

Seva Diligence Trip Report: March 13, 2013
Guatemala City, Guatemala

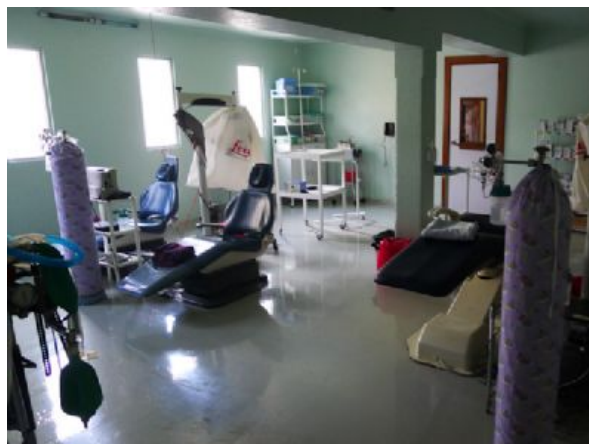
CONDUCTED BY: Elliott Gilson and Jason Windebank

SEVA PROGRAM PARTNER VISITED: Vizualiza

MEETING WITH: Andrea Recinos (head of development and communications), Juan Fransico Yee (Manager), Dr. Mariano Yee (ophthalmologist, surgeon)

BACKGROUND: Visualiza is a Guatemala eye treatment organization which has a strong relationship with SEVA Foundation, a U.S.-based non-profit which Focusing Philanthropy supports. Visualiza operates two eye clinics in Guatemala, the operations of which are funded partially by donations from SEVA. We visited Visualiza's San Benito clinic on March 11, 2013. Today's visit to Visualiza's Guatemala City clinic was a follow-up to that visit. The purpose of both visits was to further assess and monitor the relationship between SEVA and Visualiza and to assess the impact of this partnership in the field. The focus of today's visit was to gain a deeper understanding of the financial and administrative functions, and particularly to evaluate the financial efficiency of donated funds.

OBSERVATIONS: There are two components to Visualiza's Guatemala City facility. One half of the building is for patients who are paying full prices (e.g. \$1200 per cataracts surgery), the other half is for patients receiving free or subsidized services (e.g. \$65 per patient). Visualiza calls the free and subsidized services "social services" and the fully paying services "private services". The two halves of the clinic are mostly identical in general layout, but the social side is more basic (simple furnishings, no A/C, etc.) and is designed for higher volume, whereas the private clinic is like a fully westernized clinic (one surgery table in the operating room instead of four, more comfortable furnishings, etc.). The entrances are on different streets and sit back to back, so that some resources are shared between the two clinics (including the most expensive vision testing equipment). The equipment on both sides is identical, the same doctors render services on both sides of the clinic, so the quality of treatment is identical. The only notable difference, aside from the lower volume of patients and more plush furnishings on the private side, is that private patients generally opt for more expensive general anesthesia whereas the vast majority of social patients receive local anesthesia unless there is a medical need for general anesthesia.



Surgery room

There are several other purely social eye clinics in Guatemala, and a larger number of private for-profit clinics. Visualiza is a hybrid because it has both a for-profit private clinic and also offers social services which do not generate profits for the company. The owners of the company are socially minded and reinvest almost the entire profits of the company into supporting and expanding their two social clinics. Thus, the majority of the funding for the social side comes from Visualiza itself. This hybrid approach allows Visualiza to offer social services at a far lower price than purely social clinics because the overhead costs are covered by the private clinic. This enables Visualiza to perform a cataract surgery for as little as \$65 in marginal costs, whereas purely social clinics face much higher because of the large overhead costs which brings the average cataract surgery cost to over \$200. This is the reason why Visualiza is such an efficient partner for SEVA. It is also the reason why Visualiza is helping other purely social clinics replicate the Visualiza model by adding private clinics for more wealthy customers seeking services provided to western standards.



Vision testing

The Guatemala City clinic has been open since 1995 and now services over 40,000 patients per year, three quarters of whom are social patients receiving free or subsidized services. The clinic also performs 46 outreach activities each year, which involves sending mobile clinics dispatched to various remote locations around southern Guatemala, normally rural villages lacking any kind of formal medical care facility. An additional 10,000 patients are treated through these mobile clinics each year. An additional 20,000 children are treated in school programs whereby Visualiza doctors make visits to local schools and provide free on-site eye exams. Patients needing more advanced treatment that cannot be performed from a remote location are referred to the clinic for additional treatment.



Dr. Mariano Yee founded Visualiza and still performs many cataract surgeries

During our visit the clinic was busy but operating well within its capacity. The facility was clean, comfortable, and well organized. The testing and surgery equipment is modern and new and all functional areas are held to western standards.

Visualiza, through its Guatamela City clinic and its Pescatore clinic in San Benito, performs 20% of all cataract surgeries in Guatemala. Patients receiving subsidized services pay \$65 per cataract surgery. Through donations from SEVA (including money given to SEVA by Focusing Philanthropy) and other donors, Visualiza is able to offer free services to patients who otherwise would be unable to afford the \$65 fee. These patients live in the most vulnerable conditions, as they are generally unemployed without any prospect of gaining employment due to their visual impairments.



These patients in the waiting room recently had their sight restored

KEY TAKEAWAYS: We believe Visualiza is an ideal partner for SEVA due to its extraordinarily efficient business model, and the professionalism of its management team and medical staff. All the individuals we met at Visualiza were of the highest caliber and inspired a high level of confidence. The social aspirations of the founding family (the Yees) are commendable.