for preventive care
- 51% said premiums reduced as a result of enrollment in FHCW and 30% said premiums did not change



2009 and Beyond

- Offered Delta Dental beginning March 1, 2009
- Exploring Medicare Supplement
- Exploring other health insurance carriers for 2010
- Working on wellness, preventive care programs
- Reaching out to rural providers



Lessons Learned/Challenges

- It's tough to be the first
 - 5 cooperatives have since formed and several others are in formation stages
- Unlevel playing field
 - Underwriting
 - Mandates
- True partners critical to success
 - Legislators
 - Insurance carriers
 - Providers



Thank you!
