

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 2007 Uruguay established the National Integrated Health System (Sistema Nacional Integrado de Salud, SNIS) to ensure citizens access to comprehensive health services through public and private insurers and insurer-providers of comprehensive health care services.² The SNIS has made it possible to offer the same benefit plan to approximately 95% of the population.³

The public system includes the Public Health Services Administration (Administración de Servicios de Salud del Estado, ASSE), the University Hospital, and care units of the Armed Forces and Police, which together cover just over 40% the population. The private sector is made up of non-profit Institutions for Collective Medical Attention (Instituciones de Asistencia Médica Colectiva, IAMCs), most of which are health cooperatives, and mutuals. Together they provide health care to the majority of the population.

“The Institutions for Collective Medical Attention (IAMC) may be any of the following: (a) health care associations, inspired by the principles of mutualism, which provide their members with medical care through mutual insurance, and their resources are dedicated exclusively to this purpose; (b) cooperatives of professionals, in which medical care is provided to their members and the social capital is contributed by the professionals who work in them; (c) health care services created and financed by private or mixed companies to provide non-profit medical care for their employees and sometimes their family members; (d) other private professional medical care institutions that provide non-profit medical care to their members and the social capital contributed by the professionals, who are required to work in them.”⁴

In 2008, IAMCs provided health services to 1.8 million people, with cooperatives providing services to 583,025 people or 32.3%. The majority of these were in the interior of the country (outside the capital city). In 2014, the number of people choosing to be covered by health cooperatives grew to over one million people.⁵ IAMCs are the largest providers of integral health care.

The ASSEs and IAMCs receive per capita payments in accordance with the risk of the covered population and care goals set by the Ministry of Public Health from the National Health Fund (Fondo Nacional de Salud, FONSA), constituted by obligatory deductions from salaries and general taxes.⁶ They must at minimum provide the obligatory health services defined by the Ministry, with adherents paying monthly fees and co-payments for treatments. In 2014, there were 41 IAMCs, of which 28 were cooperatives and 9 were mutuals. However, cooperatives are also prominent in the provision of specific health care services, particularly dentistry and social care.

Although cooperatives are important providers of health care, the cooperative law (Ley N° 18.407 of 2007)⁷ does not include

Population (in thousands): 3,995

Population median age (years): 34.16

Population under 15 (%): 22.05

Population over 60 (%): 18.59

Total expenditure on health as a % of Gross Domestic Product: 9.0

General government expenditure on health as a % of total government expenditure: 21.9 (2011 data)

Private expenditure on health as a % of total expenditure: 32.1

specific mention of health cooperatives. It provides for the following cooperative types: agriculture, consumer, housing, insurance, mutual guarantee, savings and credit, social worker, artist, and other related trade cooperatives. The National Institute of Cooperatives (Instituto Nacional de Cooperativismo, INACOOP), however, reports that a significant number of “medical cooperatives” (i.e., cooperatives made up exclusively of health professionals) are becoming “Institutional Private Health Care Professionals,” a new legal form that is considered part of the social economy and partially governed by the General Cooperative Law. This new form has the advantage of not limiting the number of contracted workers, whereas the law limits the number of non-members that a worker cooperative may employ.

HEALTH COOPERATIVES

The 2008 Second Cooperative Census (II Censo Nacional de Cooperativas y Sociedades de Fomento Rural) categorized cooperative activity as per the statistical indicators designated by

the United Nations ISIC.⁸ Health care is covered under the ISIC’s definition of “human health activities” (division 86).⁹

The census report prepared by INACOP indicated there were 80 cooperatives carrying out human health activities. These cooperatives can be described as both health and social care cooperatives. They employed 46.5% of all health workers and were responsible for 22.6% of total turnover in the sector.¹⁰

In 2014, 28 health cooperatives were IAMCs and thus recognized as providers of national health system services (in this case, ambulatory and inpatient services).¹¹ Persons with a minimum of three years of IAMC affiliation are entitled to change providers during a set period of time, on a yearly basis. In 2014, 4.1% of the more than 1.3 million people entitled to change providers did so. This was less than in previous years (6.4% in 2011, 4.6%, in 2012, 4.4% in 2013), suggesting that affiliates are in general satisfied with their providers. Cooperatives in 2014 have all had a net increase in affiliates.¹²

The list of cooperative IAMCs as of February 2014 indicates how many of their affiliates are covered by FONSA (1,053,648) and provides information related to their facilities (201 ambulatory and

33 inpatient).¹³ By comparison, 9 mutuals provide health care to more than 880,000 FONSA affiliates.

There are 112 other medical cooperatives and 36 dentist cooperatives which also provide health care services. Dentist cooperatives have national coverage and provide health services to more than 10% of the population. They are worker cooperatives that aim to improve dental care coverage and accessibility, and to generate quality employment opportunities for orthodontists.

Health Cooperative Data

Statistical data on cooperatives is collected using a variety of indicators that do not coincide with the types set out in the Cooperative Law. The 2008 Second Cooperative Census collected data using the United Nations ISIC, Revision 4¹⁴ as well as indicators that describe their activities in more detail. The census showed that cooperatives in variety of sectors (including housing, worker, and savings and credit) were active in providing health services.¹⁵ The data in the following table reflects those cooperatives which fall under ISIC divisions 86 and 88.

| | 2008 ¹⁶ | 2013 ¹⁷ /2014 (see notes) |
|-------------------------------|--|--|
| Number of cooperatives | 86 cooperatives <ul style="list-style-type: none"> • 40 medical cooperatives (ISIC R.4 class 861 and 862) • 36 dentist cooperatives • 10 involved in other human health activities (ISIC R.4 class 8690) including ophthalmologists’, psychologist and psychiatrist cooperatives, ambulance services, and home care | 88 cooperatives (categorized as 46 medical, 53 worker, and 2 social cooperatives) <ul style="list-style-type: none"> • 28 involved in hospital activities (ISIC R.4 class 861) • 31 involved in medical and dental practice activities (ISIC R.4 class 862) • 29 involved in other human health activities (ISIC R.4 class 869) 27 of 88 cooperatives were IAMCs – recognized providers of the national health care system. |
| Types of cooperative | Producers (majority), Users | |
| Number of members | 1,826 <ul style="list-style-type: none"> • 1,047 for medical cooperatives • 593 for dentist cooperatives • 186 for other cooperatives | 1,690 for medical and dental cooperatives |
| Number of employees | 12,823 | |
| Users | 796,453 for medical and dental cooperatives <ul style="list-style-type: none"> • 17.5% of population cared by medical cooperatives • 6.4% of population cared by orthodontist cooperatives | <ul style="list-style-type: none"> • 120,000 dental patients reported by Cooperativa Odontológicas Federadas del Interior COFI¹⁸ cooperatives only (2014)¹⁹ • 151,000 dental patients estimated by Cooperativa Odontológica de Montevideo de la Asociación Odontológica RedDentis (2014)²⁰ |
| Facilities | Hospitals, polyclinics, sanatoria, infirmaries, laboratories, blood banks, orthodontic clinics and dental offices, pharmacies, rehabilitation centres | |
| Services offered | Ambulatory and hospitalized health care – including medical, dental, mental health; elderly and home care, ambulance and medical transport | |
| Annual turnover | \$7,726,962 USD (December 2008) ²¹ – 22.6% of market share | |
| Sources of financing | Transfers (national health insurance for medical cooperatives only), members, direct payments | |

Noteworthy is the 2014 Members Directory of the Federation of Worker Cooperatives (Federación de Cooperativas de Producción, FCPU). It has its own categories of sectoral activities, some which are more detailed (leather workers, chemical workers etc.) while others are more general, such as social or health services. These include worker cooperatives involved in such services as ambulance services and social care (home care cooperatives).²²



Photo: RedDentis

Case Study

RedDentis, Cooperativa Odontológica de Montevideo de la Asociación Odontológica Uruguaya, is a dentist (worker) cooperative located in the capital city, Montevideo. RedDentis was established in September 1999 at the initiative of the Dentists Union to address the issue of reduced labour opportunities for orthodontists in private practice. The cooperative form was chosen because the National Health System provided opportunities for cooperatives in health care delivery. The government was expanding health care coverage to include dental care, due to substantial oral health problems among 90% of the population. It therefore was hoped that RedDentis would be in good position to engage in public-private partnerships or private partnerships.

RedDentis has established an innovative management model to provide both quality employment and better quality and more affordable dental health care. It also engages in advocacy to protect the interests of its members. It provides professional training and cooperative education as well as marketing support, and implements quality control systems.

RedDentis has 268 dentist worker-members. Nearly all (260) have their own dental offices. Members must be certified orthodontists (“doctor en odontología”) having graduated from a public or private university. They must be current with pension

payments to their professional organization and be paid-up members of the Uruguayan Dental Association.

All RedDentis health professionals are co-op members. No dentists are contractors. The only employees (17) are administrative staff. According to the Cooperative Law, the number of contracted workers may be no more than of 20% of the total number of members in worker cooperatives.

Although officially categorized as a worker cooperative, RedDentis also provides shared services, including centralized administrative services (e.g. accounting, invoicing, bill collection, and audit services), while enabling decentralized delivery of dental care. Each member owns and manages his/her own office. The cooperative owns the administrative headquarters. Members benefit from a software package that provides joint calendar/appointment management, invoicing and payment functionalities, and the ability to consult and update patients’ clinical records on-line and in real time. There are document treatment plans for education and training purposes. As there is no national collection of epidemiological information on dental hygiene, this data collection may prove useful for national health purposes in future.

RedDentis can attend to 5,000 patients daily, so patients can be served without delay, even for urgent care. To use RedDentis services, patients must be affiliated with the cooperative and pay it a monthly fee. This entitles them to dental consultations at no extra charge, exams and diagnostics, national coverage for 24-hour emergency care year-round, health education, fluoride treatments, teeth cleaning and access to all specialties.²³ Treatments are charged at a 40% discount off the treatment fee suggested by the Uruguayan Dental Association. Services outside Montevideo are provided by a network of 34 orthodontist cooperatives found across the country. They are members of the Federated Dentist Cooperatives of the Interior (Cooperativa Odontológicas Federadas del Interior, COFI), a RedDentis partner.

More than 150,000 people receive dental care through RedDentis. Many are covered through service agreements which their professional associations, unions, cooperatives, and employers contract with RedDentis.

In 2010 RedDentis collaborated with the Ministry of Social Development to assist beneficiaries of the Uruguay Trabaja programme (Uruguay Works, a job placement and training programme for marginalized groups). This was important as one of the aims of RedDentis has been to help address social inclusion. In

2011, RedDentis was also the recipient of a grant from the Ministry of Industry and Energy in recognition of its accomplishments as a worker cooperative and in support of its projects. RedDentis engages in health promotion for children and young people in schools, colleges, and other neighbourhood organizations.

SOCIAL COOPERATIVES

According to the Cooperative Law, social cooperatives are worker cooperatives which aim to provide members with both employment and economic development opportunities. Their ultimate purpose is to enable the economic and social integration of the heads of households of vulnerable populations, including youth, persons with disabilities, and ethnic minorities.

According to this definition, INACOP identified 151 active social cooperatives as of June 2013.²⁴ Given ISIC division 87 (residential care),²⁵ ten of these cooperatives were involved in social care. They engage in the following activities: nursing facilities (class 8710), residential care for mental retardation, mental health and substance abuse (class 8720), and for the elderly and persons with disabilities (class 8730). These cooperatives are also categorized by their sector of activity, i.e., social, housing, and worker cooperatives.

Social Cooperative Data 2013

The data below reflects only those cooperatives in division 87 (residential care) that have a social care function. Note that data provided under health cooperatives also includes in part cooperatives providing social care. Social care cooperatives may also be included in the ISIC class 889 (other social work without accommodation). However, the information available indicates that the majority are social cooperatives promoting employment opportunities for vulnerable populations and do not fit the social care definition of this report.²⁶

| | |
|-------------------------------|--|
| Number of cooperatives | 9 (4 worker, 4 housing, and 1 social cooperative) <ul style="list-style-type: none"> • 1 providing general residential care (ISIC R.4 class 8700) • 1 providing residential care for the mentally retarded, the mentally ill, and those suffering from substance abuse (ISIC R.4 class 8720) • 7 providing residential care for persons with disabilities and the elderly (ISIC R.4 class 8730) |
| Types of cooperative | Users, Producers |

SAVINGS & CREDIT COOPERATIVES

Uruguay counts over 100 savings and credit cooperatives. Based on a review of those with websites, an estimated 20% of these cooperatives facilitate access to health care. They offer health service benefits in the form of discounts based on agreements with health services providers. These benefits may also include reductions for medical treatments and exams, pharmaceutical and optical products. At least one also runs a blood bank for members.

Some offer medical services to members free of charge or at a small cost. These medical services include general medicine and orthodontist services, emergency medical transport, and house calls. For example:

- **Cooperativa Minuana de Ahorro y Crédito (COMAYC)** offers free emergency dental care to members, discounted rates at pharmacies and optical centres, and negotiated rates for psychological treatment, orthopaedic care, and non-emergency dental care.²⁷
- **Cooperativa de Ahorro y Crédito del Personal Subalterno de las Fuerzas Arma (CACCSOE)** offers an emergency medical service for members and their families for a small monthly charge at locations in Montevideo and Durazno. Two doctors are available for house calls. It has agreements for member discounts for optical products and ambulance services throughout the country.²⁸
- **Cooperativa de Ahorro y Crédito (COSSAC)** set up an orthodontist office at its head office where it provides members with orthodontic care. Over 80% of treatments are free of charge, and paid services cost less than market prices. It also provides a free social care service to its members (accompanying patients in clinics and hospitals) as well as discounted prices on other services.²⁹ It currently has over 32,000 members.³⁰
- **Federación Uruguaya de Cooperativas de Ahorro y Crédito (FUCAC)**, the federation of savings and credit cooperatives, provides its 165,000 members with discounts on diagnostics and treatment at a private clinic (psychiatric and psychological consultation, including occupational and family therapies). It also offers to members who take out personal loans no-cost life, unemployment, hospitalization, and disability insurance coverage for the duration of the loan.³¹

Savings and credit cooperatives are not included in the statistical data on health and social cooperatives above since they are categorized by their primary area of activity.

OTHER COOPERATIVES

Similarly, many consumer cooperatives provide medical services to their members, but are not counted among the cooperatives providing health and social care since that is not their primary area of activity. The following are examples of the health services which some consumer cooperatives offer.

- **Cooperativa de la Previsión Social (CPS)** was created in 1954 to provide services to the employees of the Banco de Previsión Social. It provides access to a wide range of consumer products and services including financial and legal services. Among these are free general and specialist medical services including laboratory services for its members through both external providers and its own medical service. It also offers members a number of paid services, such as an extension of medical coverage to include their families, orthodontic care, emergency care, terms for membership in the medical and social care cooperative (Cooperativa de servicio cooperativo de cuidados y compañía, Caminos), and optician discounts. Members have access to consultations with specialists in cardiology, surgery, dermatology, physiotherapy, gastroenterology, nephrology, ORL, psychiatry and psychology, rheumatology, traumatology, urology, and ophthalmology.³²
- **Cooperativa de Consumo Salud Pública**, a consumer retail cooperative for public health workers, provides a wide range of consumer food and non-food products to members. It also

offers orthodontic care and discounts for ambulance, social care, and psychological services.³³

INSURANCE COOPERATIVES

Sancor Seguros S.A., a private company, is a wholly-owned subsidiary of the Argentine insurance cooperative, Sancor Seguros. It operates nationally through five offices and offers life and non-life insurance products. Among these are health insurance products providing coverage for hospitalization and surgical interventions (up to \$500-1,700 USD in value), organ transplants, and access to discounted pharmaceuticals. The insurance is of a complementary nature, to help defray costs not covered by the national health plan.³⁴

MUTUALS

Numerous mutuals are active in Uruguay providing social protection, including pension plans, life insurance, and health care services. They do not have their own legal status but fall under the law governing civil associations.

As noted above, health care is also provided by mutuals known as IAMCs. Nine mutuals are recognized providers of national health system services, offering ambulatory and inpatient services in their own facilities. These mutuals provide health care to more than 880,000 FONSA affiliates.

SOURCES

¹ A more detailed version of this case is available upon request.

² Ley N° 18.211. December 2007.

³ World Bank. 2012. *Republic of Uruguay Integrated National Health System: Analysis of the Governability of the SNIS Benefit Plan (PIAS)*. Retrieved April 7, 2014 (http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/09/23/000442464_20130923100243/Rendered/INDEX/800840ESWUrug000PUBLIC00Bo x379829B.txt).

⁴ Ley 17.930, art. 265.

⁵ División Economía de la Salud (DIGESNIS), Ministerio de Salud Pública (MSP). 2014. "Movilidad Regulada de los Usuarios del Seguro Nacional de Salud." Retrieved May 7, 2014

(http://www.msp.gub.uy/sites/default/files/archivos_adjuntos/informe%20Movilidad%20Regulada%202014-2.pdf).

⁶ Aran, Daniel, and Hernán Laca. 2011. "Sistema de salud de Uruguay." *Salud Pública Mexicana* 53(2):265-274. Retrieved April 7, 2014 (http://bvs.insp.mx/rsp/articulos/articulo_e4.php?id=002629).

⁷ Ley N° 18.407 was revised after the establishment of the SNIS. Republica Oriental del Uruguay, Poder Legislativo. 2008. "Sistema Cooperativo: Regulación General de su Funcionamiento." Retrieved April 7, 2014 (<http://www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=18407&Anchor=>).

⁸ INACOOP. 2014. "Cooperativas según actividad 2011." Retrieved April 5, 2014 (http://www.inacoop.org.uy/index.php?option=com_content&view=article&id=71&Itemid=37).

⁹ They include "activities of short- or long-term hospitals, general or specialty medical, surgical, psychiatric and substance abuse hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centres, leprosaria and other human health institutions which have accommodation facilities and which engage in providing diagnostic and medical treatment to inpatients with any of a wide variety of medical conditions. It also includes medical consultation and treatment in the field of general and specialized medicine by general practitioners and medical specialists and surgeons. It includes dental practice activities of a general or specialized nature and orthodontic activities. Additionally, this division includes activities for human health not performed by hospitals or by practicing medical doctors but by paramedical practitioners legally recognized to treat patients." See definition 086 Human Health (p. 252) in: United Nations. 2008. *International Standard Industrial Classification of All Economic Activities (ISIC). Rev. 4*. Statistical Papers, Series M, No.4/Rev. 4. New York: U.N. Department of Economic and Social Affairs (http://unstats.un.org/unsd/publication/seriesM/seriesm_4rev4e.pdf).

¹⁰ INACOOP 2011.

¹¹ Subrayado. 2014. "Conozca el tiempo de espera de las mutualistas para ver un medico." January 31. Retrieved April 6, 2014 (<http://www.subrayado.com.uy/Site/noticia/30503/>).

¹² División Economía de la Salud 2014.

¹³ División Economía de la Salud 2014.

¹⁴ INACOOP 2011.

¹⁵ The Census was conducted November 2008 to December 2009. Final microdata were delivered December 2010. See INACOOP. 2012. "Microdatos y Cuestionario." Webpage. Retrieved April 5, 2014 (http://www.inacoop.org.uy/index.php?option=com_content&view=article&id=114&Itemid=46).

INACOOP used a slightly different cooperative typology in its 2013 Directory of Cooperatives. These included agricultural, agricultural workers, artist, consumer, housing, insurance, medical, mutual guarantee, savings and credit, rural development, social, and worker as well as the ISIC classes. See INACOOP. 2013. "Directorio de Cooperativas en Uruguay." Retrieved April 5, 2014 (http://www.inacoop.org.uy/index.php?option=com_content&view=article&id=389&Itemid=50).

¹⁶ INACOOP 2011.

¹⁷ INACOOP. 2013. "Directorio de Cooperativas en Uruguay 13 de junio de 2013." Retrieved April 5, 2014 (http://www.inacoop.org.uy/index.php?option=com_phocadownload&view=category&download=134:directorio-de-cooperativas&id=4:censo).

¹⁸ Cooperativa Odontológicas Federadas del Interior (COFI). This federation brings together more than 30 orthodontist cooperatives. It has a network of nearly 1,000 offices, representing almost 30% of active dentists nationwide. See: Cooperativa Odontológicas Federadas del Interior. 2014. Website. Retrieved April 1, 2014 (<http://www.odontologos.com.uy/index2.html>).

¹⁹ INACOOP 2012 (Cooperativas médicas).

²⁰ Personal communication with RedDentis, May 24, 2014.

²¹ Federación de Cooperativas de Producción del Uruguay (FCPU). 2014. "Asociadas a la FCPU - Cooperativas de Producción y Cooperativas Sociales." Retrieved April 1, 2014 (http://www.fcpu.coop/fr/documentos/GUIA_ACTUALIZADA_2014.pdf).

²² FCPU 2014.

²³ Specialties include paediatric dentistry, orthodontics, implants, gerodontology, periodontics, and dental surgery.

²⁴ INACOOP 2013.

²⁵ "The division includes the provision of residential care combined with either nursing, supervisory or other types of care as required by the residents. Facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services." United Nations 2008:254.

²⁶ No cooperatives were identified as having activities in division 88 (social work without accommodation) or class 8810 (social work without accommodation for the elderly and disabled), although according to INACOOP some cooperatives classified under health cooperatives (class 8610) are also involved in elderly care. Other cooperatives providing social care are also included in the health cooperative statistics.

²⁷ Cooperativa Minuana de Ahorro y Crédito (COMAYC). 2014. Website. Retrieved April 29, 2014 (<http://www.comayc.com/beneficios.htm>).

²⁸ Cooperativa de Ahorro y Crédito (CACCSO). 2014. Website. Retrieved April 6, 2014 (<http://www.caccsoe.com.uy/?q=node/33#serv>).

²⁹ Cooperativa COSSAC. 2014. Website. Retrieved April 6, 2014 (<http://www.cossac.com.uy>).

³⁰ ACI Américas. 2014. "Directorio Cooperativas Americas." Retrieved May 30, 2014 (<http://acinegocios.coop/directorio-cooperativas-america/ahorro-y-credito/cooperativa-de-la-seguridad-social-de-ahorro-y-credito-cossac.html>).

³¹ Federación Uruguaya de Cooperativas de Ahorro y Crédito (FUCAC). 2014. Website. Retrieved April 7, 2014 (http://www.fucac.com.uy/ucprod_265_1.html).

³² CPSCOOP. 2014. Website. Retrieved April 10, 2014 (<http://www.cpscoop.com.uy/>).

³³ Cooperativa de Consumo Salud Pública (COSAP). 2014. Website. Retrieved April 10, 2014 (<http://www.cosap.com.uy/odontologia.html>).

³⁴ Sancor Seguros Uruguay. 2014. Website. Retrieved April 6, 2014 (<https://www.gruposancorseguros.com/uy/es/uruguay/coberturas-personas/vida-y-salud/salud-segura-igm>).