IMPORTANCE OF CROWDFUNDING PLATFORMS IN INDIA DESPITE HAVING UNIVERSAL HEALTH COVERAGE

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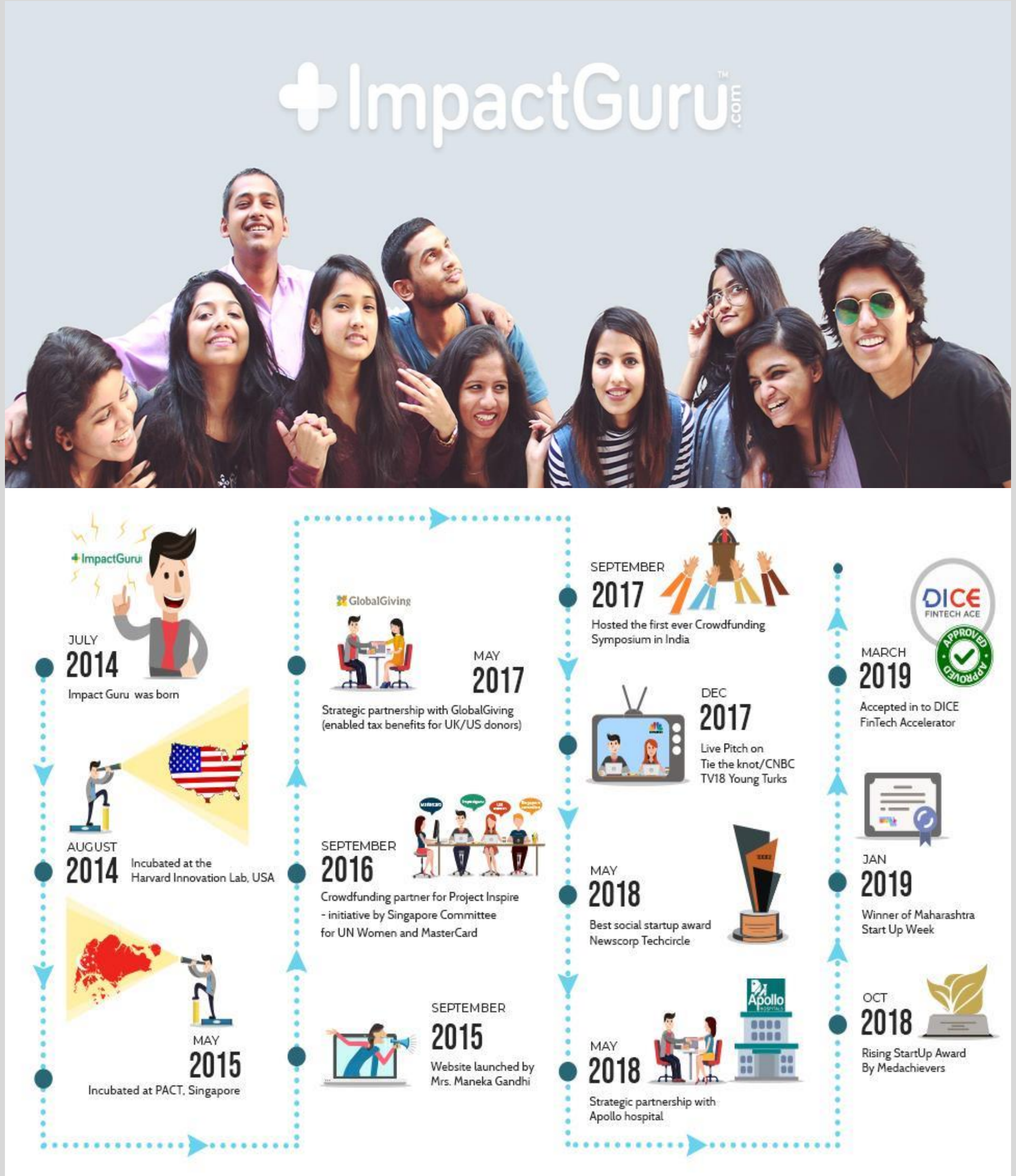


- Impact Guru was incubated at Harvard Innovation Lab In the USA in 2014. It was co-founded by two vibrant and enterprising individuals Mr Piyush Jain & Ms Khushboo Jain.
- Impactguru.com, India's leading healthcare financing platform for patients raises money online for medical expenses via crowdfunding. It aggregates a large number of online payments to allow any individual requiring financial assistance to raise funds for medical expenses - be it cancer, transplant, accident, or any medical emergency.
- Impactguru.com has so far been able to cater to around 5,00,000+ Individuals and organisations and has raised close to 1500 + crores of funds till date.
- Impactguru.com was selected among top 5 early-stage start-ups in India by tie, featured on CNBC Young Turks, and also won the Best Social Impact Start-up Award by News Corp. (Tech Circle).ESI Act is not applicable to: -
- Impact Guru's mission is to make healthcare accessible to all and save more lives. It is a tech-for-good platform that provides complete crowdfunding solutions to empower individuals, NGOs and social enterprises to raise funds for medical emergencies, personal needs, creative projects or any social cause- be it big or small.

Introduction

INTRODUCTION

- Over time, with advancements made in the field of medicine and healthcare, the cost of accessing healthcare has also increased a great deal. Services like hospital beds, medicine, surgery, post-operative care, chemotherapy etc, you name it and its cost is increasing day by day.
- The government has made many provisions and schemes to help improve the affordability of healthcare for people. People in India still contribute by using out of pocket expenditure.
- According to the report of WHO, more than 60 percent of the Indian population is derived towards below poverty level due to one hospitalisation. Further, less than 8 percent of the population are have insurance.
- Crowdfunding platforms are at a rise in the country, because people aren’t able to fund their own treatments as they would like to.
- Crowdfunding platforms provide no payback liability and they work towards reaching a wider audience.

Key features of crowdfunding platforms

Key features of crowdfunding platforms

- Crowdfunding platforms have gained popularity as they are easy to avail, taps into wider network, zero payback liability.
  Services provided:-
  - Automated fundraiser story support
  - Fund withdrawal
  - Multiple donation methods:
  - Mobile friendly platform
  - Personalised fundraising dashboard
  - Email support.
  - Chat support
  - Real time donation notification
  - Dedicated crowd funding expert
  - 80G tax benefits
  - Video fundraising appeal
  - Enhanced visibility from Impact Guru
  - 7 Day Fundraising

Objectives

Research question

What is the importance and reason for increase in the usage of Medical Crowdfunding despite having Universal Health coverage in India?

1

Broad Objectives

To understand the increase in the usage in medical crowdfunding in India, even when India has made efforts to provide Universal Health coverage to its people.

2

Specific Objectives

To assess the various diseases which are not covered by health insurance schemes by the government under Universal coverage scheme.

3

To assess the various health care services and unmet needs which are funded by medical crowdfunding.

Literature Review

Literature Review

- *Producing a worthy illness: Personal crowdfunding amidst financial crisis* (Berliner, 2017), the author elaborated that the how patients and their relatives try to make a compelling case regarding their health issues to try and acquire the most funds out of these crowdfunding platforms, this results in stealing focus from the acute and dire cases and there exists reliance in these platform even after the existence of government based financial assistance schemes.
- Another study *Crowdfunding in Healthcare* (Basani, 2019) Another study *Crowdfunding in Healthcare* (Basani, 2019)
- A study named *crowdfunding our health: economic risk and benefits* (J, 2016) aimed at determining the economic viability and feasibility of the establishment of crowdfunding is discussed.
- Another study done (J., 2019) in a study population of USA was done in which the people suffering from cancer the study showed that there is a strong affinity and increases in the usage of medical crowdfunding due to the expensive treatment and all this highlights the gaps in the healthcare system and the fact that crowdfunding helps in easing away the financial stress to certain extent.

- A study (Lublóy, 2020) was carried out in Germany which evaluated 380 medical crowdfunding cases on leetchi.com. The study concluded that the most frequent causes or medical reasons which prompt people to opt for crowdfunding are rare and critical illnesses like cancer, lipoedema and genetic disorders.
- Crowdfunding has become an axillary and additional source to fund for the diseases even though Germany had universal coverage.
- A study **(Yi-Lee, 2015)** done on the Korean population where 9163 respondents. The study showed that there was at least once that they were not receive medical attention that they wanted because of lack of funds or financial stability.
- Around 22.9 % of the people who were interviewed faced difficulties in accessing health facilities due to financial incapability.
- A study conducted in USA on 37344 cancer campaigns on crowdfunding campaigns and reviewed 1057 cases. The studies showed that all the campaigners had pre-exiting insurances as well as they were covered under Affordable Care Act of USA but still needed funds for treatment.
- The cancer patients needed financial assistance and opted for crowdfunding.

Methodology

Methodology

The study is exploratory in nature by collecting data of all the people putting up campaigns in medical crowdfunding platforms like Impact Guru, these crowdfunding platforms serve various causes like financial stress due to medical issues, funding for organisation and implementation of programmes. This study analysied all the campaigners seeking financial aid for health ailments and medical services.

- **Sample Design: -** Exploratory study design
- **Sample Size: -** 500
- **Sources of Data: -** Impact Guru Data set
- **Study period-** The study covers a period from April to June 2021.
- **Data analysis-** The collected data has been analyzed by using Descriptive Statistics.

These medical campaigners are judged on the basis of two aspects namely: -

- **Type of diseases or services the campaigners opt for crowdfunding: -**

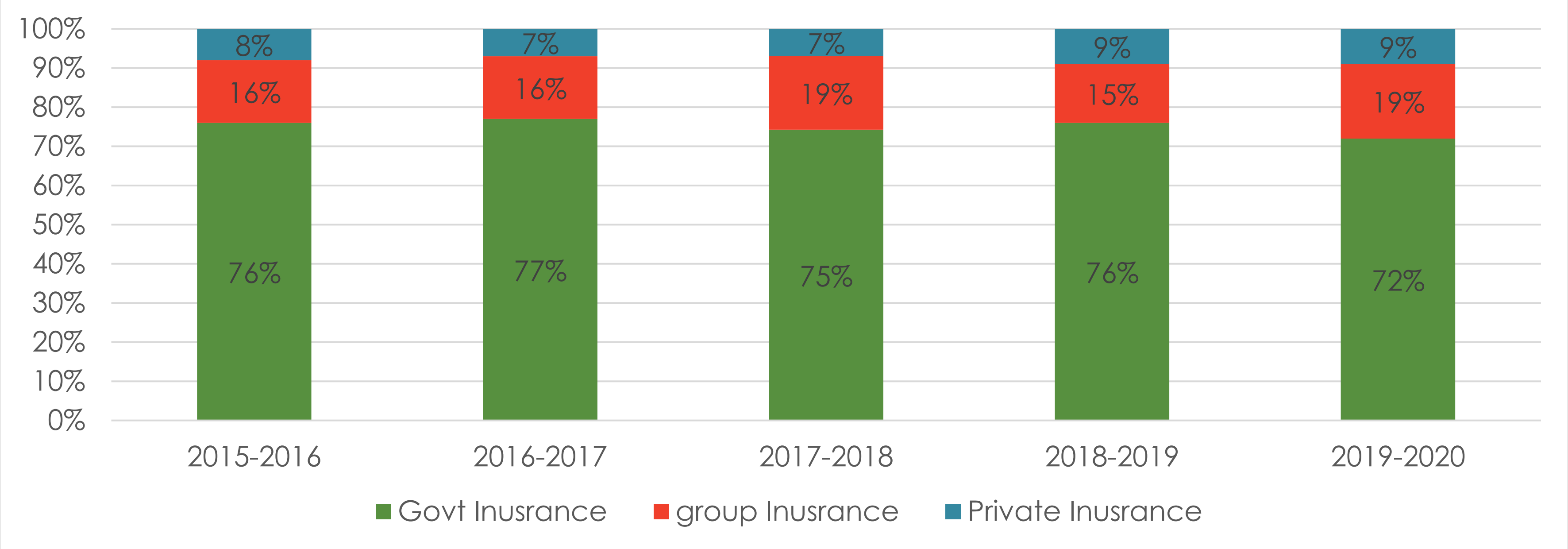
The study is conducted to assess the disease burden and the kind of medical services for which people opt for crowdfunding in India. This helps in analysing the extent of financial coverage given by the government and the evident pitfalls it has due to which people turn towards crowdfunding.

- **Types of financial coverage the campaigners are looking for: -**

This part of the study analyses the kind of financial help the campaigners are mostly concerned with and hence are looking for assistance. The wide range of expenses and costs which are related to healthcare costs will be medicines, surgery, therapy, accommodation and treatment related travel etc.

Findings

FINDINGS



<u>**The trend of various lives covered under Health Insurance and crowdfunding in India**</u>

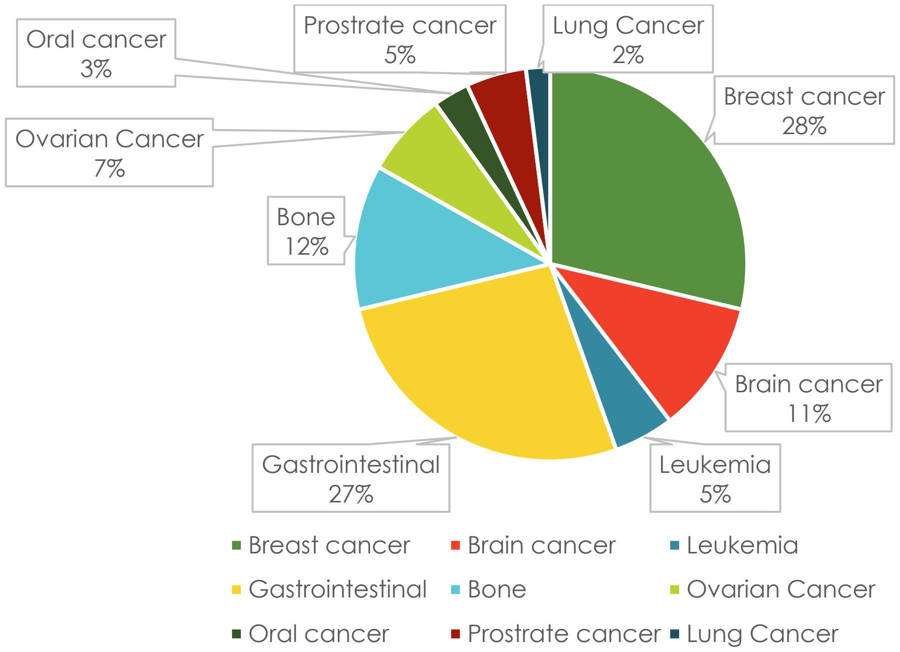
<u>*Sorce: IRDAI report 2018</u>

- As per the recent report of 2018, IRDAI, it is evident that there is a considerable chunk of population who have invested in health insurance.
- Although health insurance is mostly bought by people belonging to stable and financially strong backgrounds like middle class and the upper middle class sections, a large number of government schemes and insurance policies are present which cater to the lower sections of the community who cannot afford expensive heath care services.
- Almost 72% of the tapped in population opt for government sanctioned insurance policies in the year 2019-2020.
- Followed by 19 % population insured by group insurances schemes and a mere 9 % percent have personal health insurances done on their respective names.
- even after a substantial percentage of population having some kind of insurance done crowdfunding businesses have a growth rate of 16% CAGR globally and India is only in its nascent stage of the crowdfunding business.

Sr No	Name of the Disease	Count(N= 500)	Percentage
1	Cancer	101	20.2
2	Respiratory distress	70	14
3	Liver Failure	36	7.2
4	Kidney failure	52	10
5	Cardiac Issues	45	9
6	Road Traffic Accidents	16	2
7	Multiple organ failures	27	4.6
8	Covid-19	110	22
9	Genetic disorders	11	3.2
10	Burn accidents and acid attacks	5	1
11	Black fungus / mucormyosis	23	4.6
12	Preterm Birth complications	13	2.6

Medical conditions for which people seek medical crowdfunding

- Table depicts the various medical reasons for which people seek crowdfunding solutions to fund their treatments.
- The data which has been presented shows that people suffering from critical illnesses like cancer tend to seek financial assistance more than any other disease.
- Another major medical causes which is frequently crowdfunded for according to the data are Respiratory distress, Liver and lung failures, cardiac issues like cardiac myopathy and cardiac failure and RTAs.
- Another medical condition for which people are seeking crowdfunding in the country is treating neo natal and pre term birth complications.



Cancer: The most crowdfunded medical reason

- Cancer is a chronic condition which require continuous treatment and care.
- On an average cancer treatment costs around Rs 1-2 lakhs per in a private hospital and around Rs 70,000-80,000 per year in a government hospital. .
- The annual gross income of people belonging to lower middle class and below poverty level would be less than 5 lakhs in India
- The most common forms of cancer related campaigns are breast cancer, gastrointestinal and bone cancers. In terms of gastrointestinal cancer, colon and rectal cancers are the most common.

Patient:- Baby T
Disease: SMA (Spinal Muscular Atrophy)
Treatment :- 16 crore drug Zolgensma
Crowdfunded :₹ 14,93,84,128
Time period :- 240 days

Patient:- Baby D
Disease: SMA (Spinal Muscular Atrophy)
Treatment :- 16 crore drug Zolgensma
Crowdfunded :₹ 16,24,35,104
Time period :- 129 days

Patient:- Baby A
Disease: SMA (Spinal Muscular Atrophy)
Treatment :- 16 crore drug Zolgensma
Crowdfunded :₹ 14,83,72,849
Time period :- 148 days

Rare diseases & crowdfunding: A new Horizon for people

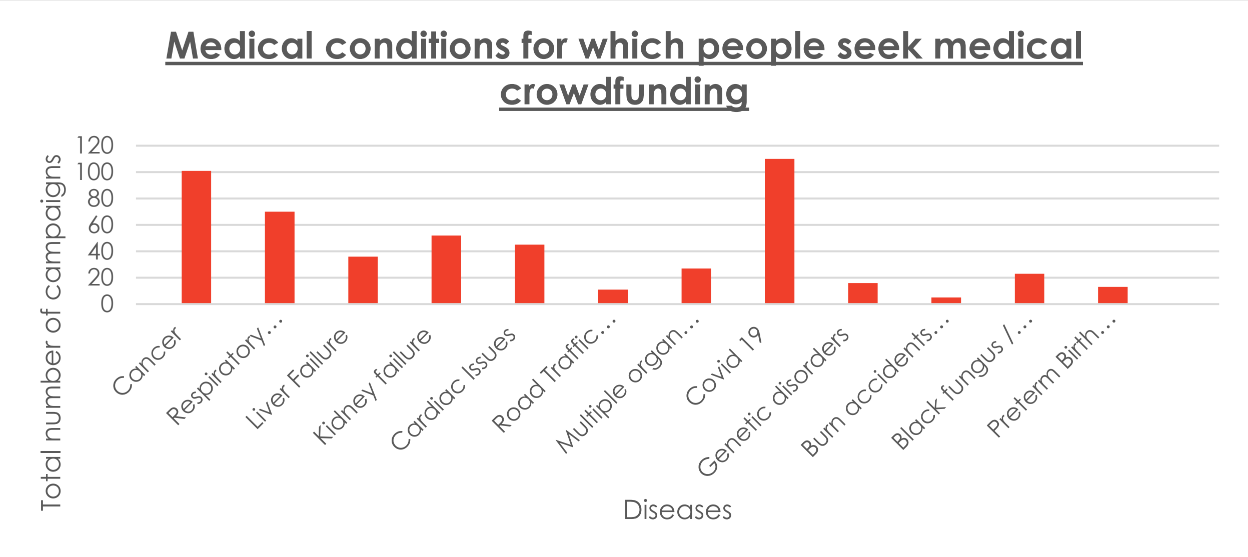
Patient:- Mr L
Disease: Pompe Disease
Treatment :- Enzyme replacement
Crowdfunded :₹ 5,04,764
Time period :- 133 days

Patient:- Mrs J
Disease: Gullian Barre Syndrome
Treatment :- Immunoglobulin Therapy
Crowdfunded :₹ 23,69,525
Time period :- 100 days

- There are around 5000-8000 kinds of rare diseases prevalent in and around the world, mostly genetic based. One in every fifteen people is suffering from some kind of rare disorders.
- Rare disease usually requires gene therapy, immune therapy and bone marrow transplant for the patient to survive.
- All these treatments are extremely expensive and undergoing these frequently could mean a great deal of economic burden for the family.
- Recently the crowdfunding platform Impact Guru had been in the limelight due to three such cases wherein, the campaigners raised around 16 crore of fund to treat spinal muscular
- This has led to many individuals and families suffering from various other rare and genetic diseases to come up and seek help for their respective treatments. .

Covid-19: Impact of pandemic on the country

- There were two kinds of campaigns running related to covid-19 namely, personal covid-19 campaigns and campaigns run by NGOs and other originations for procuring and dissemination of covid resources like oxygen concentrators and cylinders.
- There were around 800 campaigns set up and around 15 + crores of funds accumulated by NGOs and other organization for the cause.
- The funds raised were raised were utilized by these organizations not only to facilitate the procurement of such resources but also the to provide the necessary logistics so that they reach even the remote areas.
- These campaigns were run for various reasons like providing essential goods, medicines, help for all the frontline workers and covid warriors etc



Funding Need

Sr No	Range of Amount Crowdfunded	No of Campaigns
1	Below 1 Lakhs	110
2	1lakhs-20 lakhs	121
3	21 lakhs- 40 lakhs	49
4	41 Lakhs- 60 Lakhs	54
5	61 lakhs - 80 Lakhs	69
6	81 Lakhs-1 CR	77
7	More than 1 CR	20

Most of these campaigns were due to the pandemic and the campaigners needed the amount for ventilator support, medicines, hospitalization or ECMO support.

Another most crowdfunded amount on the platform is in the range of **₹1- 20 lakhs.** These campaigns were mostly for treating respiratory distress, yearly cancer treatment, covid-19 and post covid complications like black and yellow fungus.

Around ₹20- 50 lakhs are usually required to treat ailment like cancer, transplant cases like liver, lung and kidneys.

Bone marrow transplants for treating leukemia, Non-Hodgkin’s Lymphoma, thalassemia etc cost a hefty ₹60-80 lakhs at least.

Rare and genetic diseases like MPS, SMA require a great deal of funds which can mount up to **₹1- 16** crores of rupees.

Sr No	Treatment Plan	Cost Estimate
1	Hospital Bills	private hospital = **₹30,000** / day two weeks= **₹3** lakhs public hospitals= 4000-5000. (₹40,000 for two weeks.)
2	Surgery	private hospital Surgery (cardiac surgery/ transplant surgery) =₹25-50 lakhs dialysis =₹6000. CABG =₹3.5-5
3	Medicine Costs	The cost of medicines per person per year is estimated to be around ₹60,000-80,000.
4	ICU per day	cost of ICU =₹15,000- 20,000. (10 days =₹2 Lakhs in private hospital.**)**
5	Ventilator and BIPAP	cost of ventilator/day =₹15,000-25,000
6	Oxygen Concentrators	cost per day = approximately ₹30,000-60,000
7	Ambulatory services	cost of ambulatory =₹**20,000.**
8	Chemotherapy	Chemotherapy sessions =₹5000 per day. (3 months to 6 months-₹75,000 to ₹80,000.)
9	Radiation Therapy	Radiation therapy = ₹35,000-40,000 per sitting.

Expenses which are covered by Medical Crowdfunding

Discussion

Conclusion & Recommendations

The reasons for people opting for crowdfunding these days even after having health coverage can be culminated in the following manner: -

- Out of all the campaigns that were running in the crowdfunding platform, maximum causes for these campaigns are for medical reasons. This indicates that while faced with a medical adversity, people will try to opt as many resources as possible.
- The campaigners on these platforms mostly belong from good financial background or belong to middle class backgrounds with stable jobs. These individual have an understanding about how social media works which is detrimental for the campaigns to spread wide and raise adequate funds.
- Maximum all the cases so far on these platforms have preexisting insurance, loans and money that has been taken from money lenders.
- Crowdfunding platform market these campaigns extensively on all social media platforms to increase reach, this is not possible of a single individual to achieve.
- Donors also look for contributing to the cause of their liking, while doing that they receive tax benefits which acts like an added incentive for them to contribute.
- Campaigners have nothing to lose as they are not charged for campaigning their cause and instead they get to tap into their tertiary networks and ultimately reach out to strangers for much needed help.

- The attractiveness of crowdfunding platforms is in the basis that to treat rare and critical illnesses, just savings, insurances, health coverage aren’t enough.
- With rising prices of healthcare services, it has become detrimental for such platforms to gain popularity among people.
- Crowdfunding platforms have so far penetrated less than 10 % and are expected to penetrate more in the market in the coming years.
- It should be understood that people even though have third party insurances and coverage, it may not cover many health outcomes or will have certain limitations to it. In those conditions, people need to arrange funds for their on-going treatment.
- But other aspects will require payback or mortgage. In those conditions, these crowdfunding platforms are the only way out for these people

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