Profile: salaUno

Replicating and adapting India's Aravind Eye Hospital model has brought vision-saving relief to thousands of Mexicans

Challenge

Eye-related disease is the second-most common type of disability in Mexico, affecting 60 percent of the population (Forbes 2013). The country's high prevalence of diabetes, a condition that increases the risk of cataract and diabetic retinopathy by 40 percent, means that the burden of eye disease is likely to remain heavy for years to come.

These low-income Mexicans, pictured here with Javier Okhuysen, one of salaUno's founders, received free treatment from the program.

The public health system in Mexico is unable to meet the demand for care, and private providers are too expensive for 65 percent of the population (Mukesh, Moe, and Bartlett 2013). The combination of heavy demand and limited supply means that the level of unmet medical need is very high. The problem is particularly acute among the rural poor, for whom lack of eye care leads to or deepens poverty.

Innovation

salaUno (the name means "room one," referring to its surgical theater) was founded in 2010 as a for-profit eye care clinic chain, replicating and adapting India's successful Aravind Eye Hospital model. The company's vision is to eliminate needless blindness by bringing affordable, high-quality eye care to lower-income Mexicans through a high-volume, low-cost business model. It does so through economies of scale (salaUno´s surgeons perform five times the number of surgeries of an average Mexican ophthalmologist) and the cross-subsidization of poorer patients by wealthier ones. Prices for a check-up range from USD 1.75 to USD 3.50; for cataract surgery, patients can choose from services that range from USD 400 to USD 1,740.

Many of the innovative aspects of the salaUno model resulted from adapting the Aravind model to the Mexican context. For example, Internet connectivity is greater in Mexico than in India, allowing salaUno to use social media platforms such as Facebook to maximize awareness of its services and telemedicine to improve efficiency in patient referral. salaUno also operates two software subsystems to manage a range of business components, from finances to inventory of its optic stores, and coordinate patient flow and medical records.

salaUno has set up partnerships with private enterprises and NGOs to increase patient capture and referral and make its services affordable. Initially, services were included in the government's health insurance scheme (Seguro Popular), through which salaUno performed 60 percent of its surgeries. That partnership ended in 2013, when the government decided to cover eye care itself. Service provision is currently subsidized through a partnership with Fundación Cinepolis and the establishment of a microloan program.

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This series on Inclusive Innovations explores business models that improve the lives of those living in poverty. Editors are Elaine Tinsley and Natalia Agapitova. Written and researched by Niharika Hanglem.

Impact

salaUno is the leading provider of cataract surgery in Mexico City. Between 2011 and 2014, it served 72,000 people, including performing 7,400 cataract surgeries, treating 10,000 eye ailments, and providing 17,000 free consultations to people at the bottom of the pyramid. In 2015, it performed half of it surgeries free of charge. Studies demonstrate the cost-effectiveness of cataract surgery, with some estimating the financial return on investment to society at 4,567 percent over 13 years (Brown and others 2013).

salaUno is a certified hospital that offers training courses in collaboration with universities. Nurses trained by salaUno can receive a diploma in ophthalmic nursing.

Scaling Up

salaUno replicated and built on the lessons learned from the Aravind model. The strong business case and flattened learning curve facilitated access to equity and debt financing from the Inter-American Development Bank, the International Finance Corporation, and Adobe Capital.

The main driver is the high demand for services. Partnerships with other actors for referrals and the initial inclusion of salaUno in the government´s health insurance scheme also contributed to scale-up.

The end of the partnership with the government highlighted the vulnerability of depending on external actors, particularly public ones, and reignited a drive to pursue a sustainable independent business model. It led salaUno to raise its service fees and explore other avenues for subsidizing the free services for patients who cannot cover surgery out-of-pocket. Increased revenue from tiered pricing offering ancillary services has helped offset the greater uncertainty while dealing with government contracts.

The ability to serve large numbers of patients may be a growing challenge, as it was for some of its Indian predecessors, and recruitment and retention of specialized, trained staff is an ongoing challenge. These constraints have been partly mitigated by adding salaUno's own hospital for training of staff and making it a more attractive employer among physicians through the possibility to conduct research.

References

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