Health Care Co-operatives in Canada

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Introduction

Health care co-operatives provide services to Canadians through an approach focused on prevention of illness and user responsibility. While health care co-operatives are new to most provinces, they have been a key part of the health care system in Saskatchewan since 1962. In 2001, there were 101 health care co-operatives offering services across the country, the majority being in Québec. Recent trends have shown that the model is growing in Canada, with 57 new health care co-ops formed between 1997 and 2001.

Research conducted on the co-operative model has revealed its success – it boasts significantly lower per capita health care costs compared to that of the private practice model. This can be attributed to lower overall hospital costs, including fewer inpatient days, and a lower average length of stay.[1]

This paper will paint a portrait of health care co-operatives in Canada. A brief history of this sector will be provided, followed by a profile of the current situation in Canada. To conclude, a discussion of the overall, current trends of co-operative health care and a potential view of its future will be conducted.

A Brief History of Health Care Co-operatives

A co-operative is an association of individuals which provides goods and services for its members and the community. A co-op is distinct in uniting social and economic factors into its operations. With health always representing one of the foremost concerns in society, the initiation of health care co-operatives was a natural development.

The earliest incorporations of health care co-operatives in Canada include the *Coopérative de santé de Québec* in 1944[2] and *C.U.&C. Health Services Society* in British Columbia in 1946. The *C.U.&C. Health Services Society* was unique in its operations as a health insurance provider. To this day, it remains the sole health insurance co-operative ever to have existed in Canada.

However, the movement towards co-operative health care became widespread some time later, in the early 1960s. Community health associations – non-profit associations that provide health care services – were born during the tumultuous period in Saskatchewan politics that led to the creation of Medicare. The establishment of these associations was facilitated by the Mutual Medical and Hospital Benefit Associations Act – enacted in the mid-1930s. These organizations owe their existence to Medicare supporters who felt that publicly-funded health care should include representation by its users and should emphasize prevention and education.[3]

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[1] Angus, Douglas E. and Pran Manga, "Co-op/Consumer Sponsored Health Care Delivery Effectiveness", 1990, page 7

[2] "Health Care Co-operatives Startup Guide", Co-operatives Secretariat, Government of Canada, 1999, page 16

[3] Reid, R.S. "More than Medicare", Community Health Services Association (Regina), 1998, page 3

Medicare was the central issue in the Saskatchewan Provincial General Election of 1960. The Co-operative Commonwealth Federation party, under the direction of Tommy Douglas, won a comfortable majority with its promise of the first publicly-funded medical care insurance program in North America. However, the plan to implement Medicare was met with fierce opposition from Saskatchewan's physicians, culminating with the doctors' strike in July of 1962.[4] The community health associations quickly organized clinics and other facilities to help fill the gap created by the lost services of the striking doctors. Many give credit to the community clinics for helping to make Medicare a reality in Saskatchewan.

However, with Medicare up and running, several community health co-operatives ceased operations. At the same time, others saw Medicare as merely a first step in the right direction and consequently pushed forward with their community health associations. They stood by their principles of consumer involvement and alternative planning, financing, and delivery mechanisms, in hopes of creating a more inclusive Medicare system.[5]

Current Profile of Health Care Co-operatives in Canada

Figure 1

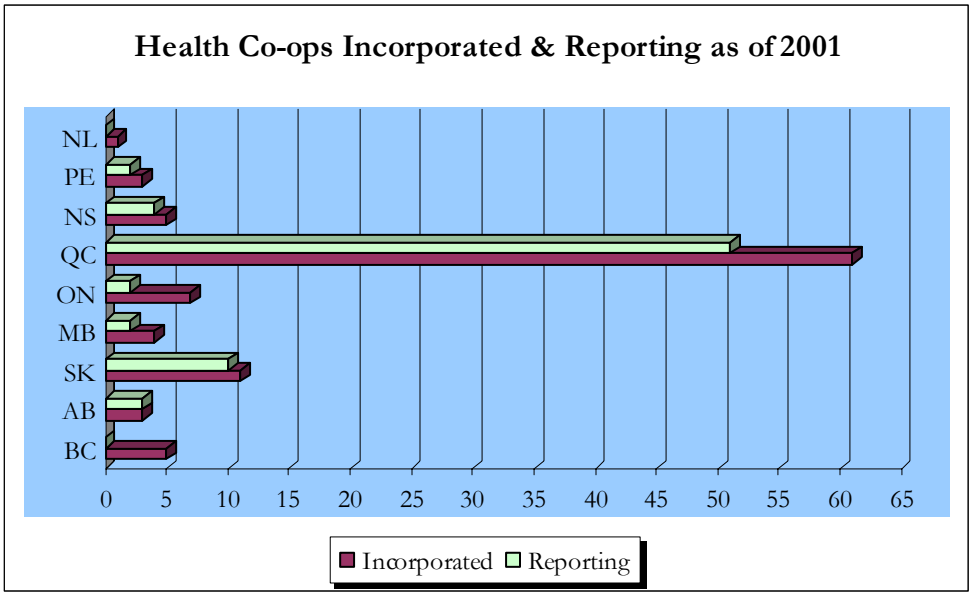
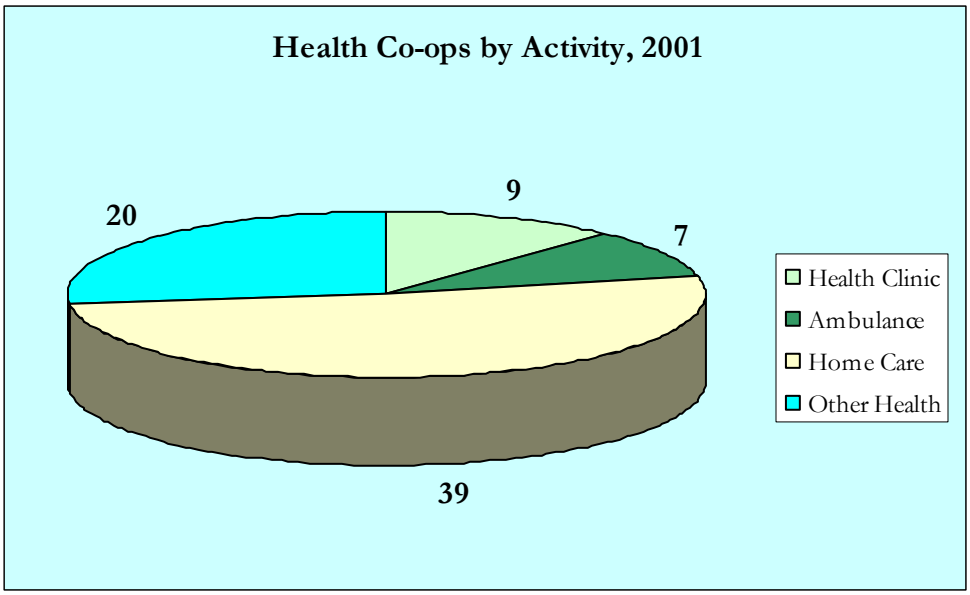


Figure 1 presents the number of co-operatives incorporated in Canada as of 2001 by province, as well as the portion of those reporting to the Co-operatives Secretariat, either by means of an annual survey or by the contributions of the central agencies of each province. For the purposes of this paper, unless otherwise stated, all statistical data is with reference to those co-operatives reporting. From the above figure, the visible leader is Québec, which boasts over 60 health care co-operatives incorporated and over 50 reporting. Although to a lesser extent than Québec, all other provinces – excluding New Brunswick, the Yukon, and the Northern Territories – have contributed to the development of the health co-operative sector in Canada.

[4] Ibid, page 4
[5] Ibid, page 4

Figure 2



The recent surge in the home care segment has led to the dominance of such organizations within the co-operative health sector. (An in-depth look at the home care trend will be provided further on.) Health clinics and ambulance co-ops have maintained a steady presence throughout the years. Rounding out the balance are those co-ops not part of the three previous segments and known as 'other health', covering such services as health education and holistic therapy.

Table 1: Number of Health Co-ops Reporting, 1997 – 2001

	1997	1998	1999	2000	2001
Health Clinic	12	11	11	11	9
Ambulance	7	6	6	6	7
Home Care	3	7	18	32	39
Other Health	13	18	20	22	20
Total	35	42	55	71	75

With the number of co-operatives reporting more than doubling over the five-year period, the greatest attributor is home care. In fact, this segment has doubled in size almost every year from 1997 to 2000 (see Table 1 and Figure 3 below).

Home Care Co-op Trends

Figure 3

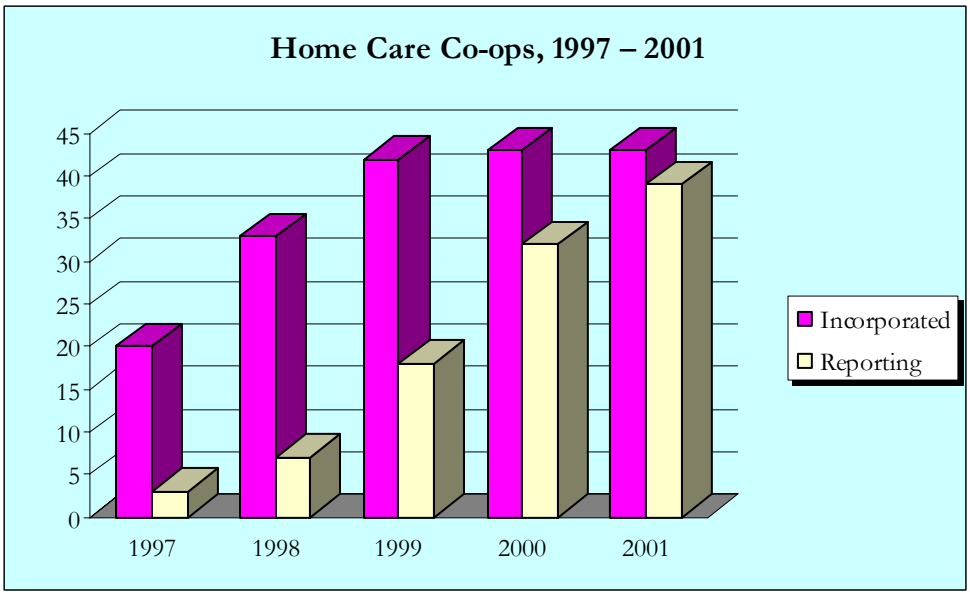


Table 2: Home Care Co-ops Reporting, 1997 – 2001

	1997	1998	1999	2000	2001
Number	3	7	18	32	39
Total Membership	312	776	3,258	6,661	15,137
Total Employees	61	227	502	794	1,251
Total Revenues (million $)	1.5	2.7	6.3	13.5	20.2
Total Assets (million $)	0.3	0.9	2.0	3.8	7.4

Owing to Québec's outstanding delivery of home care, the number of such co-operatives has taken a giant leap in the time period shown above (see Figure 3 and Table 2.) The Government of Québec's financial relief program for home care services provides financial support to co-operatives or non-profit organizations that work in the home care sector on the request of users who want to receive home care services.[6]

As its name implies, a home care co-operative delivers a variety of supportive services to individuals in their place of residence. These services range from intensive medical aid to assistance with activities of daily living for elderly people and disabled individuals.

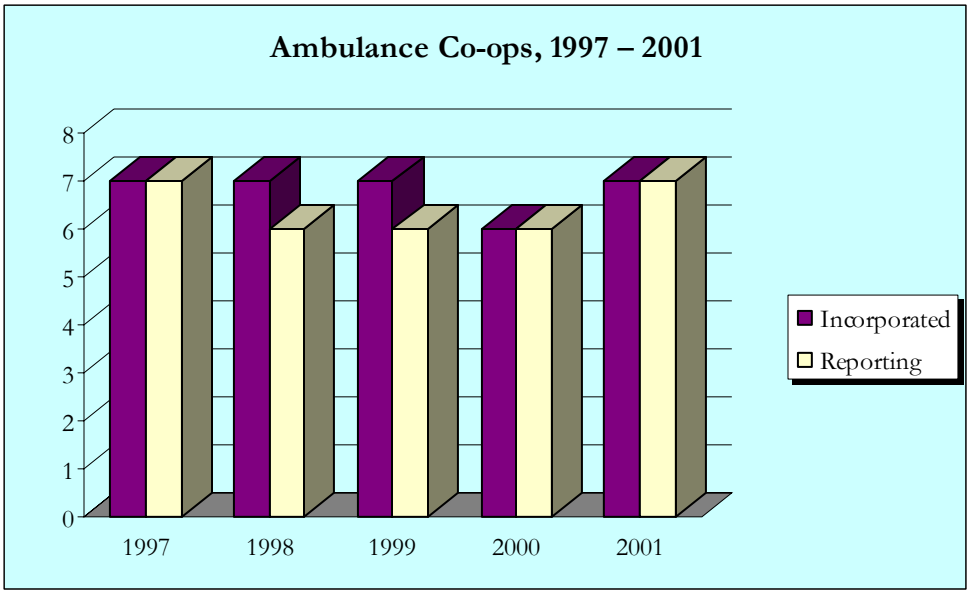
In the five-year period of 1997 to 2001, Québec's dominance in co-operative-based home care delivery cannot be ignored: from 1997 to 1999 there were over thirty incorporations of such organizations in the province. These Québec home care co-operatives are predominantly based upon a co-operative model known as *multi-stakeholder* (known in Québec as coopératives de solidarité). Multi-stakeholder co-ops possess any combination or

[6] Jean-Pierre Girard in conversation Sept. 2004.

all of the following types of members: those who are users of the services, those who are providers of the services, workers, and any other individual or enterprise with a stake in the co-operative's success. With such co-operatives, the different stakeholders share the common goal of ensuring the success of the co-operative, thereby establishing solidarity.

Ambulance Co-op Trends

Figure 4



The number of ambulance co-operatives has remained relatively stable over the five-year period shown above. With the exception of one organization in Newfoundland, all of these co-operatives reside in the province of Québec (see Figure 4 and Table 3).

Table 3: Ambulance Co-ops Reporting, 1997 – 2001

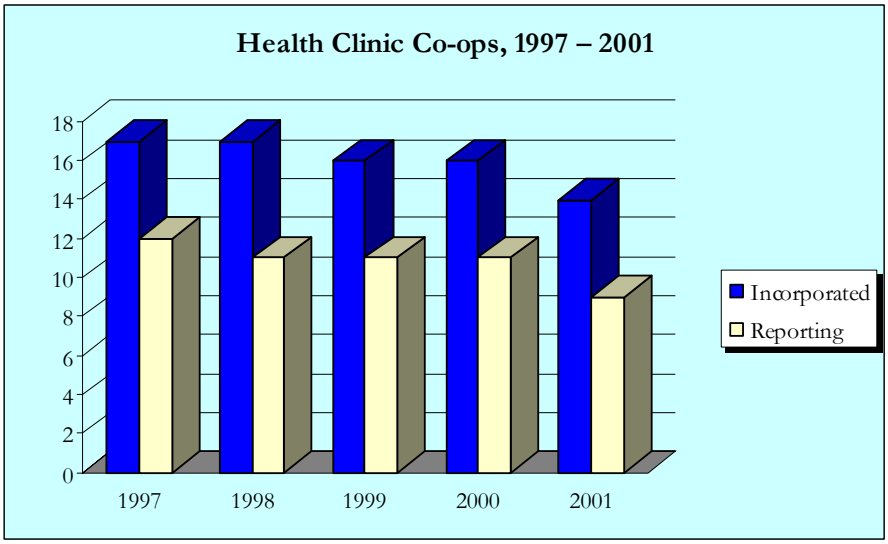
	1997	1998	1999	2000	2001
Number	7	6	6	6	7
Total Membership	579	567	588	665	668
Total Employees	916	610	644	687	676
Total Revenues (million $)	45.2	35.3	41.7	45.6	48.5
Total Assets (million $)	19.9	21.0	20.4	27.6	28.6

The co-operative ambulance sector was established in Québec in the 1980s when several organizations were persuaded to transform their corporations into co-operatives. Union expertise evidencing the benefits of such a change, as well as the desire of workers to undertake more responsibility and acquire greater control in the workplace, led to this advancement.

Virtually all ambulance co-ops follow the *worker model* of co-operatives. In this type, the members are both owners and employees who control all of the co-operative's operations. Workers in the co-operative have the opportunity to improve not only their technical skills, but their managerial abilities as they participate in the management of the organization. Furthermore, these types of co-ops create a democratic business environment, better meeting their members' specific needs and improving their working conditions. One association employing the worker model of co-ops is *Coopérative des techniciens ambulanciers du Québec métropolitain*. Amongst its 174 members are ambulance drivers and dispatch workers. Incorporated in 1988, this organization has reported revenues of almost $16 million in 2001.

Health Clinic Co-op Trends

Figure 5



Co-operative health clinics have slightly diminished between 1997 and 2001. Even though there have been few closings in Saskatchewan, several incorporations elsewhere across Canada have kept the aggregate figures relatively stable (see Figure 5 and Table 4).

Table 4: Health Clinic Co-ops Reporting, 1997 – 2001

	1997	1998	1999	2000	2001
Number	12	11	11	11	9
Total Membership	21,039	21,645	24,337	22,439	22,676
Total Employees	104	100	94	150	146
Total Revenues (million $)	8.9	8.8	9.2	22.0	25.2
Total Assets (million $)	3.9	3.7	5.0	5.4	5.6

Co-operative health care clinics provide primary health services to their members as well as that part of the general population which chooses to receive health care through a co-operative health center. The clinics tailor their services to the particular needs of their clientele; for instance, these co-op facilities develop special services for at-risk client groups in their areas, such as seniors, aboriginal people, the poor, and persons with chronic illnesses.

Facing initial resistance by the health care community, the co-operative health clinic has succeeded in being recognized as a significant player in today's health care system. Saskatchewan has established a federation of community health co-operatives, with each of its clinics a member. Many other provinces across Canada have begun to show similar appreciation of such clinics.

In general, co-op clinics tend to follow the *consumer* model type. This model is characterized by a co-op that provides services for its members' personal use. Given this unique relationship where the clients of the organization are also the co-op members, and recognizing that the co-op members have input into the business operations, it is evident that productivity and quality service are two features which these co-operatives boast. Prince Albert's *Co-operative Health Centre* is a prime example of a consumer co-operative in this sector. This Saskatchewan organization has been providing its 4,000 to 6,000 members with health care services since its incorporation in 1962. The *Co-operative Health Centre* has become one of the most successful health clinics in Canada, having taken in over $4.4 million in gross revenues in 2001 alone.

Other Health Co-op Trends

Figure 6

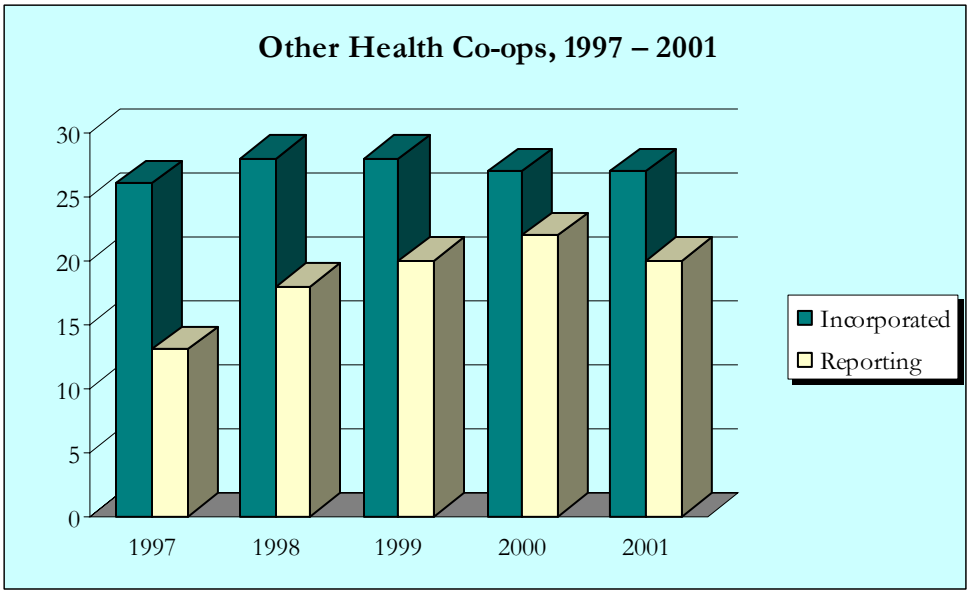


Table 5: Other Health Co-ops Reporting, 1997 – 2001

	1997	1998	1999	2000	2001
Number	13	18	20	22	20
Total Membership	1,595	2,704	2,662	2,617	2,069
Total Employees	40	50	59	72	65
Total Revenues (million $)	2.0	2.3	2.1	4.5	4.1
Total Assets (million $)	1.7	1.8	2.6	4.8	5.1

The number of co-operatives making up the *other health* sector has been stable and healthy over the five-year period beginning in 1997 (see Figure 6 and Table 5). The other health category includes an assortment of health-related services, including co-ops providing information or education in aids, diabetes, and community health promotion, naturopathy organizations, health co-op federations, and mental health facilities. *Coopérative des services regroupés en approvisionnement de la Maurice et du Centre-du-Québec* is a member of this health sector which provides health and social service institutions with the resources to acquire products and services in the most efficient way. Operating since 1989, this organization also serves as a prime example of a *producer* co-operative. The producer model consists of members whose own businesses and operations benefit from the business-oriented goods and services offered by the co-op. In the case of this co-op, its members are hospitals, shelters, residential facilities, and youth centres.

Current and Future Trends

Current Overall Trends

Figure 7

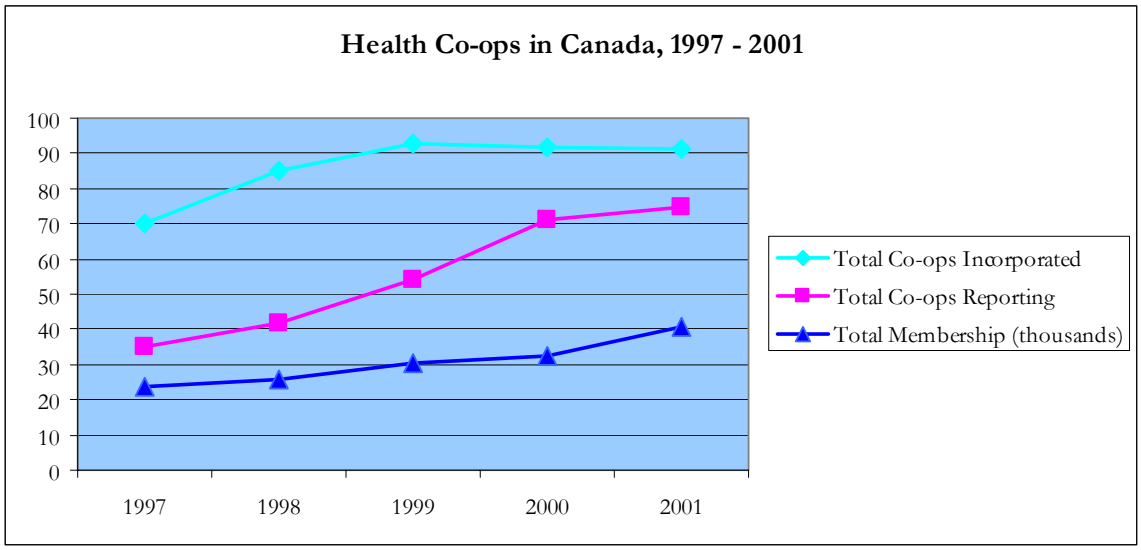


Figure 8

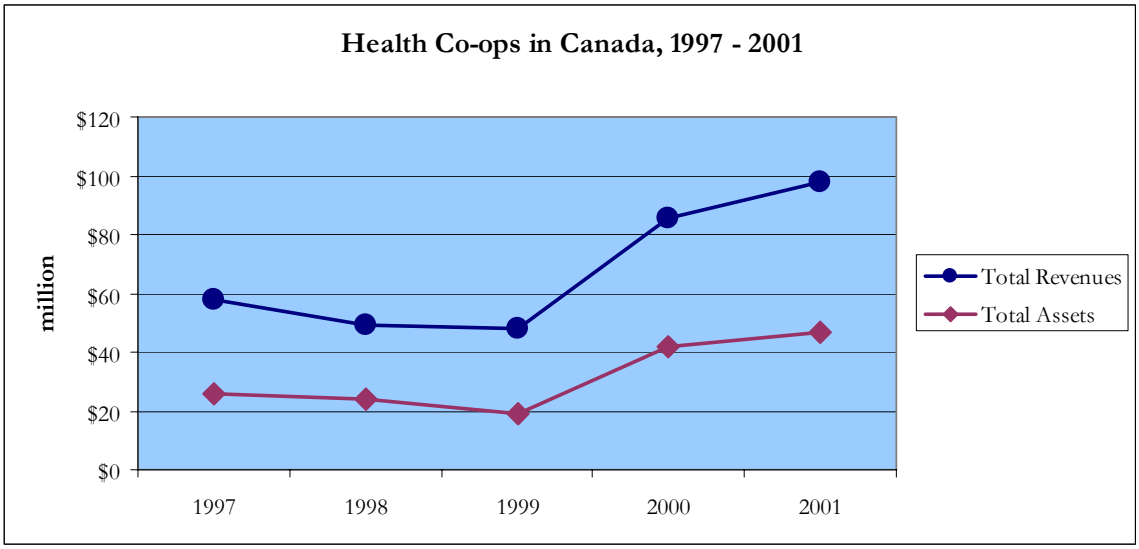


Table 6: Health co-operatives reporting in Canada, 1997-2001

	1997	1998	1999	2000	2001
Total Co-ops Incorporated	70	85	93	92	91
Total Co-ops Reporting	35	42	54	71	75
Total Membership	23,525	25,692	30,665	32,382	40,550
Total Employees	1,121	987	1,055	1,703	2,238
Total Revenues (million $)	57.64	49.2	48.0	85.6	98.1
Total Assets (million $)	25.8	24.1	19.0	41.6	46.7

As evidenced by Figure 7 and Table 6, there has been a steady growth of health co-operatives over the five-year period shown above. Revenues increased by nearly 70 per cent; this growth is predominantly attributed to home care and health clinic co-operatives. Also noteworthy, the number reporting and membership have doubled over this period, a consequence of the boom in the home care sector.

Growth of the Co-operative Model and a Look Ahead

Since the institution of the first health clinic co-operatives to Saskatchewan in 1962, many other co-ops in the health care sector have been established, with recent years showing the greatest growth. There are now many co-operative clinics providing services in Prince Edward Island, Québec, and Manitoba. In addition, a niche for ambulance co-ops emerged within Québec. However, perhaps most significant of all is the recent boom in the home care co-operative sector. Ontario has also shown growth of the co-op model in many areas of health services.[7]

[7] "Health Care Co-operatives Startup Guide", Co-operatives Secretariat, Government of Canada, 1999, page 17

Policy makers in Canada have realized the many advantages of the co-op model to the delivery of health services. In a research report, Angus and Manga stated that they documented "significant economic, administrative, planning and organizational advantages of such centres."[8] In addition, the authors suggested that "...positive outcomes and advantages, both economic and non-economic, are operationally and logically connected to the basic principles which define and govern the co-operative or consumer sponsored health care centre."[9]

The co-operative model has great potential as it fosters strong partnerships between consumers and health care providers in the design and delivery of health care services. Furthermore, it inspires citizens to support their own health care and the health of their communities using a client-centered, holistic, and interdisciplinary approach to health care. Co-operatives provide effective, efficient, and economic health services to Canadians.

Researchers feel that there will be changes in the years ahead to Canada's health care system and that the co-op model, with its emphasis on health promotion and disease prevention, will play an important role in that change.[10] In addition, because of demographic changes, we can expect that the growth in the co-op model will be focused on home care co-operatives as well as co-operative post-surgical care centers.

The Co-operatives Secretariat is committed to the development of the health care sector in Canada. By means of its Co-operative Development Initiative (CDI) and aided by its federal and provincial partners, the Secretariat has successfully implemented numerous health projects. Such projects include the creation of case studies (*Co-operatives and Health Care*) and start-up tools for health care co-operatives (*Health Care Co-operatives Startup Guide*), the establishment of co-operative models for housing and supportive care for seniors and people with disabilities in aboriginal and rural communities, and the use of the worker co-operative model to deliver a variety of health care services to a BC community.

Through CDI, the Secretariat has approved further health-related projects which will be undertaken in the near future: *Co-operative Care Facilities in Rural Communities*; *Modélisation de coopératives visant à répondre aux nouveaux besoins des citoyens et des citoyennes en matière de services de santé et autres besoins essentiels* ; *Le démarrage et le développement d'une coopérative de santé au service des communautés canadiennes* ; and *Building Union Support for Community Health Care Co-operatives*.

The Co-operatives Secretariat also provided financial support to an international health care co-operative conference that took place in Ottawa in June 2004. In the future, the Co-operatives Secretariat will continue to support health care programs, with the aim of developing practices to share with policy makers and other Canadian organizations exploring innovative solutions to health challenges.

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[8] Angus, Douglas E. and Pran Manga "Co-op / Consumer Sponsored Health Care Delivery Effectiveness", 1990, page 33

[9] Ibid, page 35

[10] Ibid, page 35

Conclusion

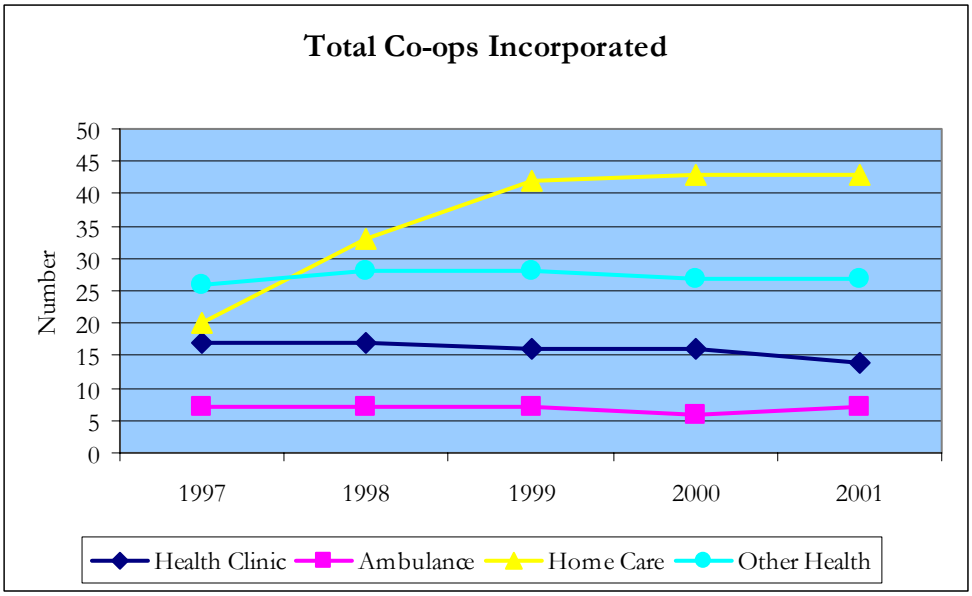
Health care co-operatives have certainly made their presence known as a successful and growing segment in the Canadian health care delivery system. In comparison with private practice models, the co-op model generates lower per capita health care costs, a savings which has been attributed to co-operatives' emphasis on health promotion and disease prevention.

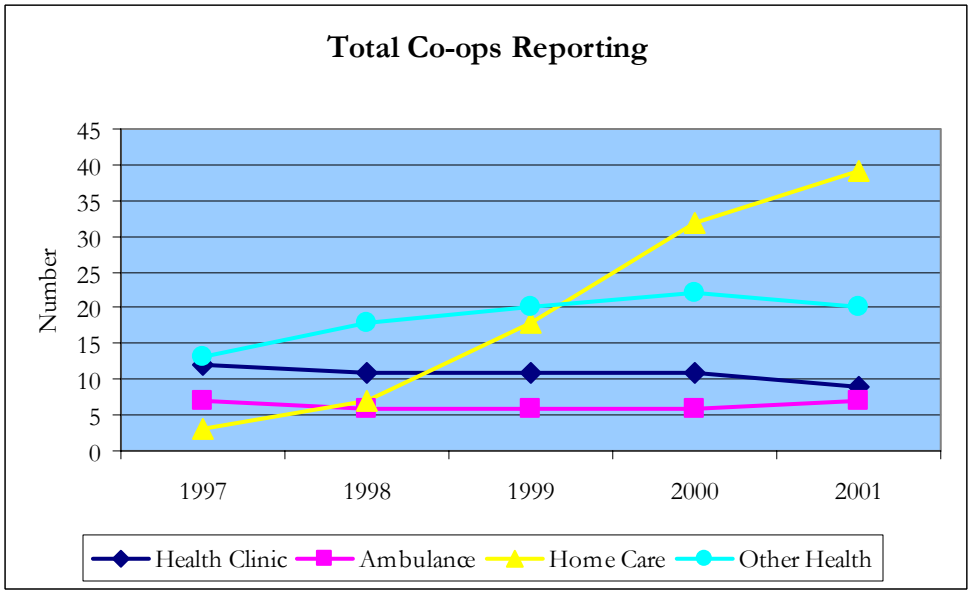
While the existence of health care co-operatives can be traced back to the 1940s in Québec and British Columbia and to 1962 in Saskatchewan, rapid expansion of this sector has occurred only most recently. The greatest contributor to this growth has been the home care co-op sector, which more than doubled in size between 1997 and 2001.

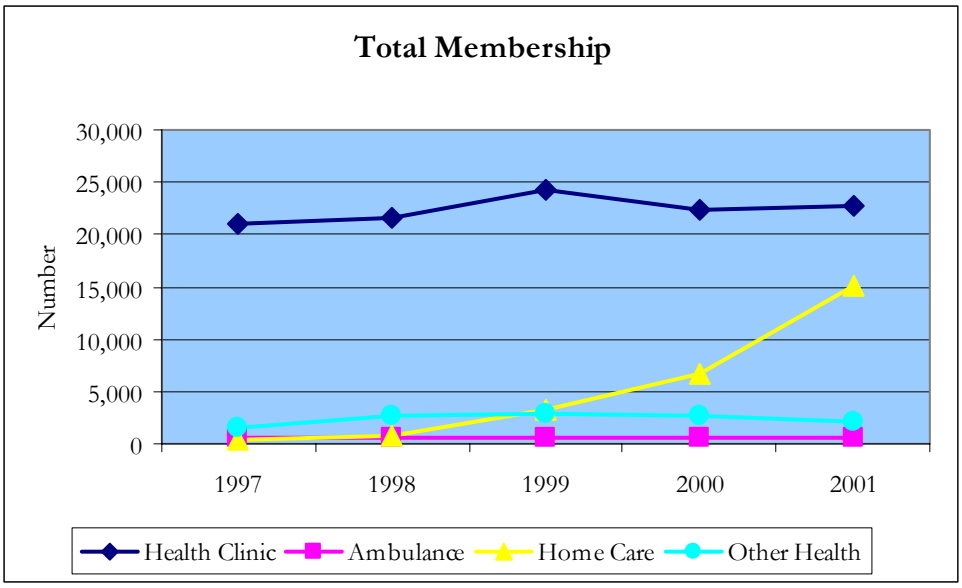
With Canada facing demographic changes, such as an increase in the aging population, there will be a need for the national health care system to adapt in the future. The co-op model, with its emphasis on prevention of illness and user accountability, will have a growing role to play. More specifically, future demographics will foster a greater need for home care delivery as well as post-surgical care centers, both well accommodated by the co-operative model.

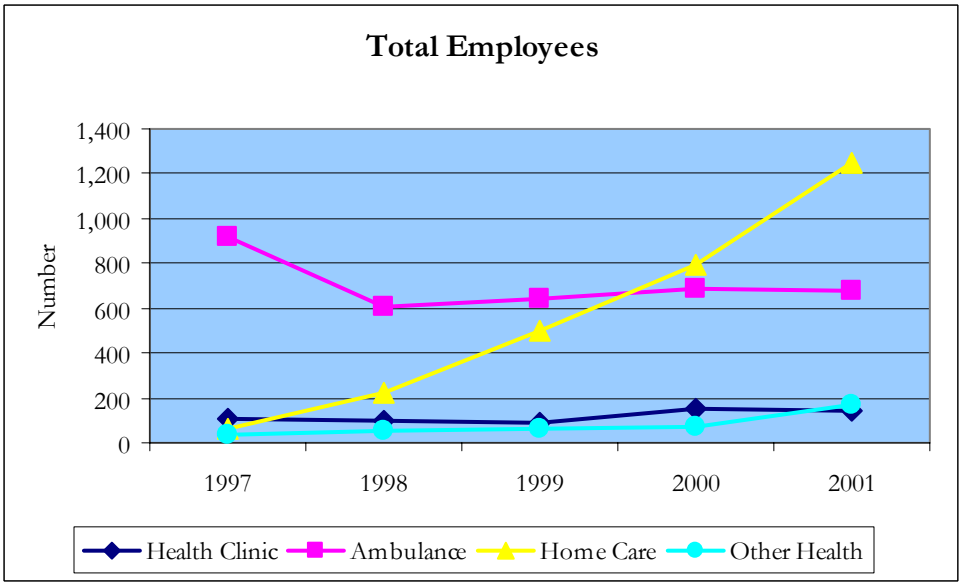
The Co-operatives Secretariat recognizes the beneficial role of the co-operative model within the Canadian health care system and, as such, has been an avid supporter and promoter of the model for many years. In fact, through the *Co-operative Development Initiative*, it has shown its commitment to co-operative programs of a wide variety by establishing a budget of $15 million to be distributed over a five-year period beginning in 2003. Through its many undertakings, including the coordination of federal policies on co-ops and support to the minister responsible for co-ops, the Secretariat has made significant ground in policy development and will persist with these efforts into the future.

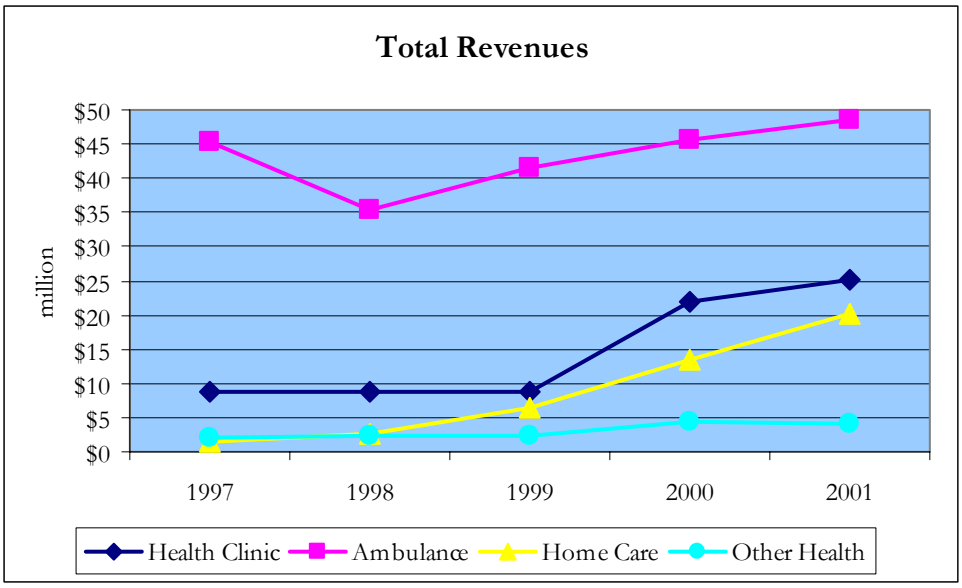
Annex 1 – Health Co-operatives by Activity, 1997 - 2001






Total Membership
30,000
25,000
20,000
15,000
10,000
5,000
0
Number
1997
1998
1999
2000
2001
Health Clinic
Ambulance
Home Care
Other Health


Total Employees
1,400
1,200
1,000
800
600
400
200
0
Number
1997
1998
1999
2000
2001
Health Clinic
Ambulance
Home Care
Other Health


Total Revenues
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
million
1997
1998
1999
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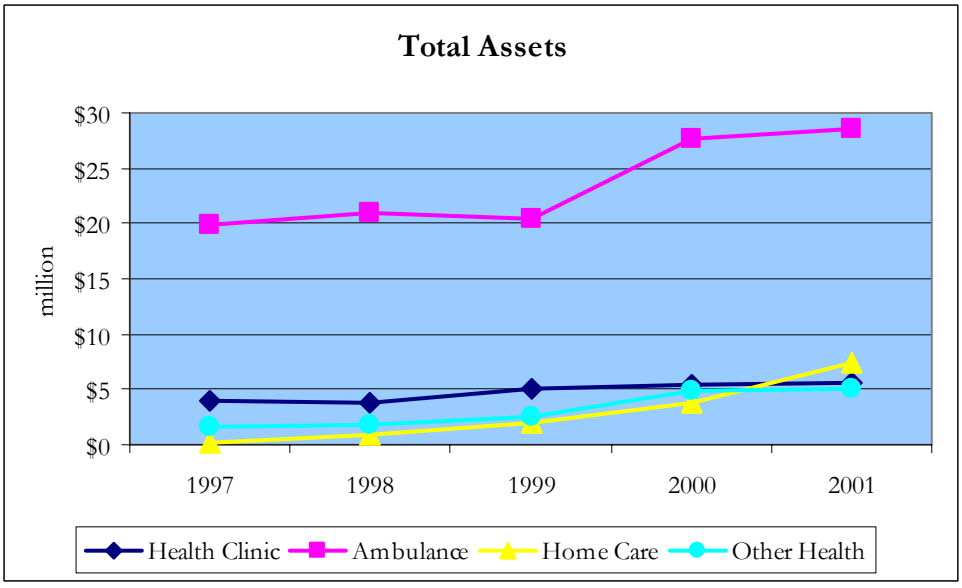
2001
Health Clinic
Ambulance
Home Care
Other Health


Total Assets
$30
$25
$20
$15
$10
$5
$0
million
1997
1998
1999
2000
2001
Health Clinic
Ambulance
Home Care
Other Health

Annex 2 – Health Care Co-operatives at a Glance

Multicultural Health Brokers Co-operative Ltd. (MCHB)

Formed in 1999 by immigrant women, MCHB seeks to help immigrants and refugees receive essential health services which are otherwise very difficult to procure on their own. The organization accommodates culturally diverse communities, giving each access to health care and social support that is catered to its language and culture. The members of the worker co-op are all professionals such as medical doctors, nurses, computer analysts, graphic artists, and teachers, almost all of whom were trained abroad. The co-op offers much social, emotional, and educational support to immigrant and cultural minority families, including support groups, community development projects, prenatal education, and parenting classes. The Alberta co-op also serves as a source for input into the hospital policies and cross-cultural health issues of various organizations and health institutions which request their expertise.[11]

Community Health Services (Saskatoon) Association Ltd. (Saskatoon Community Clinic)

Community Health Services (Saskatoon) Association was assembled in 1962 by pro-Medicare doctors and citizens. This consumer co-op sponsors the *Saskatoon Community Clinic* and had more than 5,000 member households in 2002/03, the majority originating from Saskatoon and the surrounding rural areas. The Saskatchewan association actively promotes health awareness by encouraging individuals to participate in health promotion programs and to serve on the Board of Directors. It is further involved in the community with its pursuit of social and economic issues that affect health, such as the effects of poverty, environmental issues, and smoking. The clinic offers a variety of health services in addition to those of family physicians, including nursing, pharmacy, laboratory and X ray, optometry and optical, counseling, seniors' programs, physical and occupational therapy, and nutrition. It also provides informational and instructional books, pamphlets, audio and video tapes, and CD-ROMs.[12]

La Coopérative des techniciens ambulanciers de la Montérégie (CETAM), Montréal

CETAM is a Montreal co-operative of ambulance workers serving 70 municipalities. Co-operatives such as CETAM account for 30% of all ambulance service in Quebec. Six ambulance co-operatives make up the province, with two in the lower St. Lawrence region, and one each in the regions of Quebec City, Mauricie, the Outaouais, and Montérégie. In 2002, the combined figures of those co-operatives represented 721 worker members, assets of $31.7 million and revenue equaling $50.4 million.[13]

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[11] Co-operatives and Health Care: A Report to the Secretary of State Andy Mitchell by the Minister's Advisory Committee on Co-operatives

[12] Ibid

[13] Ibid

Coopérative de services à domicile de l'Estrie, Sherbrooke, Québec

It was the seniors of Sherbrooke who decided to form a consumer co-operative which would provide themselves with a full range of services beyond those of primary health care. With more than 3,400 members in 2002, the organization offers housekeeping, repairs, painting, hygiene services, companionship, and elderly daycare. The co-op's success is greatly attributed to its customer-oriented service, with its employees constantly focused on meeting the needs of the clients.[14]

Aylmer Health Co-operative

In Aylmer, excessively long waiting lists for physical examinations and shortages of physicians led to the creation of a health services co-operative by its citizens in 2001. It undertook immediate growth by buying out the *Aylmer-Lucerne Medical Centre (ALMC)* and the *Aylmer-Lucerne Professional Centre (ALPC)*, and subsequently forming a partnership with the physicians of both organizations. This multi-stakeholder co-op's aim is to improve access to and the quality of health care within the Aylmer sector of Gatineau, Québec. The residents have achieved this by growing the number of physicians and health care professionals in this region and focusing on health care services from a treatment and prevention perspective.[15]

Coopérative de services de santé Les Grès

Prior to 1995, the municipality of Saint-Étienne-des-Grès had no doctors or pharmacists to provide health care services. As such, its residents united to establish an infrastructure for such services. This 1,300 member co-op has been in operation since 1995. It is the first of its kind in Québec, with citizens assembling their personal resources to create a local health services organization. The co-operative has further demonstrated its proactive efforts towards health by founding a committee on co-operative education whose main objective looks to the prevention of health problems.[16] Since then, far from resting on its laurels, the co-operative has been at the forefront of innovation. In 1999, it opened a branch office in another town. In 2001, the co-operative assumed the managerial duties at a seniors' facility for 19 residents that employs five staff.

[14] Ibid
[15] Aylmer Health Co-operative
[16] Co-operative Success Stories II, page 10

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Data Sources

All numerical data was acquired through the Co-operatives Secretariat database, which contains the results of the *Annual Survey of Canadian Co-operatives*, as well as data from provincial governments.