

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 1988 constitution of Brazil established free, universal health care. The Unified Health System (Sistema Único de Saúde, SUS), responsible for the stewardship of both the public and private health systems, was tasked with decentralizing health policy down to the level of the state and municipality, with municipalities responsible for managing and providing primary health care services. States would assist in setting policy goals and provide technical and financial assistance. Municipal health secretariats were the primary entities responsible for planning, managing, and administering most aspects of health care. Most federal hospital and ambulatory health services were transferred to both state and municipal secretariats, which had to staff hospitals, contract out services to the private sector, and provide community outreach services. Today, the majority of municipally-run public hospitals tend to be small facilities, with larger hospitals operated by the states, and the largest teaching hospitals operated by the federal government.<sup>1</sup> Approximately 80% of the population receives care through the public system and 20% opt for private care.<sup>2</sup>

Private providers can provide “supplementary” health care and can be contracted by the state as recognized operators of primary care. Private providers are classified as follows: benefits management organization, health maintenance organization (HMO), private health insurer, dental group, self health-insured, medical cooperative, dental cooperative, and non-profit health insurer.<sup>3</sup>

Cooperatives are significant providers of health care in Brazil. In 2012, of 6,587 cooperatives in Brazil, 848 were health cooperatives, providing services to at least 21.7 million users or 32.2% of the private insurance market.<sup>4</sup> It is reported to be one of the fastest growing cooperative sectors.

## HEALTH COOPERATIVES

Health cooperatives in Brazil are significant private sector actors in what is called supplementary or complementary health care. They are active in providing medical, dental, psychological, nursing, physiotherapy, speech therapy, and health insurance. There are user, user-producer, and producer cooperatives as well as cooperatives which have set up other legal forms to assist in the delivery of health care, particularly in the insurance field.

The Organization of Brazilian Cooperatives (OCB) collects annual statistical data on cooperatives. Its data encompass every type of cooperative which is involved in the health care sector. It therefore tracks not only medical and dental cooperatives, but a wide range of other cooperatives active in the sector, including social care cooperatives made up of health professionals and consumer cooperatives which provide access to pharmaceuticals. In 2012, OCB reported that Brazil had 848 health cooperatives.

**Population** (in thousands): 199,000

**Population median age** (years): 29.89

**Population under 15** (%): 24.56

**Population over 60** (%): 10.81

**Total expenditure on health** as a % of Gross Domestic Product: 9.3

**General government expenditure on health** as a % of total government expenditure: 7.6

**Private expenditure on health** as a % of total expenditure: 53.6

The **UNIMED** Health Cooperative System is the largest cooperative health care provider in Brazil. Initially involved in providing health care, it grew to meet the needs of members and users. Now its network of diverse legal entities supplies both insurance and financial services. UNIMED comprises 354 cooperatives and a membership of 110,000 doctors, covering 83% of the country. It owns 108 general hospitals and numerous other health facilities and contracts with over 3,000 health facilities. It provides services to 19.6 million people. (See further information on UNIMED in the “Case Study.”)

Also considered health cooperatives are the USIMED consumer cooperatives. Their membership consists of users of UNIMED medical services: UNIMED members (health professionals) and those covered by UNIMED health plans. USIMEDs provide a wide range of services, including provision of health supplies, equipment, and pharmaceuticals at discounted prices. Founded in 1993, USIMEDs are user and producer cooperatives.

There are 118 dentist cooperatives, many of which are members of the Cooperative Society of Dental Services, UNIODONTO. UNIODONTO is the national federation of dentist cooperatives and the leader of dental health services in Brazil. It was established in 1972 by 37 dentists as a worker cooperative to eliminate intermediaries for dental care, offer quality and affordable service, to enable access to dental care, and to create fair and quality employment. Today its network of dentists provides a wide range of dental health plans to individuals and enterprises in every part of the country.<sup>5</sup> In 2010, the UNIODONTO system comprised more than 20,000 dentists and provided services to 2.3 million users.<sup>6</sup> In 2012, the OCB reported that Brazil's 118 dentist cooperatives provided services to 3.4 million users.<sup>7</sup>

**Uniodonto Curitiba** was founded as a worker cooperative in 1984 by 27 dentists. Today it counts 1,110 members and is the largest cooperative of dental care services in the state of Paraná. It has five offices in Curitiba and operates offices in the nearby towns

of Campo Mourao, Cascavel, Guarapuava, Paranagua, Sao Mateus do Sul and União da Vitória. It also has five mobile units (odontomóveis), each equipped with a dental office for consultations and prevention service. The cooperative has 210 employees and serves more than 400,000 people.<sup>8</sup>

Psychologists have also turned to the cooperative form to organize. For example, UNIPSICO is a cooperative of psychologists active at the national level. It is present in 25 cities in Brazil and has provided mental health services to more than 200,000 people.<sup>9</sup> It is joined by numerous other cooperative enterprises which are organized as worker or producer cooperatives.

There are also cooperatives of other health workers, including those active in nursing. These cooperatives are contracted by health facilities and by individuals to provide home care, for newborns and the elderly, for example. OCB statistics classify them as health care cooperatives although they could also fall under the category of social care cooperatives.

## Health Cooperative Data (2012)

Number of cooperatives <sup>10</sup>	848 in total, including <ul style="list-style-type: none"> <li>• 322 medical cooperatives</li> <li>• 118 dentist cooperatives</li> <li>• 408 psychologist and other user cooperatives</li> </ul>
Types of cooperative	User, Producer, User/Producer
Number of members <sup>11</sup>	296,547
Number of employees <sup>12</sup>	77,066
Users	<ul style="list-style-type: none"> <li>• 32% of the private health insurance market</li> <li>• 18.3 million users of medical cooperatives</li> <li>• 3.4 million users of dentist cooperative services</li> </ul>
Facilities <sup>13</sup>	UNIMED only (2013) <ul style="list-style-type: none"> <li>• 107 General hospitals</li> <li>• 11 Day hospitals</li> <li>• 189 Emergency units</li> <li>• 74 Laboratories</li> <li>• 88 Diagnostic centres</li> <li>• 120 Pharmacies</li> <li>• 8,345 Hospital beds</li> </ul>
Services offered <sup>14</sup>	Outpatient, hospitalization, preventive medicine, support services for diagnosis and therapy, emergency care
Annual Turnover <sup>15</sup>	<ul style="list-style-type: none"> <li>• \$15 billion USD (33.9 billion BRL) for medical cooperatives</li> <li>• \$237 million USD (530.9 million BRL) for dentist cooperatives</li> </ul>
Source of revenue	Payment for services

Case Study

UNIMED is the largest health care network in Brazil, active in 83% of the national territory. It is also the largest health cooperative system in the world. UNIMED currently brings together 354 medical (doctor) cooperatives and provides services to more than 19 million people. It delivers health services and serves 32% of the market for complementary health insurance.

UNIMED = 354 cooperatives

1	National confederation– Unimed do Brasil
1	Regional confederation
1	Central - Central Nacional Unimed – providing national health insurance plans
32	Federations (state, interstate, and intra state)
319	Primary cooperatives
304 UNIMED cooperatives act as health plan providers, representing 28% of private sector operators	

The UNIMED system began in 1967 with the founding of UNIMED Santos (São Paulo) by Dr. Edmundo Castillo. Its foundation was a reaction to the emergence of the first health care companies created by lawyers, businessmen, and medical groups. According to Dr. Castillo, doctors did not want to see the “commodification” of health care. They wanted its delivery to be based on a set of ethics and respect for users, whereby doctors could practice their profession with respect for human values and



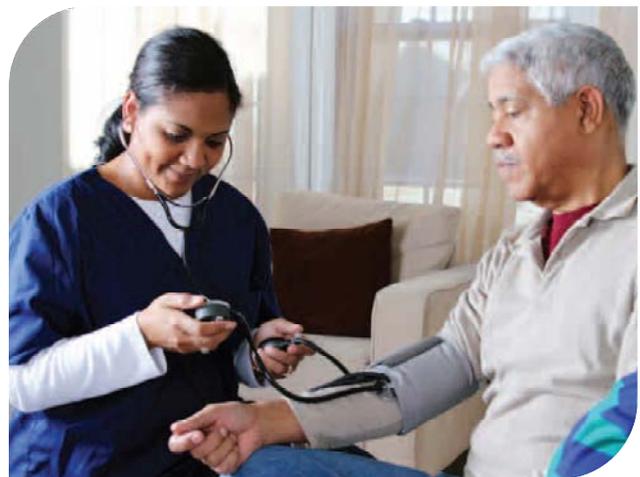
be fairly paid.<sup>16</sup> Within 18 months, more than 43 cooperatives were formed in eight states. As the movement grew, it consolidated into a 3-tier cooperative system made up of local societies that belong to regional/state federations and to a national confederation, UNIMED of Brazil. As it grew, UNIMED also developed a financial and insurance arm – UNICRED and USIMED and a number of other subsidiaries which take various legal forms (including an insurance

company, an insurance broker, and a non-profit institution, UNIMED Participações) and are controlled by their member cooperatives in support of health care activities.

With regard to health facilities, UNIMED owns and operates 107 general hospitals, 11 day hospitals, 189 emergency units, 74 laboratories, 88 diagnostic centres, 120 pharmacies, and 8,345 hospital beds. It provides outpatient care, hospitalization, preventive medicine, support services for diagnosis and therapy, and emergency care. Revenues from its health plan operations amount to \$15 billion USD (33.9 billion BRL) with \$12 billion USD (28 billion BRL) returned to cooperative and service providers.<sup>17</sup>

Today UNIMED employs 75,000 people, and created 5,725 jobs in 2012 alone. It brings together 109,900 members and serves 19.6 million people who report high levels of satisfaction. For the 21<sup>st</sup> consecutive year, according to the national survey undertaken by Datafolha Institute, UNIMED is the most trusted brand for health insurance.<sup>18</sup>

Unimed Rondônia was founded in 1983 in Porto Velho (RO) by 28 doctors. Today it has 2,940 members, 406 employees, and serves 36,300 people. The cooperative has enabled health



professionals to exercise their professions freely based on ethical principles and has improved their livelihoods. Initially, doctors attended to patients in borrowed rooms and rented properties. Ten years later, they opened their first offices, and in 1996 built their first hospital. Today, Unimed Rondônia brings together seven additional hospitals, 14 laboratories, 69 specialized clinics, and 11 diagnostic and imaging centres, with 269 physicians and 270 staff members.

Financial health and quality of service are guaranteed by sustained investment in measures which promote business professionalism and modernize patient care. Unimed Rondônia

constantly encourages personal and professional growth on the part of its employees. The idea is to keep the team motivated and committed to the goals of the cooperative.<sup>19</sup>

**SOCIAL CARE COOPERATIVES**

In accordance with OCB classification, the data provided above identifies cooperatives which are made up of health professionals as “health cooperatives.” However, the OCB also has a specific category for what it calls “special” cooperatives, some of which could be considered “social care cooperatives.” Members of special cooperatives are persons with mental, physical, or sensorial disabilities; former convicts or those who have been given alternative sentences; drug users; and adolescents in vulnerable

situations. These cooperatives have the objective of creating employment, generating income, and promoting social inclusion.<sup>20</sup>

**Social Care Cooperative Data (2011)<sup>21</sup>**

Number of cooperatives	9
Number of members	393

**MUTUALS**

The National Regulatory Agency for Private Health Insurance and Plans (ANS) does not recognize “mutuals” as supplementary health providers.

**SOURCES**

<sup>1</sup> Joint Learning Network for Universal Health Coverage. 2014. “Brazil: Unified Health System (SUS).” Retrieved June 1, 2014 (<http://jointlearningnetwork.org/content/unified-health-system-sus>).

<sup>2</sup> Jurberg, Claudia, and Gary Humphrey. 2010. “Brazil’s march towards universal coverage.” *Bulletin of the World Health Organization* 88(9):641-716. Retrieved June 1, 2014 (<http://www.who.int/bulletin/volumes/88/9/10-020910/en/>).

<sup>3</sup> Agência Nacional de Saúde Suplementar. 2014. “Operation on [of] the Supplementary Healthcare Market.” Retrieved June 3, 2014 (<http://www.ans.gov.br/the-sector/how-to-operate-in-the-sector/operation-on-the-supplementary-healthcare-market>).

<sup>4</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas. 2012. “Relatório da gerência de monitoramento ‘panorama do cooperativismo brasileiro - ano 2011’.” Retrieved June 2, 2014 ([http://www.ocb.org.br/gerenciador/ba/arquivos/panorama\\_do\\_cooperativismo\\_brasileiro\\_\\_\\_2011.pdf](http://www.ocb.org.br/gerenciador/ba/arquivos/panorama_do_cooperativismo_brasileiro___2011.pdf)).

<sup>5</sup> UNIODONTO. 2014. Website. Retrieved June 2, 2014 (<http://www.uniodonto.com.br>).

<sup>6</sup> Organization of Brazilian Cooperatives. 2010. “OCB: Organização das Cooperativas Brasileiras - Organization of Brazilian Cooperatives.” Webpage. Retrieved June 2, 2014 ([http://www.brasilcooperativo.coop.br/GERENCIADOR/ba/arquivos/apresentacao\\_ocb\\_ingles\\_2010.pdf](http://www.brasilcooperativo.coop.br/GERENCIADOR/ba/arquivos/apresentacao_ocb_ingles_2010.pdf)).

<sup>7</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas 2012.

<sup>8</sup> Flor, Guaíra, ed. 2014. *Histórias de Cooperação: 366 Cooperativas Brasileiras que constroem um mundo melhor*. Sistema OCB. Retrieved May 21, 2014 (<http://www.ocbms.org.br/noticias/historias-de-cooperacao-366-cooperativas-brasileiras-que-constroem-um-mundo-melhor>). Personal communication with UNIMED).

<sup>9</sup> Cuña, Elen. n.d. “Psicanálise ao alcance de todos.” *Saude.com.br*. Retrieved June 2, 2014 ([http://www.saude.com.br/site/materia.asp?cod\\_materia=157](http://www.saude.com.br/site/materia.asp?cod_materia=157)).

<sup>10</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas 2012.

<sup>11</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas 2012.

<sup>12</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas 2012.

<sup>13</sup> Personal communication with UNIMED, May 21, 2014.

<sup>14</sup> Personal communication with UNIMED.

<sup>15</sup> Agência Nacional de Saúde. 2013. *Dezembro 2013: Caderno de Informação da Saúde Suplementar*. Rio de Janeiro. Retrieved April 19, 2014 ([https://www.editoraroncarati.com.br/v2/phocadownload/caderno\\_informacao\\_2013\\_ans.pdf](https://www.editoraroncarati.com.br/v2/phocadownload/caderno_informacao_2013_ans.pdf)).

<sup>16</sup> Rabelais Duarte, Cristina Maria. 2001. “UNIMED: história e características da cooperativa de trabalho médico no Brasil.” *Cadernos de Saúde Pública* 17(4):999-1008. Retrieved April 19, 2014 (<http://dx.doi.org/10.1590/S0102-311X2001000400034>).

<sup>17</sup> Personal communication with UNIMED.

<sup>18</sup> Personal communication with UNIMED.

<sup>19</sup> Flor 2014. Information provided by UNIMED.

<sup>20</sup> Organization of Brazilian Cooperatives 2010.

<sup>21</sup> Diretriz Nacional de Monitoramento e Desenvolvimento de Cooperativas 2012.