Forest Health – Human Health Initiative

Phase 1: Final Results

March 2010

Researched for Regence BlueCross BlueShield

Presented by:

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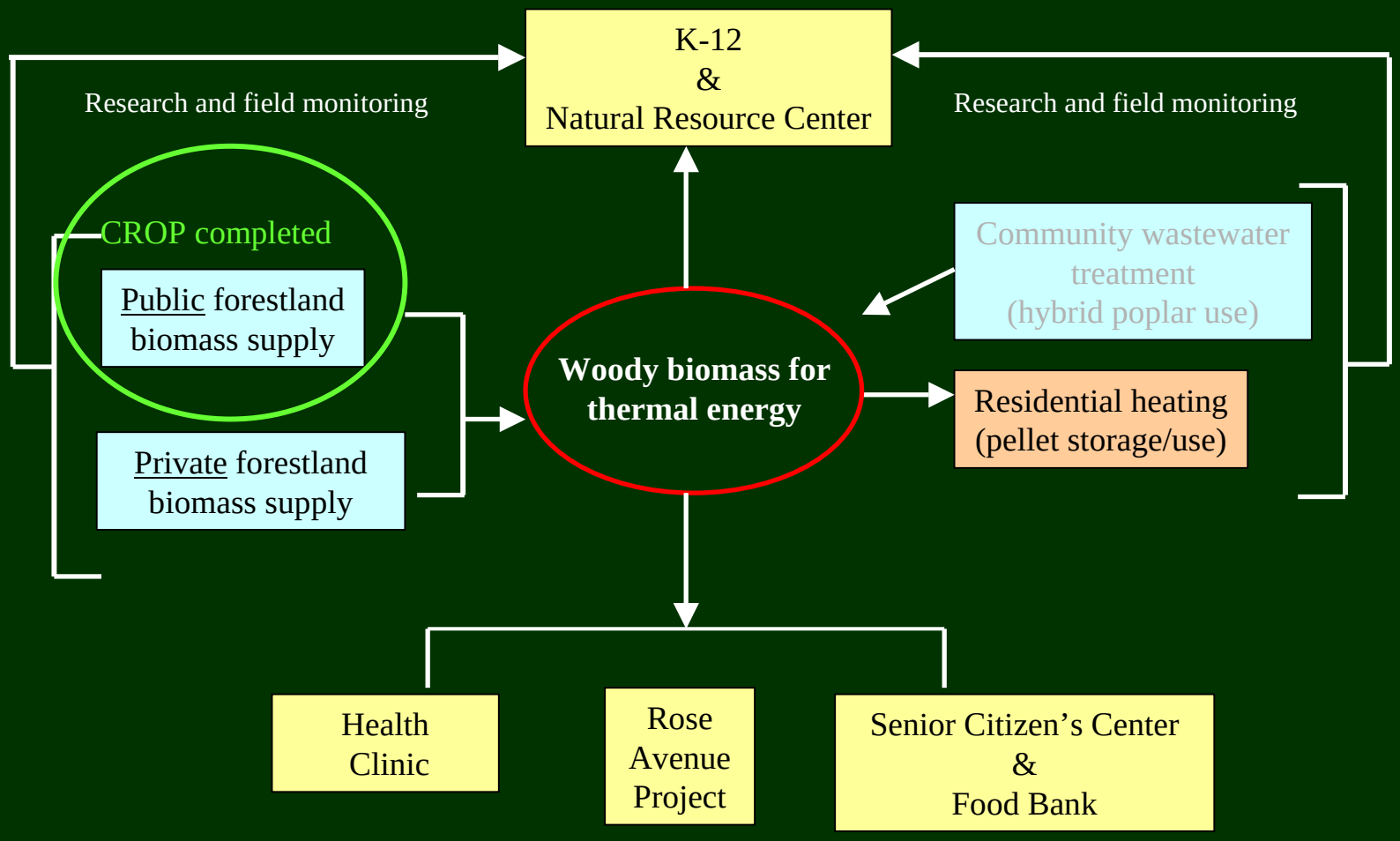
How does the *Forest Health - Human Health Initiative* fit in the Vernonia Rebuild Project?

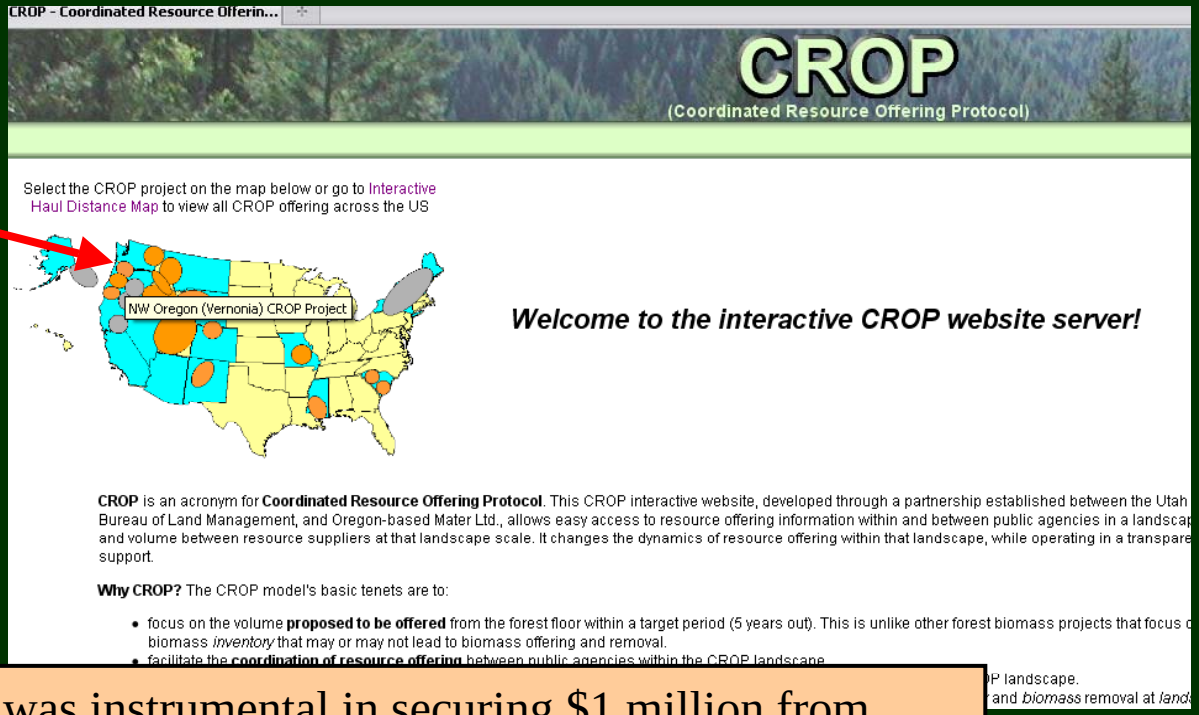
. . . it's a a piece of the ***Vernonia 'living laboratory'*** project platforms . . .

Vernonia 'Living Laboratory' Project Platforms



Coordinated Resource Offering Protocol (*www.crop-usa.com*)

Vernonia now has it's own biomass offering landscape on the CROP national website that shows what *biomass supply will be coming from public lands* over a rolling 5-year time frame.



CROP was instrumental in securing $1 million from Department of Energy for the Vernonia Rebuild Project.

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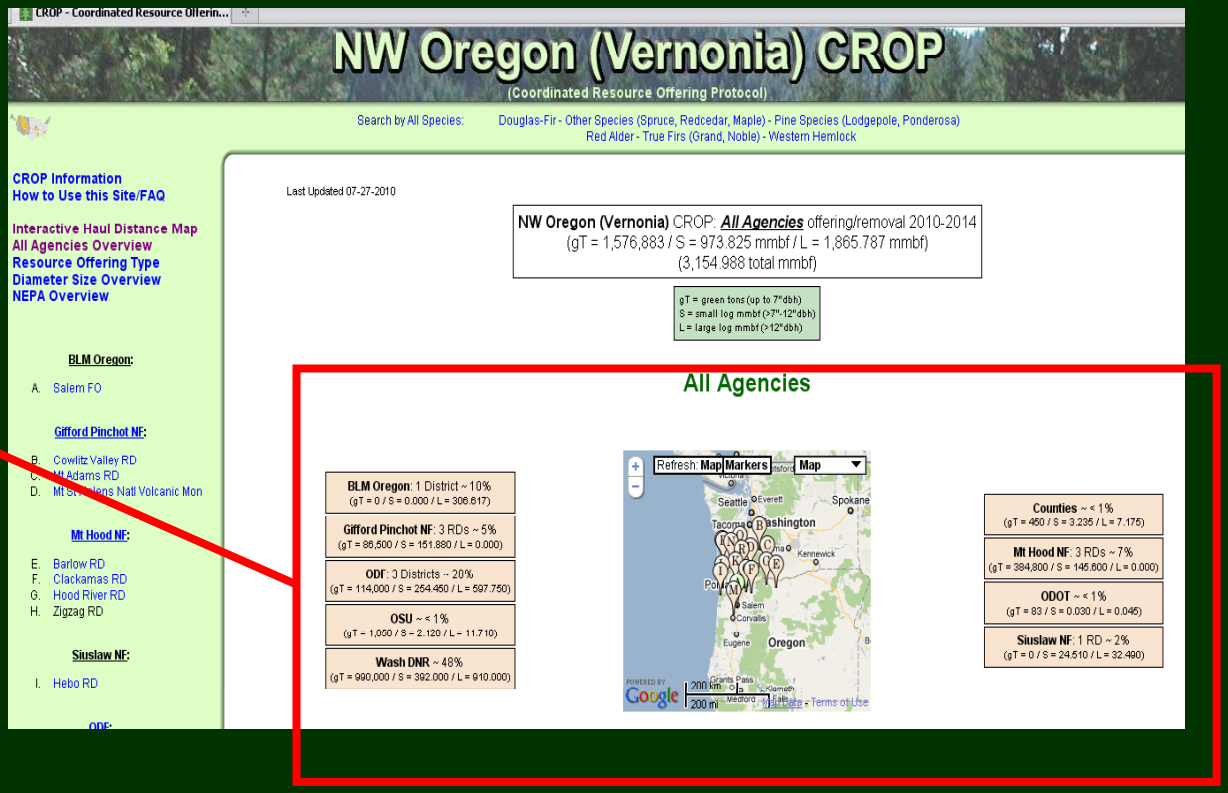
You can *quickly see which agencies will be providing volume* (in green tons of biomass, and million board feet in small logs and large logs).



www.crop-usa.com

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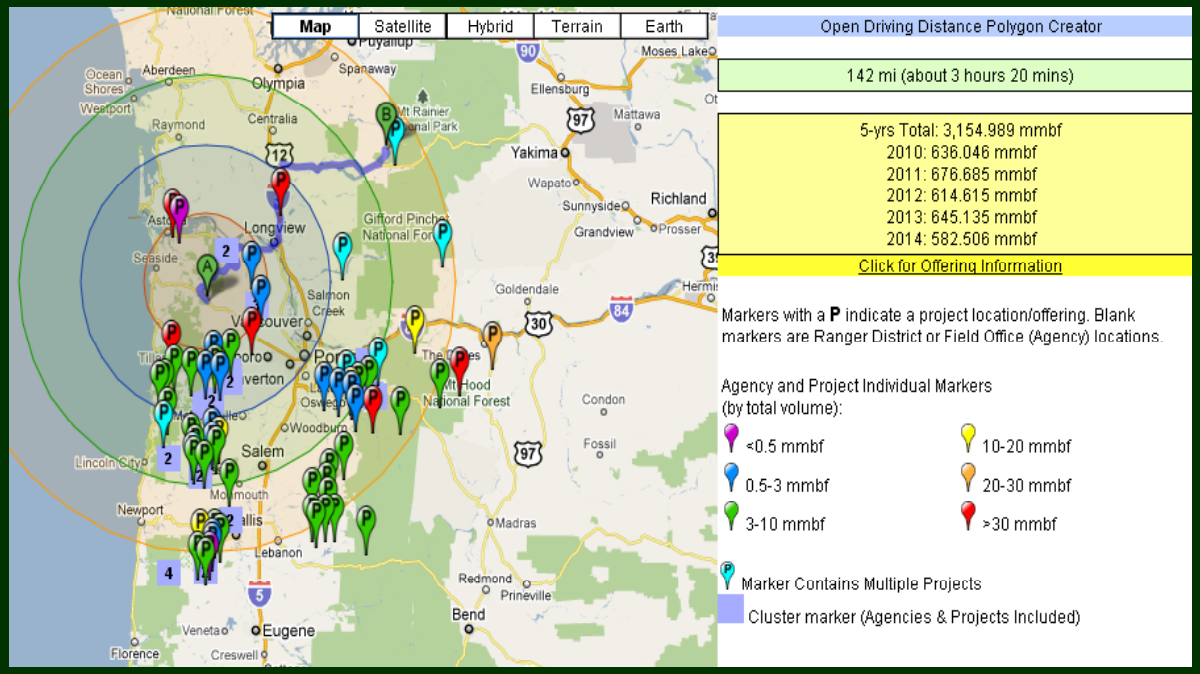
The interactive haul distance feature lets you *quickly see what volume is available within 25, 50, 75, and 100 miles*.

And . . .



www.crop-usa.com

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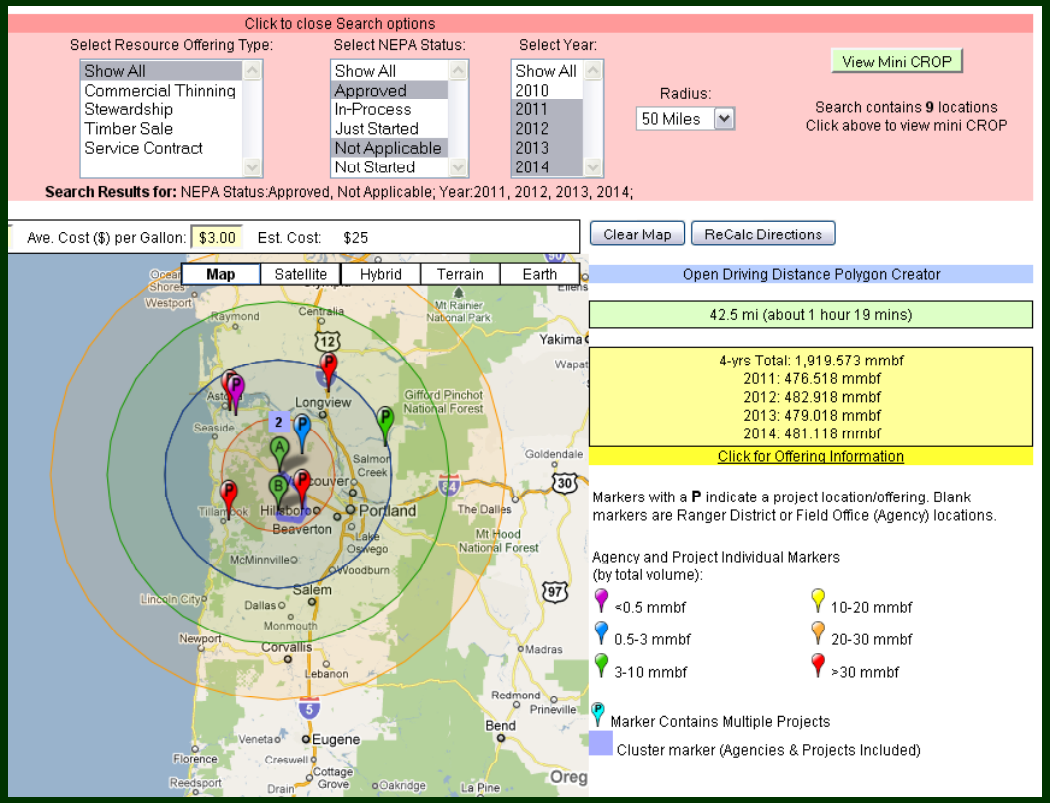
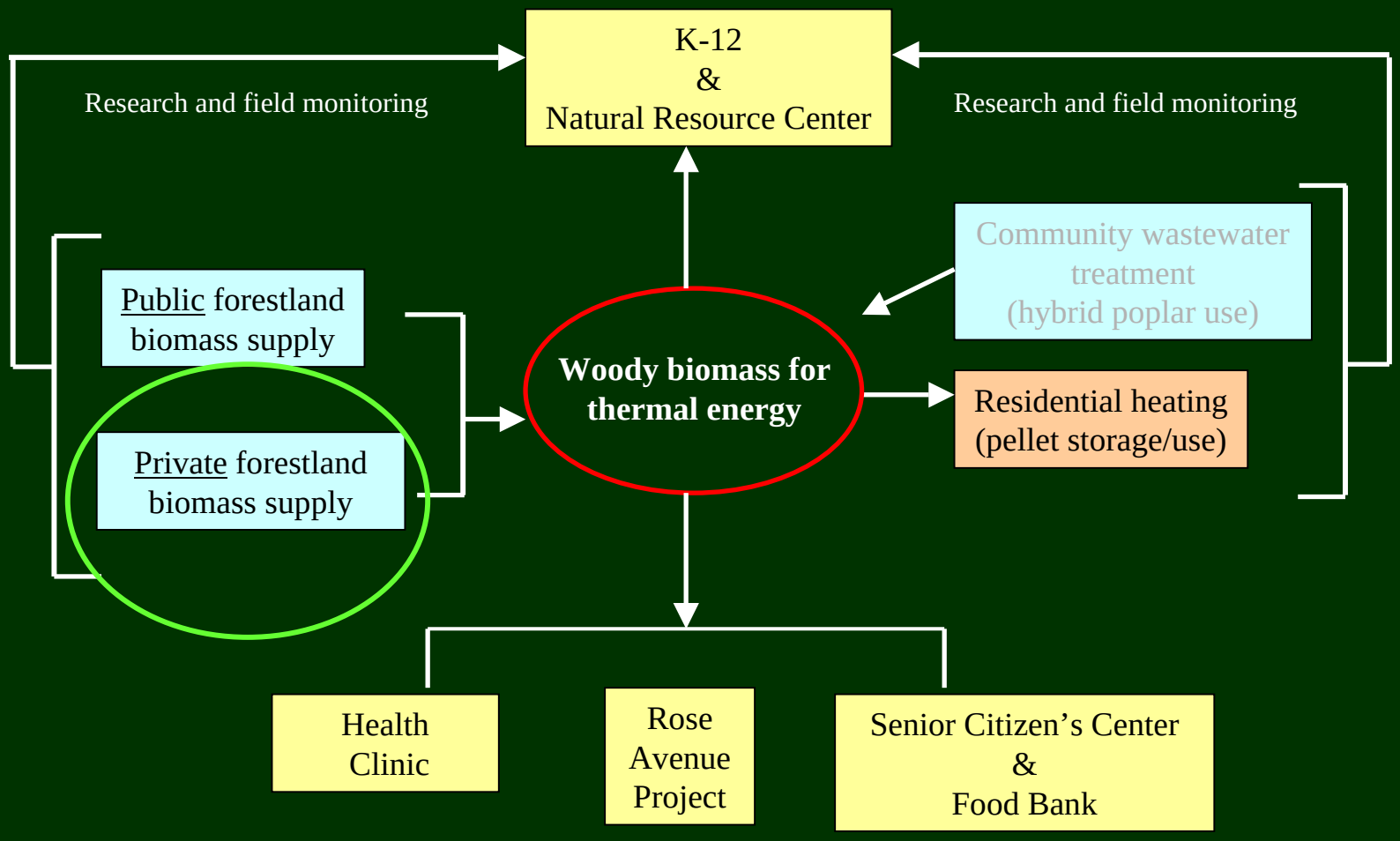
. . . you can even select *multiple search options* to refine your analysis. The program will *recalculate* the volume based on your search options *in seconds*!



www.crop-usa.com

Vernonia '<u>Living Laboratory</u>' Project Platforms



. . . but private forestlands more difficult to view. You have the current landowners ***AND*** the next generation.

What does the next generation think?

- ✓ Original 2007-2008 research focused in WI and PA on offspring of NIPF landowners.
- ✓ 600 landowner/offspring interviews conducted since then.
- ✓ Big surprises in two areas: desire to obtain payment for ecosystems services and fear of having to sell forestland to pay for medical costs, especially catastrophic medical events.

Question: **Is it possible to tie carbon sequestration to payments for health care for family forestland owners and their offspring?**

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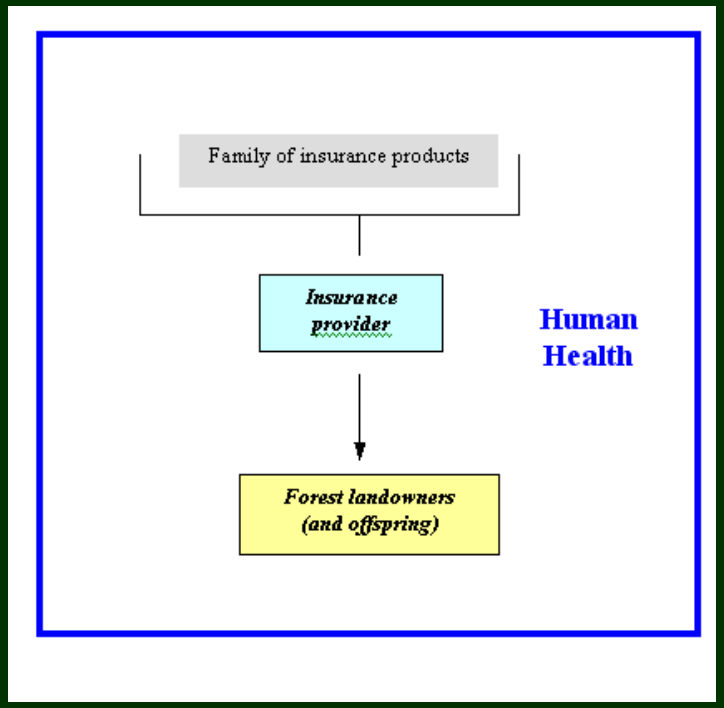
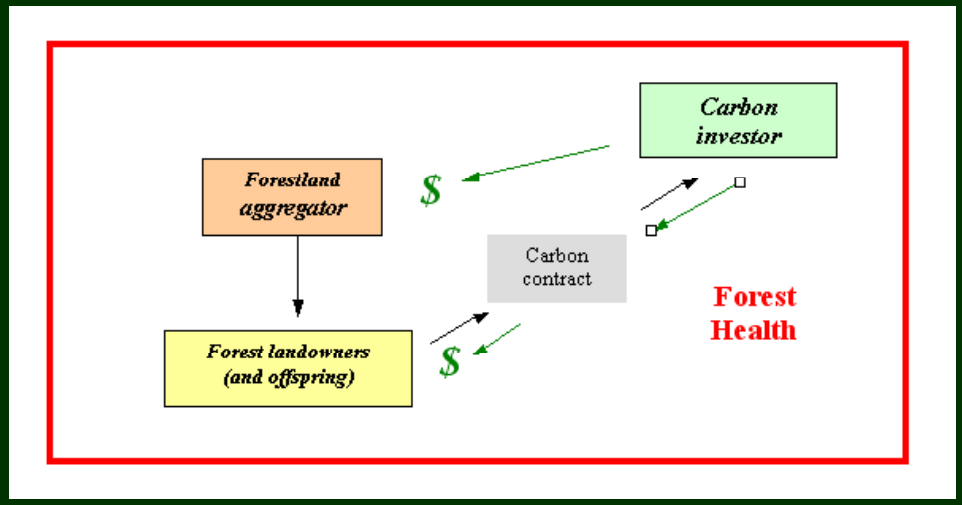
The typical human-health model



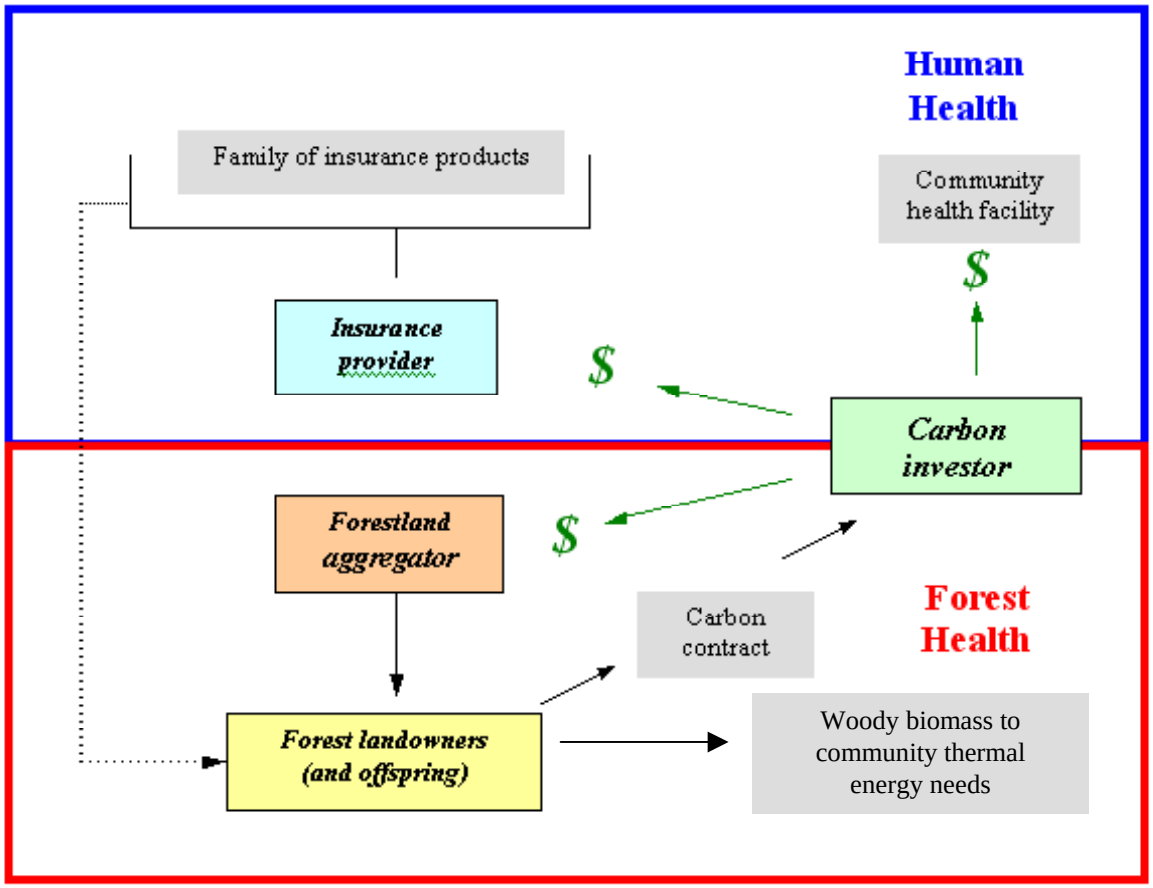
The typical carbon contract model



Phase 1 Results: Forest Health – Human Health Initiative

The Proposed Forest Health - Human Health Model:

- **Carbon investor plays in both arenas.**
- **Carbon dollars go direct to insurance provider.**
- **Carbon dollar go direct to community health facilities.**
- **Community purchase biomass from landowners.**



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- **Evaluated *10 states* across US based on BlueCross BlueShield coverage (largest insurance provider in rural America).**
- **Correlated *carbon sequestration capability* of land base in each state (based on Carbon-On-Line Estimator or COLE; live tree only).**
- **Made some *assumptions* about landowner participation (number of policy purchases, etc.)**
- **Factored in specific insurance *policy costs* for each state (individual; family).**
- **Assumed *two carbon payment models* ($7.50/mtCO2e and $15/mtCO2e)**

Best Bets: **Oregon, Washington, Pennsylvania, Wisconsin, and Tennessee**

Phase 1 Results: Forest Health – Human Health Initiative

Regence BlueCross BlueShield (BCBS) finances 2010 independent study in Oregon and Washington:

- **50 <u>landowners</u> interviewed in Oregon and Washington each (n=100)**
- **50 <u>offspring</u> interviewed in Oregon and Washington each (n=100)**
- **All interviews conducted by phone**
- **In all cases, landowner provided contact information for the offspring and permission to interview offspring.**
- **Regence BCBS not identified as the project funder until end of survey, if asked (very few times).**

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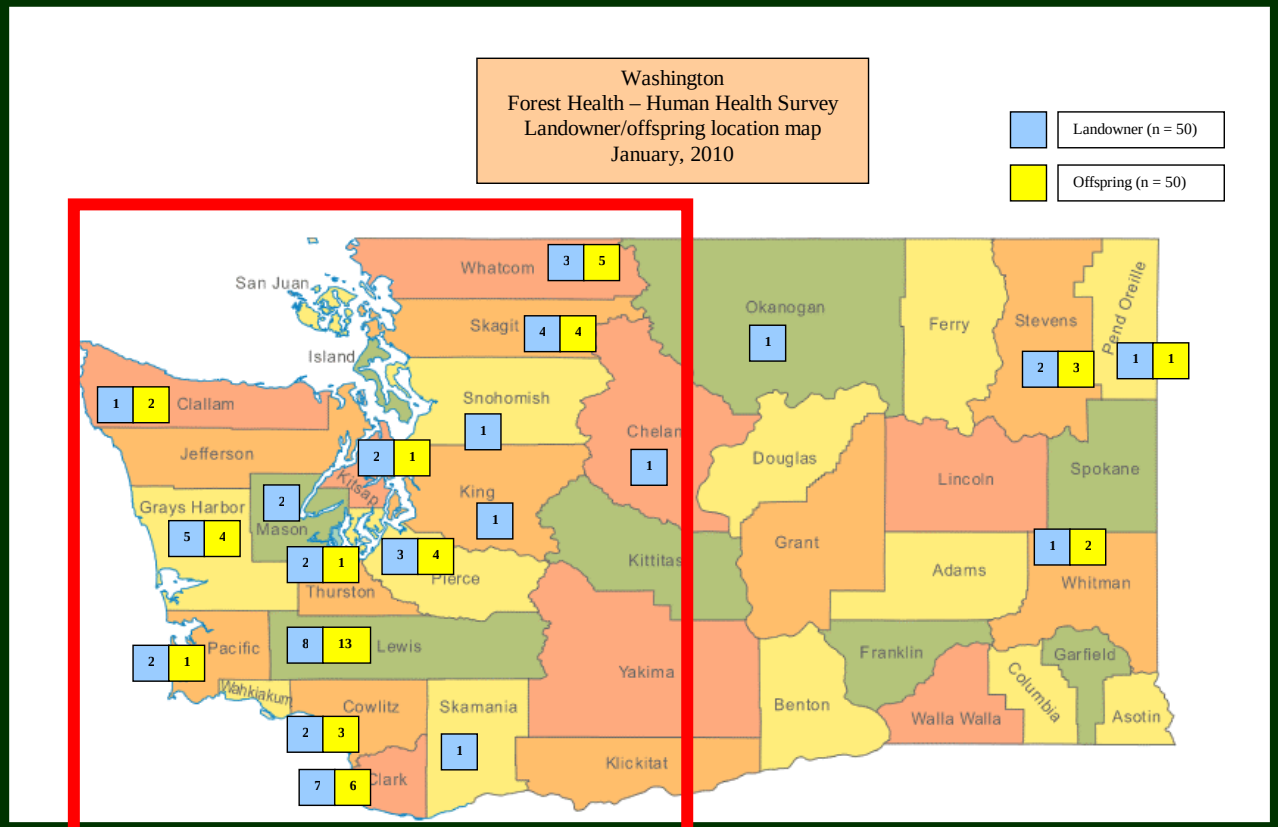
Focus on western Washington



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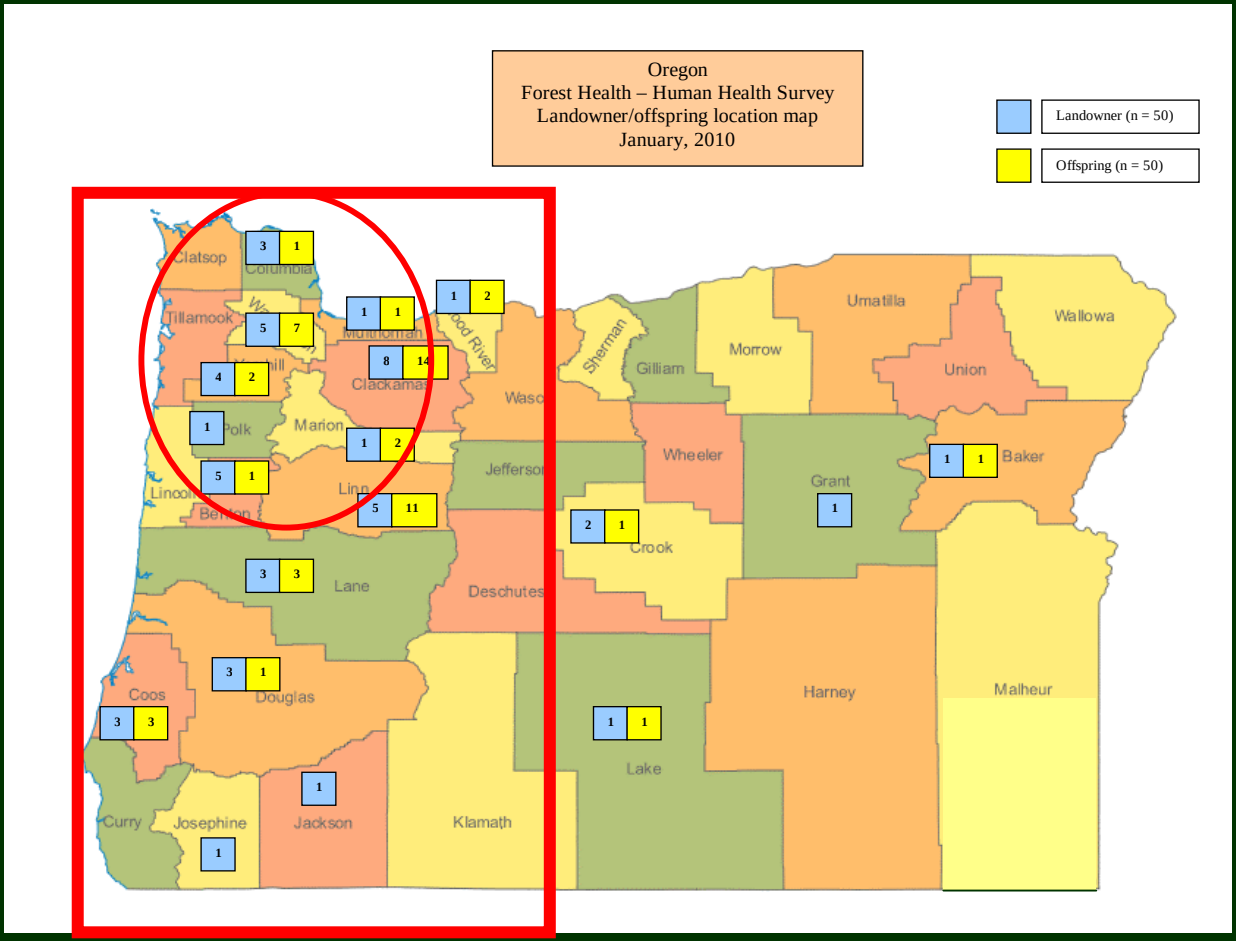
. . . and western Oregon . . .

. . . a good % of interviews in the CROP landscape



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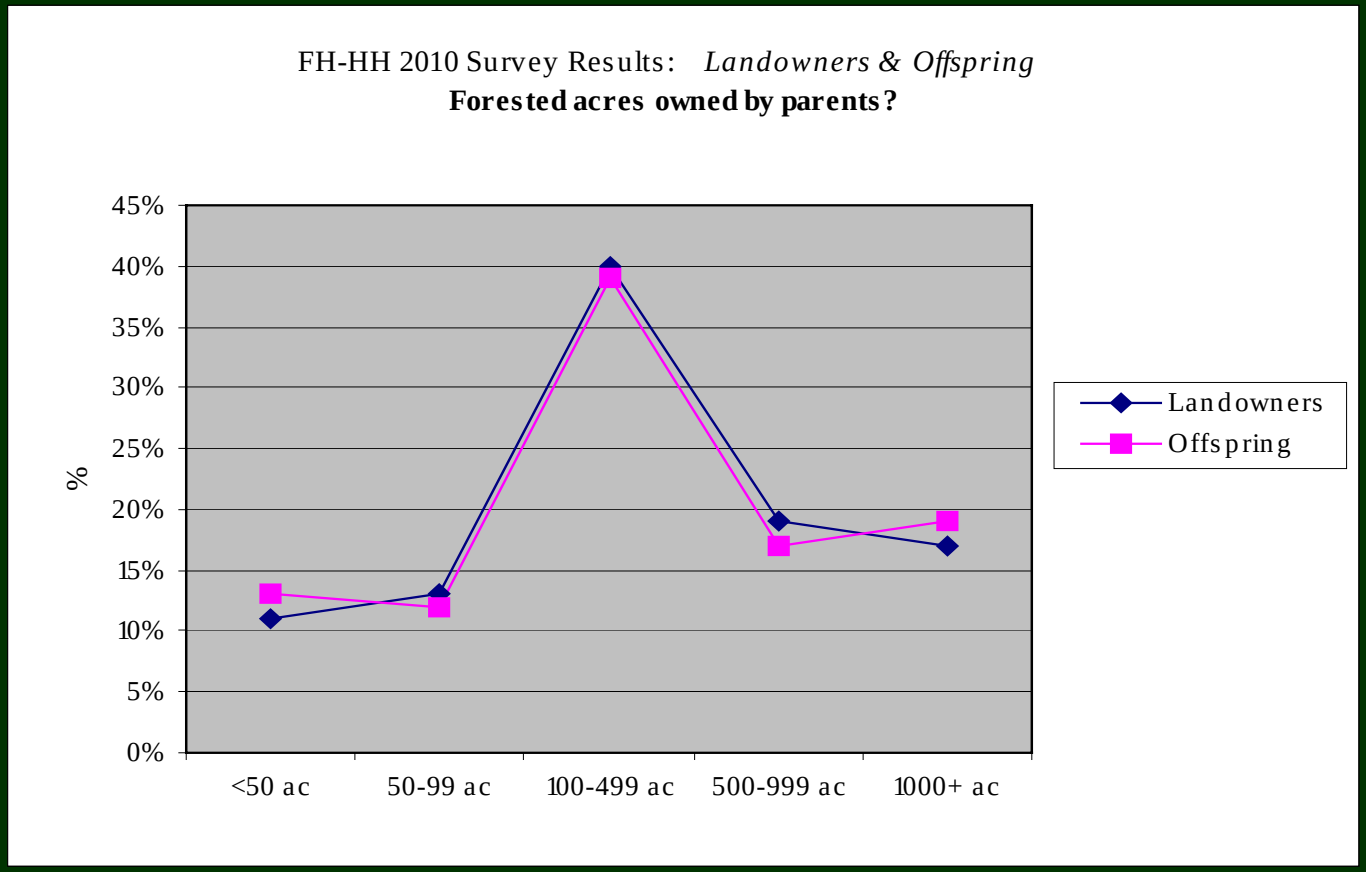
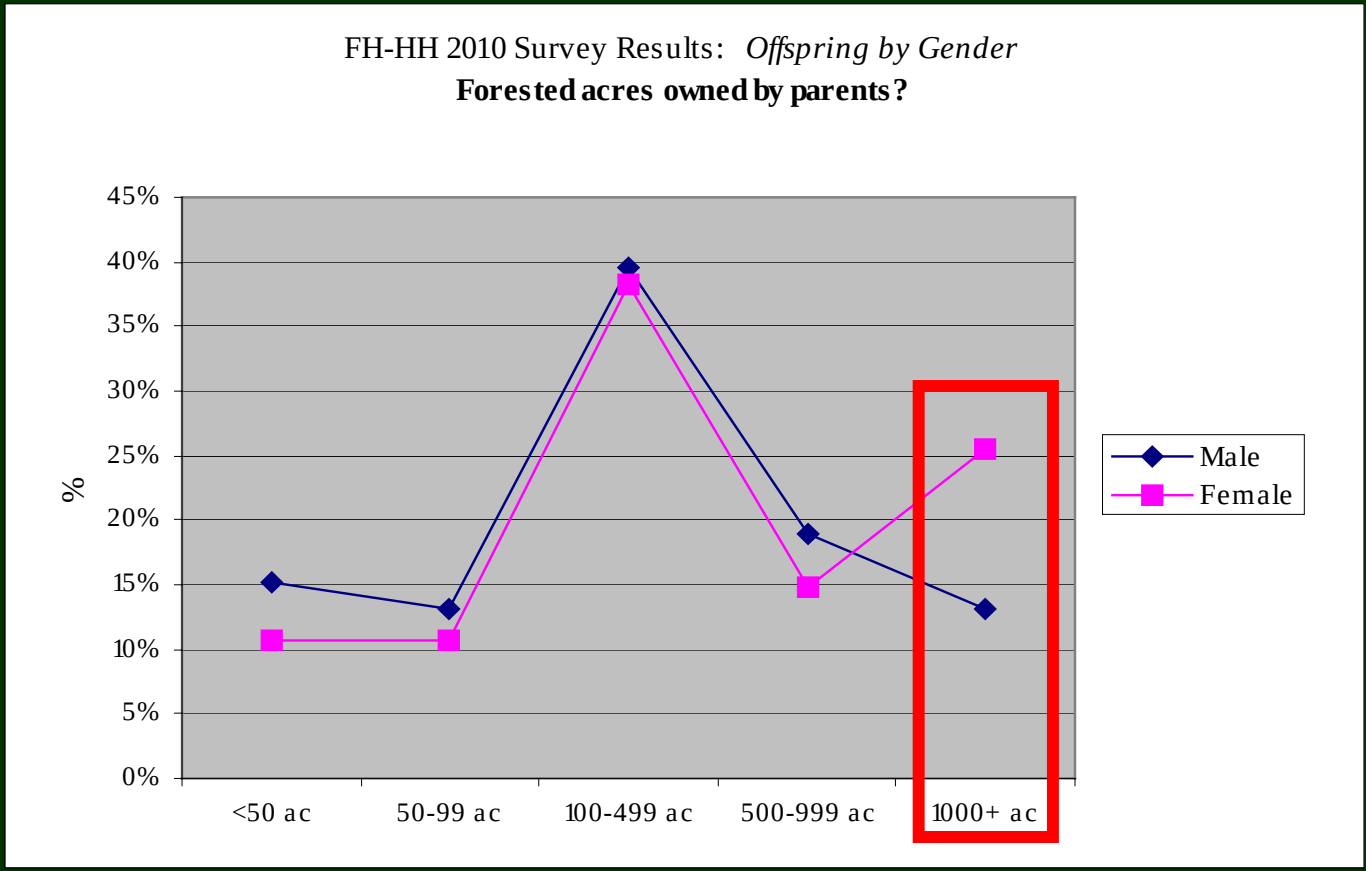
Forest acres represented:

Acres owned	<50	50-99	100-499	500-999	1000+
Oregon (*n = 108,758*)	12%	10%	40%	20%	18%
Washington (*n = 59,192*)	8%	16%	41%	18%	16%

Landowner acres matched to offspring acres . . .



Male and female offspring acres fairly matched . . .



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Survey Results:

- ✓ **48% *joint ownership* or family trust**
- ✓ **70% of forestland has been owned for *more than 30 years***

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Landowners

- ✓ **37% aged *51-64***
- ✓ **53% aged *65+***
- ✓ **92% *have children* (2-3 offspring per family)**

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Offspring:

- ✓ 70% ***did not grow up*** on the family forestland
- ✓ 93% ***do not currently live*** on the family forestland and 57% ***will not*** in the future
- ✓ Over 70% ***don't live within 25 miles*** of the family forest … but . . .
- ✓ Over 70% visit the family forestlands ***3x or more per year***

Offspring:

Donate annually:

* **26% *health care research***
* **24% *humanitarian* organizations**
* **20% *church***

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Parents and kids: how well do they communicate with each other?	Parents (% yes)	Offspring (% yes)
Parents have discussed future of family forestlands with kids.	88%	85%
Offspring interested in owning the family forestlands.	59%	79%
Expect offspring to inherit the family forests.	74%	55%

20 point spread!

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Current health care:	Parents (yes)	Offspring (yes)
Have health insurance?	99%	92%
Type of insurance:		
Group	61%	74%
Family (direct purchase)	7%	10%
Individual (direct purchase)	21%	7%
Medicare	45%	0%

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Top three insurance providers:	Parents (yes)	Offspring (yes)
Blue Cross Blue Shield	22%	39%
LifeWise	9%	0%
Uniform Health	9%	0%
Kaiser	8%	11%
Providence	3%	7%
Others mentioned: ODS, Pacific Source, AARP, TriCare		

Phase 1 Results: Forest Health – Human Health Initiative

What do landowners and offspring pay for health care insurance deductible each year?

- **Over 25% landowners and offspring each pay *between $1,000 - $2,999* in insurance deductible each year**
- **Another 25% of offspring *pay $3,000 or more* each year for an insurance deductible.**

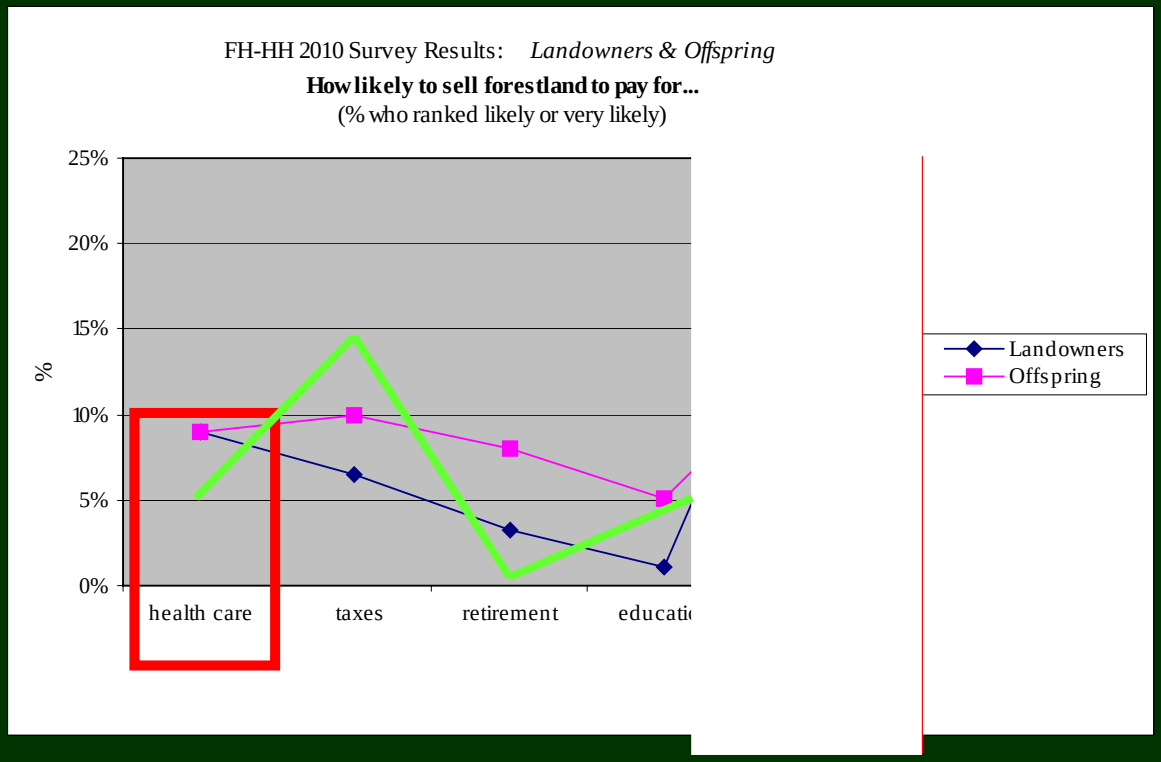
Offspring in Vernonia CROP landscape ***Landowners in Vernonia CROP landscape***

Two questions asked:

- **How likely is it that you will *sell some of the family forestlands* to pay for: (taxes, retirement, education, general health care)?**
- **How likely is it that you will *accelerate the sale of timber* off the family forests to pay for health care?**

Phase 1 Results: Forest Health – Human Health Initiative

When asked how likely to sell forestland to pay for…



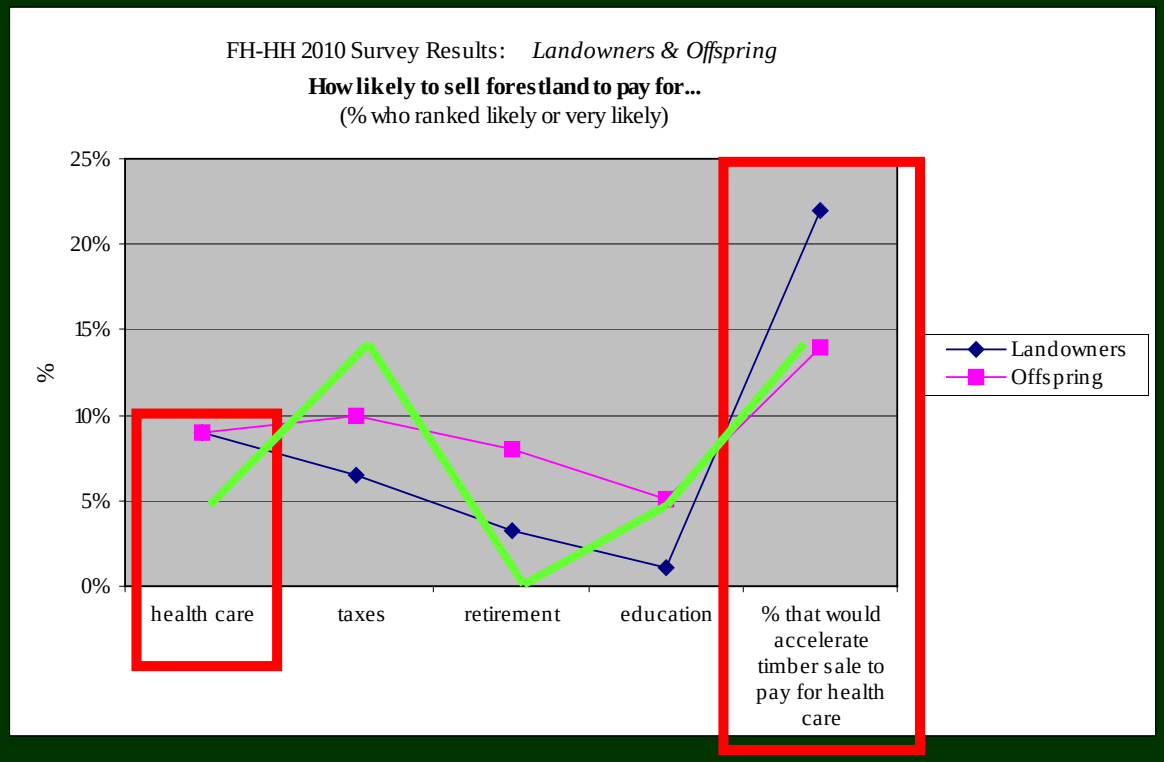
Offspring in the Vernonia CROP landscape

Almost 10% of landowners and offspring said it was *likely or very likely* they would *sell* some of the family forest to pay for general health care.

Health care costs as a reason to sell family forests ranked as *high or higher* than costs for taxes, retirement, and education.

Phase 1 Results: Forest Health – Human Health Initiative

When asked how likely to <u>accelerate sale of timber</u> to pay for health care . . .



Offspring in the Vernonia CROP landscape

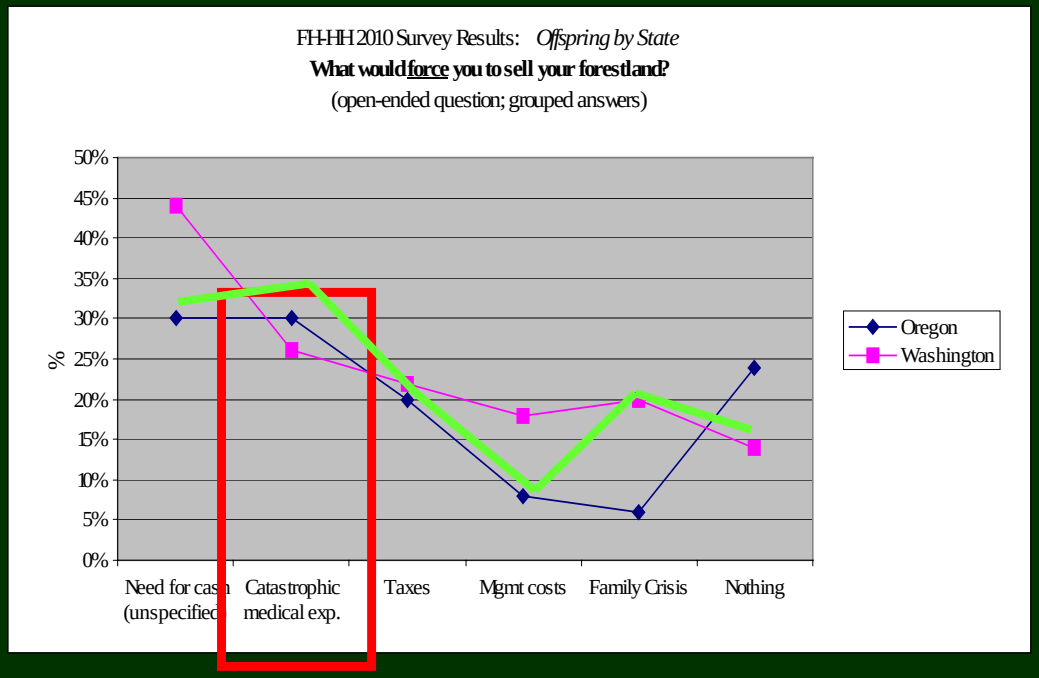
… over 20% of current landowners and ~15% of offspring said this was *<u>likely or very likely</u>*.

<u>But then, offspring asked</u>: (open-ended question)

Assuming you will inherit the family forestland, is there any condition or event that would *<u>force</u>* you to have to *<u>sell the family forestland</u>* ?

Phase 1 Results: Forest Health – Human Health Initiative

Offspring: What would force you to sell your forestland?



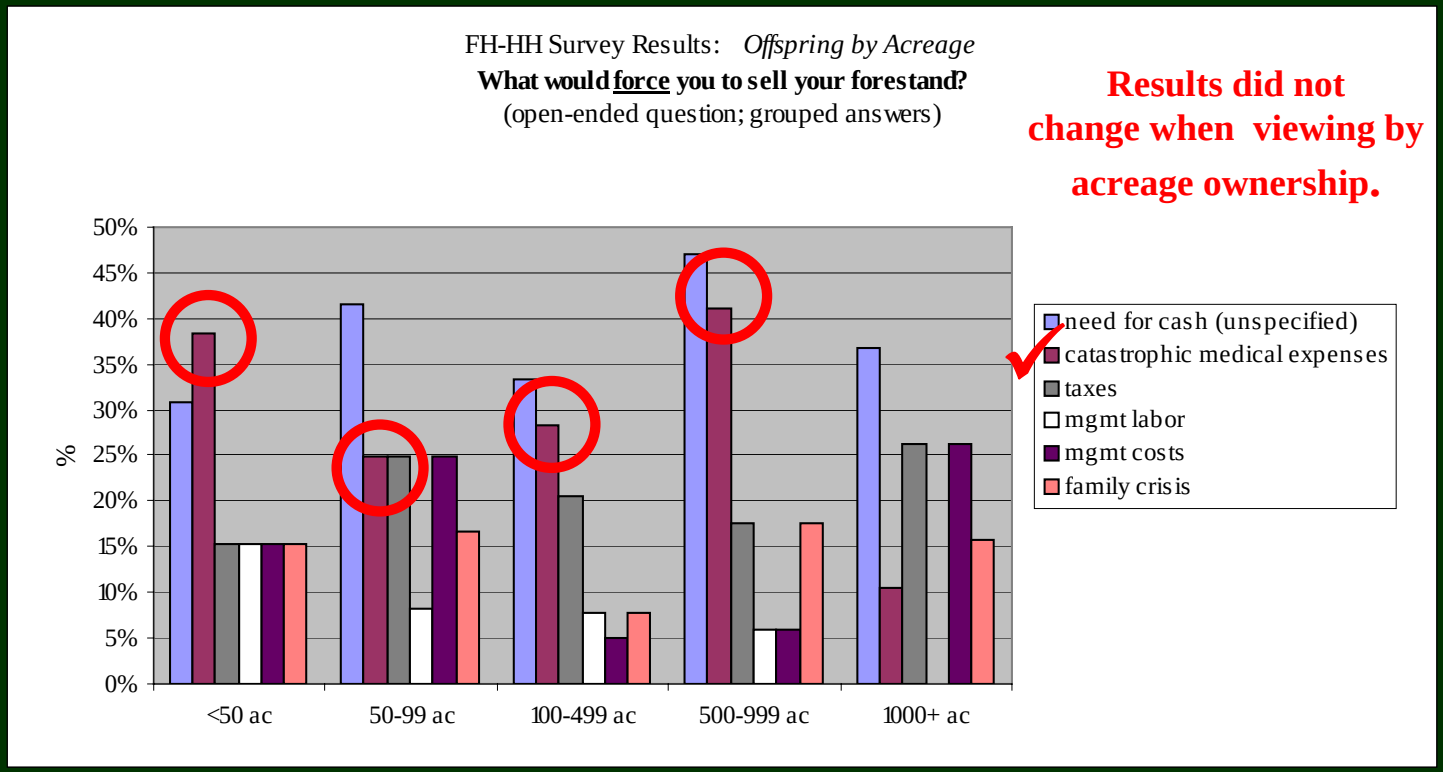
Offspring in the Vernonia CROP landscape

Between 25%-30% of all offspring interviewed identified that having to pay for a *catastrophic medical event* could force forestland sale.

Concern over catastrophic medical events *ranked higher* than concern over taxes , family crisis (loss of job), or costs to manage the family forestland.

Phase 1 Results: Forest Health – Human Health Initiative

Offspring: What would force you to sell your forestland?



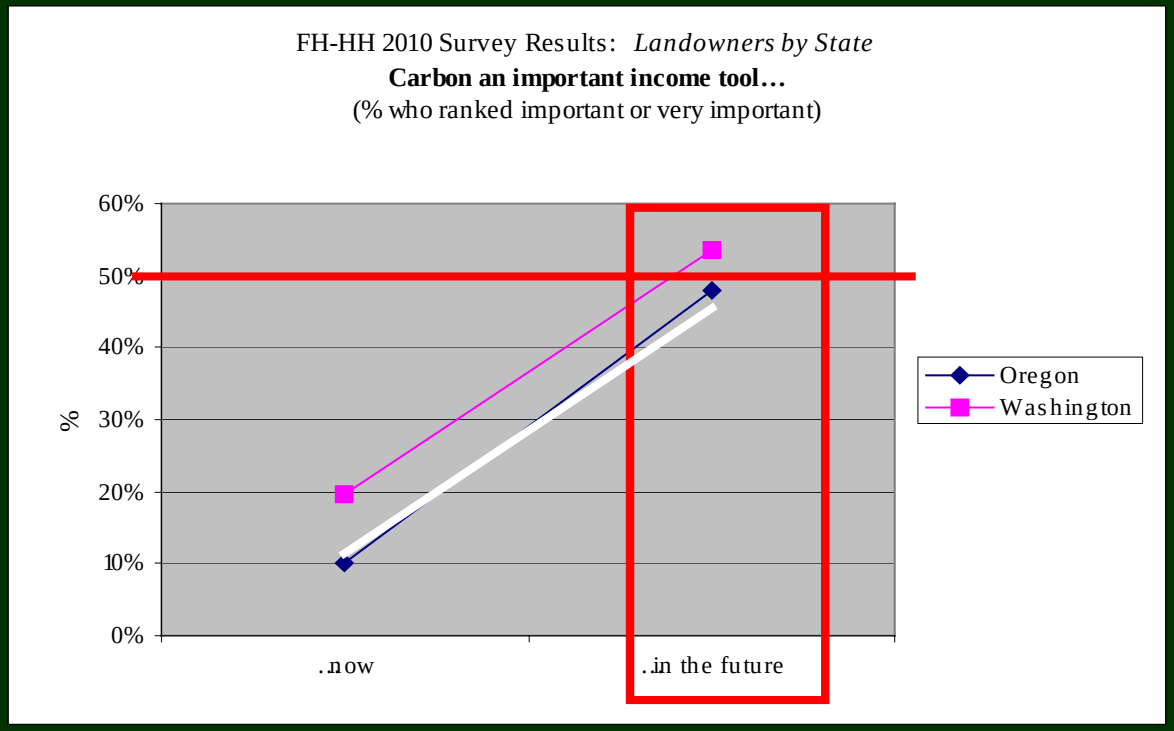
That's the *human health* picture. What about the *forest health* side, and does carbon banking fit?

Let's look at study results . . .

What parents believe about carbon sequestration and forests:

Aware of …	**93%**
Think it's an important financial tool now ….	**14%**
Believe it will be important in the next few years …	**51%**

Carbon an important income tool?

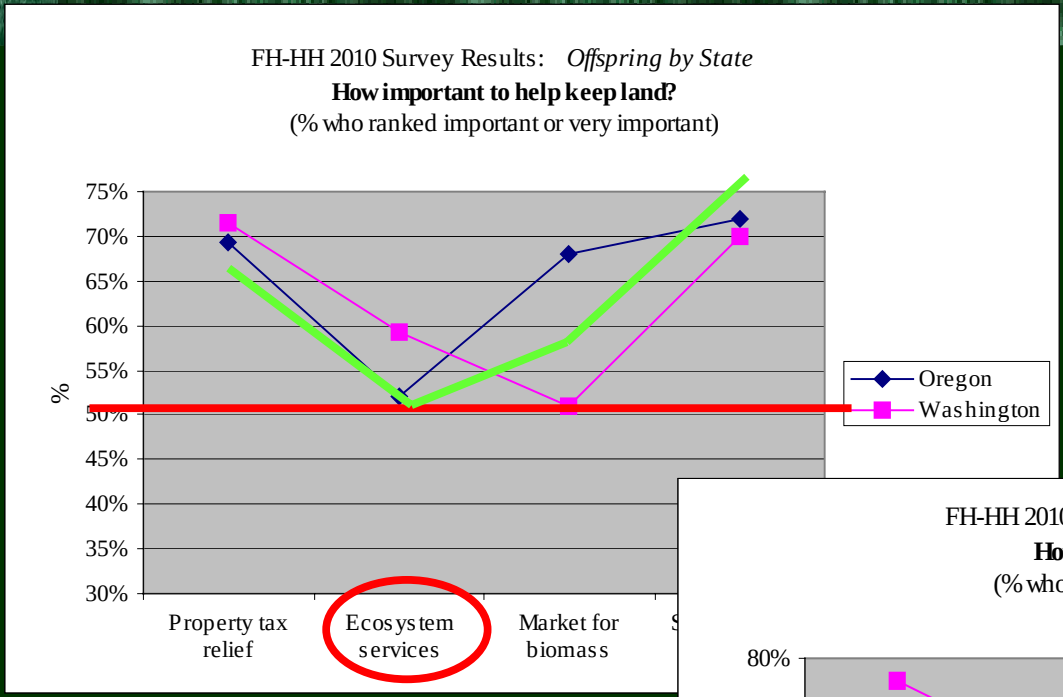


Results true for landowners in both states . . .

. . . and for landowners in Vernonia CROP landscape.

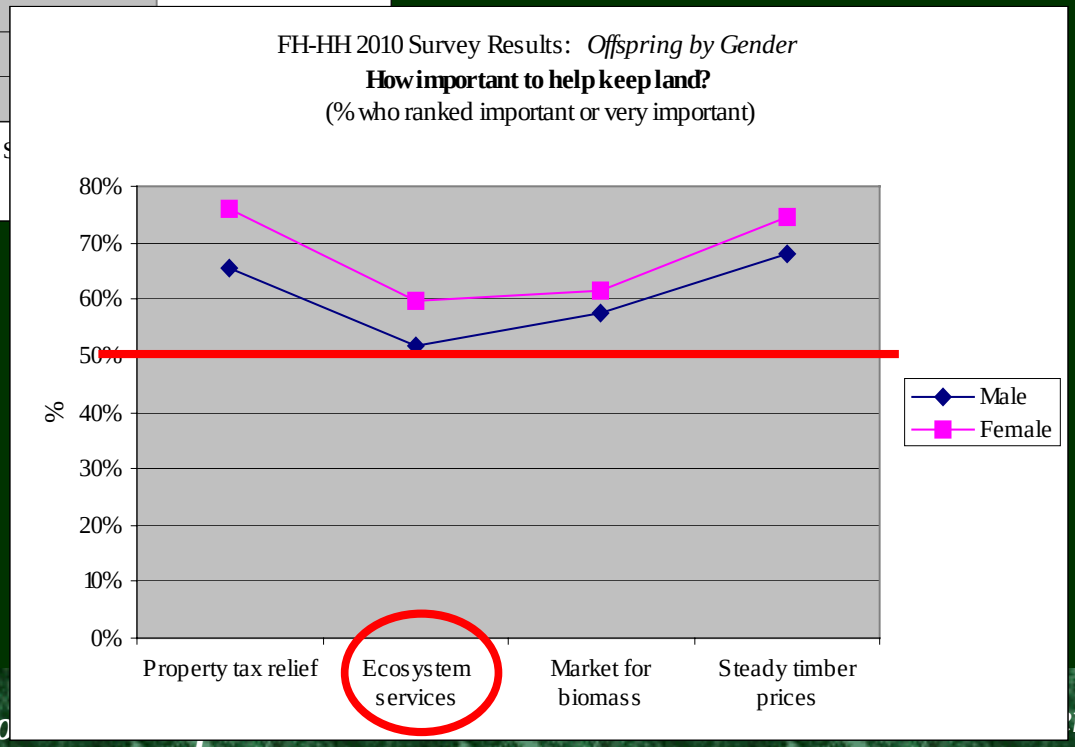
Offspring: **What tools are important to help keep forestlands in family hands?**

Phase 1 Results: Forest Health – Human Health Initiative



Over 50% of offspring ranked *payment for ecosystem services* as important or very important.

Both male and female offspring agree.



And it was true for offspring in the Vernonia CROP landscape

Carbon contract requirements . . .

. . . any show stoppers from forestland owners and their kids?

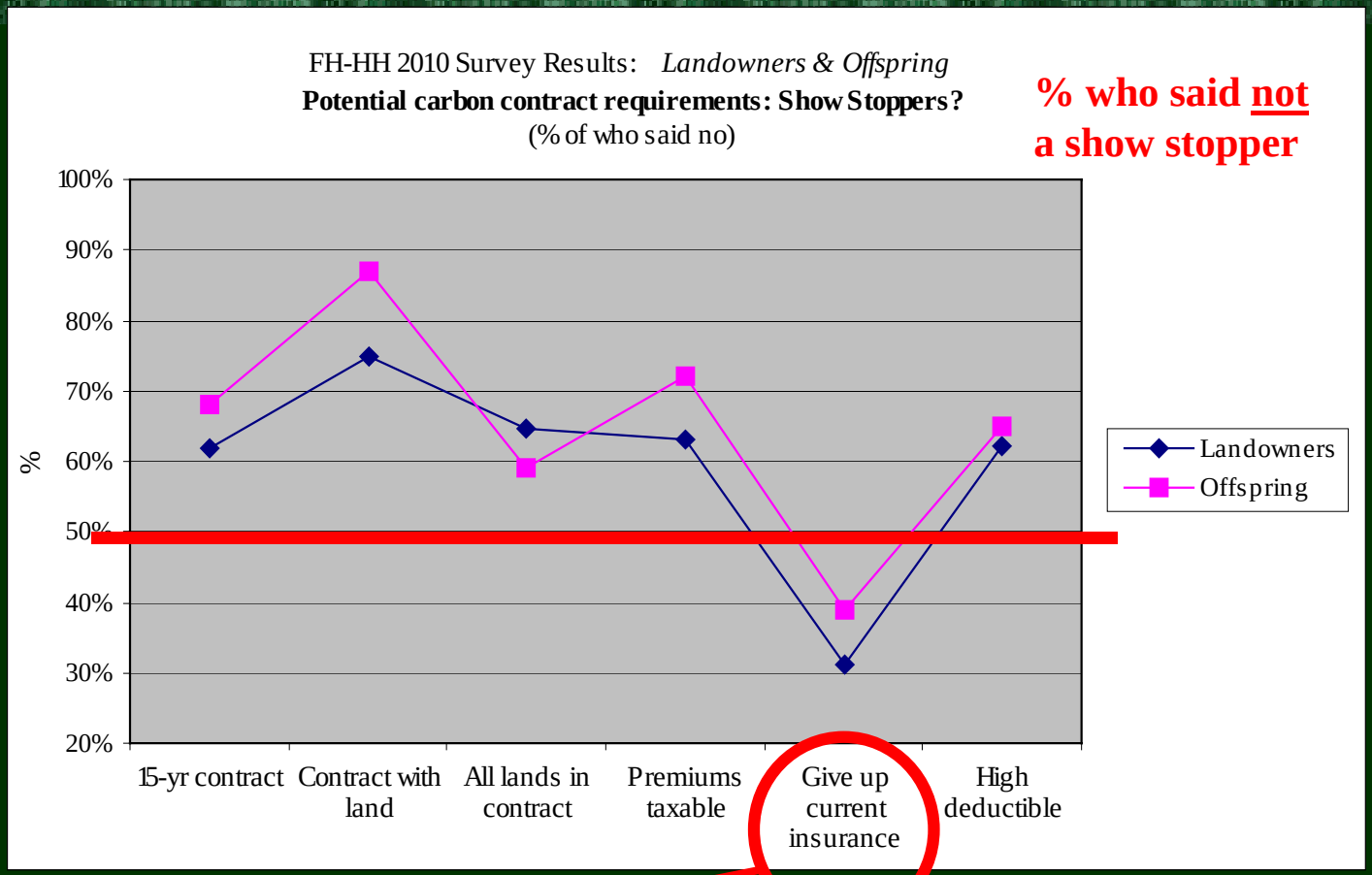
Let's take a look . . .

Phase 1 Results: Forest Health – Human Health Initiative

Key areas:

- At least 15 year contract
- Contract stays with the land
- All lands in contract
- Insurance premium payments as taxable income
- Must be with accepted health insurance provider (may require new insurance provider)
- For HSAs, high deductible plan

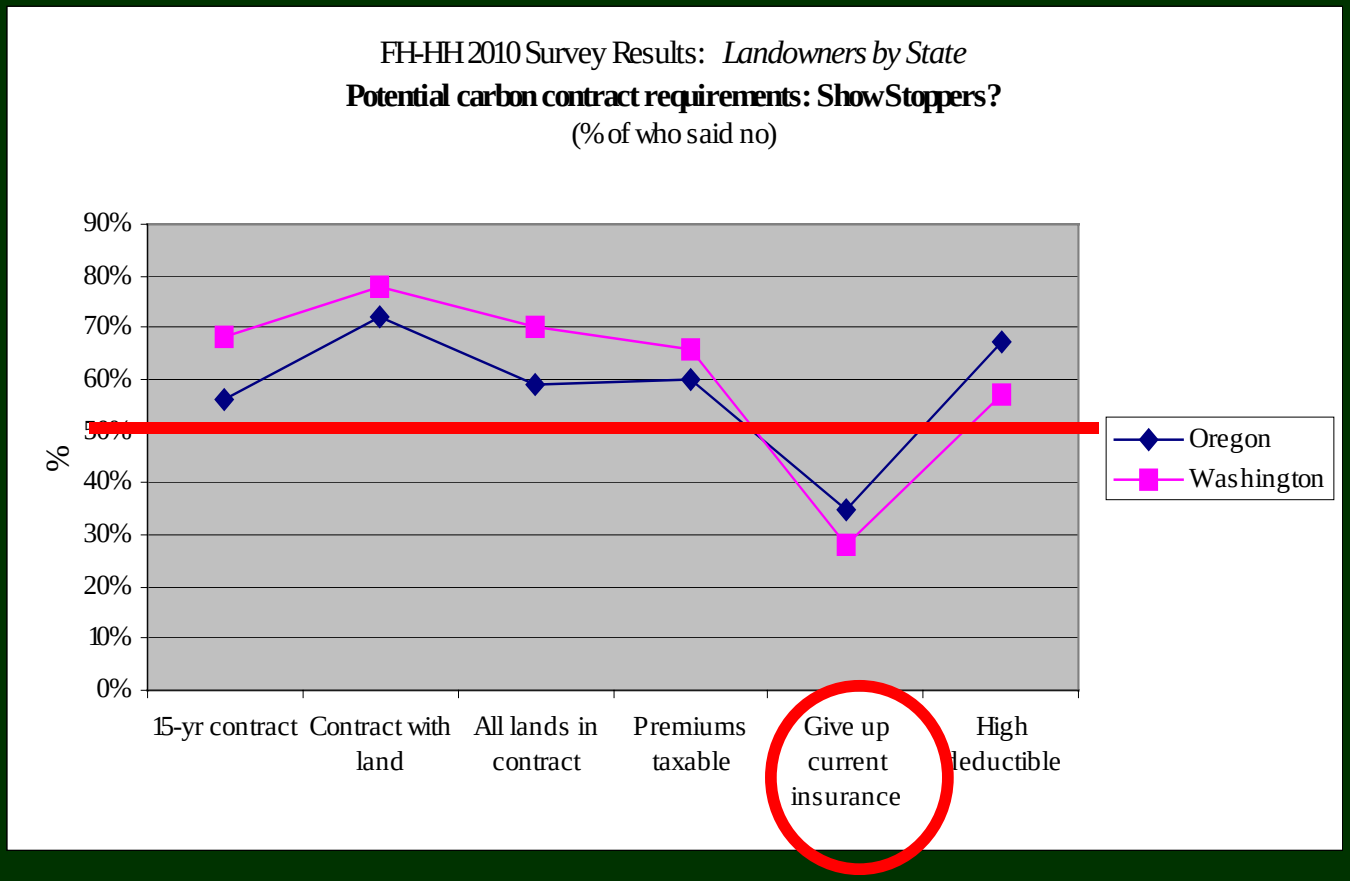
Phase 1 Results: Forest Health – Human Health Initiative



Only condition to fall below the 50% mark! And . . .

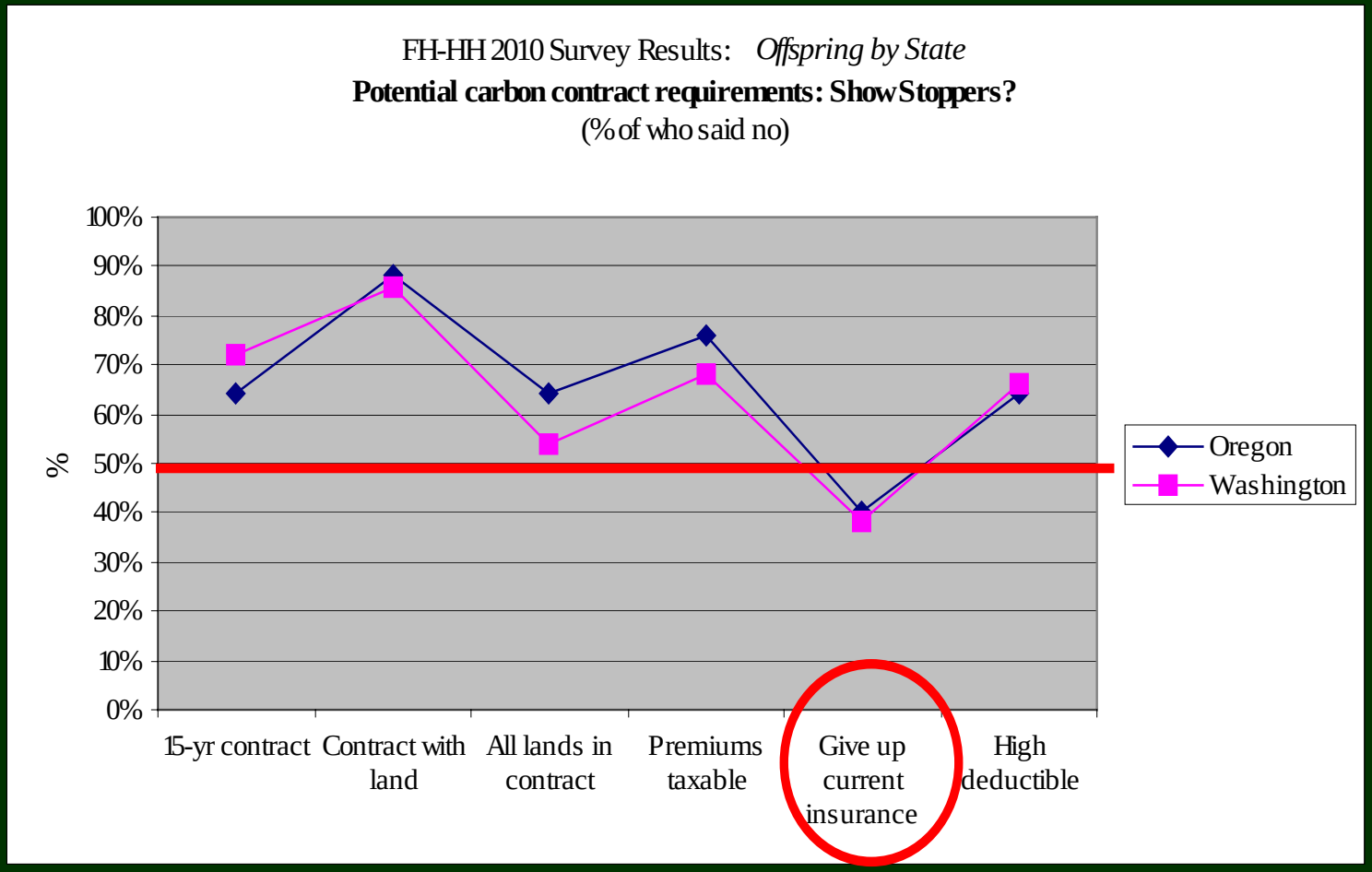
Phase 1 Results: Forest Health – Human Health Initiative

. . . results did not change for *landowners by state* . . .



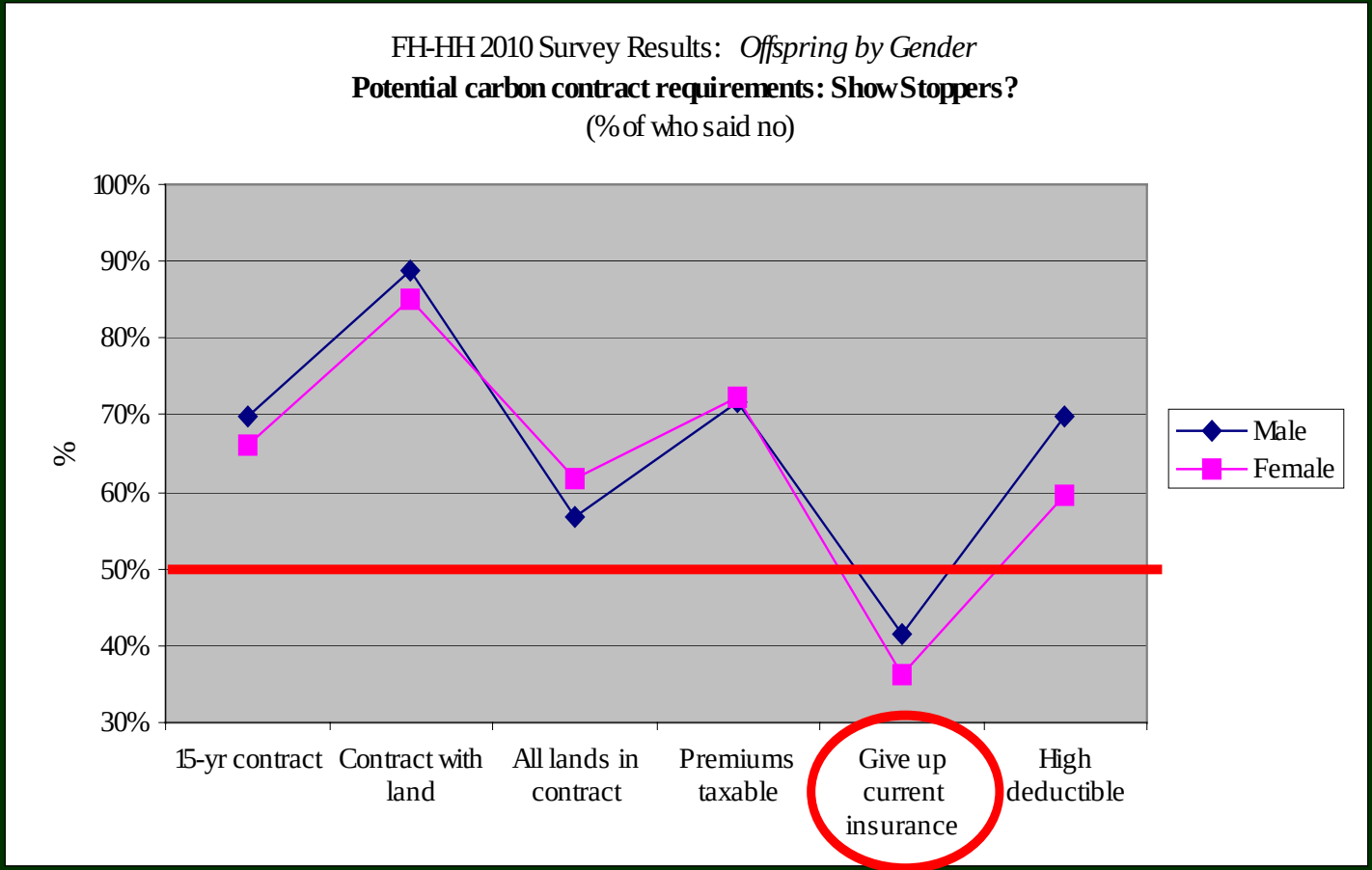
Phase 1 Results: Forest Health – Human Health Initiative

. . . or *offspring by state* . . .



Phase 1 Results: Forest Health – Human Health Initiative

. . . or *gender of offspring* . . .



Phase 1 Results: Forest Health – Human Health Initiative

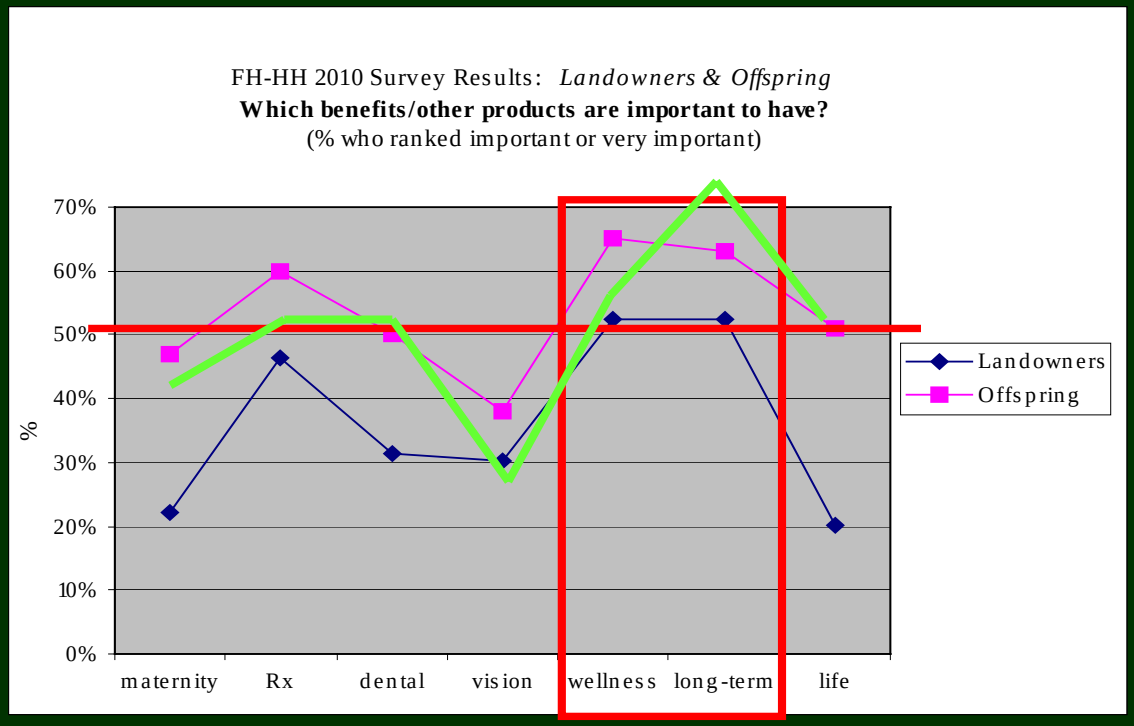
Which benefits/other products are <u>important to have</u>?

***<u>Asked to rank</u>*:**

1. **Rx**
2. **Maternity**
3. **Dental**
4. **Wellness**
5. **Long-term care**
6. **Life insurance**

Phase 1 Results: Forest Health – Human Health Initiative

Which benefits/other products are important or very important to have?

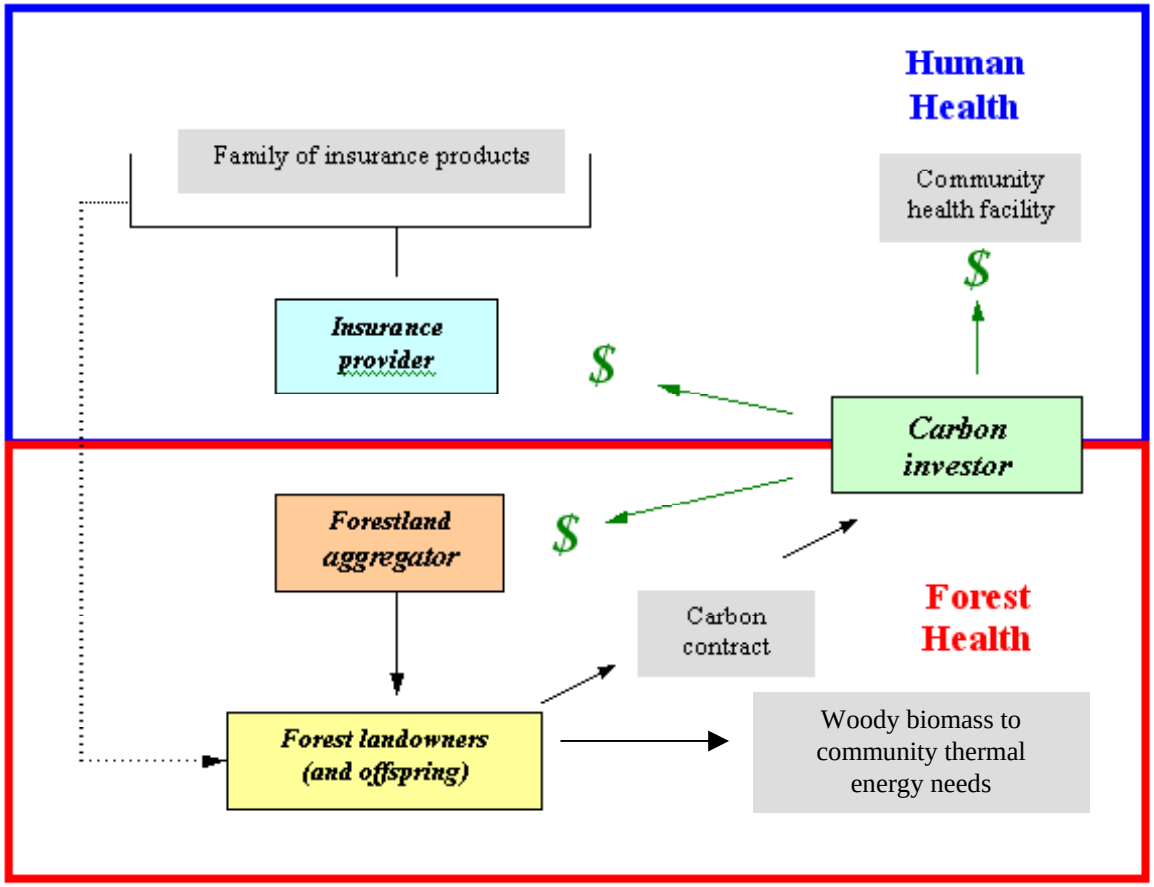


Offspring in the Vernonia CROP landscape

No matter landowner, offspring, or gender . . . health insurance framed around platforms of *wellness* and *long term care* were valued as important or very important by *over 50%* of each interviewed audience.

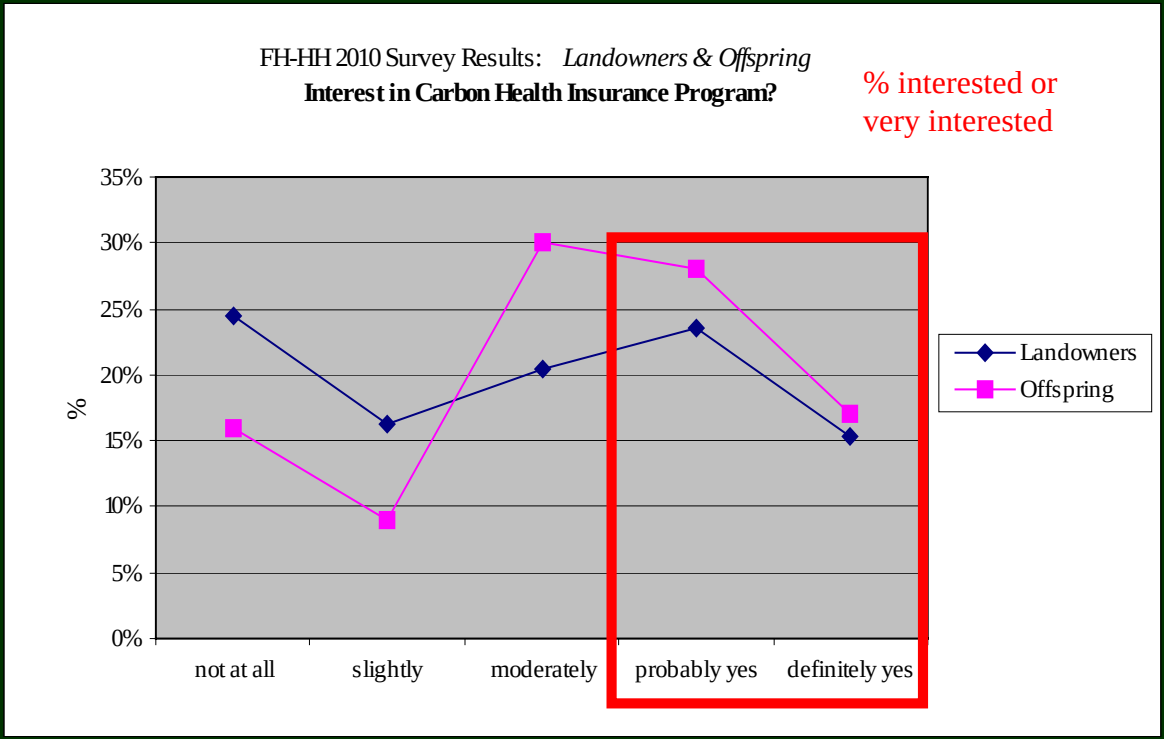
Interest in a Carbon - Health Insurance Product?

Phase 1 Results: Forest Health – Human Health Initiative



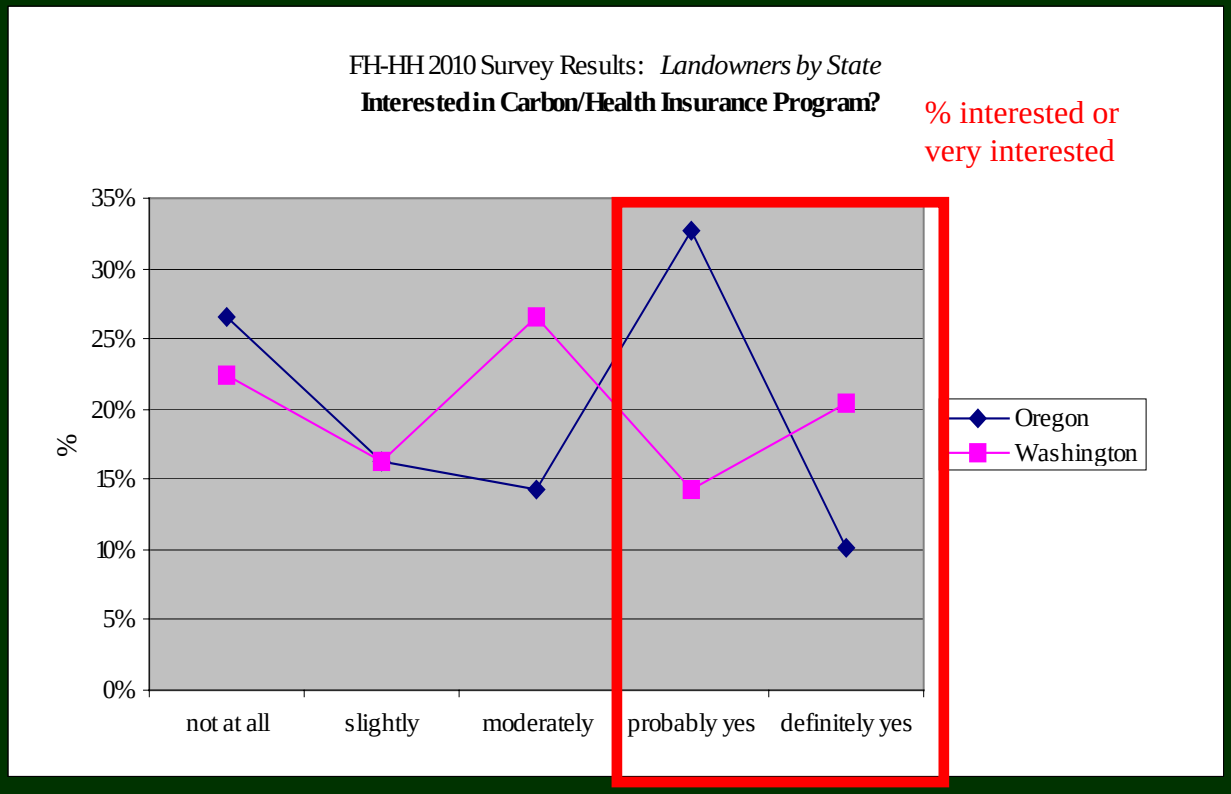
Phase 1 Results: Forest Health – Human Health Initiative

Interest in Carbon Health Insurance Program?



Almost *40% of all landowners* and *45% of all offspring* were interested or very interested in a carbon-health insurance product.

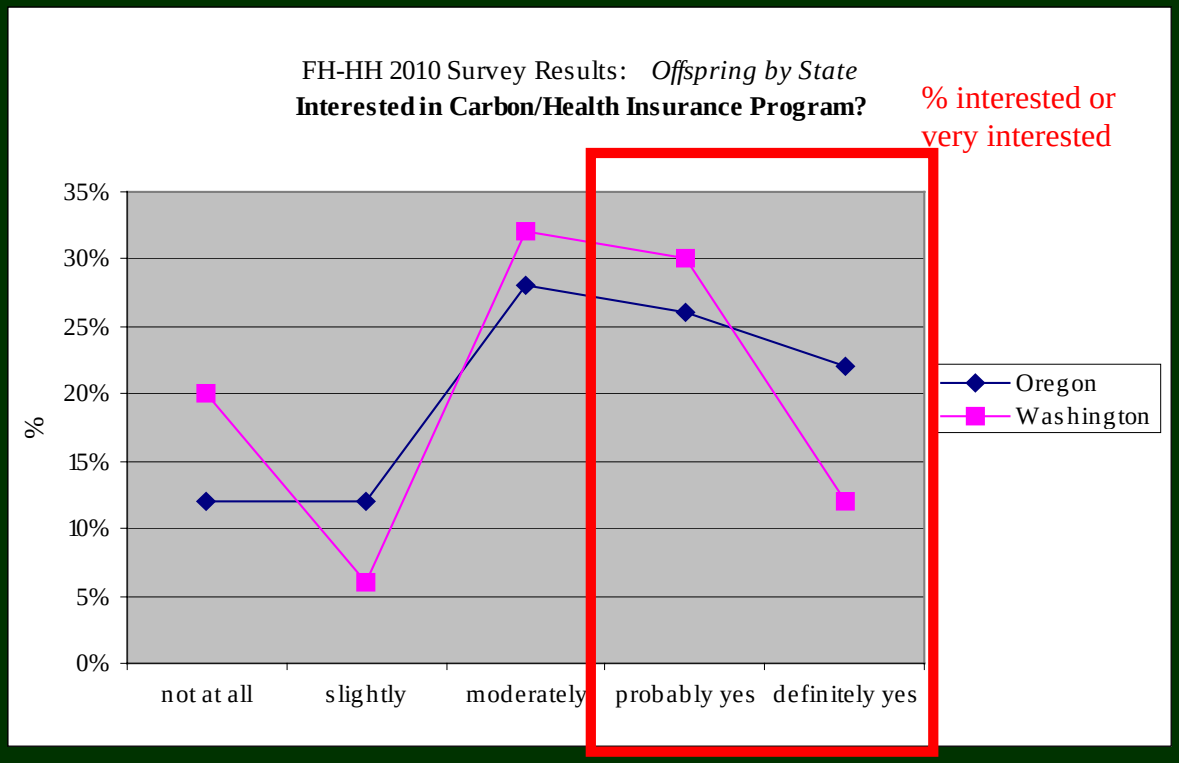
Interest in Carbon Health Insurance Program?



Oregon landowners **(at 43%) were notably more interested than WA landowners (at 35%).**

Phase 1 Results: Forest Health – Human Health Initiative

Interest in Carbon Health Insurance Program?



Oregon offspring **(at almost 50%) were more interested than WA offspring (at 42%).**

Next Steps: Phase 2

For more information, please contact:

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