

Better Health Together

A VIABLE SOLUTION TO OUR HEALTH CARE ISSUES

Presentation to the Co-operative Progress Conference

Sydney

November 27-28, 2008

Roger Nicoll

Founding Chair



WEST BELCONNEN HEALTH CO-OPERATIVE LTD

Better Health Together



Better Health Together

A VIABLE SOLUTION TO OUR HEALTH CARE ISSUES

Despite all the human knowledge and technology at our disposal, our planet and its people are ailing and unfortunately things are predicted to get worse. That is not a very optimistic opening thought but it is, perhaps, realistic.

Any way you look at it, with climate change, peak oil, global financial crisis, recession, terrorism, bulging population and poverty levels – the challenges facing us are immense and they demand creative and timely solutions.

Health presents its own challenges, particularly in parts of the third world and war torn regions. In Australia, our health and hospital system is already feeling the strain from an ageing population, a nation-wide doctor shortage and rising health burdens from afflictions like obesity, diabetes, heart disease, cancer and mental illness to name a few.

As our baby boomers reach old age the experts are forecasting a deepening of our health crisis under a 'Tsunami' of demands in the next 20 or so years.

To successfully rise to these challenges we need all of our ingenuity and wisdom. New technologies will help provide some of the answers but in many ways we will have to 'go back' and re-learn, for example, how to live simply, tread lightly on the earth, walk, run, eat unprocessed foods and spend quality time with family and others.

In the 21st century, we have journeyed so far down the road of individualism, consumerism and instant gratification, 'going back' may be something that we don't want to, or perhaps cannot do. Instead, some of the solutions will need to be a case of moving forward with age-old ideas, re-invented, re-packaged and re-tuned for a modern generation.

Health experts confess that we have to find new, better and more efficient ways of imparting preventative health and delivering primary and community-based health care.

This is where the health co-operative comes into the picture. The principle is fairly simple - if we work together we can achieve better, more affordable, integrated and sustainable health than we can on our own.

The great philosopher Aristotle was onto this concept in his treatise *Metaphysica* in which he is famously quoted: **“The whole is more than the sum of its parts.”** The need for a holistic or integrated approach to health is widely acknowledged. Co-ops also provide for synergy - the mysterious process whereby teams often punch above their weight by generating more output than the sum of the individuals.

In our health predicament, the health co-operative has the potential to create strong synergies, efficiencies and effectiveness.

A health co-operative is basically an organisation registered under state or territory co-operatives act for the purpose of delivering health benefits to its members.



Bringing people and service delivery together under a health co-operative umbrella provides the possibilities of:

- holistic and integrated care
- rationalisation of government costs and decentralisation of services
- affordable services that respond to specific community need because those who use the services can control the services
- a focal point for community activity that encourages members to be active in better health, wellbeing and sustainability.

Health co-ops are well established in Europe, the USA, Canada, Japan and Brazil, with applications ranging from local community operations to national health systems. Europe, as the birthplace of the modern co-operative, has been home to co-operatives in various sectors and organisational forms for two and a half centuries.

In Europe, co-operatives have proven to be particularly suitable for providing social services and decentralising welfare provision in response to needs to rationalise spending.

Unimed Brazil is the biggest co-operative medical system in the world. It has 367 local member co-operatives operating in more than 80% of Brazil's counties, employing 98,000 doctors and servicing 12 million patients. Beginning with local co-operatives, the system has developed federations and a confederation spreading widely the principles of social responsibility, sustainable development, the preservation of the environment and cultural diversity and reducing social inequalities. The Brazil experience shows that health co-operatives can be very prolific and successful.

In Australia, health co-operatives are currently rare but by no means new.

Co-operatives of some shape or form have been a part of Australia's life and health for more than 100 years.

Co-operative-like organisations such as friendly societies and lodges were successful in providing members and their families with medical services in the 1900s according to Mark Lyons, Co Director of the Australian Centre for Co-operative Research and Development. Some of these organisations had agreements with doctors to provide medical care at a low cost to their members and they reached a peak of popularity in the 1920s. However many of the friendly societies folded or became health insurance organisations after the 1950s when medical associations lobbied against them and the Commonwealth legislated fee-for-service medicine.

One of Australia's best known health co-operatives was the Yeoval Community Co-operative Hospital. The community at Yeoval, midway between Orange and Dubbo in central NSW, rallied together to form the co-operative in 1988 after their vital community hospital closed. The co-operative raised the funds for a vision to provide all members of the community with access to all-round health care at the hospital centre.



The Yeoval co-operative refurbished the hospital and established the way for Multi-Purpose Health Centres in NSW in July 1989.

Unfortunately the co-operative went into receivership in 2007 and has been taken over by an aged care operator, United Protestant Association. Prior to that the centre offered a:

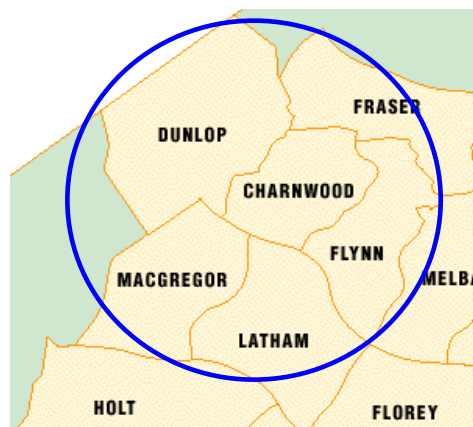
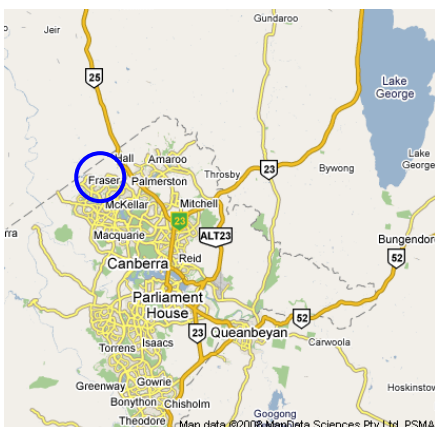
- seven-bed hospital, including accident assessment room
- nursing home
- special care unit for residents with dementia
- a self-care hostel and a day centre
- community nursing and Meals-on-Wheels outreach
- early childhood service
- general health services such as physiotherapy, optometry, X-ray services and
- audiometry, dietary and podiatry services.

A few years earlier, a group of active residents in Melbourne's western suburbs set up a health co-operative in response to the need to attract affordable doctors and health services to a disadvantaged area. The Westgate venture began in 1980 with one doctor and health and social outreach auspiced by Baptist Social Services. Early services included a casserole bank, learning for life and free counselling and it the organisation became the independent South Kingsville Health Service co-op in 1986.

Twenty years later this co-operative operates two clinics, and provides general practice medicine, dentistry and a range of ancillary services such as acupuncture and naturopathy. It has become a hub of the community, boosted local capacity and benefits, improved health care and a patient focus and allowed doctors to get on with their job.

Renamed the Westgate Co-operative in 2005, the co-op now has 25 staff including 11 GPs, two dentists and three practice nurses, 8000 members and more than 25,000 consultations for a turnover of more than \$2m per year.

The Westgate Co-operative has served as the closest model for the West Belconnen community that has been developing a health co-operative and health and wellbeing centre, on Canberra's northern fringe, since 2004. As with Westgate, the energy for this co-operative came from the community following persistent concerns raised by residents about the lack of affordable GPs and health services in a disadvantaged outer metropolitan area of Canberra close to the ACT/NSW border.



Active community members convened an initial public meeting in September 2004 through the local Neighbourhood Watch and school Parents and Citizens association That meeting resulted in



the formation of a steering group to investigate community needs and possible solutions. The West Belconnen Community Health Committee identified a primary target area of six suburbs with 22,000 people, and a no practising GPs at the time.

The committee initially assessed community needs and interest in a co-operative through a survey of 8000 homes.

The committee then tested various health delivery models and the viability of the preferred model (a co-operative) through a Feasibility Study and Business Plan prepared with the help of a professional practice management consultant and a \$15,000 ACT government grant.

Key findings of this and subsequent research were:

- there was a lack of services relative to need (one pharmacy, one dentist, one oversubscribed medical practice)
- a trend towards corporatisation and centralisation of services away from fringe areas (four medical practices have moved from the area) leaving just 1 local GP on average per 11,000 people
- a high level of disadvantage including 19% public housing and growing populations of both elderly and children
- bulk billing was at the lowest rate for any Australian electorate (47% compared with national average of 77%)
- 63% of respondents found GP cost too high, 18% didn't have a GP and used the local hospital instead
- 685 households (2205 people) said they would, and 163 households (525 people) might, join a bulk-billing co-op
- a health co-operative was the preferred organisational structure for running a one-stop health and wellbeing centre
- the proposed centre with three full-time equivalent GPs was viable provided the up-front set-up and infrastructure costs could be met without any significant debt and
- great benefits have been achieved from similar ventures among other disadvantaged communities, for example at the Westgate Health Co-op, Melbourne and Winnunga-Nimmityjah indigenous health service in Canberra.

Following the positive feasibility report and some initial funding commitments, the Committee went through a lengthy process of establishing the co-operative under the *ACT Co-operatives Act 2002*. West Belconnen Health Co-operative Ltd was formed in November 2006.

Like Melbourne's Westgate Co-op, West Belconnen is a non-trading or community advancement co-op. Members pay a nominal annual fee currently \$20 for a family or \$10 for a single or for health care card holders: \$10 a family or \$5 a single.



When operations commence (estimate July 2009), GP services from the co-operative will be bulk-billed and members will be able to access practice nurses and health promotion information and services. Other services that may be introduced progressively through service delivery partners, in response to community need include:

- pathology
- maternal health clinic
- Indigenous health
- nutrition and exercise support
- drug and alcohol support
- mental health support
- physiotherapy and
- dental.

The Co-op centre is designed to improve people's social circumstances, life skills and health by improving their access to and use of information, social, health and wellbeing services and programs.

The co-op centre will provide employment (professional and administrative) and volunteering opportunities (associated with co-operative activities), thereby improving economic outcomes for people in the area, building social capital and fostering the inclusion and participation of disadvantaged people.

The co-op centre will benefit the community by improving access to bulk-billing and affordable social and health services for disadvantaged people and by encouraging a holistic approach through early intervention strategies, for example, education and promotion of exercise, nutrition, counselling and support.

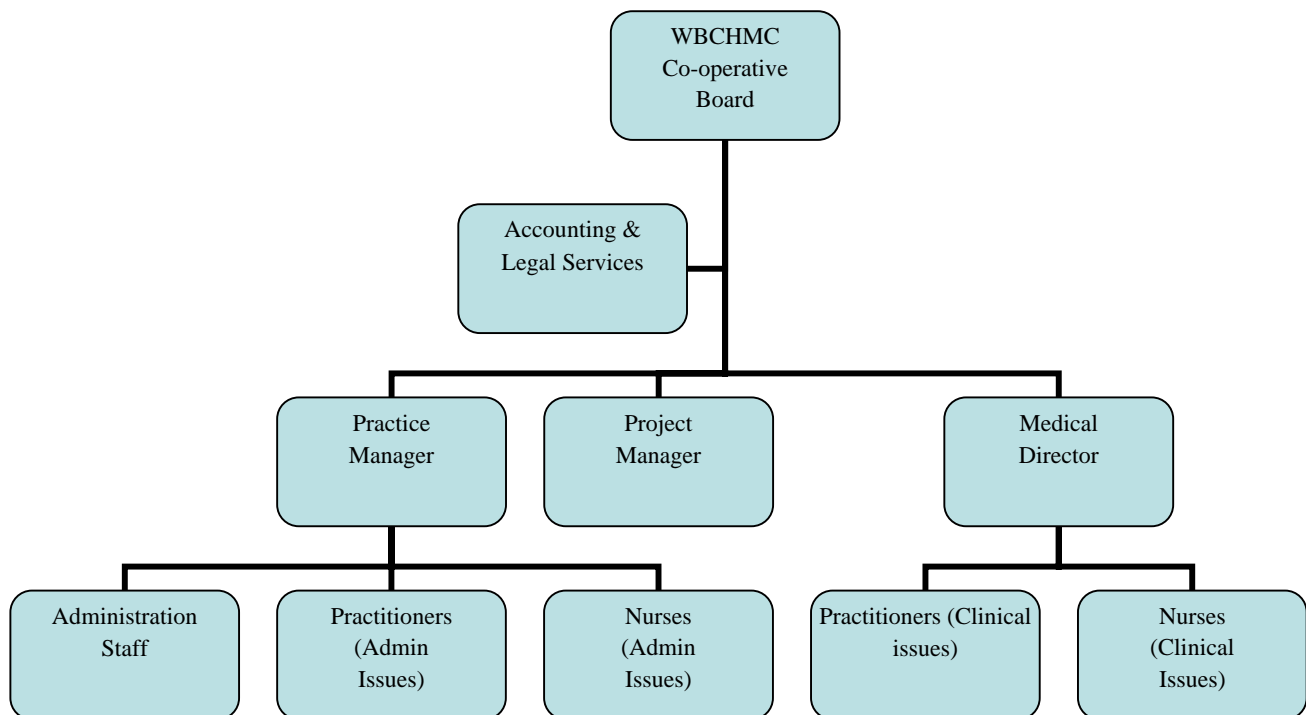
The centre will facilitate a local solution to a local problem and help reduce the burden of chronic disease through prevention and early intervention. Funding for set up of the centre has been achieved through a partnership between the community, governments (Australian and ACT) and businesses. Viability will be achieved through bulk-billed Medicare rebates, fee-for other services and rental income from co-located services.

GPs will receive competitive salaries and a light administrative load. The co-op idea is already attracting GPs who otherwise would not be in the workforce or working in the area. GPs getting involved have a strong social conscience, a desire to work part time or to focus on being a doctor within a broader social and community wellbeing setting rather than as business owner, risk taker and administrator.

Members of the co-op do not receive a distribution of shares but rather a return through the services accessed. Any surpluses are re-invested into services provided at the centre or for community benefit as agreed by the co-op membership.



The co-operative is overseen by a board of 8-9 skilled people elected by the members of the Co-operative at the Annual General Meeting. Day-to day management of the co-operative centre will be shared by the practice manager (operations and administration) and the Medical Director (clinical aspects) with accounting, legal and project management roles hired-in by the Board.



A fundamental key to the success and viability of such a venture is **partnerships**.

Partners create the critical mass of finance or activity that makes or breaks such a co-operative health centre.

If you don't have premises donated, as happened during the incubation of Westgate Co-op, then you need partners to help fund the infrastructure.

After the West Belconnen Co-operative was formed in 2006 it took two years and lots of meetings and lobbying to develop the partnerships and gain commitments to fund the infrastructure. Thankfully, the co-operative had the opportunity to fit-out part of a closed high school run as a community and business centre by a local church. The ACT and Australian governments saw the potential benefits and both matched the funds raised from community and business sources.

The importance of partnerships cannot be stressed enough! Partnerships can be in the form of funds, facilities, equipment, staff or services.

Once again, through partnerships, people can achieve a 'whole' that is more than the sum of its parts. For example co-location of complementary services creates synergy and energy.

At West Belconnen, the co-operative hopes to complement and add value to services provided in the old high school facility. The co-operative has already established links with nearby tenants including: a Police Citizens Youth Club, Charity Computers (Work for the Dole computer reuse



program), Hand-up food service (low cost food for disadvantaged), Flexible for Life (fitness programs), counselling and financial advice services.

Other vital ingredients for establishing such a co-operative are committed community leaders and a desire to involve and engage the community all the way.

During the development of the West Belconnen project this included:

- responding to a need identified by the community
- having community people involved at every step
- being at the places where people already gather and
- holding regular public meetings or events, putting stories in the papers or on radio or television.

People that are used to working together, for example those in close-knit farming or fishing communities, or some disadvantaged communities, may be more likely to embrace the idea of a health co-operative. However, the fact that the co-op provides services at a reduced rate should, in itself, attract members.

For bottom line viability this model requires a critical mass of GPs, consultations, allied health services and associated income to cover costs.

Looking to the future, health co-operatives may be just the sort of solution that we need to stem the tide of health demands and burdens that are growing with our ageing population.

Market failures, workforce shortages and gaps in vital services may prompt more communities to take the initiative to set up such co-ops.

Co-op models in Australia and overseas that have succeeded in similar circumstances may encourage others to do the same. Health co-operatives may be the next step for those already involved in co-ops, community banks or the like, particularly in disadvantaged metropolitan areas and rural and regional districts.

If co-ops genuinely have success in areas of prevention and early intervention then they stand to ease the pressures on GPs from the chronic workforce shortage.

If all this happens then health co-ops will increasingly be a way of the future not just a thing of the past. Accordingly, more communities will realise the potential described by Aristotle and experienced by Australian and overseas co-operatives: - the whole impact can really be more than the sum of its parts.



References

- Charles, G. (2004) Co-operative Hospital, Yeoval Community Co-operative Hospital Ltd., Australian coop website, www.australia.coop/cs_yeoval.htm
- Lyons, M. (2001). Co-operatives in Australia - a background paper, *ACCORD Paper No. 1*, Australian Centre for Co-operative Research and Development.
- Sinats, K. (2001). Health Co-operatives: A Viable Solution to the Current Crisis in Health Service Delivery, *BCICS Occasional Papers Number 5*, British Columbia Institute for Co-operative Studies, University of Victoria.
- Sinats, K. (2001). Health Care and Co-operatives In British Columbia: A Special Report, *BCICS Occasional Papers Number 5*, British Columbia Institute for Co-operative Studies, University of Victoria.
- SKHS. (2003) Where the patients own the practice: A model for local, community owned, health services, South Kingsville Health Services Co-op Ltd
- WBCHC. (2006). *Feasibility Study and Business Plan: West Belconnen Community Health and Wellbeing Centre*, West Belconnen Community Health Committee, Canberra.
- WBHC. (2008). *Feasibility Study and Business Plan: West Belconnen Community Health and Wellbeing Centre*, West Belconnen Health Co-operative, Canberra.
- WHC, Westgate Health Co-op Ltd website, www.westgatehealth.coop
- Wylie, L. (2001). European Social Co-operatives: A Survey and Analysis of Current Developments, *BCICS Occasional Papers Number 6*, British Columbia Institute for Co-operative Studies, University of Victoria.
- Yeoval Multi-Purpose Centre, Australian Human Rights Commission website www.hreoc.gov.au/human_rights/rural_health/yeoval.html

