



Alberta Community and Co-operative Association

#202, 5013 - 48th Street

Stony Plain, AB., T7Z 1L8

Phone: (780) 963-3766

Fax: (780) 968-6733

E-Mail: acca@acca.coop

Website: www.acca.coop

THE PROBLEM

Healthcare is an essential public good, but delivering it efficiently is challenging. Healthcare is increasingly costly and complex, and patient wait times continue to be an issue in Alberta. It constitutes the largest single budget expenditure by the Government of Alberta and the system is continually stressed by:

- pressure to adopt new, more expensive medical procedures and drugs in standard practice;
- a decrease in successful innovations in health service delivery because of the increased focus on technical innovation;
- a system that is both subtly and overtly focused on more costly interventions, rather than preventative health care; and
- a gradual de-socialization of care of the elderly and family members in favour of professionalized institutional care.

A PROPOSED SOLUTION

The cooperative business model provides an innovative, flexible, accountable, and affordable model for healthcare delivery in Alberta. Healthcare cooperatives in other provinces deliver high quality healthcare services at a lower cost, relative to other models. The community ownership and governance elements of a cooperative model ensure that services are responsive to local needs, balancing affordability with quality of care. Accountability goes both ways, as the facility or clinic is accountable to the community, and the owners of the clinic, whether consumers or health professionals, are more accountable for the health of their community.

ACCA proposes that a pilot project be carried out to explore how cooperatives may be incorporated into Alberta's healthcare system.

Canadian health coops currently operate in urban and rural settings, and have been utilized successfully to address the needs of at-risk populations; for example, serving the needs of newcomers in a multi-cultural clinic.

Potential cooperative options include:

- an opportunity to establish a range of Family Care Centers as community-owned cooperatives; and
- a pilot project to open/convert an extended care or eldercare facility, operated by a cooperative in a community.

HOW DO HEALTHCARE COOPERATIVES WORK?

Cooperatives can be incorporated into a variety of areas within the healthcare system, including facility ownership or management, healthcare professional organizations, and/or consumer organizations. Currently, healthcare is delivered by approximately one-hundred health coops across Canada. Most of the coops are worker cooperatives (i.e., health professionals providing services) or consumer cooperatives (e.g., group purchasing healthcare), or a hybrid of both - multi-stakeholder cooperatives where both health professionals and health consumers are member owners. Successful Canadian examples, along with Alberta's strong coop history and progressive coop regulations, make health cooperatives a viable option for meeting some of Alberta's healthcare needs.

THE BENEFITS TO ALBERTANS

Co-operatives have a long and positive history in Alberta. The coop model has been shown to benefit both patient and health care professionals, as well as the broader community. Health care co-operatives have been found to excel in the following areas;

- reducing service delivery costs up to 17% per patient;

- improving efficiency of health service delivery;
- incorporating a number of health professionals and multidisciplinary teams;
- promoting accessibility of primary healthcare;
- facilitating capacity building and participation of broad stakeholder groups;
- promoting transparency and accountability, in operations and service delivery;
- reducing hospital utilization between 20-31%; and
- reducing prescription usage and costs up to 20%.¹

We at the ACCA and our partners believe we can achieve similar range of benefits in Alberta.

THE REQUEST

We propose to work in partnership with Alberta Health and Alberta Health Services to conduct a broad-based exploration of the potential of integrating cooperative health care models in its current range of service delivery, including specific inquiries into the potential of Cooperative Family Care Clinics and Seniors Care Centres.

The ACCA is requesting the support of Alberta Health as well as Alberta Health Services to develop a health cooperative pilot project. Financial, as well as in-kind support would be needed to implement the pilot.

COST TO THE GOVERNMENT OF ALBERTA

The initial development of a health cooperative pilot project would require research and development dollars to explore how cooperative health care models can be integrated into the Alberta health environment.

Depending on the scope of the research and the in-kind and financial capacity of our project partners, the cost of this phase would be in the range of \$400,000 to \$450,000. This financial support would allow ACCA and Government partners to research national and international cooperative models in health care and conduct an in depth analysis of the applicability in Alberta.

Once implemented, we believe cooperative health models will operate at a lower cost than other delivery models, with improved short and long term health care outcomes.

¹ *Opportunities for Co-operative Health Provisions in Rural, Remote and Northern Aboriginal Communities*. Canadian Co-operative Association. 2003.

The Role of Co-operatives in Health Care: National and International Perspectives. Report of an International Health Care Conference held in Saskatoon 28 October 2008. Catherine Leviten-Reid, 2009.

NEXT STEPS/RECOMMENDATIONS

The ACCA would like to engage Alberta Health to explore feasible options for a healthcare cooperative pilot project, with our current range of partners: Alberta Doctors for Rural Health Care, the Centre de Development Economic d'Alberta, Calgary Co-operative Association Ltd., Canadian Cooperative Health Care Federation and the ACCA's affiliate cooperatives throughout the province.

We recommend:

1. Exploring the establishment of several of the Family Health Care Clinics as cooperative owned and managed facilities in both an urban and rural context.
2. Conducting an initial review of cooperative health models in other jurisdictions including a preliminary review of how these models may be adapted to Alberta's current health context. Examples of this research could include:
 - capacity of cooperative health clinics in doctor retention, particularly when professionals are recruited from foreign jurisdictions with salaried, rather than fee for service compensation; and
 - potential of cooperatively owned facilities, particular those where patients or families of patients are owners in the facilities, staff, or a combination of both, are part of the ownership structure of a cooperatively owned facilities, both in terms of improved standards of living for residence and increased satisfaction of staff (e.g. reduced work conflicts.)

For more information, please contact:

Paul Cabaj
 Director of Cooperative Development
 Alberta Community and Cooperative Association,
 780-716-4475
coopdev@acca.coop

For more information on the ACCA, please visit our website at www.acca.coop