

An excerpt from:

Better Health & Social Care: How are Co-ops & Mutuals Boosting Innovation & Access Worldwide?

An International survey of co-ops and mutuals at work in the health and social care sector (CMHSC14)

Volume 2: National Cases

Copyright © 2014 LPS Productions

Montréal, Québec, Canada

For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

For information regarding reproduction and distribution of the contents contact the editor and research leader:

Jean-Pierre Girard

LPS Productions

205 Chemin de la Côte Sainte-Catherine, #902

Montréal, Québec H2V 2A9

Canada

info@productionslps.com

URL <http://www.productionslps.com>

HEALTH SYSTEM

The Argentine health system is composed of three sectors: public, social security (obras sociales), and private. The public sector includes national and provincial ministries as well as public hospitals and primary health care units which provide care to the uninsured population. Most of these are informal workers, the unemployed, and poor. It is estimated that the public sector provides care for 40% of the population. This sector is financed with taxes and payments by social security beneficiaries who use public health care facilities. The social security sector covers all workers in the formal economy and their families. Most organizations operate through contracts with private providers and are financed with the payroll contributions of employers and employees. This sector represents approximately 50% of the population. The private sector includes all private providers offering services to individuals, to beneficiaries of social security coverage, and to those with private health insurance, including prepaid medical plans. It provides services to 10% of the population.¹

Although health care is universal, an estimated 15 million Argentines do not have access to it for reasons of distance, limited financial resources, or availability.²

The cooperative movement in Argentina has a long history, with the first cooperative founded prior to 1900. Cooperatives are economically significant. They are responsible for 10% of GDP, draw together 10 million people, and are active in numerous sectors, including health care.³ In 2006 more than 8,800 cooperatives were reported. The vast majority are worker cooperatives (59.9%), followed by public services (telephone, electricity, water, etc.); housing, consumer, and supply cooperatives together account for 10-15% of all cooperatives; credit cooperatives and agricultural cooperatives each account for 9% of the total. Medical and dental cooperatives account for only 0.6% of all cooperatives and 0.9% are involved in social assistance including social care. However, 2.2% of all cooperatives (195) reported being engaged in health activities as a primary or secondary function, indicating that cooperatives classified under other sectors are health care actors.

In Argentina mutuals play a larger role in health care than cooperatives do. The National Institute on Associations and Social Economy (Instituto Nacional de Asociativismo y Economía Social, INAES) which collects information on social economy organizations, reported that in 2006 over 1,000 cooperatives and mutuals provided health care services to 2.7 million Argentines. Over 18% of these organizations were cooperatives (195) and nearly 82% were mutuals (861). However, over 90% provided services to fewer than 5,000 people.⁴

HEALTH COOPERATIVES

Health cooperatives complement national health care services by providing low-cost primary care and engaging in health promotion, prevention, curative treatment, and rehabilitation. They provide a wide range of medical services, including but not limited to

ambulatory care, dentistry, ophthalmology, and emergency care. They operate blood banks and ambulance services, and run pharmacies and laboratories. They provide nursing and home care, as well as discounts on health supplies, including pharmaceutical products. They also provide prepaid insurance coverage. The majority of services in 2006 were provided through partner health providers, although health cooperatives and mutuals do own and operate their own health facilities.

Population (in thousands): 41,087

Population median age (years): 30.83

Population under 15 (%): 24.42

Population over 60 (%): 14.97

Total expenditure on health as a % of Gross Domestic Product: 8.5

General government expenditure on health as a % of total government expenditure: 22.5

Private expenditure on health as a % of total expenditure: 30.8

Service provision	Own facilities	Contracted services
Medical centres and offices	238	568
Hospitals and inpatient facilities	377	597
Pharmacies	111	577
Total	726	1,742

INAES reported that 59 medical and dental cooperatives existed in Argentina in 2006, but that 195 cooperatives were engaged in health activities as their primary or secondary activity.⁵

In 2011, a new law on prepaid insurance enterprises was adopted to regulate private insurers. Initially excluded from its application, ultimately cooperatives and mutuals were also covered. The law provides for equal treatment of for-profit enterprises and cooperatives and mutuals. Both are regulated by the Superintendent of Health Services (SSS) which sets rules on pricing, affiliations, and levels of coverage vis-à-vis the obligatory medical programme (Programa Médico Obligatorio, PMO) and financial reserve issues. The cooperative movement has been lobbying the government, claiming that current regulations do not recognize distinctive features of cooperatives and increase the burden upon

health cooperatives (tax status), including the imposition of double regulation – reporting to the Superintendent of Health Services and to INAES. Moreover, the movement cautions that the lack of legal clarity with regard to health cooperatives and mutuals has led to a reduction in services, and can ultimately lead to the demise of the sector.⁶ In March 2014, a draft resolution of the Chamber of Deputies (Cámara de Diputados de la Nación) requested a report on the impact of the new law. The report is to provide information on a number of entities providing health services. In addition, the report will reflect on the role that cooperatives and mutuals have been playing over the decades, providing health services throughout the country in accordance with a model whereby the members who pay for the service also participate in democratic decision-making.⁷

Health Cooperative and Mutual Data (2006)⁸

	Cooperatives	Mutuals	Total (cooperatives and mutuals)
Number	195 including 59 medical and dental cooperatives	861	1,056
Type	User and Producer	User and Producer	
Members			2.7 million
Services	Obligatory medical programme (Programa Médico Obligatorio) ⁹ <ul style="list-style-type: none"> • 39% total • 61% partial 	<ul style="list-style-type: none"> • 19% total • 81% partial 	Curative care, rehabilitation, (Ambulatory care, surgical and highly complex care, hospitalization, pharmacy with 60% of services related to general medicine.)
Facilities			377 hospitals, 238 clinics and medical centres, 111 pharmacies
Revenue¹⁰ ARS	110,161,987	915,224,367	1,025,386,353
USD (2006 value)	\$35.8 million	\$298.1 million	\$334 million

Case Study

The **Argentine Federation of Solidarity Health Entities** (Federación Argentina de Entidades de Salud Solidaria, FAESS) was created from a collaborative agreement between the Instituto Movilizador de Fondos Cooperativos (IMFC) and the Cooperative Confederation of the Republic of Argentina (Confederación Cooperativa de la Republica Argentina, COOPERAR) to bring together users and producers to develop a cooperative health service model. It currently brings together 66 member organizations, cooperatives, mutuals, and other entities.¹¹

FAESS provides high-quality primary care services, treatment, and health education to its members and to clients at reasonable cost. It also engages in promoting cooperative awareness and participation. It does not just provide health services, but also

preserves the principles of association and solidarity among its members, both users and producers.

With the support of local cooperatives and municipalities, it has been able to establish 10 primary health care centres.¹² These centres provide services to more than 14,000 people and have created over 100 jobs, including 60 for medical professionals.¹³

In 2012, FAESS reported that since 2000 it had also run over 20 health campaigns to address health risks.¹⁴

PHARMACY COOPERATIVES

Pharmacy cooperatives play a role in the production, purchase, and distribution of pharmaceuticals in Argentina. They have a long history, starting in 1886.¹⁵ The oldest pharmacy cooperative is **Cooperativa Farmaceutica de Cordoba** Ltda., founded in 1926.¹⁶ The

majority of pharmacy cooperatives, however, were founded in the late 1950s and early 1960s. In 1981 there were 46 pharmacy cooperatives with 6,440 member pharmacies.¹⁷ According to INAES, 18 such cooperatives are currently active. They service nearly all the 12,000 pharmacies currently active in Argentina.¹⁸

Partial data on membership and employees was obtained as per the table below.

Name of cooperative	Member pharmacies	Employees
Cooperativa Farmacéutica de la Provincia de Buenos Aires (ACOFAR Farmacéutica)	850	169
Asociación de Propietarios de Farmacias Cooperativa de Provisión Limitada (ASOPROFARMA LTDA) ¹⁹	1,500	
Cooperativa de propietarios de farmacias de Lomas de Zamora. de Provisión, Consumo, Edificación, Crédito, Servicios Asistenciales y Sociales (COFALOZA LTDA)	285	
Cooperativa Farmacéutica de Provisión y Consumo Alberdi Ltda (COFARAL LTDA) ²⁰	1,000	140
Cooperativa Farmacéutica Mendoza Ltda (COFARMEN LTDA) ²¹	600	200
Cooperativa Farmacéutica Ltda (COFASA) ²²	400	
Cooperativa Farmacéutica del Litoral Ltda.		76

SOCIAL CARE COOPERATIVES

Social care cooperatives are in part covered by the data on health cooperatives whose service repertoire includes social care. In addition, cooperatives of health professionals in such areas as home care also fall under the category of health cooperatives.

There are however other cooperatives (particularly worker cooperatives of persons with disabilities) which provide opportunities for income generation and social inclusion. Government support for worker cooperative initiatives of all types is currently available under the “Argentina Trabaja” programme launched in 2009. It has already led to the establishment of more than 6,000 cooperatives. The movement has been critical of the programme, claiming that the majority of these cooperatives are not sustainable.²³ Nevertheless, the programme has led to the establishment of new cooperatives for disabled persons (e.g., Devoto, which brings together a group of young people in the province of Cordoba) and an elderly care cooperative²⁴ in the province of Salta in 2013.

INSURANCE COOPERATIVES

The health insurance cooperative **Sancor Seguros**, reported to have 3.14 million members in 2011, provides a range of insurance products through the Sancor Seguros Group in Argentina and in neighbouring Paraguay and Brazil. It holds 10% of the national insurance market.²⁵ It provides complementary health insurance, accident and occupational health insurance, and its life insurance plans include basic health care coverage.

In March 2014, Sancor Seguros launched Prevention Health (Prevención Salud), a new comprehensive health insurance product. Prevention Health offers a total of seven plans, ranging from an initial co-payment option, which guarantees all the benefits under the compulsory medical plan, to the most complete plan with premium coverage. One plan is specifically designed for young people 18-25 years in age, while another offers comprehensive corporate plans for employees.²⁶

MUTUALS

In Argentina, the development of mutuals is linked to immigrants from Spain, Italy, Portugal, France, and Germany. They started the mutual aid organizations (socorros mutuos) which evolved into today’s mutual associations. The first mutual was established in 1854 in Buenos Aires by French immigrants – l’Union et Secours Mutuels (La Unión de Socorros Mutuos). It is still in operation, providing both health services and social services.

Mutuals are regulated under Law 20.321 and supervised by INAES. It reports that there are 4,200 registered mutuals with a total of over five million members,²⁷ who benefit from a wide range of services. The majority provide multiple services, health care, consumer goods (including pharmaceuticals and health insurance), funeral services, as well as travel and recreational services, housing, and social services.

Mutuals are well organized, with a confederation that was founded in 1953 and today encompasses 30 mutual federations. There is also a federation of health mutuals, Federación Argentina de Mutuales de Salud (FAMSA). It was established in 1991 and has 33 members.²⁸

In 2006 there were 861 mutuals specifically providing health services, and nearly 1,000 providing health and social care-related services (pharmacy, nursing, home care, ambulance services, etc.).

SOURCES

- ¹ Belló, Mariana, and Victor M. Becerril-Montekio. 2011. "Sistema de salud de Argentina." *Salud Pública Mexicana* 53(2):96-108. Retrieved April 1, 2014 (http://bvs.insp.mx/rsp/articulos/articulo_e4.php?id=002612).
- ² Belló and Becerril-Montekio 2011.
- ³ Congreso Argentina de las Cooperativas 2012. 2012a. "Somos 10 millones de cooperativistas en el país." Webpage. Retrieved June 3, 2014 (<http://www.cac2012.coop/?p=1137>).
- ⁴ Porrittelli, Silvia. 2013. "Cooperativas de Salud – Derecho basico." *Cooperativismo en Movimiento*, March 12. Blog. Retrieved April 1, 2014 (<http://www.centrocultural.coop/blogs/cooperativismo/2013/03/12/cooperativas-de-salud-derecho-basico/>).
- ⁵ Instituto Nacional de Asociativismo y Economía Social. 2008. *Las cooperativas y las mutuales en la República Argentina: Reempadronamiento Nacional y Censo Económico Sectorial de Cooperativas y Mutuales*. Buenos Aires. Retrieved April 20, 2014 (http://www.inaes.gov.ar/es/userfiles/file/libro/INAES_Cooperativas_y_Mutuales_2008_parte_01.pdf).
- ⁶ Congreso Argentino de las Cooperativas 2012. 2012b. "CAC 2012 - SALUD COOPERATIVA." Webpage. Retrieved April 22, 2014 (<http://www.cac2012.coop/wp-content/uploads/2012/09/Cooperativas-de-Salud-Nuevo-escenario-nuevas-propuestas.pdf>).
- ⁷ Honorable Cámara de Diputados de la Nación. 2013. "Proyecto de Resolución." Retrieved June 4, 2014 (<http://www1.hcdn.gov.ar/proyxml/expediente.asp?fundamentos=si&numexp=6963-D-2013>).
- ⁸ Instituto Nacional de Asociativismo y Economía Social. 2008.
- ⁹ The Obligatory Medical Programme is a basic basket of health care services which beneficiaries are entitled to receive.
- ¹⁰ Based on 441 cooperatives and mutuels reporting health as their primary activity.
- ¹¹ Federación Argentina de Entidades de Salud Solidaria. 2014. Website. Retrieved June 5, 2014 (<http://www.faess.com.ar>).
- ¹² International Co-operative Alliance. 2014. "A Health Cooperative Federation." Webpage. Retrieved June 5, 2014 (<http://ica.coop/en/media/co-operative-stories/health-cooperative-federation>).
- ¹³ FAESS. 2014. Website. Retrieved June 4, 2014 (<http://www.faess.com.ar>).
- ¹⁴ International Co-operative Alliance. 2014.
- ¹⁵ Gobierno de la Provincia de Córdoba. 2014. "Desde los Comienzos Primeros Pasos del Cooperativismo Argentino." Webpage. Retrieved June 5, 2014 (http://web2.cba.gov.ar/actual_web/cooperativas_nuevo/paginas/historia_argentina.htm).
- ¹⁶ Joseph, Andrea Mariana. 2010. "75 años: Junta a la salud de los Argentinos 1935-2010." Cooperativa Farmacéutica de la Provincia de Buenos Aires. Retrieved June 5, 2014 (<http://servicios.cofa.org.ar/CorreoFarmaceutico/Libro75Aniversario.pdf>).
- ¹⁷ Schujman, L. 1984. "El cooperativismo en la Argentina." *REVESCO – Estudios Cooperativo* 52:125-35. Madrid. Retrieved June 5, 2014 (<http://dialnet.unirioja.es/descarga/articulo/1148796.pdf>).
- ¹⁸ Laboratorios FECOFAR. 2014. Website. Retrieved June 5, 2014 (<http://www.fecofarcl.com.ar/>).
- ¹⁹ ASOPROFARMA C.P.L. 2014. "Nuestra historia." Webpage. Retrieved April 11, 2014 (<http://www.asoprofarma.com/#>).
- ²⁰ Confederación Cooperativa de la Republica Argentina. 2006. "Equilibrar el mercado." *La Gaceta de Cooperar* 9(2):8. Retrieved April 11, 2014 (<http://issuu.com/cooperar/docs/edicion09/8>).
- ²¹ Cooperativa Farmacéutica Mendoza. 2014. Website. Retrieved June 5, 2014 (<http://cofarweb.com.ar>).
- ²² Cooperativa Farmacéutica. 2014. Website. Retrieved April 11, 2014 (<http://www.cofasa.com.ar/quienes.php>).
- ²³ Dobrusin, Bruno. 2013. "Workers' cooperatives in Argentina: The Self-administered Workers' Association." University of Buenos Aires. Retrieved June 6, 2014 (http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/meetingdocument/wcms_234167.pdf).
- ²⁴ *El Tribuno*. 2013. "Crearon en Salta la cooperativa Cuidado de Adultos Mayores." May 13. Retrieved June 6, 2014 (<http://www.eltribuno.info/salta/281191-Crearon-en-Salta-la-cooperativa-Cuidado-de-Adultos-Mayores.note.aspx>).
- ²⁵ Sancor Seguros. 2011. "Memoria y Balance 2010-2011." Retrieved April 22, 2014 (https://files.gruposancorseguros.com/Archivos/555/sancor_seguros_2010_-_2011.pdf).
- Infobae. 2014. "Un inicio auspicioso de Prevención Salud." March 13. Retrieved April 11, 2014 (<http://www.infobae.com/2014/03/13/1549853-un-inicio-auspicioso-prevencion-salud>).
- ²⁶ Grupo Sancor Seguros. 2014. "Prevención Salud ya cuenta con más de 1.000 afiliados en todo el país." March 14. Retrieved April 11, 2014 (<https://www.gruposancorseguros.com/ar/es/novedades/prevencion-salud-ya-cuenta-con-mas-de-1.000-afiliados>).
- ²⁷ Instituto Nacional de Asociativismo y Economía Social. 2014a. "¿Qué es una mutual?" Webpage. Retrieved April 22, 2014 (<http://www.inaes.gov.ar/es/articulo.asp?id=55>).
- ²⁸ Federación Argentina de Mutuales de Salud. 2014. Website. Retrieved June 4, 2014 (<http://www.famsa.org.ar>).