

# L.A. Reporter

## **FAMILY FARMS COME UNDER FIRE BY REFORMS IN MEDICAID**

While many politicians pay lip-service to family farms as the “back-bone” of our country, thousands of family farms in America have been placed at risk by new Medicaid legislation passed earlier this year. While large corporate farms and wealthy “gentlemen” farmers have accumulated enough assets and income to pay for their long-term nursing home care, smaller family farms will struggle to survive. New Medicaid reform passed in February not only increases the look-back period from three to five years for those who transfer assets, but the period of ineligibility now starts from the date of the application for Medicaid, instead of the date of asset transfer. This reform will significantly impact owners of small farms and their families. Consider the facts:

According to a 2002 Census of Agriculture from the USDA National Agricultural Statistics Service, the average principal farm operator in the U.S. is 55.3 years old. Furthermore, only 6 percent of all farmers in America are under the age of 35, more than half of today’s farmers are between the ages of 45 and 64 and a quarter of the farmers in this age group plan to retire this year.

The U.S. Department of Agriculture has determined that family farms have little to no income from farm operations. In fact, the latest predictions are that, within the next 5 years, a staggering 98 percent of total farm operators’ income will come from *off-farm* sources. At last count, only 7 percent of all farm families reported 100 percent “on-farm” income.

Finally, it should come as no surprise that family farms are disappearing at an alarming rate. According to February 2002 data from the National Agricultural Statistics Service, 330 farmers are leaving their beloved farms every week. As a result, there are now nearly five million fewer farms in the U.S. than there were in the 1930’s.

With the dwindling number of family farm operators, combined with the increasing financial struggles and the aging workforce, tougher times are inevitable. In an environment that is already wrought with difficulties for the small farmer, healthcare costs resulting from this new Medicaid reform could cause many family-run operations to pull up stakes and close their farm operations indefinitely.

With adequate planning, however, there is hope for the small farmer. Despite increased restrictions, professionals with knowledge of complicated Medicaid laws can provide assistance to farm operators in preserving hard-earned assets while still qualifying for benefits. Nevertheless, any asset-saving strategies could be lost forever if proper steps are not taken far enough in advance.

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