

An excerpt from:

*Better Health & Social Care: How are Co-ops & Mutuels 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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Jean-Pierre Girard

LPS Productions

205 Chemin de la Côte Sainte-Catherine, #902

Montréal, Québec H2V 2A9

Canada

[info@productionslps.com](mailto:info@productionslps.com)

URL <http://www.productionslps.com>



Centro Integral Cooperativa de Salud in Pueblo Nuevo, Barquisimeto. Photo: CECOSOLA.

Population (in thousands): 29,955

Population median age (years): 26.73

Population under 15 (%): 28.84

Population over 60 (%): 9.17

Total expenditure on health as a % of Gross Domestic Product: 4.7

General government expenditure on health as a % of total government expenditure: 5.5

Private expenditure on health as a % of total expenditure: 66.3

## HEALTH SYSTEM

It is estimated that 68% of the population of Venezuela does not have access to health insurance coverage, despite the fact that the 1999 constitution entitles its citizens to health care.

The health system is comprised of a public and a private sector. The public sector includes the Ministry of Health (Ministerio del Poder Popular para la Salud) and several social security institutions, the most significant being the Venezuelan Institute for Social Security (Instituto Venezolano de los Seguros Sociales, IVSS). The Ministry of Health is financed with federal, state, and county contributions. The IVSS is financed with employer, employee, and government contributions. Both provide services in their own facilities. The private sector includes providers offering services paid for out-of-pocket and private insurance companies.<sup>2</sup>

Cooperatives engage in health care delivery as part of the private sector, to address issues of access, quality, and affordability. Neither cooperatives nor mutuals can undertake insurance functions, however.<sup>3</sup>

The Venezuelan government engaged in extensive cooperative promotion particularly under the Chávez regime. This resulted in over 306,000 cooperatives being formed, of which the great majority (267,000) were inactive by 2010. Few were formally registered and many were considered to be bogus cooperatives, formed and controlled by the State. No official statistics are available, however. It is estimated that in 2012 the movement counted 40,000 active cooperatives with 730,000 members.<sup>4</sup> Cooperatives are found in a variety of economic sectors, including agricultural production, savings and credit, transport, distribution of public utilities, and health care.<sup>5</sup>

## HEALTH COOPERATIVES

Cooperative provision of health care essentially began in the 1990s in response to the inadequate and inefficient public health system and the high cost of private insurance. Services initially were provided by existing cooperatives in various economic sectors which then expanded services in response to the needs of their members.

In Venezuela health services are generally delivered by user-owned or user-producer cooperatives, although at least one producer-owned cooperative (formed by doctors) is known to exist. No updated information on the number or types of cooperative is readily available.

However, the public health administration has recognized two cooperative health care providers as primary care providers, requiring reasonable co-payments from those covered by public

health care.<sup>6</sup> These are secondary-level cooperatives (cooperative centrals) which own and operate hospitals and medical centres, namely Servicio Médico Cooperativo (SERMECOOP) of the Central Cooperativa de Barinas (CECOBAR) and Centro Integral Cooperativa de Salud of the Central Cooperativa de Servicios Sociales.

CECOBAR was founded in 1972, initially to provide funeral insurance to its member cooperatives. Today it provides health and financial services as well. In 1999 it established the Medical Service Cooperative (Servicio Médico Cooperativo, SERMECOOP), the first cooperative health care centre. It provides services to over 100,000 people: general medical consultations, gynaecology, paediatrics, obstetrics, and orthodontic care free of charge, and fee-based general surgery, hospitalization, radiology, and laboratory services.<sup>7</sup> It also has an ambulance that operates a mobile clinic.<sup>8</sup> Members pay a monthly fee of approx. \$6.25 (40 VEB) to have access to health services at their clinic/hospital, open 365 days a year, 24 hours a day.<sup>9</sup> Non-members can also access services at affordable prices. The cooperative operates a clinic in Barinas, and has medical centres both in Barinas and the municipality of Rojas. It plans to build a new clinic in Libertad in the municipality of Rojas.<sup>10</sup>

The Central for Cooperative Social Services (Central Cooperativa de Servicios Sociales, CECOSOLA) was established in the state of Lara in 1967 to provide services for its member cooperatives. Today it comprises 50 organizations which bring together a total of 20,000 members. It currently engages in agricultural production, small-scale agro-industrial production, funeral services, transportation, savings and loans, and health care services. It also manages mutual aid funds, the distribution of food and household items, and organizes important markets (ferias) at which small farmer-members can sell their products. (More than 600 tons of fruit and vegetables are sold annually to 60,000 families at prices 30% below those of local supermarkets.) In 2007 CECOSOLA established an Integrated Health Cooperative Centre or hospital (Centro Integral Cooperativa de Salud, CICS). It also operates six clinics. CECOSOLA provides quality health care services to 200,000 people a year at rates 60% less than other private health care providers.<sup>11</sup> (See “Case Study,” below.)

Other multipurpose cooperatives also provide health care services. (See table below.)

## Health Cooperative Data

	CECOSOLA	SERMECOOP	Others
Cooperatives	1	1	1
Types	User and producer	User	Producer
Members	20,000	N/A	N/A
Employees	1,300, including 70 health professionals	42 (2002)	N/A
Users	200,000 (2013)	100,000 (2012)	N/A
Facilities	1 hospital, 6 medical clinics	1 clinic, 2 medical centres	N/A
Services	General medicine, gynaecology, paediatrics, internal medicine, general surgery, hand surgery, mastology, urology, gastroenterology, orthopaedics, paediatric endocrinology, ophthalmology, otolaryngology, psychology, dietetics and nutrition, acupuncture and alternative therapies, dentistry, endodontics, and orthodontics	General medicine, gynaecology, paediatrics, obstetrics, orthodontic care, general surgery, hospitalization, radiology, and laboratory services	
Revenue sources	Payment for services/Surplus	Payment for services	

## CASE STUDY

**CECOSOLA** is a cooperative central that catered initially to its member cooperatives, then to a wider group of associations which today number 50 and total 20,000 members. It currently engages in agricultural production, small-scale agro-industrial production, funeral services, transportation, savings and loans, and health care services. It manages mutual aid funds and the distribution of food and household items. It does not distribute its surpluses but

reinvests them to better serve its members. In 2012-2013 CECOSOLA's turnover in all activities was reported to be approx. \$127 million USD (800 million VEF).

CECOSOLA started building its Cooperative Health Network in the city of Barquisimeto (the capital of Lara State, located west of Caracas) in the 1990s. In 1994, members organized informal mutual aid funds – health funds – to which each member contributed a specific amount on weekly basis. It was managed by members and

was used to cover the cost of health care. In 2002, 13 health funds existed in CECOSOLAS member organizations. These local funds contribute to the CECOSOLA Integrated Health Fund, a mutual aid or solidarity fund managed by those who contribute to it. Disbursements are not a function of contributions but a function of need.<sup>12</sup>

In the same period, members began accessing health care services through their own cooperatives. However, recognizing the greater need for public access to health care, CECOSOLA members began to build a health service network. In 1997 they established a medical centre in the Pueblo Nuevo section of Barquisimeto to provide general medical services. By 2006, the centre was providing services to more than 150,000 people – members and non-members. The centre had overextended itself in order to provide quality care. Members expressed the need for more comprehensive health services. The idea of building a new centre was launched – one that would provide integrated health services.

To purchase the land and construct the new medical centre, members raised capital through member contributions, surpluses from cooperative activities, and community raffles and donations. Today, the 4-storey building (3,465 m<sup>2</sup>) is valued at more than \$11 million USD (70 million VEF).

The **Centro Integral Cooperativa de Salud (CICS)** was inaugurated in 2007 to engage in health promotion, prevention, curative care, and rehabilitation. It provides ambulatory care as well as hospitalization, surgery, paediatrics, gynaecology, obstetrics, radiology, and endoscopy. Alternative medical treatments are available, including acupuncture, hydrotherapy, massage, Tai Chi, and dance therapy. It also offers healthy eating seminars. Other health services, such as dentistry and laboratory services, are available in other locations. In total CECOSOLA runs CICS and six other community medical facilities in its integrated network.

The CECOSOLA is staffed by 1,300 worker members, including 70 health professionals, administrative staff, and other workers. All staff are members of the cooperative. Remuneration of health professionals is based on a percentage of their consultation fees. Remuneration of other staff is determined by salary scales and productivity. All member-workers receive a health plan that entitles them to free preventive health care at their clinics. The plan covers about 80% of medical consultations and offers significant discounts on other services at the health clinics (relative to the established community member rates). The health fund provides support when worker-members need large, expensive operations. They generally are asked to pay back one third of the total cost if they are able.<sup>13</sup>



CECOSOLA operates under a non-hierarchical management system. There are no individual managers, but teams to organize the work at the centre. The CICS holds weekly management meetings for those who wish to participate. An average of 60 persons attend. Quarterly meetings are also held to review and discuss activities and future directions.

The CICS and CECOSOLA clinics provide health care to members and non-members. Members receive free health care for general medicine, paediatrics, and gynaecology, and pay a flat rate of \$28 USD (175 VEF) for most of the other specialities (including traditional and alternative medicine) excepting consultations with an ophthalmologic or ORL specialist (\$39.75 USD or 250 VEF).<sup>14</sup> Non-members access services at affordable fees. For example, on April 1, 2014, the fee for a paediatric consultation at CICS for a non-member was \$27 USD (170 VEF) whereas other private clinics were charging an average of \$63.50 USD (400 VEF). All other consultations for non-members in other medical specialities cost \$35.75-47.70 USD (225-300 VEF) whereas private clinic consultations charge \$95-127 USD (600-800 VEF), depending on the specialization.<sup>15</sup>

Below are statistics for patients treated at CICS in 2013 (exclusive of patients seen in other clinics in the network).

Types of consultation at CICS	Patients
General medicine	38,220
Paediatrics	38,969
Gynaecology	9,684
Other medical specialities and sonogram	28,342
Surgery, radiology, laboratory services, therapies, and acupuncture	43,393
<b>TOTAL</b>	<b>154,608</b>

The number of consultations is increasing, particularly in paediatrics, which is leading to overcrowding. For example, in 2013 CICS had eight paediatric doctors, three of them full-time, who attended on average 35 children during their respective shifts. There is concern that this volume may put the quality of service at risk. Overall the CICS and its network provide health services to more than 200,000 people.

## OTHER COOPERATIVES

Multipurpose cooperatives are also known to provide health care services. For example:

- **Cooperativa La Florencia**, located in Rubio in the state of Táchira, has more than 6,700 members. It provides consumer and savings and credit services as well as operating a pharmacy.<sup>16</sup>

## SOURCES

<sup>1</sup> Special thanks to Prof Oscar Bastidas-Delgado, Universidad Central de Venezuela and Teresa Correa for their valuable input and assistance.

<sup>2</sup> Bonvecchio, A., Becerril-Montekio, Víctor, Carriedo-Lutzenkirchen, Ángela, and Maritza Landaeta-Jiménez. 2011. "Sistema de salud de Venezuela." *Salud Pública Mexicana* 53(2):275-286. Retrieved May 30, 2014 ([http://bvs.insp.mx/rsp/articulos/articulo\\_e4.php?id=002630](http://bvs.insp.mx/rsp/articulos/articulo_e4.php?id=002630)).

<sup>3</sup> Gobierno Bolivariano de Venezuela, Superintendencia de la actividad de seguros. 2014. "Cooperativas de seguros." Webpage. Retrieved June 1, 2014 (<http://www.sudeseq.gob.ve/dictamenes/442>).

<sup>4</sup> Bastidas Delgado, Oscar. 2013. "Venezuela, el mayor cementerio de cooperativas del mundo." *Soberanía.org*, January 30. Retrieved April 13, 2014 (<http://www.soberania.org/2013/01/30/venezuela-el-mayor-cementerio-de-cooperativas-del-mundo/>).

<sup>5</sup> Mariño, Manuel. 2011. "El Cooperativismo en Venezuela." *Cooperativismo en Movimiento*, January 12. Retrieved April 13, 2014 (<http://www.centrocultural.coop/blogs/cooperativismo/2011/01/12/el-cooperativismo-en-venezuela/>).

<sup>6</sup> Fondo Autoadministrado de Salud de la Dirección Ejecutiva de la Magistratura (FASDEM). 2014. Website. Retrieved May 31, 2014 ([https://fasdem.tsj-dem.gob.ve/servicios/jsp/portalfasdem/pdf/clinicas\\_NN\\_CR.pdf](https://fasdem.tsj-dem.gob.ve/servicios/jsp/portalfasdem/pdf/clinicas_NN_CR.pdf)).

<sup>7</sup> Central Cooperativa Barinense. 2014. "Servicios Sociales." Retrieved April 16, 2014 (<http://www.actiweb.es/cecobar/servicios.html>).

<sup>8</sup> Bastidas Delgado, Oscar, Ortega, David Esteller, Freitez, Nelson, Gainzarain, Iñaki, Hernández, José Rafael, Matute, Eduardo, and Carlos Molina Camacho. 2011. "Hacia Una Política de Estado para la Economía Social y las Cooperativas Venezolanas como ejes de un modelo de desarrollo basado en la Cooperación." *Equipo: Economía Social y Cooperativismo*. Retrieved May 31, 2014 (<http://www.innovaven.org/quepasa/ecoana36.pdf>).

<sup>9</sup> Viloria, Rafael. 2012. "Buscando ecos a través de la cooperativa - Analítica.com." *Medicina Ginecologica*, May 4. Retrieved May 31, 2014 (<http://medicina-ginecologica.blogspot.ch/2012/05/buscando-ecos-traves-de-la-cooperativa.html>).

- **Cooperativa La Bermúdez** provides funeral, financial, and health services to 60,460 persons, covering nearly half the population of the municipality.<sup>17</sup> In 2002 it provided 14,000 people with health care.<sup>18</sup>
- **Asociacion Cooperativa Tucutunemo R.L.** initially was established as a savings and credit and consumer cooperative. It later added health care to its service offering.<sup>19</sup> Today its health services include gynaecology and obstetrics, traumatology, gastroenterology, otolaryngology, nephrology, psychology, physiotherapy, internal medicine, general medicine, ultrasound, clinical laboratory, general radiology, and emergency 24-hour service.<sup>20</sup>

## MUTUALS

No information was identified regarding mutuals involved in the provision of health care.

<sup>10</sup> Viloria 2012.

<sup>11</sup> Personal communication with CECOSOLA, May 24, 2014.

<sup>12</sup> Richer, Madeleine. 2002. "Las cooperativas de salud en Venezuela." *Cayapa. Revista Venezolana de Economía Social* 2(4):29-45. Retrieved April 16, 2014 (<http://www.redalyc.org/pdf/622/62220403.pdf>).

<sup>13</sup> Brady, Laura. 2009. "Charisma and the Venezuelan Cooperative Movement." *Intersections* 10(1):27-168. Retrieved May 31, 2014

([http://depts.washington.edu/chid/intersections\\_Winter\\_2009/Laura\\_Brady\\_Charisma\\_and\\_the\\_Venezuelan\\_Cooperative\\_Movement.pdf](http://depts.washington.edu/chid/intersections_Winter_2009/Laura_Brady_Charisma_and_the_Venezuelan_Cooperative_Movement.pdf)).

<sup>14</sup> Central Cooperativa de Servicios Sociales. 2014. "Consultas." Webpage. Retrieved May 31, 2014 (<http://www.cecosola.net/index.php/centro-integral-coop-de-salud/consultas>).

<sup>15</sup> Personal communication with CECOSOLA, May 24, 2014.

<sup>16</sup> Delgado, Luis. 2013. "Nuevo record: 6187 personas asisten a asamblea de la cooperativa Florencia." March 17. Retrieved May 31, 2014

([http://www.gestionparticipativa.coop/portal/index.php?option=com\\_content&view=article&id=339:nuevo-record-6187-personas-asisten-a-asamblea-de-la-cooperativa-florencia&catid=123:noticias&Itemid=456](http://www.gestionparticipativa.coop/portal/index.php?option=com_content&view=article&id=339:nuevo-record-6187-personas-asisten-a-asamblea-de-la-cooperativa-florencia&catid=123:noticias&Itemid=456)).

<sup>17</sup> Bastidas-Delgado, Oscar. "El cooperativismo en Venezuela cumple un año más en pie de lucha." *El Periodiquito*. Retrieved April 14, 2014

(<http://www.elperiodiquito.com/secciones/viewarticle/947/El-cooperativismo-en-Venezuela-cumple-un-ano-mas-en-pie-de-lucha>).

<sup>18</sup> Richer, Madeleine. 2002. "Las cooperativas de salud en Venezuela." *Cayapa: Revista Venezolana de Economía Social* 2(4):29-45. Retrieved April 16, 2014 (<http://www.redalyc.org/pdf/622/62220403.pdf>).

<sup>19</sup> Richer 2002.

<sup>20</sup> Cooperativa Tucutunemo R.L. 2014. Facebook Page. Retrieved June 1, 2014 (<https://www.facebook.com/pages/Cooperativa-Tucutunemo-RL/205577586159744>).