

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

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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.

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## HEALTH SYSTEM

A new health care system was put in place in 2001 that guarantees universal health care.<sup>1</sup> To achieve coverage, health care services are delivered by both public and private providers, including non-profits and non-governmental organizations which provide critical services not covered by the public and the for-profit private sectors. The health system is financed through a both a contributory scheme (financed by employers) and subsidized scheme (coverage ensured by public financing). A 2009 study reported that 54% of the population was not covered by the contributory scheme and continued to access public health care provided by the Ministry of Health or covered their own medical expenses by resorting to private institutions.<sup>2</sup>

Legislation exists which recognizes health cooperatives. They are defined as being organized by consumers of medical and pharmaceutical services for health maintenance and disease prevention. However, other cooperatives (in particular savings and credit cooperatives and multipurpose cooperatives) are also active in supporting and providing health and social care services. Insurance cooperatives also engage in health promotion with education campaigns.

Cooperatives provide medical services by the following means: they run clinics with general, orthodontic and ophthalmologic care; they operate pharmacies or have agreements to provide members with discounted rates on pharmaceuticals; and they offer financial products (loans) to facilitate access to both health care and pharmaceuticals.

Health professionals also have formed savings and credit cooperatives and multiservice cooperatives.

The 2012 cooperative census found that there were 685 cooperative societies with 1,305,632 members active in 14 sectors: agriculture, consumer, marketing, health, insurance, transport, housing, savings and credit, mining, fisheries, industrial, energy, tourism, and forestry.<sup>3</sup>

## HEALTH COOPERATIVES

According to Articles 117-121 of the regulation for the application of the cooperative law of 1964,<sup>4</sup> health cooperatives are organized by consumers of medical and pharmaceutical services for health maintenance and disease prevention. They can operate at the local, regional, and national level, providing services in hospitals or clinics, and can outsource professional services. A minimum of 15 members and approximately \$1,250 USD (50,000 DOP) in capital is required to register a health cooperative.<sup>5</sup>

In 2010, there were five active health cooperatives operating in two of the largest cities of the country, namely Santo Domingo and Santiago. They brought together 23,740 members and a total of approximately \$15 million USD (599,744,642 DOP) in assets.<sup>6</sup>

## PHARMACY COOPERATIVES

Cooperatives figure on a list published by the General Directorate of Drugs and Pharmaceuticals (Dirección General de Drogas y Farmacias) of the Ministry of Health, which authorizes pharmacy operations. The list has no effective date and does not include the full name of entities, which makes it difficult to identify all cooperatives authorized to provide pharmacy services. However, at least eight multiple service and savings and credit cooperatives are included.<sup>7</sup> Among those which could be identified were Cooperativa San José, Cooperativa Nacional de Servicios Múltiples de los Maestros (COOPNAMA), Cooperativa Vega Real, Cooperativa de Servicios Múltiples del Personal del Banco de Reservas de la República Dominicana, Cooperativa de Ahorro y Crédito, and Servicios Múltiples de los Empleados del Ministerio de Agricultura (Seacoop) Inc. (See "Savings & Credit Cooperatives," below.)

Population (in thousands): 10,277

Population median age (years): 25.53

Population under 15 (%): 30.53

Population over 60 (%): 8.97

Total expenditure on health as a % of Gross Domestic Product: 5.4

General government expenditure on health as a % of total government expenditure: 14.3

Private expenditure on health as a % of total expenditure: 49.1

## SAVINGS & CREDIT COOPERATIVES

The saving and credit cooperative sector is the second largest cooperative sector. There are 111 societies which focus solely on savings and credit, while 25 offer multiple services in addition to savings and credit services.<sup>8</sup>

The financial services offered include loans for health care. These take the form of specific loan plans for health care or a variety of types of “emergency” loan.

In keeping with their origins, cooperatives founded by health professionals provide credit to support professional development and improved services with regard to health care. They offer specific loan products for the purchase of medical equipment or for attending medical conventions, in addition to other financial products. This is the case for example for *Cooperativa Médica de Santiago de Servicios Múltiples, Inc.* (CoopMedica),<sup>9</sup> *Cooperativa San José*,<sup>10</sup> and *Cooperativa de Servicios Múltiples de Profesionales de la Enfermería* (COOPROENF),<sup>11</sup> all of which primarily offer services to health professionals.

Other savings and credit cooperatives provide medical care services:

- The largest cooperative in Dominican Republic, **Cooperativa Nacional de Servicios Múltiples de los Maestros** (COOPNAMA) was founded in 1971 as a savings and credit cooperative for teachers in the public sector. It opened up its membership to include staff of the Ministry of Education and related institutions as well as its own employees. As it did so, it also assumed a multiservice role to cater to the needs of 130,000 members.<sup>12</sup> It introduced health care services and credit lines to facilitate access to pharmaceuticals and eye care (Opticoop).<sup>13</sup> COOPNAMA runs pharmacies at three of its branch locations.
- **Cooperativa Vega Real** has over 70,000 members, a medical department, and a medical and dental clinic as well as pharmacy.<sup>14</sup> It provides medical referrals to enable consultation with health specialists in partner institutions and provides members with credit lines (up to five times the value of member shares) for the purchase of pharmaceuticals.<sup>15</sup> It also involved in health promotion. For example, in early 2014, it held seminars on family health, cancer, and sexually transmitted diseases.<sup>16</sup> In 2012 it provided health care services to more than 50,000 people.<sup>17</sup>

- **Cooperativa de Ahorro y Créditos y Servicios Múltiples de los Empleados de la Oficina Nacional de la Propiedad Industrial** (COOP-ONAPI) provides medical and pharmacy services as well as health insurance to the employees of the National Office of Industrial Property.<sup>18</sup>

## SOCIAL COOPERATIVES

The government of the Dominican Republic is a signatory of the United Nations Convention on the Rights of Persons with Disabilities and its optional Protocol in 2009. Article 27 (f) of the Convention, Work and Employment, calls on governments to “promote opportunities for self-employment, entrepreneurship, the development of cooperatives and starting one’s own business” for persons with disabilities. However, no cooperatives of disabled persons were identified and national cooperative statistics do not include social cooperatives as a cooperative sector or type.

## OTHER COOPERATIVES

Cooperatives in other sectors also provide health care-related services. For example, the service and production cooperative, *Cooperativa de Servicios Múltiples y Producción de Trabajadores de la Falconbridge Dominicana* (Coofalcondo), provides pharmacy services to its 6200+ members.<sup>19</sup>

## INSURANCE COOPERATIVES

**Cooperativa Nacional de Seguros** (CoopSeguros), an insurance cooperative, is currently involved in health promotion. Although it does not yet offer health insurance, it does offer life and non-life insurance. Initially supported by international donors, CoopSeguros initiated an HIV/AIDS education programme. Through its member cooperatives, it provided information on HIV/AIDS prevention and reached 350,000 people. The programme has continued through a partnership with local organizations.<sup>20</sup>

## MUTUALS

One mutual insurance company is authorized to operate by the governmental regulatory authorities, *CUNA Mutual Insurance Society Dominicana, S.A.*, a subsidiary of CUNA Mutual Group of the United States. It provides life and other insurance products, but does not carry health insurance.<sup>21</sup>

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