Health care co-op in USA and Canada

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Ref. Series of Health co-ops around the world, USA and Canadian cases

http://www.usherbrooke.ca/irecus/
1-USA/background health system

- Total population: 298,213,000
- Gross national income per capita (PPP international $): 41,950
- Life expectancy at birth m/f (years): 75/80
- Healthy life expectancy at birth m/f (years, 2002): 67/71
- Probability of dying under five (per 1 000 live births): 8
- Probability of dying between 15 and 60 years m/f (per 1 000 pop.): 137/81
- Total expenditure on health per capita (Intl $, 2004): 6,096
- Total expenditure on health as % of GDP (2004): 15.4
1-USA Health system: Financing

- The government provides health insurance coverage to qualified people living in poverty (primarily through Medicaid) and to those 65 years and older (primarily through Medicare), as well as to the military.

- The proportion of the population with government health insurance coverage increased from 24.7% in 2000 to 27.3% in 2005. This change in government coverage was primarily due to the increase in the percentage of the population with Medicaid coverage, which rose from 10.6% in 2000 to 13.0%, or 38.1 million persons, in 2005.
1-USA Health system: Financing

- Medicare coverage for the elderly remained relatively stable throughout the reporting period, with 42.5 million beneficiaries in 2005.
- About nine million members of the U.S. military receive health care through the military health program, TRICARE.
- Government expenditure represented 44.7% and private expenditure 55.3% of the total expenditure on health.
1-USA Health system: Deliveries

- Direct health care services, including primary, secondary, and tertiary care, are provided primarily by thousands of private sector (FP and NFP) hospitals and clinics throughout the country.
1-USA Health system: Deliveries

- The federal government directly funds additional hospitals and clinics that care for military personnel and veterans and for American Indians and Alaskan Natives.
There were no fundamental system-wide health reforms in the late 1990s.

2006, Medicare beneficiaries were offered coverage for prescription drugs;
- by May 2006, 90% of Medicare enrollees were receiving the coverage. Most people pay a monthly premium for this coverage, which helps to lower prescription drug costs and helps protect against higher costs in the future.
1-USA Health system: Developments and issues

- Improvements in health care quality, continuity of care, and efficiency of care may be realized through implementation of health information technology.

- Since April 2004: develop and implement a nationwide interoperable health information technology infrastructure and establishing the position of the National Coordinator for Health Information Technology in the Department of Health and Human Services.
Access and cost issues
+ 47 M of citizens can’t be assured (19,5% of black citizens and 30% among native people)
Ms of citizens feel unhappy of the coverage of health expenditure
Gaps in coverage lead to inequalities in access to care, poor quality care, lost economic productivity, and avoidable deaths
High administrative costs
### USA Health system: Developments and issues

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2-Health Care Co-op in USA

- Healthcare related cooperatives have emerged in the USA as a key strategy for helping healthcare costs and insurance premiums stay affordable for consumers and small businesses as well as exercise some control over the costs of prescription drugs.
- They have also helped community-owned and non-profit hospitals keep their independence and home-based healthcare and assisted living improve in quality.
- Finally, they have allowed small independent pharmacists compete with big box stores and offer locally available prescription drugs.
2-Health Care Co-op in USA

- In the health sector it is possible to find cooperatives of almost every type – consumer, worker, and purchasing/shared services.
Several Health Maintenance Organizations (HMOs) in USA were originally consumer-owned cooperatives.

Due to competition and the high costs of health care, many of them merged or were sold to for profit health care companies.

Even so, those that still exist offer their members competitive and quality services.
2-Health Care Co-op in USA: Worker-owned cooperatives

- It is mostly in the home healthcare field that worker cooperatives have developed.
- Poor working conditions for employees in this field means turnover is high thus causing reduction in the quality of service.
- The advantage of worker-owned home health care cooperatives is that they offer better pay as they are owned by their employees.
- There are a number of positive results including improved living standards for health care worker-owners, higher worker retention rates, and improved quality of service.
2-Health Care Co-op in USA

- 13 co-operatives and non-profit organizations offering health services were identified in the course of this study.
- Of those organizations, 10 were approached to participate in this study and 5 accepted.
- Two are user-owned cooperatives, 2 are provider-owned cooperatives and 1 is a provider-owned mutual benefit corporation. Altogether, those cooperatives employ 11,158 people and generated a turnover of nearly 2.7 billion dollars in 2007.
The two user-owned cooperatives (consumer) operate at the state level and offer to their members a large scale of health services. One of the most important activities of those cooperatives is to manage health insurance. Some people get an individual or family plan, but the majority of health plans are sold to employers that offer health insurance to their employees. These cooperatives also manage medical clinics; pharmacies and one also owns 2 hospitals. These cooperatives have a total of 637,549 members and have on staff approximately 945 physicians.
2-Health Care Co-op in USA: Worker-owned cooperatives

- The 3 provider-owned organizations are specialized in home care assistance. They employ 1,560 people of which 1,385 are care workers. Smaller than the consumer cooperatives, these organizations operate at a municipal or a regional scale. Cooperative Home Care Associate (CHCA), located in New York, is the oldest and biggest of these organizations with 1200 care workers. Manos Home Care operates in California and employs 175 care workers. Cooperative Care employs 85 care workers in rural Wisconsin.
3-Group Health

- Consumer cooperative of 581,734 members operating in the states of Washington and Idaho. Annually the cooperative generates a turnover of around 2.51 G$

- The mission of Group Heath is to design, finance, and deliver high-quality health care.

- The purpose of the organization is to “transform health care, working together every day to improve the care and well-being of our consumers and communities”.
3-Group Health

- This cooperative started its activities in 1947. At this time, most of the middle class in the US could not afford health coverage. That is why some union members, farmers, and people from other cooperatives worked together to create a prepaid medical care system.
3-Group Health

- Today, Group Health manages health plans for individuals, family and employers.
- The cooperative also owns 2 hospitals, 25 medical care centers, 6 specialty care units and 8 behavioral health clinics.
- In addition, Group Health offers services through 15 vision centers, 5 hearing centers, and 6 speech and language clinics.
- In addition, the cooperative has a contract with 39 additional hospitals to provide health care services.
- More than 70 percent of members receive care in Group Health-owned medical facilities.
- At the moment, Group Health employs 9,448 people and works in collaboration with nearly 1,000 physicians.
3-Group Health: Major Employer Group Accounts

- Boeing
- Federated Department Stores
- Fred Hutchinson Cancer Research Center
- Lockheed Martin
- Microsoft
- Wells Fargo & Company
3-Group Health: recent development

  - 250 staffs
- Group Health Foundation
  - Endowment: 11M$
- A 1997 alliance with Kaiser Permanente, the nation's largest nonprofit health care system, allowed the two organizations to offer their patients reciprocity for both routine and urgent care, while the organizations retained their independence and separateness.
CANADA

- Total population: 32,268,000
- Gross national income per capita (PPP international $): 32,220
- Life expectancy at birth m/f (years): 78/83
- Healthy life expectancy at birth m/f (years, 2002): 70/74
- Probability of dying under five (per 1,000 live births): 6
- Probability of dying between 15 and 60 years m/f (per 1,000 pop.): 90/56
- Total expenditure on health per capita (Intl $, 2004): 3,173
Canada has a predominantly publicly financed health system with services provided through private (for-profit and not-for-profit) and public (arm’s-length or state-run) bodies.

There are 13 single-payer, universal systems for “medically necessary” or “medically required” services – largely hospital and physician services defined as “insured services” under the federal Canada Health Act.

The 13 provinces and territories vary considerably in terms of the financing, administration, delivery modes and range of public health care services.

The federal government is responsible for collecting and providing health data, research and regulatory infrastructure, in addition to directly financing and administering a number of health services for selected population groups.
4-CANADA Health System

- In Canada, the total health care expenditure represented approximately 9.8% of the GDP in 2004.
- Government expenditure represented 69.8% and private expenditure 30.2% of the total expenditure on health.
4-CANADA Health System: Developments and issues

- Ageing population
- Increasing health care expenditure particularly for pharmaceuticals
- Lengthy waiting times
- Shortages of health human resources
- Greatest level of privatization
5-Health Co-op in Canada

- In Canada a total of approximately 117 co-operatives offering health services were identified through this study ranging from co-operative health clinics (traditional and alternative medicine), to paramedics’ cooperatives, to homecare co-operatives.

- An important regional distinction is the fact that 77 (66%) of these are concentrated in the province of Québec.

- The remainder 34% is spread out in different provinces throughout the rest of the country.
5-Health Co-op in Canada

- There is no national apex organization that unites health cooperatives
- Some federations exist at the provincial level such as the
  - *Fédération des coopératives de services à domicile et de santé du Québec* (FCSDSQ),
  - *Fédération des coopératives des paramédics du Québec* (FCPQ) and the
  - Federation of Community Health Centres of the province of Saskatchewan.
5-Health Co-op in Canada

- Consumer
- Worker
- Producer
- Multistakeholders
5-Health Co-operatives in Canada

- Due to the universal health system in place in Canada, health co-operatives can be somewhat limited in their actions.
- For example, user-owned health co-operative clinics in Canada cannot restrict access to their services only to their members; they must make them available to the population at large.
- It can therefore be challenging to retain members and attract new members once the coop is up and running since it is not necessary to be a member in order to benefit from the services.
- Canadian health co-operatives need to be creative in the way they organise and operate and in developing cooperative advantages for their user members.
5-Cooperative Health Care in Canada (except Québec)

- The concept of community health clinic (regional association and national level association CACHCA)
- Co-op that deliver services to specific group
5-Cooperative Health Care in Canada (except Québec): *Multicultural Health Brokers Cooperative*

- The *Multicultural Health Brokers Cooperative*, a provider-owned organization of around 26 members in the city of Edmonton, Alberta, came into being in 1998.

- Its founders were motivated by the will to combat social and economic inequity in the community and to see what happens when front line insight drives an organization. They came together for self-employment but also because they had experienced economic and social exclusion and did not want others to experience the same.

- The cooperative’s main purpose is to enhance the health of the immigrant and refugee population through health education. Over time however, the practice has evolved to touch different levels of intervention.

- The coop’s Co-Executive Director, Yvone Ciu, states that when working with a population that is marginalised, the practice becomes holistic.
5-Cooperative Health Care in Canada (except Québec): Nor’West Co-op Community Health Centre Inc (Winnipeg)

- Works in collaboration with individuals, families and communities, to promote health and enhance the safety and well-being of identified populations in the community of Inkster.

- This multi-stakeholder cooperative was founded in 1972 motivated by a desire to provide the best possible health care to the community at the most realistic cost.
5-Cooperative Health Care in Canada (except Québec): *Nor’West Co-op Community Health Centre Inc*

- The cooperative currently employs 54 people and has around 741 registered members.
- However, between 3,500 and 4,000 people directly use their services without counting the 30,000 residents of Inkster who regularly benefit from their Newsletter, Inkster in Action Initiative and Community Development Initiatives.
Nor’West has contracts with the government for the delivery of health services to the population through several Service Purchase Agreements. The health services are delivered in a health centre but Nor’West also does some homecare and some out of establishment promotion and prevention activities.
6-Cooperative Health Care in Canada (Québec) : health clinics

- health clinics (21/2007)
  - Access to health professionnal (GP)
  - 80% under MSC
  - Countryside agenda
  - Income from location
  - Strong focus on Curative care
6-Cooperative Health Care in Canada (Québec) : paramedics

- Reports a total of 8 provider-owned paramedics’ cooperatives
- The oldest of these was founded in 1988 and the most recent in 2007.
- Together, they have a total of 1070 member paramedics (emergency medical personnel) and approximately 145 000 people use their services per year.
- The paramedics work in a pre-hospital setting providing mobile emergency services.
- They have contracts with the government (public health regional agency) for the provision of emergency health services to the population.
6-Cooperative Health Care in Canada (Québec) : Homecare Cooperatives

- The services offered by these homecare cooperatives are mostly domestic help services with personal care services presently occupying a smaller proportion of their workload.
- 48 cooperatives: MSC, users and workers
- Oldest (1989), most recent (2007)
6-Cooperative Health Care in Canada (Québec) : Homecare Cooperatives

- The services are provided in the user’s home.

- preventive health activities through their domestic aid services
- curative health services through the personal aid services they provide.
- The homecare cooperatives have contracts with the government for the provision of services to the population.
- Through the PEFSAD – a program from the Department of Health and Social Services that grants financial exemption for the users of domestic aid services - the cooperatives receive funds to finance the management of their case loads and the growing number of users.
6-Cooperative Health Care in Canada (Québec) : Homecare Cooperatives

- Users become members of the cooperatives to access domestic aid services and benefit from the PEFSAD,
- to discourage illegal domestic aid practices and
- to reap the benefits of the cooperative and community spirit. Advantages for the user members and provider members include participating in defining the services offered by the cooperative and in helping manage the organization.
- The growing number of elderly members in the cooperatives will surely require that they re-examine their portfolio of services in favor of a greater diversification.
- The most required services will be personal care, monitoring and companionship to allow caregivers, such as friends and family, time off.
Coop La Seigneurie, Vaudreuil
Merci!