

Financial Sustainability

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Background

In developing countries it is most important that eye care programmes provide quality eye care services to communities in the long term. However, they must be financially sustainable within a reasonable period of time.¹ Methods of sustainability have to be introduced from the very beginning of any eye care programme for these to benefit the community in the long term.

The L V Prasad Eye Institute (LVPEI), a not-for-profit, tertiary eye care hospital in Hyderabad, India, has been involved in setting-up a permanent infrastructure for eye care in underserved rural areas.²⁻⁵ Details of this infrastructure, which include rural eye care centres and community programmes, have been described elsewhere.⁴ From the beginning, barriers to eye care, accessibility, availability and affordability, were taken into consideration. This resulted in the setting up of the first rural satellite eye care centre, the Bhosle Gopal Rao Patel Eye Centre at Mudhol village, in the poor district of Adilabad in the southern Indian state of Andhra Pradesh. Successful and self-sustainable functioning of this Centre prompted LVPEI to develop other rural eye care centres in Andhra Pradesh which are well on their way to become financially self-sustainable. We describe in this article the systems that made Bhosle Gopal Rao Patel Eye Centre financially self-sustainable.

Bhosle Gopal Rao Patel Eye Centre (BGRPEC)

Staff

A total of 25 staff, including one ophthalmologist, work at this Centre. The majority of the staff were drawn from local communities, and were trained for varying periods of time at LVPEI. During the training period, area-specific jobs were assigned to

staff, with the emphasis on hands-on training. On completion of training, they were recruited as employees of the rural eye care Centre with performance-related increases in salary and promotion.

Service Provision

At this Centre, standard secondary level eye care services are provided utilising reasonable facilities and equipment, and adhering to the highest quality standards. The services provided include refraction, detailed eye examination, medical treatment, and operations such as cataract surgery with an intraocular lens, glaucoma surgery, lid surgery, and lacrimal duct surgery. The systems and staffing of the eye care Centre currently allow for examination of 12,000–18,000 out-patients and 1,200–1,800 operations in a year. The overall infrastructural design, with the necessary additional staffing of BGRPEC, has the capacity to cater for a maximum of 40,000 out-patients and 5,000 operations in a year.

The charter of this Centre calls for the provision of 50% of all services free of cost to the economically underprivileged in the society, with the remaining 50% realised on payment of charges by those who can afford to pay. Patients are triaged in to paying and non-paying categories for eye care service delivery based on their socio-economic status. Assessment is by experienced eye care personnel, called counsellors. For patients who are advised to undergo surgery, the counsellor considers the paying capacity of these patients by assessing the total family income. This includes the possession of a ration card provided to families with a monthly income below a certain level, and possession of other assets. Surgical services for paying patients are offered in a tiered



All patients are counselled and assessed

Photo: B R Shamanna

system wherein the type and quality of the surgical services provided are the same and the difference is only in the facility of accommodation. Non-paying patients who are advised surgery are offered the same surgery at no cost to them. In addition to the medical and surgical services, optical and pharmacy shops are an integral part of this Centre. A cafeteria is also available and this caters for the needs of the patients and staff alike.

Capital Investment

Local and international non-governmental organisations and local philanthropists helped LVPEI set up this rural eye care Centre to meet the needs of a population of 500,000, spread over 3 districts in the two states of Andhra Pradesh and Maharashtra. The capital investment towards the setting up this Centre was approximately Rs. 81.3 lakhs (US\$ 189,000), details of which are shown in Table 1.

Financial Self-sustainability

The service delivery figures for BGRPEC since the Centre was established have shown an increase in the number of out-patients seen and operations performed. While the ratio of paying to non-paying out-patients was 50:50 (Fig. 1), the operations maintained a ratio of 35:65 respectively (Fig. 2). Average cost-recovery per month for monthly income and expenditure was used as a measure to assess financial sustainability over every 6 months period.

Table 1. Initial Investment for Capital Items at BGRPEC, Mudhol

| Item | Amount in Lakhs of Indian Rupees (Thousands of US\$)* | |
|------------------------|-------------------------------------------------------|----------------|
| Land & Development | 1.75 | (4.0) |
| Buildings | 61.17 | (142) |
| Generator | 2.54 | (5.9) |
| Air conditioner | 0.52 | (1.2) |
| Furniture and fixtures | 5.04 | (11.7) |
| Equipment | 10.11 | (23.4) |
| Kitchen equipment | 0.17 | (0.4) |
| Total | 81.30 | (188.6) |

*1 US\$ = Rs. 43.20

Financial Sustainability

Cost-recovery was calculated as a ratio of income divided by expenditure and was expressed as a percentage. Standard for-

pharmacy shops were major sources of income. Expenditure related to salaries of personnel, purchase of medical consum-

proper patient-care systems with equal emphases on medical and management systems, well-trained clinical and non-clinical staff working as a team, and the support of the local community.

The standard and quality of clinical care at BGRPEC is a major factor in reaching financial self-sustainability. The quality of service does not differ for those who pay and those who do not pay for the service. BGRPEC is also able to address the barriers to eye care services in relation to accessibility, availability and affordability of the services.

Optimum utilisation of staff, intelligent purchasing and use of consumables through bulk central purchase, and minimum wastage are other factors that have contributed to financial sustainability. BGRPEC has also demonstrated that having strong links with social development organisations for community relations and mobilisation, and political will, are as important in achieving financial sustainability, as are systems within the Centre itself.

The experience with BGRPEC has demonstrated the importance of good training for clinical and non-clinical staff, a team approach to eye care, provision of good quality eye care services, and community support, all of which can lead to financial self-sustainability. Sustainable and optimally functional eye care systems is an important element of any approach that hopes to substantially reduce blindness in the long-term.⁶

Fig. 1: Out-patients seen at BGRPEC, Mudhol, 1997 to 1999

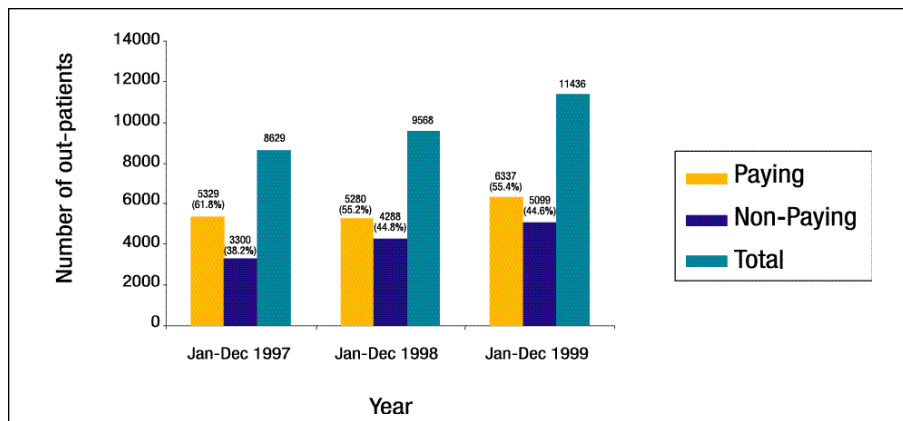


Fig. 2: Operations performed at BGRPEC, Mudhol, 1997 to 1999

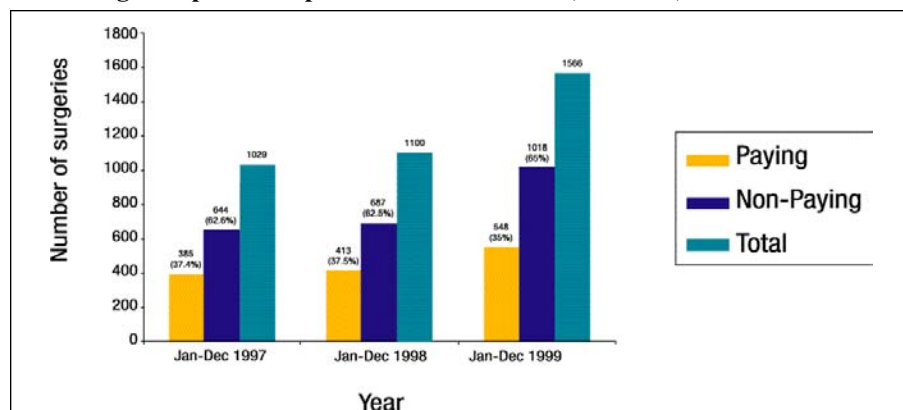
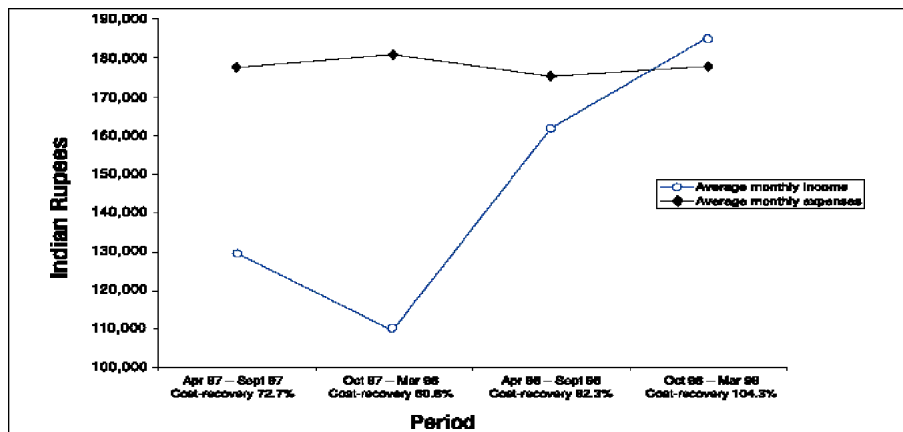


Fig. 3: Cost-recovery for BGRPEC, Mudhol Financial Years 1997-98 and 1998-99



materials that are used at BGRPEC for recording income and expenditure on a monthly basis provided the basis for calculating cost-recovery. Recurrent grants received and depreciation (reductions in value) on capital and equipment were not included in these calculations as they are calculated on a yearly basis in our system.

Income resulted from the eye care services provided, sales from optical and pharmacy services, from the cafeteria, and interest on the bank deposit. The surgical services and sales from the optical and

ables, optical and pharmacy shop requirements, payment of electricity and other bills, cafeteria, and office expenses.

The average monthly cost-recovery for the operating costs increased from 72.7% in the first half of 1997-98 to 104.3% in the last half of 1998-99 (Fig. 3).

Achieving Financial Self-sustainability

Within 3 years BGRPEC became financially self-sustainable. This achievement can be attributed to the establishment of

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