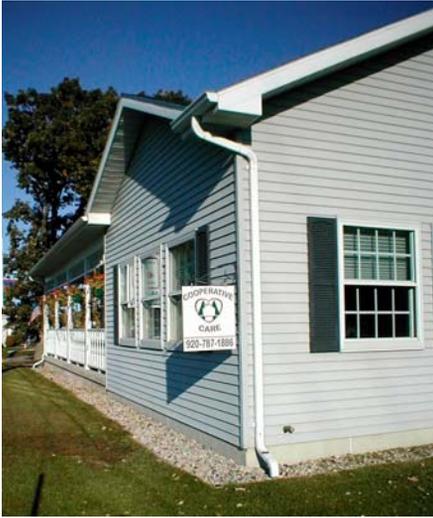


Delivering Co-op Development Technical Assistance



*The Story of
Cooperative Care,
A Worker-owned Co-op of
Home Care Providers*

*Margaret Bau
Cooperative Development Specialist
USDA Rural Development -
Wisconsin*

What is Cooperative Care?

- **Worker owned co-op of 66 active members:**
 - Certified Nursing Assistants (C.N.A.s) providing personal care
 - Home care to keep homes safe and sanitary
- **Home care agency – NOT home health**
- **T.A. process began Fall of 1999**
- **Incorporated February 5, 2001**
- **Started operations June 1, 2001**



Waushara County

- **Rural county - 23,623 residents (2003 estimate)**
- **Largest city - Wautoma 2,125 (year 2002 estimate)**
- **19.2% over age 65**
 - 13.1% for Wisconsin
 - 12.4% for nation
- **by 2030, 20% of Americans will be 65+**



Caring for Rural Elders

- **Community Options Program in Wisconsin**
 - Funding alternative to nursing homes (Medicaid waiver)
- **Waushara County played matchmaker**
 - list of care providers
 - third party payroll
- **System stretched dollars, BUT:**
 - low & stagnant pay
 - no benefits (not even workers compensation)
 - liability issues

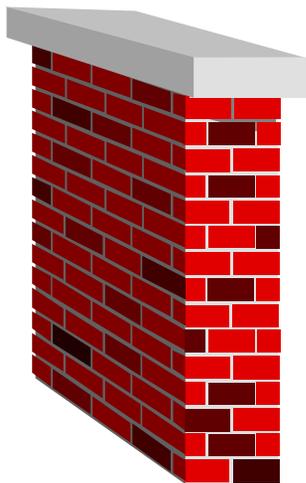


“Why not form a workers co-op?”



- **Contract with Waushara County**
- **Private pay clients**
- **Contracts beyond county borders**

“Don’t Do It!”



- **1997 Balanced Budget Act**
 - 80+ home health agencies dropped home and personal care in Wisconsin
- **East Coast Co-ops failed**
 - low reimbursement rates to agencies
 - plenty of competing jobs for workers in urban areas

We Did It Anyhow

- Existing core of providers - no worker recruiting necessary
- Expansion of a 20 year program
- Rural setting
- Strong support from county & community



Partnerships & Collaborations

- County level -
 - DHS director, nurse, social workers, county board
- State level -
 - seed money to hire local organizer, WI home care association, participatory research, cheerleading
- Local nonprofit –
 - Reviewed biz plan, financials, financing and loan advice
- USDA –
 - co-op T.A., Co-op Services advice, 2004 grant/loan fund for others
- Other co-ops –
 - Retired CFO of electric co-op helped set up accounting system
 - Madison area worker co-op advice for conflict resolution
- UWCC –
 - board training videos, conflict resolution, legal direction, research



Membership Survey Findings

from November 15, 1999

- **Workers highly experienced**
 - 47% 10+ years in home care
 - 55% are C.N.A.s
- **Primary source of income for 25%**
- **No health insurance for 31%**
- **Willing to travel 30 miles one way**
- **Desire insurance, workers comp, pay differential for holidays & weekends**



Market Analysis



- **Demand**
 - Aging population
 - Elders want to live at home
 - Home care is cost effective
- **Industry**
 - low reimbursement rates
 - home care not available in this rural region
 - worker shortage

Member Benefits

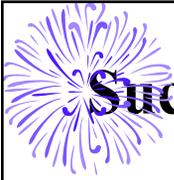
- **Above average industry wages (\$7.58/hr)**
 - \$9.50-9.75/hr for personal care work
 - \$7.75-\$8.50/hr for home care work
- **10 days paid personal leave**
- **Time & a half pay holidays**
- **Workers compensation**
- **Mileage reimbursement (\$.375/mile)**
- **Health insurance (75/25 or 50/50)**
- **Patronage refunds**



Cooperative Care Rates



- **Personal Care (CNA services): \$17/hour**
- **Supportive home care or chore service: \$15.50/hour**
- **Average value of wages, benefits, and patronage refund to members: \$13.25/hour**



Success Beyond Our Dreams

- **Financially profitable**
 - substantial patronage refunds initially
 - pre-paying bank loan principal
- **Worker retention (no 40-60% turnover)**
- **Empowered Board of Directors**
- **Widespread community support**
- **Developing a sense of community, professionalism**
- **“Cooperative Care is the best thing that’s ever happened to me.”**



Issues in the Future



- **Build equity and reserves**
- **Diversify services and increase income stream**
- **Spiraling health insurance, workers compensation rates**
- **Healing continues after toxic management departure**
- **Channel member energy into committees, research project, outreach to other co-ops – now a stronger identity**

“If I Had to Do It Over”

- **Include in the bylaws:**
 - Management cannot be a member
 - Nepotism clause
 - Mechanism to remove inactive members
 - Clarify board recall process
- **Probationary period with mandatory training**
 - Co-ops 101
 - Understanding financials
 - Conflict resolution, constructive communication
- **Succession plan for management turnover**
- **Equity - higher membership fee, IDA accounts**



Co-op Technical Assistance

- Develop local partnerships
- Co-ops 101
- Exploratory meeting
- Survey
- Steering committee
- Progress updates
- Business plan
- Draft bylaws, articles
- Adopt bylaws, elect board, collect membership fee
- Acquire loan
- Hire executive director
- Start-up tasks
 - Tax ID #, insurance
 - office space, equipment
- Begin operations
- **AFTER CARE**
- Board education
- Mentoring, counseling
- Management succession
- Conflict resolution



Home Care Co-op Evolution

- **Welfare to Work projects**
 - 1985 Cooperative Home Care Associates in South Bronx, New York City
 - Two goals: train CNAs and build customer base
 - Replications in Philadelphia, urban East Coast
 - Funding crisis with 1997 Balanced Budget Act - Boston and Massachusetts co-ops closed
 - Abandoned replication – concentrated on “raising the bar” for training and wages in New York state
 - Co-op T.A. group looked to other sectors



Rural Wisconsin Model

- Existing core of providers - no worker recruitment or training necessary
- Solid finances -
 - contract with county provided financial base
 - bought time to stabilize and diversify business
- BUT – co-op created in a market vacuum



The Evolution Continues

- **Conversion from private agency to co-op**
 - Brooklyn nonprofit established in 1990
 - Manchester NH for-profit founded in 1999
- **Hybrid ownership by clients and workers**
 - “Solidarity Co-ops” in Quebec
 - Ann Arbor, Michigan - Partners in Assistance, a consumer choice driven model



Cooperative Care



Our mission - to provide high quality home based care while providing fair wages and benefits to the people caring for the elderly and those with disabilities.