

Emergence of Online Medical Crowdfunding in Tamil Nadu: Addressing Private Healthcare Financing Needs

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ABSTRACT

In recent years, the emergence of online medical crowdfunding has offered a new solution to the healthcare financing challenges faced by individuals in Tamil Nadu, India. This study aims to explore the evolution of this concept and its effectiveness in addressing the financial burdens associated with private healthcare. Using a mixed-methods approach, which includes quantitative data analysis of crowdfunding campaigns and qualitative interviews with beneficiaries and platform operators, this research investigates the origins, growth, and impact of medical crowdfunding in the region. The findings indicate that crowdfunding has become a vital source of support for many, helping to bridge the gap between high medical costs and limited insurance coverage. The study also emphasizes the social dynamics and community support mechanisms that contribute to successful crowdfunding efforts. By shedding light on the strengths and limitations of this emerging practice, the research provides insights into how online medical crowdfunding can be optimized to better serve the healthcare needs of Tamil Nadu's population.

Keywords: Crowdfunding, Patient, Medical bills, Health Financing, Private Healthcare, Tamil Nadu.

Crowdfunding since ages:

The concept of crowdfunding has existed in the world for ages. Collecting small donations from many people to fund a project has been a longstanding practice with various origins. In the past, books were funded through this approach by authors and publishers who would promote their book plans through pre-enumeration or subscription programs. If enough subscribers expressed interest in buying the book upon its release, it would be written and published. Although this is not precisely crowdfunding since the money only comes in once the product is available, the list of subscribers can instil the confidence needed for investors to take the necessary risks to publish the book. During the 19th and 20th centuries, the Cooperative movement paved the way for collective groups to emerge.¹ These groups included communities and interest-based associations that pooled their funds together to create new ideas, products, and methods of distribution and production. This was especially prevalent in rural areas of Western Europe and North America. In 1885, when government funding fell short of constructing an excellent base for the Statue of Liberty, a campaign led by newspapers collected small donations from 160,000 donors.² In India, crowdfunding happened during the independence movement, with collections happening during speeches and gatherings for going through a common cause. The Swadeshi steam navigation company (SSNC), which V O Chidambaram started during the Swadeshi movement, also had a crowd-funding concept where VOC travelled all over India to raise capital and Subramanya Bharathi promoted it through his essays, marking its importance and eventually purchased the company's first ship, SS Gallia. He also later bought the SS Lavo from France.³ Crowdfunding emerged as a viable option for various projects in the 20th century. The entertainment industry, in particular, found it to be a perfect fit. The first-ever film to be entirely produced through crowdfunding was "Manthan", directed by the Indian filmmaker Shyam Benegal. It premiered in 1976, and its production was made possible by the collective donations of 500,000 Indian farmers. The movie depicted the story of a poor milk farmer in India, and it was well-received by the audience. Many farmers felt that the film represented them, making it effortless to secure funding. The success of "Manthan" inspired the production of several crowdfunded movies in the Indian movie industry.⁴ Though there were examples of crowdfunding for social causes during the early times, the concept

of collecting funds for individual and medical needs existed in the 1990s. The early way was giving advertisements primarily through newspapers and managing mode mainly through money orders.

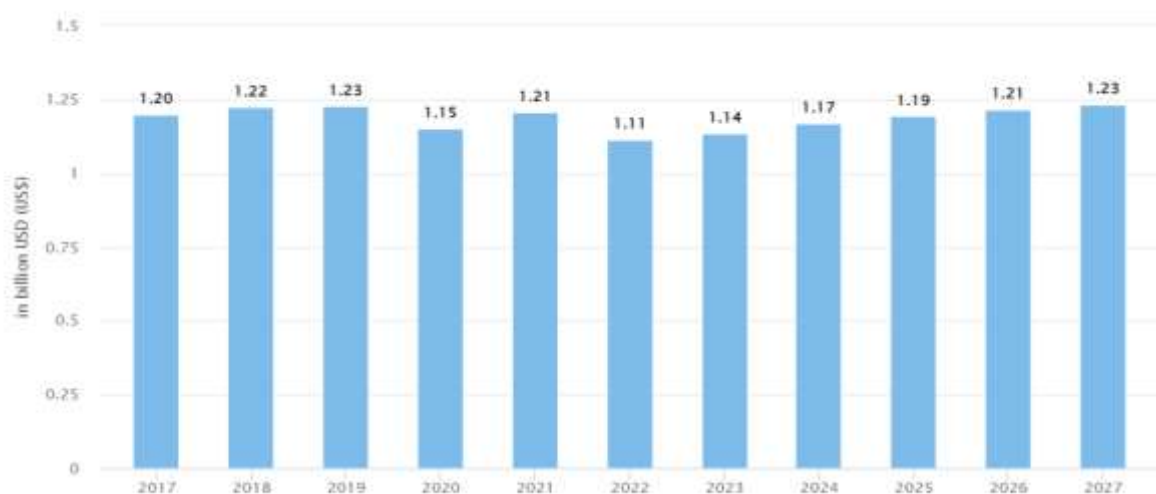
Crowdfunding on the Internet:

Digital devices and the internet have become integral to our lives today. However, this wasn't the case 24 years ago. Despite this, crowdfunding adapted itself to the new age of computers and transformed itself through campaigns. These campaigns were promoted through internet advertisements. Back in 1997, loyal fans of the beloved British rock band Marillion pioneered a groundbreaking approach to music industry financing: online crowdfunding. Through a successful internet campaign, they managed to amass \$60,000 to help support the band's U.S. tour. This innovative method of fundraising proved so effective that the band ultimately decided to leverage it to help fund their studio albums.⁵ During the early 2000s, several crowdfunding platforms, such as Indiegogo and Kickstarter, emerged and became increasingly popular in Western countries.

Medical crowdfunding: definition and evolution:

Before the era of globalisation, the responsibility of providing healthcare primarily rested with the government. However, due to the minimal medical facilities, corporates entered the healthcare industry. With corporates taking over the medical sector, treatments improved, but the medical expenses increased heavily. Medical crowdfunding is a fundraising method that helps people gather the necessary funds for medical expenses related to treatments, surgeries, and medications. In this process, individuals create a fundraising campaign on a crowdfunding platform and share it with people they know, including friends, family, and the public at large. Medical crowdfunding is gaining popularity as a means of accessing healthcare, especially in countries where healthcare is expensive or inaccessible.⁶

Figure 1: Describes the Transaction value of Online Crowdfunding worldwide in US Dollars in respective years.



Source: Statista Market Insights, September 2023

According to Statista Market Insights, the transaction value of the global crowdfunding market is expected to reach \$1.14 billion by 2023.⁷ Anoj Viswanathan, founder of MILAAP, an online crowdfunding platform, reports over 50% of crowdfunding campaigns in India are for medical purposes.⁸ The evolution of medical crowdfunding has brought forth new challenges, such as the risk of fraudulent activities, pressure to share personal medical information and unequal access to funding. Despite these challenges, with proper awareness and steps taken to mitigate risks, medical crowdfunding can continue evolving and provide hope and financial assistance to those most in need. The advent of online medical crowdfunding has proven to be a powerful resource for individuals seeking to take control of their healthcare and alleviate the financial strain of medical treatments. Additionally, it fosters connections between those facing similar challenges, creating a sense of camaraderie and support during difficult times. The growth of medical crowdfunding reflects the changing healthcare landscape and the increasing reliance on online communities for assistance. However, it also raises important ethical and regulatory considerations that need to be addressed to ensure transparency, accountability, and fairness in the crowdfunding process.⁹

Online Medical Crowdfunding in India:

Medical crowdfunding has gained popularity in India as affordable healthcare remains challenging for many citizens. According to a study by the Public Health Foundation of India, healthcare expenses pushed 55 million people into poverty in a year, with 38 million falling below the poverty line due to the costs of medicines alone. The NITI Aayog's 2021 report also acknowledges that 30% of the country's population does not have health insurance and risks being pushed into poverty in case of a health crisis. This "missing middle class" is not eligible for public schemes like the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana and cannot afford private insurance.¹⁰ In India, numerous online medical crowdfunding agencies emerged right after 2010. Though it existed, it reached a more comprehensive section of people after the widespread mobile internet usage in India. The broader impact of social media in India took online crowdfunding platforms to the next level. But still, the platforms are familiar to people who are well-versed in internet usage. The fund-raising media in India has brought a notable change in helping people with their genuine needs. Crowdfunding includes education, entrepreneurship, as well as medical needs too. The medical conditions are posted on the websites, elaborating on the patient's state and the expected donation amount needed. Medical crowdfunding through online platforms involves three parties: the beneficiary who requires financial assistance, the donors who contribute funds, and the online host, which is the crowdfunding platform. The beneficiary or someone on their behalf contacts an online platform to create a fundraising program, and appropriate promotional strategies are devised to ensure success. Once the platform receives the funds, they are directly transferred to the beneficiary's bank account. Online hosts usually charge a platform fee, payment gateway fees, a success fee (a percentage of the collected amount), and a GST of 18% on the applicable charges.

Table 1: Top 3 Indian Online Medical Crowdfunding Websites.

Name	Website	Founded year	Total Amount Raised
MILAAP	Crowdfunding.milaap.org	2010	2300 Crores ¹¹
Ketto	Ketto.org	2012	1100 Crores ¹²
Impact Guru	Impactguru.com	2014	950 crores ¹³

Ketto is an online crowdfunding portal that collected around 1100 crore funds between 2012 and 2023, which follows Impact Guru gathered 950 crore funds between 2014 and 2023. Milaap has collected about 2300 crores, the highest crowdfunding in India between 2010 and 2023.¹⁴

Beneficiaries of Online Medical Crowdfunding in Tamil Nadu:

In Tamil Nadu, it is crucial to recognise the significance of health insurance, especially for middle-class individuals. While existing government insurance schemes are available, they may not provide comprehensive coverage for diverse diseases and treatments. Some elderly individuals may opt for private health insurance, but with the emergence of new diseases that affect even children, coverage may be inadequate. Additionally, accidents and mental health issues can impact people of all ages, leading to healthcare expenses that insurance may not cover fully. In such situations, online medical crowdfunding can be a valuable resource to alleviate the financial burden. One of the most active states in India for online crowdfunding is Tamil Nadu, according to the president of Milaap, Mr Viswanathan. He has stated that his crowdfunding agency has helped around 60,000 individuals raise almost 250 crore rupees through various fundraising activities on their platform.¹⁵ Bharathi, a two-year-old from Thanjavur District, was diagnosed with a rare genetic disorder at the Vellore Christian Medical College Hospital. She was referred to a hospital in Bangalore for further treatment. However, the medication required for her treatment costed Rs. 16 crores, a massive amount for her family to afford. An online crowdfunding campaign was started to raise the funds needed for her treatment, and fortunately, the target was met.¹⁶ Online crowdfunding has facilitated numerous expensive transplantation surgeries, leading to the successful saving of many lives. A crowdfunding campaign through the Impact Guru platform helped Nesha, a girl whose father is a driver and mother is a homemaker, pay for her liver transplant surgery at Rao Hospital, Madurai.¹⁷ Many such cases have got relief from their medical expenses through online crowdfunding platforms.

Ethical Implications in Crowdfunding:

Although crowdfunding platforms can help individuals meet their medical expenses, effective campaigning is essential to raise funds. The campaign should be appealing and engaging and evoke emotions to capture attention. Some Fraudulent campaigns involving fictitious beneficiaries, fabricated illnesses, or misuse of funds have been reported. One such case reported with the name and logo of Apollo Hospital, Delhi, campaigned funds for a patient. In contrast, the hospital refused such a case and said the campaign was fraudulent.¹⁸ However, these occurrences appear to be rare. Nevertheless, some transgressions may not be apparent, such as exaggerating the chances of success of an expensive alternative treatment or embellishing a story about someone's clinical condition. Additionally, there may be concerns about how funds are used if they

are insufficient for the intended purpose or over the required amount. Further considerations might come into play if the treatment for which funding is being sought has poor evidence of effectiveness or a risk of harm, including indirect damage if a less effective alternative therapy replaces inappropriate conventional treatment or palliative care. Crowdfunding for alternative or experimental treatments for cancer or unproven stem cell-based therapies has raised particular concerns. These treatments may be marketed through the Internet directly to consumers by clinics worldwide. It's worth noting that these concerns apply equally to self-funded individuals. Still, crowdfunding can divert well-intentioned donations to practitioners and clinics offering treatments of questionable benefit, expanding the consumer market.

Conclusion:

Although online crowdfunding can provide much-needed financial aid for patients, there are ethical considerations to keep in mind. There have been instances of fraud and misuse of these platforms, which can undermine their purpose. While crowdfunding portals aim to verify requests to ensure they are legitimate, there are times when they fall short. This lack of due diligence can result in funding requests that are not genuine. It is essential for crowdfunding portals to prioritise transparency and authenticity to maintain a trustworthy system. By doing so, donors can feel confident that their contributions are going towards legitimate causes. A secure and reliable crowdfunding platform can foster a compassionate and supportive community that helps those in need.

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