

Crisis of trust and Countermeasures for Medical Crowdfunding

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Abstract: With the emergence of the Internet, Medical Crowdfunding platforms have been vigorously developed and have become a powerful supplement to China's medical security system. However, due to the development of the Medical Crowdfunding industry not finished enough, there are still some problems. Hence this article first explains the status quo of the Medical Crowdfunding platform, then the problems existing in the platform and finally elaborates the strategy of the Medical Crowdfunding platform to solve the crisis.

Keywords: Medical Crowdfunding Platform; Trust Crisis; Countermeasures

Introduction

Having the public welfare nature of social mutual assistance, Medical Crowdfunding platform under the background of Internet Plus is characterized by breaking the limitation of time and space constraints and focusing on funds raising. Compared with the traditional rescue process, seeking for help through crowdfunding platform can not only save pressing need efficiently, but also promote the development of charity. It is in line with the original aspiration of crowdfunding platform, namely matching economic needs with idle funds. However, there are some drawbacks in operating Medical Crowdfunding platform in Chinese market at present. Therefore, the platform should pay more attention to aspects of safety supervision and fund management of the platform, so as to develop towards a more perfect direction ^[1].

1. The status quo of Medical Crowdfunding platform

In 2001, ArtistShare, the first crowdfunding platform on the planet, was established in the United States. In 2010, GoFundMe was set up in the United States, which is the world's largest crowdfunding platform for private projects. Watsi, the earliest medical crowdfunding platform, was found in 2012. Formally established in 2011, Demo hour is the first online crowdfunding platform in China, indicating that China is about to enter the era of mutual aid crowd funding. In 2018, Tencent GongYi platform was the charity platform with the largest amount of donations of 1.725 billion yuan, followed by Alibaba Group and Ant Financial Services Group with 440 million and 670 million yuan respectively, followed by QFund and Waterdrop Inc .With the help of the development and unique advantages of the Internet, Medical Crowdfunding platform plays an irreplaceable role in the treatment of serious illnesses, giving new hope to the families of severely ill patients ^[2].

By the end of 2018, a total of 251 crowdfunding platforms in China were operating ordinarily, of which equity-based crowdfunding platforms, followed by rights platforms accounting for 29.88% with a total of 75, occupied the top, up to 80. The 3rd largest percentage ratio of platforms belongs to the property-based platforms, accounting for 19.12% with the amount of 48, followed by the comprehensive platforms, accounting for 13.55% up to 34, and the least is the public welfare platforms which accounting for only 5.58% with 14. As shown in the following Table 1 below ^[3].

Table 1 Distribution of types of Medical Crowdfunding platforms in operation

Type of Medical Crowdfunding platform	Amount	Proportion (%)
Equity-based crowd funding platform	80	31.87
Rights crowdfunding platform	75	29.88
Property rights crowdfunding platform	48	19.12
Comprehensive crowdfunding platform	34	13.55
Public welfare crowdfunding platform	14	5.58

Under the premise that public welfare crowdfunding does not have any pay back and lied in the bottom line of the percentage proportion above, the amount of funds raised and the success rate are not low. It is clear to see the promising future of Medical Crowdfunding platforms.

2. The problems existing in Medical Crowdfunding platform

At present Medical Crowdfunding platform has supervision difficulties: the body of supervision is complex, the supervision responsibilities are not clear enough, the supervision is not strict enough, and the supervision work is not emphasized. Existing laws do not comprehensively regulate crowdfunding platforms. When the platform lacks legal supervision, the crowdfunding platform will consider its own interests first while ignoring the rights of other stakeholders and social responsibility issues, which can explain the recent frequent occurrence of negative incidents on Medical Crowdfunding platforms and the decline in public trust ^[4].

Medical Crowdfunding platform also have the problem of information fraud. According to statistics, QFund, as one of the largest Medical Crowdfunding platforms in China, received more than 1,150 complaints in 2015. The reason for the complaints was mainly false fund raising and fraudulent donations. Since the QFund did not take active and effective response after several fraudulent donation behaviors, it was arranged a talk by the Ministry of Civil Affairs in 2017 but with little effect. It can be seen that both information fraud and donation fraud are obstacles in the development of Medical Crowdfunding platform.

In addition, there is also exists issue of platform audit. The emerging Medical Crowdfunding platform does not require complicated certification materials provided by the applicant, but only the basic information according to the prompts on the platform page with the help of guidance of professional staff from various crowdfunding platforms. But there also exposed certain platform audit problems. Some patients who have speculate on crowdfunding platforms were exaggerate their illnesses so that to win the sympathy of caring people ^[5].

3. Medical Crowdfunding platform's strategy to solve the crisis

3.1 Improve project information review system

Medical Crowdfunding platform needs to undertake the obligation of information supervision and review. At present, the verification of the authenticity and validity of all project information can only be carried out by the platform, and it is difficult for donors and the government to play a relatively significant role. Because of the asymmetry of information, however, information fraud happened frequently. Facing those situations, the public crowdfunding platform, as an intermediate platform for project donors and help-seekers, needs to bear the responsibility of reviewing the authenticity and effectiveness of the information. After the fundraising completed, it also needs to continuously monitor the use of donated

funds. Before the help information is released, it is necessary to fully use modern information technology and offline investigations to verify the authenticity of the information, so as to ensure that each published project has passed the audit and the authenticity is guaranteed [6].

To promote a more efficient information review, it requires a full combination of online and offline reviews. By applying the scientific and technological means to verify the authenticity of some project information submitted, at the same time online review require the initiator of these projects to provide a medical certificate issued by the hospital. The medical certificate needs to be consistent with the project description. In the process of project initiation, it is also necessary to use feedback information of donors when they are in an authentic audit process and provide the function of commenting, so that the public has access to point out questions directly. Online review asks platforms to improve their own supervision techniques, hence be able to detect false information in a timely manner and then intercept them. There is a need to improve technology in real time to prevent criminals from learning about platform vulnerabilities.

3.2 The government needs to strengthen supervision

Medical Crowdfunding platform is an emerging issue which is usually accompanied by controversy. At this time, relevant laws and regulations need to be polished. First of all, it is necessary to perfect and optimize the medical system to build a better medical environment. The improvement of social resources can, to a certain extent, effectively improve the moral standards of our society. When medical resources are sufficient, Medical Crowdfunding platform can also raise the barriers to entry and effectively block some people who attempt to fraudulently donate. Establish a platform and personal credit system. The responsibilities of the platform shall be clarified in legal form, and certain control measures for risk prevention shall be taken. Instead of letting donors blindly judging perceptually by themselves, the platform needs to remind donors to remain rational before donating and to be vigilant about risky projects to improve the legal awareness of donors and then enable them to grasp the essence through the phenomenon of the project. In addition, we have to establish the access mechanism in the platform to continuously strengthen credit construction. Crowdfunding platforms with public fundraising qualifications should also be monitored in real-time. Once some action disobeying the rule occurs, platform needs to take warning measures, if necessary, cancel their public fundraising qualifications and forbidden them to initiate any Medical Crowdfunding projects in a severe case. Use a third-party mechanism for platform monitoring to start the evaluation of platform credit. A qualified evaluation agency who publish results on the charity platform regularly will be helpful to further evaluate the financial and operation status of Medical Crowdfunding platform. Once the platform's credit or ability does not meet the standard, it is necessary to require the platform to reflect and rectify itself.

Conclusion

In summary, Medical Crowdfunding platform under the network background is characterized by breaking the boundaries between time and space, helping patients raise funds faster, promotes the development of the field of Medical Crowdfunding, and responding to China's poverty alleviation policy. However, with the rapid development of Medical Crowdfunding platforms, there will still be some problems such as information fraud and lack of related laws. This article mainly analyzes the existing problems and proposes corresponding solutions. The article proposes that some of the measures have been confirmed in practical activities, adding confidence to the solution of Medical Crowdfunding platform problem.

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