

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 1991 constitution of Colombia entitles all Colombians to social protection. The 1993 “Law 100” established a national obligatory health insurance. It consists of two schemes which as of April 30, 2014 covered 43,184,337 or 96% of the population.¹ The “contributory” scheme covers formal workers and is financed by employers and employee contributions. Their services are provided through 21 Health Promotion Entities (Entidades Promotoras de Salud, EPS). The “subsidized” scheme covers informal workers, the unemployed, and those not otherwise covered. It is financed primarily by national and local taxes and serviced currently by 39 entities. The EPS contract for services is made with Service Provision Institutions (Instituciones Prestadoras de Servicios, IPS) which number approximately 30,000 authorized hospitals, labs, clinics, doctors’, and dental clinics.² Cooperatives are found among the EPSs and IPSs.

In 2011, the government began a review of the operations and finances of a number of health service promoters and providers (EPSs, and more recently IPSs) following allegations of collusion. A number of the entities were sanctioned and fined, including some cooperatives.

Overall, the cooperative movement is both economically and socially important in Colombia. Cooperatives are among the top 100 enterprises in Colombia in terms of turnover. In 2012, the Confederation of Cooperatives of Colombia (Confederación de Cooperativas de Colombia, CONFECOOP) reported that 5.5 million people or 11.9% of the population were members of 6,421 active cooperatives. CONFECOOP further estimates that cooperatives have an impact on over 16.3 million people or 35.7% of the population. Cooperatives are significant economic actors with a combined turnover of approximately \$15.2 billion USD (26,900 trillion COP). According to CONFECOOP they contribute approximately 4.1% of GDP.³

Health and social care cooperatives account for 7.1% of all cooperatives and 2% of cooperative membership. They provide access to health and social care services to over 12.1 million people.

Cooperatives in Colombia 2012⁴

Sector	Number	Members	Employees
Financial	1,643	4,272,846	68,629
Transport, communication, others	660	79,840	23,718
Retail trade	605	525,780	23,255
Health and social services	457	112,997	106,570
Agriculture, fisheries, livestock, forestry	401	31,518	21,574
Industrial/Manufacturing	147	25,144	18,220
Other	2,508	492,955	250,868
Total	6,421	5,541,080	512,834

Source: CONFECOOP. *Desempeño Sector Cooperativo Colombiano 2012*

Population (in thousands): 47,704

Population median age (years): 27.4

Population under 15 (%): 28.03

Population over 60 (%): 9.19

Total expenditure on health as a % of Gross Domestic Product: 6.8

General government expenditure on health as a % of total government expenditure: 18.5

Private expenditure on health as a % of total expenditure: 24.2

Together cooperatives and mutuals provide health coverage to 18 million people in Colombia.

HEALTH & SOCIAL CARE COOPERATIVES

Cooperatives are significant actors in the provision of health services in Colombia. According to CONFECOOP, the majority (85.7%) are producer (worker) cooperatives, but there are user and user/producer cooperatives as well. They are involved in health and social care delivery, but also in the provision of prepaid insurance. As mentioned above, some are authorized providers in the obligatory health system (for the contributory and subsidized schemes), others provide services to the latter or complementary care not covered by the obligatory health plan. The EPSs provide insurance and services through contracted health providers (IPSs), deliver health services in their own facilities, and produce, purchase, and distribute pharmaceuticals. Cooperative IPSs provide general and highly-specialized medical services (for example, oncology,

anaesthesiology, urology, gastroenterology), dental care, ophthalmology, physical therapy and rehabilitation, hospitalization, pharmacy, home care, and ambulance services.

In 2012, CONFECOOP estimated that 457 cooperatives were engaged in health and social care activities, a 5.9% increase over 2011. They were active in 25 of Colombia's 32 departments. These include cooperatives that are EPSs in the contributory scheme. They provide services to 38% of the 20.08 million contributory scheme affiliates, and 20% of the 22.7 million subsidized scheme affiliates, for a grand total of 28.1% of those covered by national obligatory health insurance.

Contributory	Affiliates
E.P.S. Saludcoop	4,011,677
Coomeva E.P.S. S.A.	2,904,894
Cafesalud E.P.S. S.A. (owned by Saludcoop)	693,215
Subtotal	7,609,786
Subsidized	
Cooperativa de Salud y Desarrollo Integral Zona Sur Oriental de Cartagena Ltda. Coosalud E.S.S.	1,611,106
Entidad Cooperativa Sol. de Salud del Norte de Soacha Ecoopsos	297,334
Cooperativa de Salud Comunitaria-Comparta	1,623,297
CAFESALUD E.P.S. S.A. (owned by Saludcoop)	1,010,914
Subtotal	4,542,651
TOTAL	12,152,437

Source: *Ministerio de Salud y Protección Social. Sistema Integral de Protección Social (SISPRO)*⁵

Just over 69.9% of the 457 cooperatives are microenterprises. They account for 23.1% of the sector's turnover, 65.5% of its members, and 62.4% of its employees. Approximately 33% of health and social care cooperatives are small enterprises, 3.9% are medium enterprises, and 1.1% (five) are large enterprises. The large enterprises generate 76.9% of turnover in the sector and bring together 34.4% of members and 37.8% of employees. They have registered negative surpluses of \$22,100 USD (41.699 million COP), however.

Health and social cooperatives as a group are responsible for approximately 20.6% of cooperative turnover. Inpatient health services provide the largest part of revenue in the sector, 78.3%. Social services account for 10.5%, while other medical services account for 9.5%.

In 2012, health and social care cooperatives had a combined membership of 112,997 or 2% of all cooperative members in Colombia. Of the cooperatives active in health and social care, 436

provided sex-disaggregated data indicating that 39.2% of members were men, and 60.8% were women.

With regard to employment, the sector provided jobs to 34,412 persons. However, since the majority of health and social care cooperatives are worker cooperatives (392 out of 467), an additional 67,158 worker-members should also be included as employees. Thus the sector provided employment to 106,570 people in total.

Health and social cooperatives had revenues of \$2.9 million USD (5.6 billion COP) in 2012, an increase of 10.8% over the previous year. It accounted for 20.8% of revenues of the cooperative movement. However, the sector continued to register losses of \$21,069 USD (39.754 million COP) in 2012, a decrease over the previous year's \$27,458 USD (51.809 million COP).⁶

Two of the largest health cooperatives are **Saludcoop** and **Coomeva**. Following the investigations related to the allegations of collusion, and more recent reviews of EPS and IPS operations, both Saludcoop and Coomeva have had to make structural changes. Saludcoop provides 20% of services to the contributory scheme and through its group owns numerous IPSs. The government intervened in 2011, which gave rise to rumours regarding its eventual liquidation. Given its importance in the market, Saludcoop will undergo reforms and continue to operate, but will remain under government supervision until May 2015.⁷ The impact which the ongoing review of the overall health system will have on current promoters and providers of health care remains unclear.

Health & Social Care Cooperative Data

Number of cooperatives	457
Types of cooperative	User, Producer, User/Producer
Members	112,997
Employees	106,570 of which 67,158 are worker-members
Users	12,152,437 (figure based on users of service providers of both the contributory and subsidized schemes)
Services	Integral health services – emergency care, general and specialized medicine, surgical and outpatient hospital care, obstetrics, dental care, health promotion and prevention, curative treatments, diagnostic imaging, laboratories and rehabilitation services, home care, prepaid health insurance
Facilities	N/A
Sources of revenue	Direct transfers, payments for services

PHARMACY COOPERATIVES

Pharmacy cooperatives are strong in Colombia. They produce pharmaceuticals in their laboratories, engage in bulk purchasing and distribution, and provide marketing support, technical assistance, credit, and insurance. No aggregated information on pharmacy cooperatives was identified.

One of the largest pharmacy chains in the country is a cooperative, **Cooperativa Nacional de Droguistas Detallistas** (COPIDROGAS). Founded in 1969, it currently has 3,900 members with 5,200 pharmacies and has outlets in 31 of the 32 departments. COPIDROGAS reported a turnover of \$777 million USD in 2013, up from \$673 million USD in 2012. It ranked as Colombia's second largest cooperative in terms of turnover in 2012⁸ and in 2014 was ranked Number 58 in size relative to Colombian enterprises over all.⁹ In April 2014, it announced that it was engaging in a new branding campaign with a new logo and name. Its pharmacies will now be known as "Farmacenters."¹⁰

Another important pharmacy cooperative that engages in the production and distribution of pharmaceuticals is Coaspharma. It had a turnover in 2013 of \$51 million USD (92.417 billion COP) of which 45% are attributed to exports in the Latin America region.¹¹

Other cooperative pharmacies are Cooperativa Epsifarma (part of the Saludcoop Group) and Cooperativa Multiactiva de Produccion Distribucion y Servicios Farmadisa (COODEMCU).

INSURANCE COOPERATIVES

Insurance cooperatives provide complementary insurance plans for accidents, occupational health, and complementary medical and dental care.

For example, **La Equidad Seguros** provides a complementary health insurance plan for "high cost illnesses" ("enfermedades de alto costo") which covers the cost of treatments not included under the obligatory national health plan. La Equidad also provides occupational health insurance to enterprises. It is ranked nineteenth among 26 insurance companies in Colombia and twelfth in terms of cooperative turnover for its life insurance group. The cooperative insurer Aseguradora Solidaria de Colombia (Seguros UCONAL) also provides dental plans to its members. It is the fifth largest cooperative in terms of turnover in Colombia.

OTHER COOPERATIVES

According to CONFECOOP, the majority of cooperatives from all sectors support health care initiatives for members and employees

but also for the communities which they serve. Of 373 cooperatives which provided information about their social programmes, CONFECOOP reports that 5.4% of resources (nearly \$5 million USD) went to support health activities.¹²

In addition, cooperatives provide specific benefits, including complementary insurance at discounted rates or reimbursement of medical bills for treatments not covered under the national obligatory health plan. For example, the savings and credit cooperative **Fincomercio Cooperativa de Ahorro y Crédito** offers members beneficial rates on prepaid complementary health insurance made available through a number of providers, including cooperative and other private institutions.¹³ Cooperativa de Ahorro y Crédito (CREAFAM) reimburses medical bills for members in good standing.¹⁴

MUTUALS

In 2012, 231 mutuals were active in Colombia. They had 175,013 members and a turnover of \$1.3 million USD (2.4 billion COP).¹⁵ These provide a series of services including retirement plans and access to health care.

Five mutuals that are health promotion entities (EPSs) under the subsidized health scheme were identified. They serve 5.7 million affiliates.

Name	Affiliates	Employees
Empresa Mutual para el Desarrollo Integral de la Salud E.S.S. EMDISALUD ESS	464,747	
Asociación Mutual La Esperanza ASMET Salud E.S.S.	1,590,499	40,000 ¹⁶
Asociación Mutual Barrios Unidos de Quibdó E.S.S.	839,023	
Asociación Mutual Empresa Solidaria de Salud de Nariño E.S.S. EMSSANAR E.S.S.	1,699,476	
Asociación Mutual SER Empresa Solidaria de Salud ESS	1,123,366	11,380 ¹⁷
TOTAL	5,717,111	

Source: *Ministerio de Salud y Protección Social. Sistema Integral de Protección Social (SISPRO)*¹⁸

Like cooperatives, mutuals which are EPSs or IPSs are under investigation in the government's ongoing review of the health systems.

SOURCES

- ¹ Ministerio de Salud y Protección Social. 2014a. "SISPRO: Sistema Integral de Protección Social." Webpage. Retrieved June 6, 2014 (<http://www.sispro.gov.co/#>).
- ² Ministerio de Salud y Protección Social. 2014a.
- ³ Confederación de Cooperativas de Colombia. 2012. *Desempeño Sector Cooperativo Colombiano 2012*. Retrieved June 6, 2014 (http://www.confecoop.coop/images/informes_anuales/Informe_2012.pdf).
- ⁴ Confederación de Cooperativas de Colombia 2012.
- ⁵ Ministerio de Salud y Protección Social. 2014b. "SISPRO: Reportes Aseguramiento." Webpage. Retrieved June 6, 2014 (<http://www.sispro.gov.co/Pages/Aseguramiento/Reporte-Aseguramiento.aspx>).
- ⁶ Confederación de Cooperativas de Colombia 2012.
- ⁷ Ministerio de Salud y Protección Social. 2014c. "Resolución Ejecutiva N° 120 de 8 de mayo de 2014." Retrieved June 6, 2014 (<http://www.minsalud.gov.co/sites/rid/Lists/BibliotecaDigital/RIDE/DE/DIJ/resolucion%20120%20de%202014.pdf>).
- ⁸ Confederación de Cooperativas de Colombia 2012.
- ⁹ ASCOOP. 2014. "Cuatro cooperativas entre las 100 empresas más grandes del país." *La República*, May 5. Retrieved June 8, 2014 (<http://www.ascoop.coop/cuatro-cooperativas-entre-las-100-empresas-mas-grandes-del-pais/>).
- ¹⁰ America Retail. 2014. "Red más grande de droguerías, Farmacias Copidrogas ha iniciado el cambio de su nombre". *La República*, April 30. Retrieved June 7, 2014 (<http://america-retail.com/industria-y-mercado/red-mas-grande-de-droguerias-farmacias-copidrogas-ha-iniciado-el-cambio-de-su-nombre>).
- ¹¹ ASCOOP. 2014. "Coaspharma se abre camino en el exterior." May 9. Retrieved June 8, 2014 (<http://www.ascoop.coop/coaspharma-se-abre-camino-en-el-exterior/>).
- ¹² Confederación de Cooperativas de Colombia 2012.
- ¹³ FINCOMERCIO. 2014. "Seguros y Salud prepagada." Webpage. Retrieved June 8, 2014 (<https://www.fincomercio.com/pryse1.htm>).
- ¹⁴ CREAFAAM. 2014. "Beneficios." Webpage. Retrieved April 22, 2014 (http://www.creafam.com.co/Sub_Pagina2view.asp?Codigo=24).
- ¹⁵ Confederación de Cooperativas de Colombia 2012.
- ¹⁶ ASMET Salud E.S.S. 2014. Website. Retrieved June 6, 2014 (<http://www.asmet.salud.org.co>).
- ¹⁷ Mutua SER ESS. 2012. *Rendición de Cuentas 2012*. Retrieved June 6, 2014 (<http://www.mutualser.org/index.php/informes-normativos/rendicion-de-cuentas/file>).
- ¹⁸ Ministerio de Salud y Protección Social. 2014b.