

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

In 1996, Paraguay adopted a law creating a National Health System that guarantees universal health care to all (Ley N° 1032 que crea el Sistema Nacional de Salud).<sup>2</sup>

Later decrees enabled a decentralization of service delivery of health care to public, private (for and non-profit organizations, including cooperatives), and so-called “mixed” or parastatal organizations, such as the Red Cross. In 2008, universal health care became a government priority to enable free health care services for users. Approximately 95% of the population is provided with health care through public social protection schemes with 70% of the population using public health care provided through the Ministry of Public Health.<sup>3</sup> Approximately 7% of the population are covered by private health schemes.<sup>4</sup>

In 2011, the health sector of Paraguay consisted of 23 general hospitals, 101 second-level hospitals, and 971 outpatient health centres. There were 9,070 doctors, 4,700 orthodontists, 28,895 nurses, technical and support personnel.<sup>5</sup>

Current providers of health care are the public sector (through the Ministry of Health and a number of autonomous institutions), the Social Security Institute (IPS), and the private sector. Each finances health care provision in their own facilities, with little coordination between them. The Ministry of Health provides health care at its facilities at a subsidized price, charging user fees for most procedures. The Social Security Institute is financed with a payroll tax on employers, on employees, and a contribution from the government, split between its various insurance schemes – old age, disability, survivors, and sickness. Private sector fees are not regulated.<sup>6</sup>

Health services are among the top activities in which cooperatives are active.

The recent 2012 National Cooperative Census (based on 2011 data) found that 450 cooperatives were active in Paraguay. 47% (330) of cooperatives are in the financial sector; 14% (64) in the non-financial sector, that is, in the consumer, marketing, health and social care, housing, and communication sectors; 10% (46) in agricultural, fisheries, forestry and salt production; and 2% (10) in the electricity, gas, and water sectors.

According to the Confederation of Cooperatives of Paraguay (Confederación de Cooperativas de Paraguay, CONPACCOOP) and its observatory (OBSECOOPY), health services are among the most common services provided by cooperatives of all types, accounting for 47.9% of all social services provided by cooperatives. This attests to the fact that many cooperatives are classified in their main area of activity but provide multiple services.

CONPACCOOP reports that in 2011, 115 cooperatives of all types were active in the area of health in seven of the country's 18

**Population** (in thousands): 6,687

**Population median age** (years): 23.59

**Population under 15** (%): 32.78

**Population over 60** (%): 8.01

**Total expenditure on health** as a % of Gross Domestic Product: 10.3

**General government expenditure on health** as a % of total government expenditure: 11.2

**Private expenditure on health** as a % of total expenditure: 58.0

departments and served approximately 8% of the total population.<sup>7</sup> Cooperatives were found to provide or manage medical services or pharmacies, to offer health insurance through wholly-owned companies, and to provide health-related loans.

In addition, cooperatives of all sectors are known to have engaged in health education and disease control. Currently, cooperatives have partnered with the Ministry of Public Health and Social Well-being to implement the campaign against dengue fever.<sup>8</sup>

## HEALTH COOPERATIVES

The National Census on Cooperatives (2012) identifies five health and social care cooperatives (1.1% of all cooperatives).<sup>9</sup> They bring together 834 members and operate in the departments of Concepción (1), Itapúa (1), Caaguazú (1), and Alto Paraná (2). In 2011, they provided health services to 257,627 people, up from 230,354 in 2010, i.e., an 8.9 % increase in one year.

The following table lists the five health cooperatives.<sup>10</sup>

Name	Type
Cooperativa Comunitaria de Salud Naranjaty Limitada	User
Cooperativa Médica Multiactiva de Trabajo y Servicios PLANMED Caaguazú Limitada	Producer
Cooperativa Multiactiva de Ahorro y Crédito, Consumo. Servicio y de Trabajo Médico UNICOM Ltda	Producer
Cooperativa Multiactiva de Trabajo y Servicio Itapua COMEDI Ltda. <sup>11</sup>	Producer
Cooperativa Multiactiva de Trabajo y Servicios UNIMED <sup>12</sup>	Producer

### Health Cooperative Data (2011)

Number of cooperatives	5 cooperatives whose primary purpose is health care	105 cooperatives whose services include health and social care
Types of cooperative	Producer and User	
Number of members	834 (711 men and 123 women)	
Number of employees	Worker members N/A 22 indirect jobs	
Users	257,627 537,904 for all cooperatives in 2011 (479,817 in 2010)	280,277
Services	Illness and accident prevention, wellness and health promotion, treatment and cure, rehabilitation including cardiology, paediatric and geriatric care, gynaecology and obstetrics, traumatology, nephrology, urology, respiratory medicine, psychology dermatology, orthodontic care, ophthalmology, pharmacy and laboratory services as well as nursing care and ambulance services	
Annual turnover	Approx. \$13 million USD (59,222,834,349 PYG)	
Sources of revenue	N/A	N/A

### Case Study

The community health cooperative **Cooperativa Comunitaria de Salud Naranjaty Limitada** (COSAN) was established by 185 people in response to the absence of adequate medical care at reasonable cost in the Alto Paraná region. Today it has 292 members (rural producers in the majority) and continues to seek to expand its membership.

COSAN was formally established in 2001. In its formative phase, the founders were supported by various religious organizations and other cooperatives in the region, including the agricultural cooperative, **Cooperativa de Producción Agropecuaria Naranjal Ltda** (COPRONAR). A number of COPRONAR members were founding members of COSAN, providing cooperative education and training to those interested in starting the health cooperative.<sup>13</sup>

Initially COSAN provided health education and disease prevention. Its aim, however, was to open a hospital.<sup>14</sup> In 2005 it was able to secure a donation of medical equipment and furniture from **Collaboration Internationale Santé**, a Canadian NGO which recovers unused medical equipment and materials from Quebec's health network.<sup>15</sup> This enabled COSAN to open a modern hospital, **Hospital Cosan Naranjal**. Today it provides 24-hour medical attention and offers a range of services including laboratory analysis, radiology, orthodontic care, ophthalmology, and the distribution of pharmaceuticals.

Hospital Cosan Naranjal is part of the network of health providers recognized by the prepaid health insurance plan offered by **Cooperativa UNIMED Alto Paraná**.<sup>16</sup>

### OTHER COOPERATIVES

The Census identifies an additional seven cooperatives whose secondary activity is the provision of health and social services in the departments of Asunción (1), Central (5), and Ñeembucu (1). Health and social services are the third most important activity of another five cooperatives.

Of the 436 cooperatives surveyed (excluding the five who reported their primary activity to be health-related), 105 reported that they provided health services. The majority are multiservice cooperatives. In 2011, a total of 280,277 people used their health-related services, an 8.9% increase over 2010 when there were 249,463 users.<sup>17</sup>

Cooperatives provide services in both public and private medical structures. The services provided are varied and include cardiology, paediatric and geriatric care, gynaecology and obstetrics, traumatology, nephrology, urology, respiratory medicine, psychology dermatology, orthodontic care, ophthalmology, pharmacy, and laboratory services as well as nursing care and ambulance services. The majority are providers of prepaid health services.<sup>18</sup>

The following table breaks down the activities which cooperatives perform and the number of users each has.

Area of activity of cooperative	Number of users	
	2010	2011
Activities related to public hospitals	200	200
Activities related to private hospitals	34,100	38,891
Medical attention	81,622	98,487
Orthodontic attention	2,276	3,417
Facilities with nursing care (infirmaries)	79,229	81,655
Medical and diagnostic laboratories	37,708	44,782
Other activities related to human health	19,362	18,686
Other social services without residential care	4,920	5,259
<b>Total</b>	<b>259,417</b>	<b>291,377</b>

*Source: OBSECOOPY, based on National Cooperative Census 2012*

An example of a multiservice cooperative is **Cooperativa Comecibar** (Cooperativa de Consumo Producción, Ahorro, Crédito y Servicios de Profesionales de la Salud Limitada). It provides financial assistance (grants/subsidies) to members and their families to help defray costs related to incapacity, maternity and prenatal pathologies, hospitalization, and death. In 1995 it established a pre-paid health insurance provider to offer health insurance to its members. (See “Insurance,” below.) In November 2012, it also established its own laboratory service, SPS Laboratorio, which enables members to access the SPS laboratory itself and 60 other laboratories with which it has strategic alliances.

### SOCIAL COOPERATIVES

The National Cooperative Census 2012 identified 633 cooperatives as providing social services. Of these, 110 provided social services in the area of health with no specific breakdown within the category. The other areas of activity include the provision of credit for improved social well-being, technical assistance, support to academic institutions, recreation and sports, donations, scholarships, support to local authorities, community work, environmental projects, and legal assistance.

### PHARMACIES

Among the 105 cooperatives providing some type of service related to health care are those that offer pharmaceutical services or operate pharmacies. For example, the national-level multipurpose cooperative, **Cooperativa Multiactiva de Consumo y Servicios de Personal Policial “17 De Mayo” Ltda.**, owns and operates five pharmacies in various locations around the country under the name “Farmacia Santa Rosa.”<sup>19</sup> The **Cooperativa Multiactiva Neuland Ltda.**, a multipurpose cooperative primarily active in the

agricultural sector, owns and operates “Farmacia Concordia.”<sup>20</sup> A third example, the multipurpose savings and credit cooperative, **Cooperativa Multiactiva de Ahorro, Crédito y Servicios San Lorenzo Ltda**, operates the **Farmacia Pytyvo**.

A cooperative owned by pharmacies also exists, **Cooperativa Multiactiva de Propiedad de Farmacias (COOFA)**. No information on its activities or form was identified, however.

### INSURANCE

Cooperatives are also involved in providing health insurance through wholly-owned insurance companies.

**Cooperativa Comecibar** (Cooperativa de Consumo Producción, Ahorro, Crédito y Servicios de Profesionales de la Salud Limitada) was founded in 1967 by 61 health professionals as a savings and credit cooperative. In 1980 it diversified its activities to include consumer services and in 1995 established the **Sistema de Protección Salud (SPS)**,<sup>21</sup> to provide prepaid health insurance. Initially it provided health insurance exclusively to **Comecibar** members. In 2004 it extended coverage to the entire cooperative movement, and in 2010 to the general public. In 2013 SPS provided health services through its network of health providers – 1,075 health professionals and 122 health centres. It insured 18,112 persons, 97.6% of whom were cooperative members and their families. Its health insurance premiums totalled \$6.6 million USD (31,323,736,669 PYG) in 2013.<sup>22</sup>

Health insurance is also provided by a wholly-owned subsidiary of an Argentinian insurance cooperative, **Sancor Seguros del Paraguay S.A.** Established in 2009, **Sancor Seguros del Paraguay** provides personal and commercial life and non-life insurance coverage, including agricultural insurance. At the end of 2013 the Association of Insurance Companies (Asociación Paraguaya de Compañías de Seguros) ranked **Sancor Seguros del Paraguay** the six largest of 35 insurance companies operating in Paraguay.<sup>23</sup>

Two other insurance companies owned by the cooperative movement provide health coverage under their accident insurance: **Aseguradora Tajy Propiedad Cooperativa de Seguros** and **Panal Compañía de Seguros Generales S.A.**

### MUTUALS

Health care services (medical, orthodontic, and pharmaceutical) and health insurance are also delivered through mutuals. Some were established by specific laws. Others were set up to operate on the basis of the principle of mutuality prior to the regulation of mutuals under Law No. 3472 (2008).<sup>24</sup>

**Ayuda Mutual Hospitalaria** (AMH) provides mutual health insurance and comprehensive medical care<sup>25</sup> to indigenous communities in the Chaco region. Established by law in 2006 (Ley N° 3050/2006), it provides health insurance and services. A decentralized organization, AMH works through 26 funds (Cajas). In 2009, it served 25,000 people.<sup>26</sup>

The **Mutual Health Institute** (Instituto Mutual de la Salud) was established in Paraguay in 1995. It provides insurance coverage to health professionals and their families in a number of countries. It offers a wide range of medical services, pharmacies, and laboratory services to the staff, doctors, and nurses of the Hospital de Clinicas, Neuropsychiatric Hospital, Instituto Andrés Barbero, and Research Institute of Health Sciences (Instituto de Investigación en Ciencias de la Salud). The mutual has agreements with a number of clinics and laboratories. These enable members to receive treatment and services in various locations in the capital city.<sup>27</sup>

Although primarily a mutual set up as a retirement fund, the **Caja Mutual de Cooperativistas del Paraguay** also provides coverage for health care in intensive care units. It was established in 1985 by the cooperative movement in order to provide social protection (retirement plans) for members of cooperatives and similar enterprises which are not covered by the public social protection system. The Caja Mutual de Cooperativistas del Paraguay provides a daily allowance (grant) to members for hospitalization in an intensive care unit. Members receive approximately \$550 USD per day (2,500,000 PYG) after the fourth day of ICU hospitalization for a period up to 12 days. It currently has 23,334 members.<sup>28</sup>

<b>Number of mutuels</b>	3
Number of members	Caja Mutual de Cooperativistas del Paraguay - 23,334

SOURCES

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