

case 1-429-220
December 13, 2012

Muni Seva Ashram

In 1978, Shri Anuben moved to Goraj, just outside Baroda in Gujarat, India. At the urging of her Guruji, she moved there to serve the poor in the local community. Despite the dangers (ranging from poisonous snakes entering her small hut to the crime that riddled the local area), she was determined to provide sanitation, education and health care to the children in the area. Anuben began by gaining the trust of the community and convincing parents to send her their children so she could provide basic care. She did so by providing food, clothing, and, through weekly visits from a doctor in the nearby town of Baroda, health care. By 2000, the facility had grown from the initial hut to Muni Seva Ashram, a campus of buildings providing education, health care and housing to the poor and sick of the local community.

In 2001, Anuben passed away and Dr. Vikram Patel took over to continue Anuben's mission. Dr. Patel's relationship with Muni Seva dates back to the ashram's early days when he was in medical school. In 1982 he joined the ashram as a full time employee and played an integral role in the development of the two hospitals on the campus: Akshar Purshottam Arogya Mandir (APAM), a general hospital started in 1991 and Kailash Cancer Hospital and Research Centre (Cancer Hospital), a specialized cancer hospital started in 2001. Today, Dr. Patel is responsible for the entire ashram which includes an elderly care home, an institution for mentally retarded women, and multiple schools in addition to the two hospitals.

The vision for the hospitals remains the same as it was when Shri Anuben first moved there over 30 years ago. As Dr. Patel puts it, "We cater to the needs of society. We don't want to create needs or pursue projects that don't have an immediate need in the community." When asked, he cites the long-run viability of the hospitals as a major concern. Costs are going up, as are the needs of the community, yet relying on donations to provide for those needs is tenuous at best. He would like the hospitals to move toward generating enough revenue to cover recurring costs. For the past five years, at least, revenues have not covered recurring costs. Donations make up the difference. Decreasing this dependence on donations for ongoing operations involves bringing numerous components together.

Health Care in India

Health care expenditures in India account for 4.8 percent of GDP, compared to an average of 8.7 percent worldwide. One quarter of that is government expenditure and the other three quarters is private expenditure. Despite the relatively low expenditures, India is experiencing significant improvements in health care across



Published by GloboLens, a division of the William Davidson Institute (WDI) at the University of Michigan.

©2012 Paul Clyde. This case was written by Paul Clyde, Adjunct Professor of Business Economics, Academic Director of the Part-time MBA Program at the Ross School of Business, and Research Fellow at WDI, with research support from Sathish Mohan and Shannon Saksewski. Sathish Mohan collected most of the data for the case and provided comments on early drafts. The author thanks Uday Dalal and Vikram Patel for their willingness to work with us on the project.