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*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



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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# SPAIN

2014


Barcelona Hospital. Photo: Instalaciones Asistenciales Sanitarias (SCIAS)

## HEALTH SYSTEM

The Spanish national health system provides universal coverage, is funded from taxes, and operates predominantly within the public sector. Provision of health care is free of charge with the exception of pharmaceuticals prescribed to people under 65 years of age, which generally require a 40% co-payment. At the end of 2002, health competencies were decentralized to the regional level in recognition of Spain's political system. The 17 regional health ministries are responsible for the organization and delivery of health services within their respective regions. A commission comprising the national level and 17 regional health ministries coordinates health policies. However, their decisions (which must be made by consensus) can only take the form of recommendations.

The cooperative sector is similarly regulated with a national cooperative law and 15 regional laws on cooperatives. At the end of 2013, it numbered 21,257 cooperative societies with the majority (over 60%) providing services, followed by industrial, agriculture, and construction cooperatives.[1]

Both national and regional laws define a significant number of sectors of activity in which cooperatives can be active, including health and social care. The national cooperative law (Ley General de Cooperativas 1999) allows cooperatives to provide health care services and any health-related activity. Health cooperatives (cooperativas

**Population** (in thousands): 46,755

**Population median age** (years): 40.99

**Population under 15** (%): 15.2

**Population over 60** (%): 22.86

**Total expenditure on health** as a % of Gross Domestic Product: 9.6

**General government expenditure on health** as a % of total government expenditure: 15.0

**Private expenditure on health** as a % of total expenditure: 26.4

sanitarias) can take the following forms: worker cooperatives (cooperatives of health professionals); consumer cooperatives (users, and includes the provision of insurance through companies owned by cooperatives); integrated cooperatives (users and producers in a cooperative with multiple activities); and health service cooperatives.[2] Regional laws also provide for cooperatives to be active in the provision of health and social care and are generally more specific regarding the form or activity they can undertake.

Numerous cooperatives that provide health and social care exist. The first pharmacy cooperative was established in 1927, the first health cooperative of users and producers in 1974, and the first cooperative of health professionals (doctors) in 1976. Cooperatives today run hospitals and clinics, provide a wide range of medical services, offer home care, run residential facilities to the disabled and elderly, distribute pharmaceuticals, provide ambulance services, and provide health care insurance.

## HEALTH COOPERATIVES

Health cooperative development can be traced back to 1934 and the igualatorias, which are considered precursors of modern cooperatives. Families made arrangements with doctors, each paying the same fee (same = "igual") for services which they would receive at no further cost were they to fall ill, i.e., a producer-managed, user-prepaid insurance arrangement. As cooperatives were unable to engage in insurance activities with third parties, these igualatorias were established as limited companies.[3]

Health cooperatives had the most significant development in Catalunya under the leadership of Dr. Josep Espriu and later the Espriu Foundation. Health cooperatives are found in other regions too, however.

### Espriu Cooperative Model

In 1957 the Barcelona-based igualatoria Asistencia Sanitaria Colegial was established. Under the leadership of its president, Dr Josep Espriu, it founded and financed the interprovincial igualatorio, **Asistencia Sanatoria Interprovicional S.A. (ASISA)** in 1962, bringing together prepaid health care in 35 municipalities. It was also Dr Espriu that led a large group of colleagues from Asistencia Sanitaria Colegial to establish **Instalaciones Asistenciales Sanitarias (SCIAS)** in 1974. This, the first consumer health cooperative, was a response to the shortage of facilities and to the desire to bring together producers and users to define and manage health care. Today, it counts over 160,000 members and owns the 337-bed Barcelona Hospital.

Cooperatives of health professionals soon followed. In 1977 a group of doctors working with ASISA founded the Madrid-based cooperative, Lavinia Sociedad Cooperativa. In 1978 Asistencia Sanitaria Colegial transferred its shares in ASISA to Lavinia at no cost.[4] Lavinia thus became the sole proprietor of ASISA and combined medical care and insurance. Lavinia's membership totals over 12,000 health professionals and ASISA gives coverage to more than 1.8 million people.

ASISA's Moncloa Hospital, Madrid

The worker cooperative Autogestió Sanitària was founded in 1978 by a group of doctors from Asistencia Sanitaria Colegial who also made up the majority of shareholders of an insurance company, Assistència Sanitaría S.A. Autogestió Sanitària is a service cooperative. Its 5,500 health professionals provide both medical and insurance services to more than 200,000 policyholders. It is important to note that, by law, it may not offer insurance to consumers directly; Autogestió Sanitària therefore provides insurance through Assistència Sanitaría.

These four entities form the cooperative network of the Espriu Foundation. They have a total membership of 179,437, including 17,835 medical professionals. (Note: the number of attending physicians exceeds 31,500.) They provide health services to approximately two million people through 14 hospitals, 13 dental clinics, 48 medical centres, and 110 medical offices. They also run three hospitals in collaboration with the government. Care of private patients represents 54% of their portfolio. Their combined turnover in 2012 was $1.825 billion USD (1.366 billion EUR).[5]

### Other Initiatives

There are however other worker cooperative initiatives, notably Cooperativa Sanitaria de Galicia (COSAGA) and CES Clinicas in Madrid.

**COSAGA** was established in 1985 by a group of health professionals who were convinced that the best way to provide quality service to their patients was to work as a team. Under the

value proposition "Team Medicine," the cooperative takes a human approach, focusing on the patients, their families, and their needs with professionalism, honesty, integrity, and respect. It seeks efficiency and excellence through participation and innovation while reinvesting its surplus to improve service delivery. It also cares for the community in which it operates. With 12 members and 120 employees, it offers services through four clinics[6] for ambulatory and non-ambulatory surgery, a non-surgical intensive care unit, and emergency services. Most of its users are people covered by SERGAS, the publicly-funded health care system of Galicia. Considered one of the best medical centres in the region of Ourense, COSAGA was the first medical centre in Galicia to obtain the 300+ level Seal of Excellence from the European Foundation for Quality Management.[7]

**CES Clinicas** was founded in 1980 by a group of dentists as a worker cooperative. It provides a wide range of dental care and more recently has added women's health services (gynaecology). Its membership has reached 80 health professionals who care for over 80,000 patients in its five clinics.

During a recent debate over the privatization of the health system in the autonomous region of Madrid, the proposal was made, based on the Catalunya experience, to convert 10% of clinics into health cooperatives. In April 2014, however, the government reversed its decision to privatize the health system.

## Health Cooperative Data[8]

| | Espriu Foundation | CES Clinicas[9] | Cooperativa Sanitaria de Galicia (COSAGA)[10] |
|---|---|---|---|
| **Number of cooperatives** | 2 cooperatives and 2 cooperative groups | 1 | 1 |
| **Types of cooperative** | User and Producer | Producer | Producer |
| **Number of members** | 179,437 | <80 | 12 |
| **Number of employees** | 33,338 | N/A | 120 (including 54 doctors, 19 nurses, 22 auxiliary nurses, 3 pharmacists) |
| **Users** | 2,000,000 | 80,000 | |
| **Facilities** | 14 hospitals, 13 dental clinics, 48 medical centres, 110 medical offices. Also runs 3 hospitals in collaboration with the government | 5 clinics | 4 clinics |
| **Services** | | Orthodontia, gynecology | General medicine, internal medicine, general surgery, traumatology; vascular, neuro, maxilla-facial and plastic surgery; cardiology, otolaryngology, pediatrics, anesthesiology, oncology, gastroenterology, urology, psychiatry, endocrinology, dermatology, allergology, physiotherapy, imaging, ophthalmology, clinical analysis, pneumology, sleep medicine, hematology, and rehabilitation. |
| **Annual turnover** | $1.825 billion USD | N/A | $10.4 million USD |

## Case Study[11]

The **Espriu Foundation** is a private non-profit umbrella organization, established February 17, 1989 to promote, disseminate, and develop comprehensive, cooperative health care. The Espriu Foundation brings together institutions in Spain that apply the health cooperative model created by Dr. Josep Espriu. The model envisions a health service provision system based on cohesive and shared management and a social concept of health care whose focus is the welfare of the patient, not the pursuit of profit.

The Foundation monitors, promotes, and defends the health cooperative movement and has established a knowledge platform to improve health protection systems. It engages in representation at the national and international level, undertakes research, and provides health cooperative management and training.

The cooperative network of Espriu Foundation employs 33,338 people and provides health services to approximately two million users. The cooperatives have a total membership of 179,437 of whom 17,835 are medical professionals and the rest are users. Its income is derived primarily through premiums paid by health care users. Its turnover in 2012 was $1.825 billion USD. According to the World Cooperative Monitor 2013, this makes

it the third largest health cooperative network in the world in terms of turnover.

The Espriu Foundation network has 14 clinics and hospitals, 13 dental clinics, 48 medical centres, and 110 service offices. It also runs three hospitals in collaboration with the government.

The Espriu cooperatives provide all kinds of medical services in all medical specializations, excluding those that, under Spanish law, must be provided through the national health system.

The development and success of cooperatives within the Espriu Foundation are the result of two important factors: collaboration with the national health system and shared management between physicians and users.

Collaboration with the national health system (i.e., with government) takes two forms. The first is an agreement to deliver health services to public civil servants. Through an agreement with the Civil Service Mutual Association, ASISA provides health care coverage for employees of various national public administrations. Approximately 900,000 people are thus covered, accounting for 49% of ASISA's portfolio. The second form is the management of some health facilities belonging to the national health system. This has led to cost savings for the national health system and to higher satisfaction among users.

Shared management between producers and users – physicians and patients – is also at the heart of the success and performance. A transparent governance system balances the interests of health professionals and users, so the cooperative can guarantee the health professional the freedom to provide the patient with the best possible care.

## PHARMACY COOPERATIVES

Cooperatives formed by pharmacists to purchase and distribute pharmaceuticals are particularly strong in Spain. A 2011 World Health Organization report on Spain noted, "The drugs distribution system is organized mainly by wholesalers (who distribute roughly 85% of all medicines), chiefly made up of pharmacy cooperatives, accounting for 75% of total sales, the remaining 25% corresponding mainly to purchase by hospitals."[12]

The first pharmacy cooperative, **Federació Farmacèutica**, was established in 1927 with the objective of providing distribution and credit services to its members. Today, pharmacy cooperatives provide a wide range of services to members, including bulk purchasing, warehousing, distribution, credit, software for ordering and managing inventory, marketing services, and training. They bring together 19,000 of Spain's 22,500 pharmacies into the 32 pharmacy cooperatives of the Association of Cooperative Pharmacies (Asociación de Cooperativas Farmacéuticas, ACOFARMA).[13]

The importance of pharmacy cooperatives as distributors is apparent in their substantial market shares. (See tables, below.)[14] COFARES, the largest distributor (23.51% of the market in 2013), has a membership of 9,723 pharmacies, a turnover of $3.389 billion USD (2.535 billion EURO) and employs 2,006 persons.[15]

| Rank | Enterprise | 2013 Market Share % |
|---|---|---|
| 1 | COFARES | 23.51 |
| 2 | Farmanova Group[a] | 13.67 |
| 3 | Hefame & Centro Farmacéutico Valenciano | 12.70 |
| 4 | Alliance Health care | 11.65 |
| 5 | UNNEFAR Group | 9.2[16] |
| 6 | CECOFAR Group | 8.52 |
| 7 | FARUN+[b] | 7.20 |
| 8 | Federació Farmacèutica | 5.72 |

[a]: 9 member cooperatives [b]: 6 member cooperatives

### Pharmacy Cooperative Data (2013)[17]

| | |
|---|---|
| **Number of cooperatives** | 32 |
| Types of cooperative | Purchasing and distribution |
| Number of members | 19,000+ pharmacies |
| **Annual turnover** | $4.859 billion USD (3.635 billion EUR) COFARES and Farmanova Group only |

## SOCIAL COOPERATIVES

As with health cooperatives, cooperative legislation defining social cooperatives exists at the national level and in 15 of the 17 autonomous regions. These laws define the forms (generally consumer or worker cooperatives) and activities of what are variously defined as social interest, social integration, social initiative, social service, or public interest cooperatives. The Spanish Confederation of Workers' Cooperatives (Confederación Española de Cooperativas de Trabajo Asociado, COCETA) provides a summary of the laws and their contents in 2010 publication, *Cuando se trata de personas, las cooperativas llevan la iniciativa*.[18]

According to COCETA, as of September 30, 2010 there were an estimated 508 worker cooperatives in the social sector, of which 78.5% were found to carry out social care activities. The majority of these worker cooperatives (over 50%) provided home care, followed by those providing senior residential care (25%). However,

there were also cooperatives operating day or night care centres for persons with disabilities and seniors, as well as those providing employment (sheltered work, labour insertion).[19]

The largest social care cooperative in terms of business volume is Claros Sociedad Cooperativa Anduluz, a worker cooperative founded in 2001 through a merger of five existing social care cooperatives in Andalucia. Claros manages and provides a wide range of social care services under contract with a number of public entities. It also owns and operates its own centres. In 2012 it provided home care services to 7,500 persons, managed 14 residential centres for foundations and public entities, operated 3 of its own residential facilities and 2 of its own daycare centres for seniors. With a membership of 44 persons, Claros employs over 4,000 workers and had a turnover of more than $60.15 million USD (45 million EUR) in 2010.[20]

In the Basque country, GSP, a Mondragón Corporación affiliate, manages senior residences, home care services, day centres, community housing, and sheltered housing. It operates 13 senior residences and 12 daycare centres, and 2 assisted living centres.[21]

Consumer cooperatives also provide social care. One recent example is Cooperativa CONVIVIR, a seniors care residential facility. It is a multistakeholder consumer cooperative whose members include persons near retirement or retired, as well as an association and another cooperative. The latter owns the residential facilities and organizes services for elder care. Members having the right to use the facilities, to transmit usage rights to their family, and to select the services which they wish to receive.[22]

### Social Cooperative Data 2010

The only data available for social care cooperatives relates to those which take the form of worker cooperatives.

| | |
|---|---|
| **Number of cooperatives** | 399[23] |
| Types of cooperative | Producer (worker cooperatives) |

## MUTUALS

In Spain there are 30 mutuals which play a role in health care provision, particularly with regard to accidents and occupational health.[24] They are financed through contributions to social security and operate their own health centres.

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