

Crowd Financing in the Indian Healthcare System: A Criss-Cross Analysis

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ABSTRACT

Human tragedy may display both the greatest and worst aspects of the species. Although crowd financing has been saving lives for many years, it took an epidemic to get the attention it so well deserves. For thousands of people, it has proven to be a lifeline. As the unemployment rate in India increased to 7.5% in the first three months, it has helped them pay for medical bills. Indian Prime Minister, Shri Narendra Modi reiterated his commitment to establishing an accessible healthcare environment at the beginning of April 2022 to mark the significance of World Health Day. According to research by the Public Health Foundation of India, in one year, patient care expenditures drove around 55 million Indians into poverty. It should be no surprise that taking out medical loans and borrowing a sizable sum of money from friends and family are two of the main reasons individuals continue to accumulate debt and fall into poverty. Every person has a basic need for healthcare; thus, the Indian government has introduced a variety of health insurance programmes to meet that need. For instance, the Ayushman Bharat or Pradhan Mantri Jan Arogya Yojana covers medical costs up to Rs 5 lakh (\$6,500) per family annually. If a family meets the requirements, such as a family living in a one-room tenement or a home led by a woman or someone from a marginalised community, then it is available to over 100 million Indian families. Government-run hospitals may offer families cutting-edge care for organ transplants, cancer procedures, and birth deformities, but not always promptly. However, medical crowd financing may provide patients with an opportunity to receive treatments that they cannot otherwise pay for and that the government's healthcare programme cannot fully support. By utilizing the internet as the main channel, medical crowd financing is assisting in the democratization of money. Today's crowd financing platforms assist millions of individuals in setting realistic objectives and quickly achieving them. Fundraisers may easily locate and target a high-intent donation demographic using platforms that integrate high-precision social outreach mechanisms across networks like Facebook, Instagram, Linked In, and more. The present article explores the viability and reliability of crowd financing from the perspectives of both crowd funders and beneficiaries.

Keywords: Crowd Funding, Healthcare, Finance, Credit, Patient, B2C platform.

Introduction

A human catastrophe may reveal both the extreme and foulest aspects of humanity. Crowd financing has been an anonymous defence that has been saving lives for many years, which took a pandemic to bring it to the attention it deserves. Thousands of people have found it to be sustenance. When India's unemployment rate soared to 7.5% in the first three months of the COVID-19 pandemic, it helped them

pay medical bills. Medical crowd financing has emerged as a burgeoning industry for fundraising opportunities. Some environmental phenomena have fuelled the creation of financial behemoths to fund medical treatment. These trends include a lack of medical insurance, profitable counter-reactions to the 2008 financial collapse, and regulatory failures in health care. Even before the Covid-19 pandemic, approximately 30% or 42 crores of India's population, lacked health insurance, with the true figure far higher. During the Covid-19 pandemic, the notion of healthcare insurance was still unfamiliar to lower and middle-class individuals, with households bearing 75% of the cost of healthcare. Crowd financing is changing India's healthcare system by giving everyone access to quality healthcare. In many aspects, medical crowd financing is combating disparities in the healthcare system and providing solutions to problems in light of medical treatment expenses. Every day, as the second wave of Covid-19 intensified in India, we saw heart-breaking photos of patients battling to receive medical treatment and equipment in major cities. Consider the scenario in rural India, where medical amenities are still unavailable. These locations were no longer only a destination for the current influx of returning migrants. Due to transportation and infrastructure issues, the scarcity of testing facilities, the inadequate monitoring system, and the impossibility of health care.

Background

Crowd financing is an open request on the Internet for the contribution of financial resources in the form of donations, a future product, service, or other rewards. However, turning to crowdfund is difficult. Several issues have been raised concerning crowd financing research, most notably the significance of quality control and peer assessment (Agrawal et al., 2013). It is suggested that if research funding is selected by non-experts, quality control is inadequate, and some types of vital but complicated or seemingly fewer interesting studies may not obtain adequate financing (Bennett et al., 2015). The difficulty of allocating research money mixes the issue of providing public benefits with the question of determining the relative worth of various research strands. Furthermore, crowdfunded initiatives might be based on patients' false and emotional aspirations (Wenner et al., 2015). The presence of public health finance may indeed reduce financial restraints caused by medical bills or clinical research, stifling the growth of medical crowd financing as an alternative source of cash (Feldman and Schipper, 2007). The first is to motivate contributors to see the project through to completion, and the second is the human need to be recognised for doing something good (Cameron et al., 2013).

Campaign for Medical Fundraising

With the evolution of crowd financing technology, it is now feasible to launch a medical fundraising campaign in less than five minutes, with a substantially greater success rate within time bounds. Medical crowd financing is a potential method for supporting voluntary, reciprocal, experimental, and scientifically underfunded curatives that are/or not covered by health insurance. An analysis of the most prevalent ailments and disorders stated in crowd financing campaigns might help public health insurance funds expand their list of covered medical operations thereby providing medical and surgical services with an exhaustive list. The fact that several people are starting crowd financing campaigns for the same ailments and diseases indicates that there is a huge unmet need for viable but unfunded therapy. Crowd financing is helping to bridge the gap between healthcare service providers and patients by allowing individuals to experiment with various crowd-financing approaches in fulfilling the basic need of people starving for healthcare. Although donor-based crowd financing remains the most popular, many people have used

reward-based crowd financing and private crowd financing to accomplish their donation targets to meet the timely medical needs of people. It is transforming the healthcare landscape and addressing our healthcare system's deep-seated challenges, especially concerning medical financing. During the pandemic, crowd financing is a boon but surely it will keep flourishing even after the pandemic ends due to its great need fulfilling capacity for the medical needs of patients (Founder & CEO of Crowdera, a crowd financing platform).

Crowd Financing Addresses Unmet Medical Needs in India

Marking the importance of World Health Day, Prime Minister of India Shri Narendra Modi reaffirmed his commitment to creating an affordable healthcare ecosystem in early April 2022. Around 55 million Indians were pushed into poverty in a single year by the cost of patient care, according to a study by the Public Health Foundation of India. Not surprisingly, taking out medical loans and borrowing large amounts of money from friends and family is one of the biggest factors keeping people in debt and ultimately driving them into poverty. Since health care is a basic need of every individual, the Indian government has implemented various types of health insurance schemes to meet this need. For example, Pradhan Mantri Jan Arogya Yojana, also known as Ayushman Bharat, covers medical expenses up to Rs 5 lakh (\$6,500) per family per year. It is available to more than 100 million Indian families who meet the criteria e.g., Families living in one-bedroom rental houses and households headed by women or people from marginalized communities. However, in this day and age of new and improved treatments revolutionizing the healthcare industry, medical care has become quite expensive. The costs of treatment, medication and hospitalization have risen sharply, making it difficult for low- and middle-income people to afford quality healthcare during times of medical crises. In this regard, Ayushman Bharat's coverage is woefully inadequate for those who need advanced surgeries and treatments, with cancer surgeries and transplants costing more than Rs 25 lakhs. Health is priceless and illness can be very costly, Rs 37,185 crore worth of hospitalizations have been approved under the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJY) till March 2021, since the program started in September 2018. The program has successfully helped reduce domestic spending in the country, and yet it is still not enough. While medical care may be free at some hospitals, untimely surgery could be deadly for those who urgently need it. Families can get advanced treatment for organ transplants, cancer surgery, and birth defects in state hospitals, but not necessarily in time. But medical crowd financing can offer patients the opportunity to access treatments that they cannot afford and that the state health plan cannot adequately cover.

Closing the Gap and Making Treatment More Affordable

Crowd financing activities have increased across the country in the last year, with donations nearly doubling compared to pre-pandemic levels. Although the epidemic has made everyone's life tough, it also has made people more empathetic and understanding towards others. There is more awareness, empathy, and a willingness to help those in need. Anyone and everyone may start a campaign for their needs and see first-hand how useful crowd financing is, regardless of who they are, where they come from, or what they are seeking.

Making Effective Use of Technology

By utilising the internet as a key channel, medical crowd financing is assisting in the democratisation of finance. Crowd financing platforms now assist millions of individuals in setting attainable objectives and

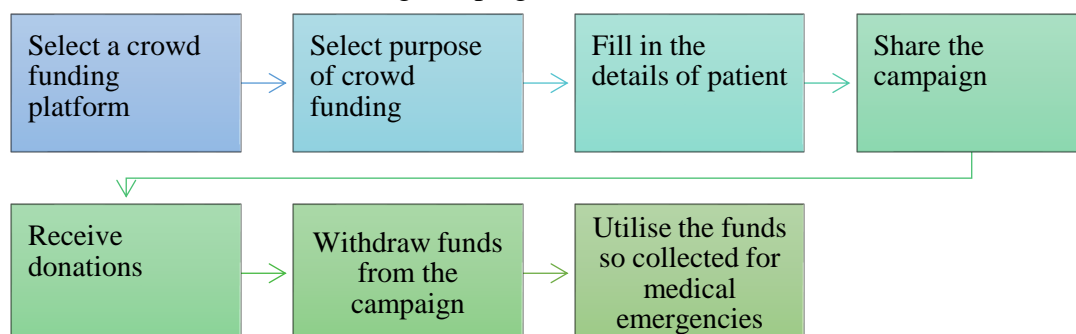
then meeting them in record time. Platforms include high-precision social outreach methods that enable fundraisers to easily discover and appeal to a high-intent donor demographic across platforms like Facebook, Instagram, LinkedIn and others.

Crowd Financing a New Generation of Healthcare Finance

Currently, India has some of the top doctors, modern equipment, and facilities in the world to treat and combat both new-age medical issues and rapidly emerging, life-ending health disorders. To address these medical issues, the government has pioneered green lanes like modern medical transportation networks that prioritise emergency care for cardiac patients, as well as hospice programmes that include complete heart transplant equipment and expertise. Along with this, proton therapy is a procedure that uses energy and radiation to beam up on cancer cells in tumours, allowing for much more specific elimination of the illness without causing damage to surrounding healthy tissue. Knowledge and technology are accessible in various sections of the country, but most people are concerned about the expense or lack of affordable health care. Approximately 80% of Indians lack insurance, and approximately 63% of medical expenditures are paid out of pocket. People dive into their savings or borrow money from banks, relatives, and friends during medical emergencies. A minimum of 50-60 lakhs is required for advanced medical therapy for heart, kidney, or cancer. People in India are frequently drained of their whole life savings while attempting to address medical crises. Caretakers are frequently left grabbing at straws to keep afloat, even when there is little hope of recovery. The key causes for the emergence of medical crowd financing have been limited health insurance coverage, a gap in the doctor-patient ratio, and escalating medical prices which are unaffordable to the majority of patients. Even though the healthcare system has grown tremendously over the years, fundraising platforms can work together to bridge the gap between healthcare affordability and accessibility.

How to Start a Crowd-Financing Campaign

Fundraising can be done from two perspectives: One from a volunteer and the other from the hospital. Steps involved in a volunteer fund-raising campaign:



Make the best decision - Choose an authentic medical crowd-financing site: Choose a crowd financing site that is familiar with the intricacies of medical fundraising or that specialises in the ailment for which you are seeking cash. Fundraising platforms, for example, assist you in raising funds for critical illnesses such as cancer, organ failure, rare diseases requiring prolonged treatment or surgeries, medical emergencies such as acid attacks, near-fatal accidents, medical conditions requiring intensive care such as premature childbirth, and so on.

Provide verifiable documentation of sickness: Once you've decided, you can start fundraising in less than 5 minutes. With the help of crowd financing,

you can smoothly complete the procedure. Next thing to consider: crowd financing platforms should provide their existing and potential donors with strong evidence of impending illnesses and medical expenses, as this helps maintain the credibility and integrity of the site. Help donors trust the cause and make an informed decision accordingly. Proof usually takes the form of a confirmation letter from the Hospital or doctors stating the illness, the treatment required and a medical estimate for that treatment.

Set a target amount: The amount you need to raise on our crowd-financing site depends entirely on the disease and the treatment required. Hospitals typically provide you with this estimate to help you determine the target amount for fundraising. The target amount is usually determined by adding up treatment costs, drug costs, diagnostic tests, hospital fees, and other additional expenses such as post-operative care. A goal that is too high or too low can discourage people from donating to fundraisers but may be achieved by way of the severity of the disease/ condition.

Create an attractive fundraising page: Creating a fundraising campaign page is one of the most important steps in the fundraising process. This is a chance to tell the world the patient's story and ask for help. Each medical fundraiser has several elements:

- **Tagline:** A tagline is what will draw the attention of potential donors and convince him/her to open the campaign page. Be sure to correctly convey emotion and a sense of urgency in the tagline.
- **Campaign story:** Explain why you are crowd-financing healthcare and talk about the disease. The story should contain all the answers to potential donors' questions: how the patient was diagnosed with the disease, what difficulties the patient has faced so far, how quickly treatment is needed, medical costs and estimates, how donors will make a difference, and so on.
- **Photos and Videos:** Technology is a boon to the crowd financing world. People who see the fundraiser help don't necessarily know you as a person: illness or that of the loved one, the suffering, financial problems, etc. And there's not much you can convey through text. Is there a way to improve the campaign story and make it even more impactful? Yes absolutely. Let the story be skillfully underlined with pictures and videos. As said a picture says more than a thousand words plus, a well-shot video can complement a story by talking about or loved one's journey, illness, diagnosis and treatment, and how donations can make a huge difference to you.
- **Plan of use of funds:** Once the fundraising campaign goes live, donors need to know where and how their funds are going. To do this, there is a need to create a breakdown of all expenses and allocate a portion of the budget to each expense. These details on how the funds are used provide donors with full transparency and guarantee that their money is being used wisely.
- **An appeal:** Once the struggle is shared, the journey and the immediate need for funds, sharing a compelling attraction is one of the top medical crowd financing tips. Now is the time to educate potential donors on how to get involved. Give them the opportunities they have if they want to make a difference with their actions. For example, they may choose to donate for treatment/surgery. You can also spread the word on social media because every action is as good as a donation. Even small drops can make an ocean.
- **A reminder of tax benefits:** Tax breaks are the best incentive for people to become donors on the fundraising- page. Remind them that they are entitled to a tax exemption on their contributions which is a benefit for themselves and help to others.

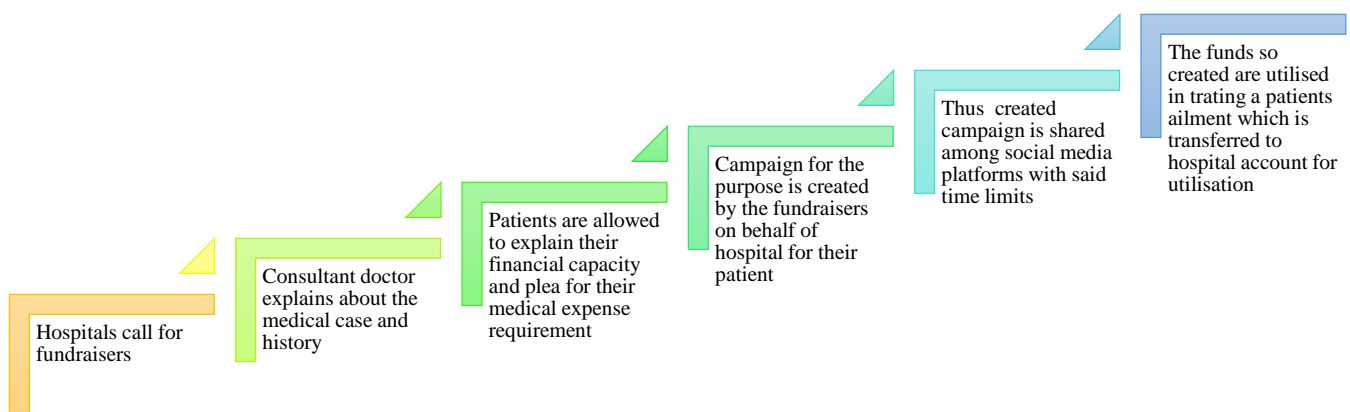
Share marketing campaigns extensively - Put all social media apps to proper use

The greater the proportion of crowd-financing marketing campaigns, the more likely to get assistance from one-of-a-kind sources. Crowd financing will let in mobilizing price range no longer just from the regarded circles together with a circle of relatives, buddies and well-wishers but also from strangers worldwide. A circle of relatives and buddies are the satisfactory and maximum loyal supporters. So, begin together along with an internal circle, after which amplify the community via social media portals like Facebook, Twitter, Instagram, WhatsApp, LinkedIn or Email.

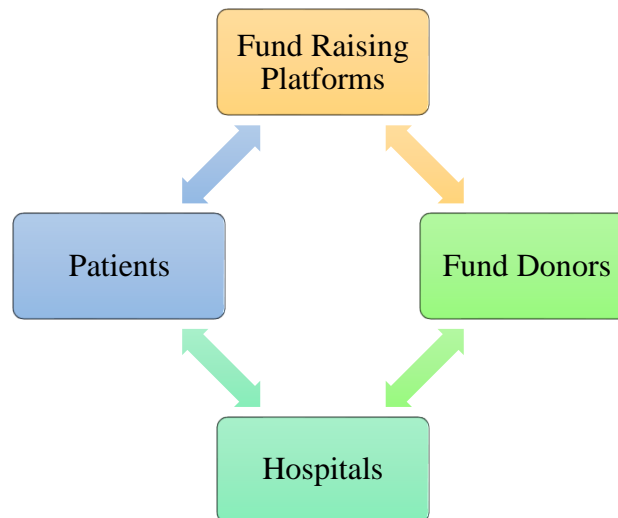
Post updates on fundraisers, have funds disbursed and thank supporters for their timely help

It is important to let donors and supporters know about it to keep you posted on the progress of the fundraiser. Updates may include how much additional money you would need, how the patient is doing, how long treatment is expected to continue, etc. Once the fundraiser or activist's request for a money transfer is complete, the platforms will help you transfer the funds raised directly to the hospital treating the loved ones.

Steps Involved in the Hospital Fund-Raising Campaign



Criss-Cross Analysis of Medical Crowd Financing in India



Conclusion

Medical crowd financing is a recent and fast-developing phenomenon that has attracted public interest. This study provides two main contributions to a better understanding of this phenomenon. It is the first to offer an India-wide Hospital Fund-Raising Campaign and secondly Medical Crowd Financing in India criss-cross analysis on healthcare crowd financing by providing an assessment of how and where healthcare crowd financing platforms emerge. Specifically, it discusses the success of healthcare crowd-financing platforms concerning the public health expenditure of the country where these platforms are based.

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