

## Aravind: A Profile in Growing a Health Care Facility

As of 2006, Aravind Eye Care System (AECS), a network of hospitals in India, was the largest provider of eye care in the world. AECS was performing approximately 270,000 surgeries per year and serving over 2 million patients. AECS was a self-funding organization that provided free service to 70% of its patients. Its mission was to “Eradicate Needless Blindness.” Its method of operation had been studied by institutions ranging from universities to the World Health Organization.<sup>1</sup>

One million surgeries and 100 hospitals by 2015. This was the goal set by AECS’s leadership. Reaching that goal posed a number of challenges. What are the financial metrics to be tracked and how should Aravind gather the relevant data? What are the steps for professional development of doctors and how could the organization measure when particular steps are completed? What is the optimal business model for the future growth, or are there multiple models that will work under different circumstances?

### Background

In 1976, Dr. G. Venkataswamy (known as Dr. V) retired from government service; however, he did not believe his service to the people of India was complete. He began treating patients in his brother’s house in Madurai. He tried to raise money for a larger facility, but his efforts were useless. Twenty five years later, he would point to this as teaching him to be self-reliant.<sup>2</sup> Shortly after he started, he talked his sister, brother-in-law and other family doctors into joining the practice. In 1977, a new building housing 30 patients was built (financed by family savings and retained earnings). In 1978, a low cost hospital designed for free patients was available for 100 patients, and in 1980, they moved into what was to become the permanent location. Then, the first hospital outside of Madurai opened in 1985. In 1988, AECS opened a hospital in Tirunelveli.

By the early 1990s, intraocular lenses (IOLs), first used in 1949, had become the common method of treating cataracts. These foldable, acrylic lenses were designed to replace the natural human lens in cataract patients. They were, however, too expensive for most of AECS’s patients (about US\$100 per lens). That is why in 1992, Dr. V and his family established Aurolab, a laboratory that produced IOLs and other medical supplies at affordable prices. Aurolab was able to produce the lens at a cost below US\$10 per lens.

With success came numerous requests for assistance from other hospitals that were attempting to establish similar models. AECS formalized its method of delivering assistance in 1996 with the establishment of LAICO, a training and research facility jointly funded by Lions International and AECS.

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