

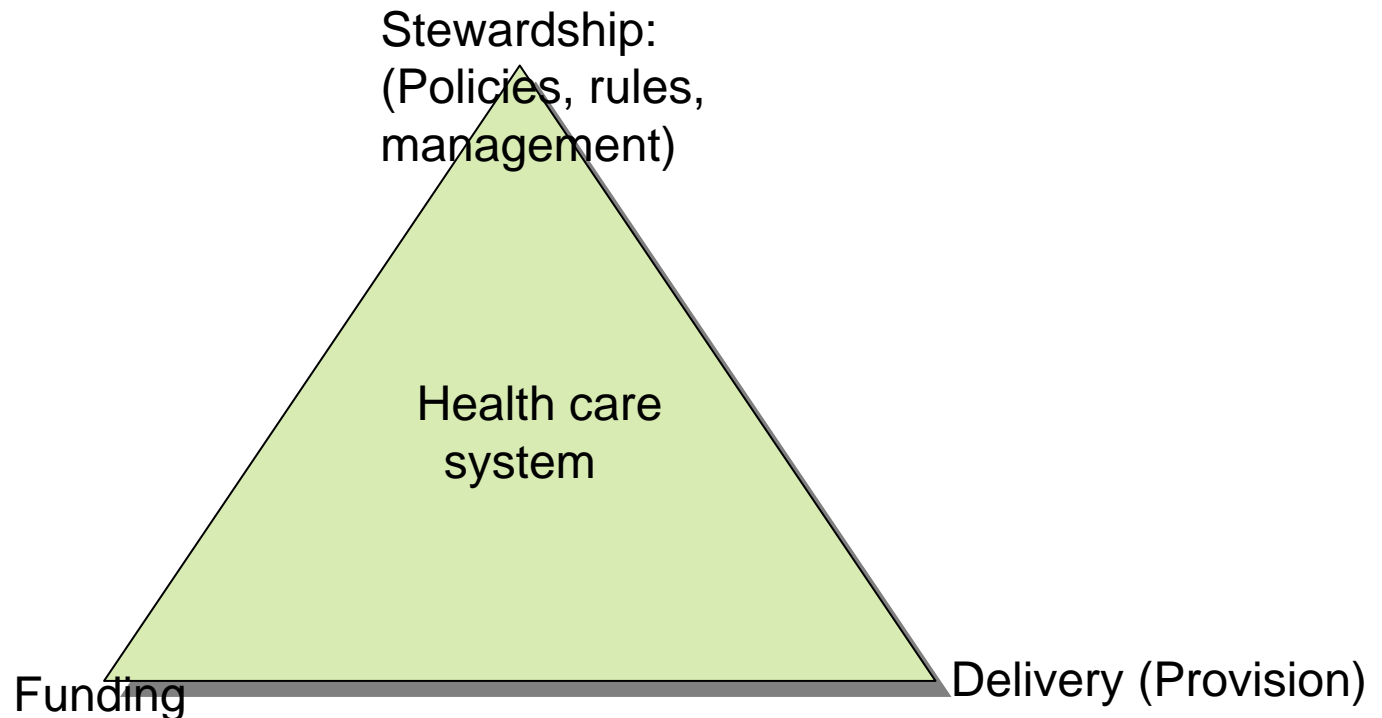
# The role of the Health Mutual Organization and Health Co-op

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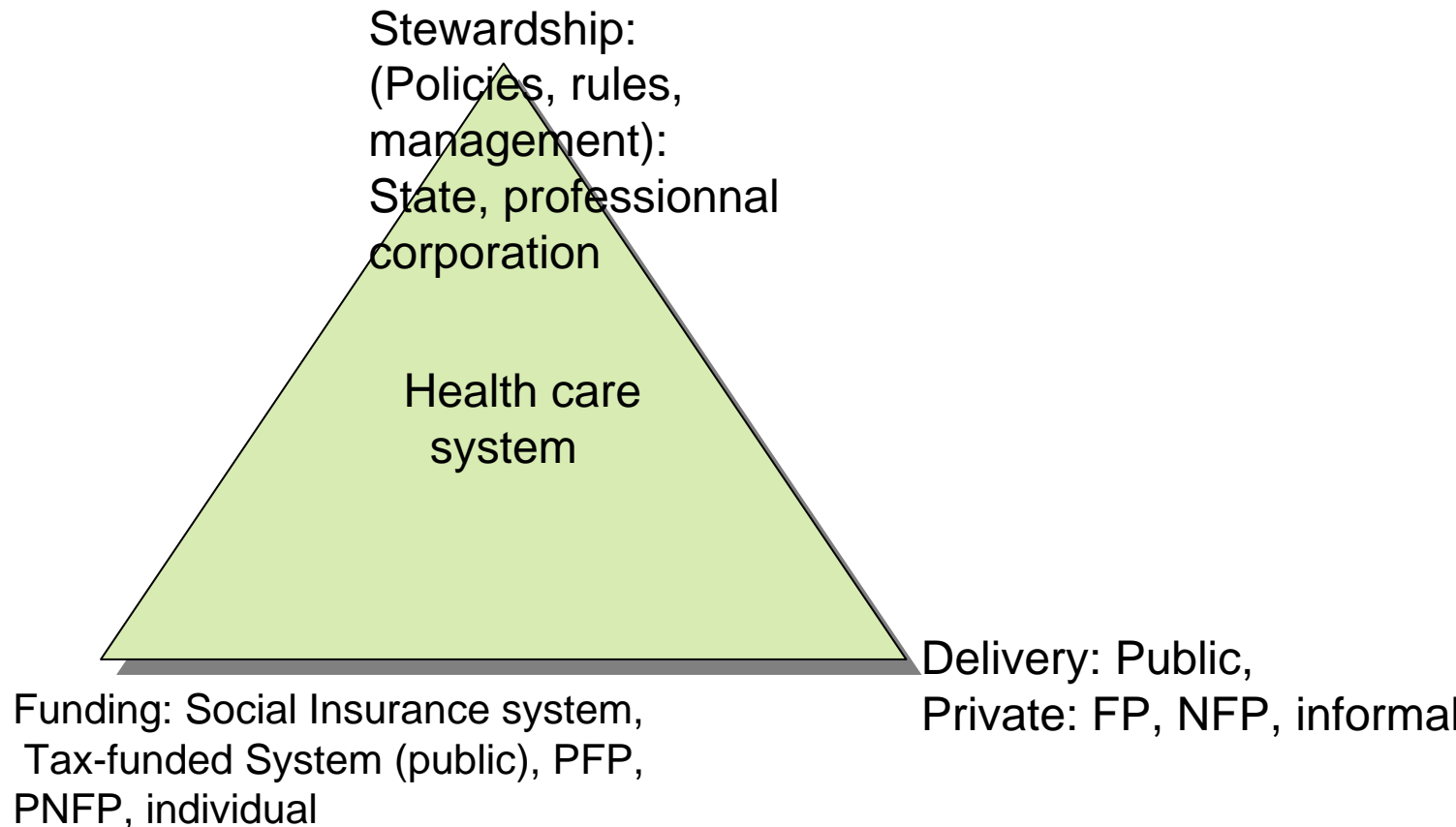
# 1-Health System: Functions



# 1-Health System: Actors

- Public Authorities
- Private for Profit (PFP) or Commercial organisations
- Private Not-for-Profit Organization (PNFP) or Non-Profit Organisation: co-op and Mutual
- Informal (family and others)

# 1-Health System : Functions + actors



## 2-Situation (ILO, 2007)

In recent decades, the growing trend towards the recovery of health services costs has heightened the need to protect individuals from the financial risks related to illness.

- In most developing countries, social security systems cover only formal economy workers. Persons outside the scope of statutory schemes, most of whom work in the informal economy, generally have no protection against social risks, particularly in the area of health.
- In low-income countries— especially in Sub-Saharan Africa and Southern Asia – more than 90 per cent of the population generally has no coverage, while in middle-income countries this figure tends to range between 20 and 60 per cent.
- Large parts of the population in developing countries are thus unable to defend themselves against the financial impact of illness.

# 3-Challenges (Develtere, Fonteneau 2002)

In order to combat social exclusion, international agencies put forward three interrelated objectives:

- (a) conservation and improvement of the health status,
- (b) health care financing through systems of solidarity, and
- (c) respect for the dignity of the people concerned (OIT, 2001; WHO, 2000; World Bank, 1997, 2001).

# 4-Members Base Organisation/Mutual Health Organisations (Develtere, Fonteneau 2002)

- Basic principles
  - Decentralisation
  - Subsidiarity
- Common Features
  - Seeking social protection through risk sharing
  - Member-based
  - Decision-making and control by members
  - Voluntary and open membership
  - Non-profit

# 5-Challenges for the survival of HMO

[Waelkens, Soors and Criel (2005); Abt (2004)]

- *current low coverage and*
- *limited financial capacity to cover expensive health care episodes.*
- *Long-term sustainability;*
- *low collection rates for premiums;*
- *unwieldy record-keeping as MHOs grow;*
- *lack of administrative experience*



# 6-Support of the State for HMO

- HMO is not a universal solution for health coverage but they could take advantage of State support for;
- *provision of low-interest credit for capital-intensive investments;*
- *facilitating the creation of suitable legal and policy environment and*
- *facilitating educational and training programmes.*

# 7-Mutual Health Organisation and health co-ops: a complementary role in the health system

- Sharing same basic principles (people oriented business);
- Health mutual (on funding side), health co-op (on delivery side): potential for collaboration!
- Taking advantage of the knowledge of existing health co-ops (Japan, Spain, Brazil, USA, Canada, etc.)