

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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Photo: Shicali Cerámica

HEALTH SYSTEM

Health care is delivered by the public health sector, social insurance and to a lesser degree, the private sector. The private sector is composed primarily of non-profit organizations in major cities. These organizations offer services in the private market and sell services to the social security system (Instituto Salvadoreño de Bienestar Magisterial ISBM and Instituto Salvadoreño del Seguro Social ISSS). Non-profit organizations (NGOs, churches and others) operate mainly in rural El Salvador.¹

Despite the fact that no-cost public health services have been provided by the Ministry of Health since 2009, the InterAmerican Development Bank estimates that nearly half the population does have access to health care, with the poor and informal economy workers particularly impacted.²

Cooperatives have a recognized role in promoting social welfare. For example, although cooperative legislation does not specifically recognize health or social cooperatives as cooperative sectors, the 1988 Health Code does specifically include reference to the role of cooperatives, calling on the Ministry of Health to “Mobilize, guide, stimulate and coordinate the activities of component parts of the community to form social groups whose aims include improving community or group well-being, such as welfare boards, mothers' clubs, youth clubs, children's groups, community workshops, mutual aid activities, cooperatives and other welfare institutions.” (article 47 ch)

Population (in thousands): 6,297

Population median age (years): 23.78

Population under 15 (%): 30.62

Population over 60 (%): 9.64

Total expenditure on health as a % of Gross Domestic Product: 6.7

General government expenditure on health as a % of total government expenditure: 14.5

Private expenditure on health as a % of total expenditure: 37.2

More specifically, cooperatives are playing an important role in improving access to health care, particularly by providing microinsurance products through a wholly-owned insurance company established by the savings and credit cooperative movement, *Asociacion Cooperativa de Servicios de Seguros Futuro, A.C de Responsabilidad Limitada (Seguros Futuro)*.

Cooperatives attributed to other sectors (particularly savings and credit cooperatives), and those which provide multiple services, also support health care professionals by enabling bulk purchasing, marketing and access to financial services, as well as access to pharmaceuticals.

Social care is also provided through cooperatives. Albeit only one artisanal production cooperative was identified, providing employment and a wide range of services to people with disabilities.

In March 2013, the Salvadoran Institute for the Promotion of Cooperatives (*Instituto Salvadoreño de Fomento Cooperativo INSAFOCOOP*) reported that, of 792 cooperatives in El Salvador, the majority are savings and credit, supply and transport cooperatives. The bulk of cooperatives are found in the capital city and paracentral region. Cooperatives counted 242,822 individuals as members.³

HEALTH COOPERATIVES

In El Salvador, the cooperative regulator categorizes cooperatives by their main area of activity, namely professional services, supply, and savings and credit cooperatives. It does not have a category for health or social care. As mentioned above, cooperatives that support health professionals or provide health care provide multiple services.

Two cooperatives which were identified are described as “professional services cooperatives” (anaesthesiologists and ophthalmologists) and include purchasing and supply activities.

Name of cooperative	Members		
	Men	Women	Total
<i>Asociacion Cooperativa de Servicios Profesionales, Aprovisionamiento y Comercializacion de Medicos Anestesiologos (ACOMEDA de R.L.)</i> ⁴	22	7	29
<i>Asociacion Cooperativa de Aprovisionamiento, Comercializacion, Ahorro y Credito de Medicos Oftalmologos de el Salvador (ASOCOOF, DE R.L.)</i> ⁵	16	10	26
Total members	38	17	55

OTHER CO-OPS

Savings & Credit Cooperatives

Savings and credit cooperatives are the largest cooperative sector, representing 44% of all cooperatives (351 societies with over 230,000 members). They play a role in health care as they are often multiservice cooperatives.

Some have been formed by health professionals to provide financial services exclusively, as was the case of the *Asociación Cooperativa de Ahorro, Crédito de Empleados de Salud de Occidente de RL (ACACESPSA)*. Others are multiservice cooperatives whose primary functions are financial services, but combined with other activities in the health services field, such as the distribution of pharmaceuticals. (See below.) Still others are primarily financial services cooperatives that provide specific loan products to cover health care costs or have partnerships with health care providers for discounted rates on health care services. This, for example, is the case of the savings and credit cooperative of the medical college, *Asociación Cooperativa de Ahorro y Crédito del Colegio Médico de El Salvador RL COMEDICA*. It provides discounts at partner clinics, dentists, ophthalmologists, oncology centres, pharmacies, providers of medical equipment, insurance, emergency and home care providers, etc.

- The Federation of Savings and Credit Cooperatives (FEDECACES) has also played a role in making health care insurance available since 1994 and since 1996 through a cooperative insurer. (See “Insurance Cooperatives,” below). Today, FEDECACES members act as delivery channels for cooperative insurance, including health insurance. FEDECACES has 32 member savings and credit cooperatives with 184,814 members and 97 branches.

Pharmacy Cooperatives

Two cooperatives whose primary activity is savings and credit are also involved in the supply and marketing of pharmaceuticals.

Name of cooperative	Members		
	Men	Women	Total
<i>Asociacion Cooperativa de Ahorro, Credito y Consumo Farmaceutica Salvadoreña, de Responsabilidad Limitada COFARSAL</i> ⁶	29	46	75
<i>Asociacion Cooperativa de Ahorro, Credito, Consumo y Aprovisionamiento de Quimicos y Farmaceuticos, de Responsabilidad Limitada Autorizado COQUIFAR</i> ⁷	30	47	77
Total members	59	93	152

Insurance Cooperatives

In 1994 the Federation of Savings and Credit Cooperatives (FEDECACES) established an insurance department to provide insurance products to members. In 1996, it established an insurance cooperative, **Asociación Cooperativa de Servicios de Seguros Futuro**, A.C de R.L. (Seguros Futuro), to provide a range of insurance products. These include health (surgical) and life insurance, as well as non-life products (auto, home, theft, accident, funeral, remittance and repatriation, etc.). The insurance products are delivered through the network of FEDCACES member savings and credit cooperatives. Seguros Futuro has established 37 service centres in savings and credit cooperative branches throughout the country. In 2011, Seguros Futuro held 5% of the insurance market with more than 65,000 insured nationwide.⁸

Seguros Futuro offers several plans for surgical insurance with three levels of coverage: basic, standard, and superior. A catalogue provides information on the level of reimbursement for each of the 200 recognized interventions. Policyholders can freely choose the hospital or medical centre for the intervention, knowing in advance the amount that they will receive to cover the costs. The policy also includes coverage of a maximum of \$130 USD for pre-surgical exams.⁹

Seguros Futuro is also developing a new microinsurance product to improve health insurance coverage. It submitted a project to the InterAmerican Development Bank (IDB) through FOMIN (Multilateral Investment Fund) to increase the supply of basic health microinsurance for low-income populations, particularly women. The project, **Microseguros de Salud en El Salvador**, was approved in May 2012 and initiated activities in the same year. Within the scope of the project, Seguros Futuro, in conjunction with a national network of medical centres and services, will develop life insurance products that include coverage for preventive health services. The microinsurance product will be sold through savings and credit cooperatives, microfinance institutions, and pharmacies. Initiated in 2012, the first phase of the project sought to understand the needs of cooperative members and their use of other microfinance institutions for health care services, and to identify the service offerings of existing medical service networks. Options for telemedicine and mobile health services for rural areas were also investigated. In the second phase, Seguros Futuro will develop the microinsurance product along with an IT component to administer the product and train the facilitators and FEDCACES member savings and credit cooperatives which will be the main channel for delivering financial education and insurance and for the sale of microinsurance. The project aims to provide more than 12,000

Salvadorans with access to microinsurance which will allow them to obtain preventive health care and to reduce health care costs. It has a budget of just over \$1 million USD and will run from 2012 to 2015.¹⁰

SOCIAL COOPERATIVES

One social cooperative for persons with disabilities was identified, the Integral Pro-Rehabilitation Independent Group Cooperative Association (Asociación Cooperativa del Grupo Independiente Pro Rehabilitación Integral de R.L, ACOGIPRI). It takes the form of a worker cooperative, but is formally categorized as an artisanal production cooperative. ACOGIPRI offers employment, business support, leadership training, and literacy classes. (See “Case Study” below for further information.)

Case Study

Integral Pro-Rehabilitation Independent Group Cooperative Association (Asociación Cooperativa del Grupo Independiente Pro Rehabilitación Integral de R.L, ACOGIPRI). **ACOGIPRI** was formed in 1981 (International Year of Disabled Persons) by a group of visually and hearing impaired young people.

Categorized in official cooperative statistics as an artisanal production cooperative, ACOGIPRI provides employment opportunities in a ceramics workshop, Shicali Cerámica, which began operations in 1982. Shicali Cerámica offers artistic training to its workers, about three-quarters of whom are hearing impaired.¹¹ Their work enjoys high regard in El Salvador and abroad, where their products are marketed through the European fair trade network.¹² With the financial support of a number of Spanish organizations, Confederación Española de Personas con Discapacidad Física y Orgánica (COCEMFE) and Comunidad de Madrid y Fundación ONC, ACOGIPRI is implementing a project to improve the marketing and sales of its products. It also receives support from the InterAmerican Development Bank through FOMIN and the Trust for the Americas of the Organization of American States.¹³

The cooperative also provides assistance to persons with disabilities (PWD). It provides a job placement service, engages in advocacy to educate and defend the rights of PWDs (including working on legislative and accessibility issues), and undertakes specific programmes to promote women’s empowerment.¹⁴ It has trained over 1000 PWDs, many of whom have found formal employment.¹⁵

The cooperative has a membership of 20 persons (6 men and 14 women)¹⁶ and employs at least 5 persons in its management and administration.

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