

Co-operative Health Care CENTRES
The Nova Scotia Co-operative Council
Proposal

Magna/Angus Research Identifies Advantages

Conclusions Of Magna/Angus Studies

Characteristics Of A Good CHCC

Recommendations For A CHCC Strategy

Other Considerations For A CHCC System

Some CHCC System Specifics

NS Co-op Council & Services To Co-operatives

Co-operative Health Care Centers

Magna Angus Research Advantages

- Lower Overall Costs per Patients
- Lower Hospital Utilization Rates
- Better & More Cost-Effective Use Of HC Professionals
- Lower Drug Costs Per Patient
- More Sickness Prevention & Health Promotion Services
- Impressive Record Of Innovation
- Accessibility For Disadvantaged Improved
- Integration Of Health With Non-Health Services
- Greater Consumer Choice & Public Involvement

Co-operative Health Care Centres Magna/Angus Study Conclusions

- CHCC's Are Very Good Health Care Vehicles
- 20 Years Of Recommendation Of CHCC's
- Also Recommend Rapid Growth Of CHCC's
- Need Political Commitment
- Need Government Funding Commitment
- Need Legislative Legitimacy For Centers
- Need To Overcome Opposition Of Traditional Sector
- Need To Attract The Right Medical Personnel
- Need To Be Perceived As A Service To All

Co-operative Health Care Centers

Characteristics Of A Good CHCC

- Members Can Easily Identify With Mission
- Cost Effective Use Of Resources Rewarded
- Decentralization Of Decision-Making
- Emphasis On Accountability & Responsibility
- Provision Of Services Match Patient Needs
- Quality Assurance Mechanism In Place

Co-operative Health Care Centers Recommendations For A CHCC

- Member Commitment To Contribute Equity Capital
- Capitation Funding Budget For Operations
- If Capitation No New Money From Government
- Resources Shifted From Acute To Alternative Models
- Optimum Number Of Members To Get Benefits
- Remove Legislative Barriers Utilize Teams
- NS Co-operative Council Take Leadership Role

Co-operative Health Care Centers

Other Considerations For A CHCC

- Professional Managers Of Centers
- 5-10,000 Per Center-30-50,000 per Region
- High Technical Capacity Integrated Provincially
- Funding Linked To Patients
- Maximum Per Year Cost Per Member
- Meet Provincial Performance Indicators
- Communications To Members Improvement

Co-operative Health Centers

Some System Specifics

- Capitation Preferred Adjusted For Specific Care
- Non-Insured Services Option To Be Included
- Group Care Systems & Family Care Participate
- Patient Satisfaction Focus Of Co-operative
- Most Of Doctors Time With Significant Illness
- Contemporary Governance Model Employed
- Equity Opportunities With Significant Rewards
- Board Focus On Policy & Effective Delegation
- When Feasible Central Co-operative Central Powers

Co-operative Health Care Centers

Some System Specifics

- Follow Internationally Accepted Principles
- Community Owned And Controlled
- Democratically Controlled By Members
- Proportionality Principle Of “Use” With Benefits
And Equity Requirements For Members
- Co-operation Among Co-operatives
- Concern For Community

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Repositioning Co-operatives

- Focus On Marketing The Co-operative Advantages
- Change The Perception And Understanding Of The Public About Co-operatives
- Become Known For Innovation And Creativity
- Training Focus For Governance, Management, Co-operation
- System Should Promote Co-operation
- Reward Managers For Accomplishing Pre Determined Results
- Replace Government Enterprise Where Feasible
- Subsidiary Co-operatives Encouraged

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Future Focus of Co-operatives

- Innovative And Creative In Products And Management Strategies
- Market Leaders, Market Driven
- Very Profitable- Target 25% + Return On Shares
- Focused On Primary Purpose
- Business Oriented Approach
- User Owned Dominant
- User Reward Dominant

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Management of Co-operatives

- Have A Business Focus
- Member-Owners Focus
- Hire For Results
- Heavy Training Commitment
- Director Identified Results Rewarded
- Must Make Hard Decisions
- Management Integrity Recognized
- Work Through Board Always

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Co-operative Public Policy

- Understand Special Nature Of Co-operatives
- Understand Self-Help Nature Of Co-operatives
- Co-operatives Maintain Positive Relations with Government
- University & College Curriculum Containing Co-operative Component
- Promote Viable Business Aspect Of Co-operatives
- Keep Co-operative Law Relevant
- Focus On Innovation And Creativity
- Economic Builder Of Rural Communities

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Co-operative Governance

- Members Have Ultimate Control
- Directors Meet Regularly
- Directors Receive Ongoing Training
- CEO Never Chair Of The Board
- Audit And Nominating Committees ONLY
- Directors On Subsidiaries Not Management
- The Chairperson Is The Manager Of The Board

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Co-operative Structure Exploitation

- Maximize Profits Where Possible
- Capitalize Repairs Where Possible
- Minimize Depreciation To Reflect Present Asset Value
- Adequate Equity Investment By Members Critical
- Understand Members Needs Very Well
- Appreciate And Acknowledge Member's Support
- Encourage Employees To Be Members

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Co-operative Advantages

- Community Owned And Controlled
- Profits Stay At Home
- User Ownership And Controlled Paramount
- Extensive Network of Partners And Other Co-operatives
- Co-operatives Have Low Failure Rate (CCRA Research)
- Co-operative Have Longer, More Profitable Lives
- Easy And Low Cost Start-Up; Easily Understood

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Best Co-operatives in Nova Scotia

- Scotian Gold
- Lower Argyle
- Scotsburn
- Farmers
- Cheticamp
- Cheggogin Dyke
- Port Maitland
- De La Tour
- Victoria Fisheries
- Colchester
- Victoria Farmers
- Canso
- Village Grocery (St. Peter's)
- Shean (Inverness)
- Ceilidh (Port Hood)
- NS Animal Breeders

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Most Innovative Co-ops in Nova Scotia

- Mountain Equipment
- Route 340 Ranchers
- Sydney Mines Investment
- Investing In Nova Scotia
- Bras D' or Producers
- Canso Trawlermen
- Amaranth
- Arimathea & Valley Funeral
- Victoria Farmers (Baddeck)
- Breakthrough

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NS Credit Union – BUSINESS LOAN GUARANTEE Program - 1

- For Small Business Financing
- Joint Initiative Of NS Co-op Council, NS CU Central,
& NS Economic Development
- Available Only Through Local NS Credit Unions
- Clients Need: Viable Business Plan
 - Net Worth Statements
 - Credit History Of Principals
- Regular Credit Lending Criteria Applies

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NS Credit Union – BUSINESS LOAN GUARANTEE Program - 2

- Loans Up To \$150,000
- Residential, Commercial Real Estate, Beverage Room, Tavern Not Eligible
- Terms; Negotiable, Maximum Seven Years One Percent Administration Fee Added
- May Require; Business Mentor, Professional Assistance With Business Plan

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Community Economic Development Investment Fund - CEDIF

- “A CEDIF is a pool of capital raised through the sale of shares in a “for-profit” Co-operative, purchased by individuals, to be reinvested in or to operate a “For-Profit” business in a defined NS community.
- A CEDIF Is “Not” A Charitable, Non-Taxable, Non-Profit Organization
- A CEDIF Has At Least Six Directors
- A CEDIF Shareholder Cannot Hold More Than 20% Control Of The Co-operative

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Community Economic Development Investment Fund - CEDIF

- An Approved CEDIF Offers To Eligible Investors;
 - 30% Equity Tax Credit
 - RRSP Eligibility (26%, 37%, 43%, or 46% Credit)
 - 20% Provincial Guarantee
- The Co-operative May Repurchase Shares at Par Value
- A Prescribed “Offering Document” is Required By The Securities Commission
- The CEDIF Manager is Chris Payne of NS Economic Development (paynecj@gov.ns.ca)

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Community Economic Development Investment Fund CEDIF

- A \$5,000 Investment In The Co-op Could Yield A \$1,000 Prov Tax Credit + Benefits Of Investing

Taxable Income	Tax Rate	RRSP Benefits	NS 4 YR Guarantee	Capital At Risk
■ 0-\$32,000	26%	\$1,300	\$1,000	\$1,200
■ -\$64,000	37%	\$1,850	\$1,000	\$,650
■ -\$105,000	43%	\$2,150	\$1,000	\$,350
■ \$105,000+	46%	\$2,350	\$1,000	\$,150

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Co-operative Advisory Services - LEGAL

- Incorporation, Name Reservation
- Registration Assistance - Annually
- By-Law Up Dating
- Borrowing Of Money Procedures
- Co-op Act & Regulations Interpretation
- Contact; (Brenda) Dima@ns.sympatico.ca
(John) nscjca@netscape.net; fred@nsc-co-opcouncil.ca
(Terry) terry.thidodeau@ns.sympatico.ca

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Co-operative Advisory Services - INFORMATION

- Publications & Info - www.nsko-opcouncil.ca
- Short Subjects - (20+)
- Videos (12+)
- Research Papers
- Seminars, Training & Workshops
- Co-op Council; Truro 893-8966; Fred 896-7289;
John 563-8821; Brenda 226-1918; Terry 742-0555

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Co-operative Advisory Services - PROGRAMS

- Co-operative Small Business Loan Guarantee
- Equity Tax Credits (CEDIF) For Co-operatives
- Research & Innovation
- Equity Support For Social Assistance Recipients
- Co-operative Export Prospector
- Co-operative Governance Guide
- Co-operative Community Development Projects

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Equity Support for SARS Co-operatives - GOALS

- Get SARS Clients In A Successful Co-operative
- Assisted By NSCC, NSCD, CU's
- Viable Business Plan
- Managed By Approved Business Partner
- Get SARS Off Government Assistance
- SARS Become Successful Employee - Owners

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Equity Support for SARS Co-operatives - TOOLS

- CEDIF Benefits To SARS
- Co-operative Financial Standards Followed
- Equity Loans & Banking Through CU's
- NS Co-operative Council Loan Guarantee
- Co-operative Mentor If Required
- Viable Repeatable Business Idea

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Equity Support for SARS Co-operatives - COMPONENTS

- Five Or More Equal Member Contributors
- Competent Manager Incentives (50% Profits)
- Equity At Least 25% Of Total Assets
- Staff Costs Capped At 40% Of Total Income
- Employees Fringe Benefits To Members
- Training Focus

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Co-operative Exporter Prospector program - INCENTIVES

- A Nova Scotia Business Inc. Program
- Consultant Finds Critical Export Leads
- Qualified Prospects Identified
- Cold Calls Made To Test Qualifications
- Appointment Inventory Provided
- NSBI Funding For Consultant
- For Exports Outside The Province

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Co-operative Exporter Prospector Program - REQUIRES

- Development Plan From Co-operative
- Business Profile From Co-operative
- Strategic Approach For Exporting
- Co-op Personnel To Meet With Prospects
- Contact Debbie MacIsaac, NSBI 424-4242
- Contact trade@gov.ns.ca & or
WWW.novascotiabusiness.com

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Co-operative Governance Guide – BEYOND CARVER

- Board Accountable Governance & Management
- CEO Is Responsible For Management
- President Is Board Chair & Senior Elected Volunteer
- Board Sets All Non-Administrative Policies
- CEO Sets All Administrative Policies
- Board Defines & Approves Codes Of Conduct For Directors And CEO

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Co-operative Governance Guide – BEYOND CARVER

- Committees- Policy; Statutory (member, audit, discipline, member ethics, nomination); CEO's Working (conferences, fundraising & personal)
- Monitoring Reports; CEO, Statutory, Task Force, Financial, & External.
- Annual Written Appraisal Of CEO
- Annual Appraisal Of Voluntary Directors
- Training For The Board Is A Budgeted Item

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Co-operative Governance – Carver Guide - INTRODUCTION

- Boards Are Owners Not Helpers
- There Is NO Supervisor Of Boards Of Directors
- Boards Deal With The “Larger” Issues
- Boards Are The Guardians Of Values
- Boards Speak With One Voice
- Boards Are Mission Focused

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Co-operative Governance – Carver Guide - POLICIES

- Policies Direct CEO's Actions
- Should Be Written, Brief, Understandable
- Go From The Broad To The Narrow
- Enables “Hands ON” Not “Hands In”
- Motions Are Usually Policy Amendments
- Setting Policy Is Board's Chief Occupation

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Co-operative Governance – Carver Guide – BOARD LEADERSHIP

- Board Sets Agenda & Controls Meetings
- Values Determine Instructions To Staff
- Boards Are Guardians Of The Co-ops Values
- Boards Focus On Ends, CEO Relationship, Board Processes, CEO Performance & External Links
- Board Focus On “Why” & “On Whose Behalf”

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Co-operative Governance – Carver Guide - RESULTS

- Boards Identify The Reason For Existence
- Production Of Worthwhile Results
- Never Lose Site Of Desired Results
- Mission - Make Difference On Consumers' Lives
- Identify Who Will Benefit? How Are These Assessed?

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Co-operative governance – Carver Guide – EXECUTIVE LIMITATIONS

- Board Must Be Free Of Staff Details
- Board Must Be In Control
- Beware Of Board Expertise & Making Choices
- What Is It Intended To Produce? Assess Means
- Inspect By Visiting, Audits & Certifications
- Boards Should Be Proactive & General
- What Board Does Not Withhold Is The CEO's

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Co-operative Governance – Carver Guide – EXECUTIVE RELATIONSHIP

- Boards #1 Job Is Selecting the CEO
- CEO Relationship Is Most Important Function
- Design A Powerful CEO Position
- The CEO And The Board Are Equals
- Board Says “How It Ought To Be” If They Don’t Can’t Ask “How Is It?”
- CEO Evaluation Answers - Did It Come Out Right? Did It Achieve The “End” Policies?

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Co-operative Governance – Carver Guide – BOARD PROCESS

- *Accountability-Know The Owners; Their Interests Are Paramount-Assure Owners Status Looked After*
- *Good Governance - Board Accepts Ownership And Governance Responsibility; Boards Remove Dissenting Board Members -Others Only Help*
- *Trustee Role - Understand Obligations, Prevent Power Grabs, Chair Leads Board Process*
- *Job Description - Bridge Between Board, Owners &CEO; Defines Values Added; Contributes To Ownership Policies; Worthwhile Results; CEO's Performance*

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Co-operative Governance – Carver Guide – COMMITTEES & OFFICERS

- CEO Is Top Executive - Is Equal To The Board Also Is Treasurer, Recording Secretary
- CHAIR Is Responsible For Meetings, Board Integrity, & Guardian Of Board Actions
- SECRETARY Is Guardian Of What The Board Has Done, Historian, Keeper Of The Records
- COMMITTEES - Help Boards, Do Pre-Board Work, Advises The Board, Provides Alternatives
- COMMITTEES -Nominating-Executive Performance- Member Discipline-Audit 4/4