

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

The Guatemalan health system is composed of a diversity of actors. The Ministry of Public Health and Social Welfare (Ministerio de Salud Pública y Asistencia Social) covers 70% of the population. The Social Security Institute (Instituto Guatemalteco del Seguro Social, IGSS) provides coverage to 18% of the population. The ministries of Defence and the Interior provide health services to members of the armed forces and police, respectively. The private sector, encompassing for-profits and not-for-profit civil society organizations (including non-governmental organizations and cooperatives) as well as religious organizations, covers 18% of the population.<sup>1</sup>

Public sector health care is financed from tax revenue, international development grants and loans for Ministry of Health services, and from contributions (employer and employee) to the IGSS. Of the health care services provided by the private sector, approximately 92% are financed out of pocket. Only the wealthiest members of society, predominantly in the urban areas, have private health insurance. The Ministry of Health and IGSS deliver health care in their hospitals, clinics and health centres, without coordinating services between one another or between the units of these institutions. The ministries of Defence and the Interior also have their own hospitals and nursing homes for beneficiaries. Similarly, the private sector provides services in offices, clinics, and private hospitals.<sup>2</sup>

The cooperative law does not specifically mention health or social care as areas of cooperative activity. It defines single-purpose cooperatives (citing such examples as agriculture, artisanal marketing, consumer, savings and credit, transport, or housing cooperatives) and multipurpose cooperatives, which offer a variety of products and services to satisfy their members' needs.<sup>3</sup>

Notwithstanding, the statistics collected by the National Cooperative Institute (Instituto Nacional de Cooperativas) categorize cooperatives under their main area of activity. Statistics are available for the following groups: agriculture, savings and credit, production, consumer, housing, transport, special services (cable, tourism, public utilities, etc.), fisheries, and marketing. The Institute reports that in 2013 there were 880 cooperatives active in Guatemala with nearly 1.4 million members. The agricultural sector (356 cooperatives with 81,929 members) and savings and credit sector (259 cooperatives with 1,273,060 members) are the two largest.<sup>4</sup> Multiservice cooperatives in these two sectors provide and facilitate access to health care.

## HEALTH COOPERATIVES

No cooperative was identified whose primary function is health care. Health care (medical assistance, dental and social care) is however provided as part of multiservice delivery by cooperatives in

other sectors, in particular in multiservice agricultural and savings and credit cooperatives.

## OTHER COOPERATIVES

A number of cooperatives have partnered with the Ministry of Public Health and Social Welfare to bring health promotion, and preventive and curative health care to vulnerable populations with limited access to public structures. The Ministry contracts with cooperatives, the majority of which serve rural areas, to run community health care centres. Considered non-governmental organizations, they are contracted to extend basic health care coverage (extensión de cobertura<sup>5</sup>), particularly services for women and children, and emergency health care. The standard contract generally covers the cost of mobile health teams. They visit cooperative-run health centres to provide medical check-ups, especially to women (pre- and post-partum check-ups, family planning) and children, to vaccinate and to provide in-home care. It

Population (in thousands): 15,083

Population median age (years): 19.19

Population under 15 (%): 40.8

Population over 60 (%): 6.56

Total expenditure on health as a % of Gross Domestic Product: 7.2

General government expenditure on health as a % of total government expenditure: 19.5

Private expenditure on health as a % of total expenditure: 60.5

further covers the cost of trained health workers, of community facilitators who provide emergency medical care and medication, and of midwives who work in the health centres (convergence centres and community centres) run by NGOs, including cooperatives. Partners provide support staff.<sup>6</sup>

The following are examples of the types of cooperative which are currently partners or have partnered with the Ministry.

**Cooperativa Agrícola Integral 'El Recuerdo' R.L.:** El Recuerdo Cooperative was founded in 1984 as a multiservice agricultural cooperative. As of December 31, 2012, it had a total membership of 1,993 (63% or 1,246 men; 37% or 747 women). Since 2010 El Recuerdo has been contracted by the Ministry of Public Health and Social Welfare to extend health coverage in eight municipalities (90,429 inhabitants) in the department of Jalapa. Under the El Recuerdo model of service, each mobile health team includes a doctor, institutional facilitator, health educator, and a rural technical specialist. In each municipality, 1-5 institutional facilitators or neonatal maternal nurses staff each convergence centre. They provide preventive care, assist in deliveries, and provide home care. An average of 20 community facilitators trained by the cooperative and 30 midwives are found in each municipality.<sup>7</sup>

The health service provider contract was worth \$605,180 USD (4,789,631 GTQ) in 2012 and \$1.3 million USD (10,545,576,000 GTQ) in 2013.<sup>8</sup> The cooperative's contribution to operating the health centres was \$56,850 USD (449,169 GTQ) to cover the cost of office supplies, support staff salaries, training, gas, insurance premiums, and other general operating costs. In-kind expenses included the use of four-wheel drive vehicles to transport staff and pharmaceutical products to the various municipalities. In 2012, El Recuerdo Cooperative recorded 92,861 medical consultations.<sup>9</sup>

#### **Federación de Cooperativas de Las Verapaces, R.L.**

**FEDECOVERA:**<sup>10</sup> Established in 1976, by 2012 FEDECOVERA brought together 36 cooperatives and 12 farmer groups with a membership of 25,000 small agricultural producers. The federation established a health centre in 1996. Today, with the assistance of the Ministry, it serves 46,438 people in 48 communities. FEDECOVERA reports that an average of 18,000 people per year receives orthodontic care. The majority are children.

**Cooperativa Integral de Ahorro y Crédito "Todos Nebajenses," COTONEB R.L.:**<sup>11</sup> Established in 1989, COTONEB is a multiservice savings and credit cooperative which provides health care to the department of El Quiché. With the financial support of the Ministry and the World Bank, 63,692 people (primarily women and children) received care in three municipalities in the Ixil region. The

investment was approximately \$486,360 USD (3,842,625 GTQ) by the Ministry and \$199,350 USD (1,575,227 GTQ) by the World Bank. COTONEB was also contracted as the Ministry's service provider for the municipalities of Sacapulas and Cunén, where an additional 47,082 women and children were served. The cost of the operation was \$289,900 USD (2,290,398 GTQ).

**Cooperativa Agrícola Integral "Hoja Blanca" R. L.:**<sup>12</sup> Hoja Blanca is a multiservice agricultural cooperative established by small-scale coffee producers in 1979. With the support of the Ministry of Public Health and Social Welfare, the cooperative serves 7,500 people in 12 communities in the municipality of Cuilco and five communities in the municipality of Libertad, Huehuetenango.

**UPAVIM** (Unidas para vivir mejor), the women's handicraft cooperative, also runs a medical clinic, laboratory, and pharmacy as well as providing social care in the form of a child care centre.<sup>13</sup> With over 80 members, some of which are worker-members, UPAVIM employs 41 salaried workers, including a full-time doctor, nurses, a teacher, administrators, cooks, cleaners, secretaries, bakers, soy producers, and a lab technician.

## SAVINGS & CREDIT COOPERATIVES

The savings and credit sector is among the largest of the cooperative sectors, serving over 1.2 million members or approximately 7% of the population. Savings and credit cooperatives provide medical attention, run infirmaries/dispensaries, and provide affordable medicine.<sup>14</sup> They make available insurance plans to cover hospitalization or provide free basic health care. Insurance products are provided through private insurance companies.

## INSURANCE COOPERATIVES

In 1994, the Savings and Credit Cooperative Federation (Federación de Cooperativas de Ahorro y Crédito, FENACOAC) established an insurance company, **Seguros Columna**. It is owned by the Federation and 25 individual savings and credit cooperatives. A wide range of life and non-life (auto, home, remittance, etc.) insurance products are offered to cooperative members and to the general public, with members receiving discounted pricing or free access.<sup>15</sup> Insurance products can be contracted through 168 offices in 115 municipalities in 20 departments in Guatemala.

Seguros Columna offers a series of products and services to improve health care access, including:

**Health Care Allowance:** A daily allowance to help cover health care costs is available to those who hold savings accounts at savings

and credit cooperatives. This coverage is available free to all those with minimum deposits of 500.00 GTQ (approximately \$63 USD). The level of payment is in proportion to the level of savings. Daily payments are made for a maximum of 90 days to all persons up to the age of 70.<sup>16</sup>

Savings (GTQ)	Benefit	Max Benefit
500-1,000	50	4,500
1,001-10,000	100	9,000
10,001 and above	150	13,500

**Health Days (Jornadas médicas de salud):** In collaboration with the savings and credit cooperatives of the MICOPE system (members of FENACOAC), Columna Seguros organizes “health days” during which it provides free general medical, dental, and ophthalmological care to members and to the community that the

cooperative serves. In 2012 it planned 70 such days and benefited 28,000 people.<sup>17</sup>

**Operation and Hospitalization Allowance (Seguro Médico de Operaciones y Hospitalización):** Columna Seguros offers health insurance to contribute to health care costs. A schedule of recognized medical interventions designates the payment applicable to each operation/hospitalization. Policyholders are free to choose their doctors and medical establishments, as the insurance company does not maintain a network of health providers. In 2009, over 400,000 were covered by the health plan.<sup>18</sup>

**‘Healthy Life’ Insurance (Seguro Vida Saludable):** Columna Seguros offers a series of life insurance policies, all of which include unlimited, no-cost basic health care including gynaecological and paediatric care. Annual life insurance premiums range from \$19 to \$61 USD (150 to 486 GTQ) for coverage ranging in value from \$1,200 to \$6,300 USD (10,000 to 50,000 GTQ).

SOURCES

<sup>1</sup> Becerril-Montekio, Víctor, and Luis López-Dávila. 2011. “Sistema de salud de Guatemala.” *Salud Pública Mexicana* 53(2):197-208. Retrieved March 27, 2014 ([http://bvs.insp.mx/rsp/articulos/articulo\\_e4.php?id=002623](http://bvs.insp.mx/rsp/articulos/articulo_e4.php?id=002623)).

<sup>2</sup> Becerril-Montekio and López-Dávila 2011.

<sup>3</sup> Gobierno de Guatemala. 1978. *Ley General de Cooperativas, Decreto numero 82-78, 7 de diciembre 1978*.

<sup>4</sup> Instituto Nacional de Cooperativas. 2013. “Cooperativas Activas por Region y Clase al 31 Agosto de 2013.” Webpage. Retrieved March 27, 2014 (<http://inacop.gob.gt/page50.html>).

<sup>5</sup> Ministerio de Salud Pública y Asistencia Social, Gobierno de Guatemala. 2014. “Extensión de Cobertura.” Webpage. Retrieved April 5, 2014 (<http://msp.as.gob.gt/index.php/en/extension-de-cobertura.html>).

<sup>6</sup> Ministerio de Finanzas Pública, Gobierno de Guatemala. 2014. “Organizaciones No Gubernamentales.” Webpage. Retrieved April 5, 2014 ([http://www.minfin.gob.gt/archivos/ong/parte6a2\\_5.html](http://www.minfin.gob.gt/archivos/ong/parte6a2_5.html)).

<sup>7</sup> Cooperativa El Recuerdo. 2014. “Programa de salud.” Retrieved April 5, 2014 (<http://cooperativaelrecuerdo.com/index.php/es/salud.html?showall=1&limitstart>).

<sup>8</sup> Ministerio de Salud Pública y Asistencia Social, Gobierno de Guatemala. 2013. “Auditoria Interna Cua. No. 31438. Cooperativa Agrícola Integral ‘El Recuerdo’ Responsabilidad Limitada. 1 de enero 2012 al 31 de Octubre 2013.” Retrieved April 7, 2014 (<http://msp.as.gob.gt/libreacceso/images/stories/datos/2013/UIPDIC/Articulo%2010.%20Numerales%2014%20y%2019/Auditor%20C3%ADas%202013/CUA%20No.%2031438-2013%20Cooperativa%20Agricola%20Integral%20-EL%20RECUERDO-%20Responsabilidad%20limitada.pdf>).

<sup>9</sup> Cooperativa El Recuerdo 2014.

<sup>10</sup> FEDECOVERA Guatemala. 2014. Website. Retrieved April 7, 2014 (<http://www.fedecovera.com>).

<sup>11</sup> COTONEB R.L. ES MICOPE. 2014. “Responsabilidad Social.” Webpage. Retrieved April 7, 2014 ([http://www.cotonebrlesmicope.com.gt/index.php?option=com\\_content&view=article&id=313&Itemid=234](http://www.cotonebrlesmicope.com.gt/index.php?option=com_content&view=article&id=313&Itemid=234)).

<sup>12</sup> Cooperativa Agrícola Integral Hoja Blanca. 2014. Website. Retrieved April 7, 2014 (<http://portal.anacafe.org/portal/WebSite/Templates/TemplateVertical.aspx?SiteID=909>).

<sup>13</sup> UPAVIM. 2104. “Our Programs: Empowering Guatemalan Women and Communities.” Webpage. Retrieved April 7, 2014 (<http://www.upavim.org/programs/medical-services/>).

<sup>14</sup> Dardón, Esdras Nehemías Portillo. 2005. “Modelo Organizacional con Énfasis en El Servicio al Cliente para una Cooperativa de Ahorro y Crédito Integral.” Ph.D. Dissertation, Facultad de Ciencias Económicas, Universidad de San Carlos de Guatemala. Retrieved March 27, 2014 ([http://biblioteca.usac.edu.gt/tesis/03/03\\_2239.pdf](http://biblioteca.usac.edu.gt/tesis/03/03_2239.pdf)).

<sup>15</sup> Medina, Julio Rolando. 2010. “Ranking de Empresas Aseguradoras: Salvavidas ayudó en temporal.” *Mercados & Tendencias*, Junio - Julio, 58-63. Retrieved April 3, 2014 (<http://revistamy.com/wp-content/uploads/2012/06/ranking-de-aseguradoras-41.pdf>).

<sup>16</sup> Seguros Columna. 2012. “Algo más que una aseguradora.” Presentation to ICMIF. Slide Share Website. Retrieved April 3, 2014 (<http://www.slideshare.net/icmifmicroinsurance/algo-mas-que-una-aseguradora>).

<sup>17</sup> Seguros Columna 2012.

<sup>18</sup> Seguros Columna. 2006. “Micro finanzas para los pobres rurales: micro seguros y reducción de la vulnerabilidad.” Retrieved April 3, 2014 (<http://www.microseguros.net/seminario/ppt/Caso-Columna-Guatemala.pdf>).