PLAYBOY

RawPixel

Will GoFundMe Become America's Largest Private Insurer?

In a time of unchecked healthcare costs, medical needs make up a third of what's raised on the site

Written by Leslie Quander Wooldridge
November 26, 2018

One early morning in February 2017, part of Jerry Watson's body went numb. He and his wife rushed to the emergency room, where the symptoms became more severe. His heart stopped beating at one point. And though ER staff helped save his life, thankfully, the then-45-year-old Watson would soon have more worries after the incident.

Watson and family, you see, owned and operated a business in their small community of Sidney, Montana: a popular sandwich shop. And they'd previously had to cancel their health insurance because the monthly premium for he and his wife had been more than their monthly mortgage payment. (At the point the couple decided to nix the policy, it was costing $1700 a month.) So Watson's heart attack quickly turned into a financial setback on top of being a physical and emotional one.

Watson has since made great strides in his recovery, but he and his wife had to cut their working hours for a time and commute to his cardiologist in Billings, Montana, about a three-and-a-half-hour drive away. Medical bills quickly piled up; he later learned that the airlift alone cost $76,000. "It was outrageous," he says.

So Watson's son Jarod started a GoFundMe medical campaign to help the family pay for expenses, including travel to appointments and bills. Watson had been skeptical—"I probably would have preferred to sell one of my vehicles if I had to instead of asking people to help me out," he says—but the campaign ended up raising a little over $12,000 (less than the $100,000 goal). The family kept about $11,000 after GoFundMe expenses were subtracted, Jarod says, and appreciated every contribution.

"It helped out immensely," the elder Watson recalls. "It was a godsend."

He's not the only one who thinks so. Medical crowdfunding campaigns are helping many others who are fighting for their lives or dealing with health complications and bills. GoFundMe is one of several crowdfunding platforms that helps people raise funds for personal causes. And with a giving community of more than 50 million people worldwide, it's reportedly the largest social fundraising platform.

The site also offers the "GoFundMe Guarantee" to help protect against fraud and lets donors leave notes of support. The site's categories include everything from education to memorial campaigns, but medical campaigns take a large portion of business. Since 2017, one-third of the money raised on GoFundMe globally went to self-categorized medical campaigns, the company reports. That said, it's important to note that these figures include campaigns from the United States and even countries like Canada and the United Kingdom where socialized medicine (where the government provides all health care) exists. And these self-categorized campaigns can include requests for donations to cover medical bills, travel, lost wages for patients or caregivers, family accommodations, and more, GoFundMe reports.

> ❝
>
> ## Since 2017, one-third of the money raised on GoFundMe globally went to self-categorized medical campaigns.

It's clear that many users see a need for this kind of crowdfunding. But why? You might say it's because people don't have adequate insurance. And that can be a factor, particularly for campaigns in the United States, which does not have socialized health care and expanded health care coverage only within the last decade via the Affordable Care Act. A quick refresher: The Act signed into law by President Barack Obama in 2010 "led to historic gains in health insurance coverage by extending Medicaid coverage to many low-income individuals and providing Marketplace subsidies for individuals below 400% of poverty," the Henry J. Kaiser Family Foundation reports.

"The Affordable Care Act had three goals. Two of them got met," explains Nancy Nielsen, M.D., a former president of the American Medical Association and current senior associate dean for health policy in the Jacobs School of Medicine and Biomedical Sciences at the University at Buffalo. One goal, Nielsen says, was to reform insurance abuses, like the denial of coverage to people with preexisting conditions. Insuring as many people as possible was the second goal, she says.

"The third goal was to reduce costs. The third goal was not met," she says. And today, many people don't have a safety net.

"Despite the considerable progress that we've made in the last five years at reducing the number and percentage of uninsured Americans, there's still a significant portion of the population [that] remains uninsured," says Gerald Kominski, Ph.D., professor of health policy and management and senior fellow at the UCLA Center for Health Policy Research.

In fact, while the Act allowed millions of people to acquire coverage, particularly low-income people who lived in states that expanded Medicaid, about "27.6 million nonelderly individuals" remained without coverage in 2016, the Kaiser Family Foundation reports. People who are still uninsured tend to be a mix of low- and middle-income individuals, Kominski adds.

This lack of coverage can create problems. "If you are uninsured and you get hospitalized, you can find yourself very quickly with a $100,000 bill," Kominski explains, noting that patients can then be threatened with collections if they don't pay.

Enter sites like GoFundMe. It's important to note, however, that GoFundMe users aren't limited to the uninsured. "People can be vulnerable even when they're well-insured," Kominski notes. Take the issue of balance billing, for instance, where a non-preferred provider bills for expenses for the difference between the provider's charge and the insurance company's allowed amount. These kind of charges can add up to thousands of dollars.

"Now the deductibles have gone up, and up, and up," Nielsen adds, noting she's heard of yearly deductibles that are $2,000, $4,000, and even $8,000—which means people with these high-deductible plans have to pay that amount out of pocket before insurance companies will cover other expenses.

> ❝
>
> ## Medical bills quickly piled up. He later learned that the airlift alone cost 76,000 dollars.

Take Joyce of Boise, Idaho, who started a GoFundMe campaign in 2015 after her husband, then 49, had a heart attack while traveling. He had health insurance, but the insurance company initially refused to pay his expenses because he was out of state. And the family bought last-minute flights to visit him in intensive care, which also added up.

In Joyce's case, her husband's insurance ended up covering most of the hospital bills, she says. So the money raised on GoFundMe—about $1,800—ended up going toward his deductible. "Health care is still quite expensive," Kominski says. "Even with good insurance you may find that you have medical expenses that are not covered or you may find yourself in situations where you're getting out-of-network care in an emergency."

And even though you can negotiate with providers if you find yourself with a large bill—"don't assume that that is the final amount that you have to pay," Kominski advises—you can still be charged more than you anticipated. Plus, having health insurance doesn't mean that a treatment that your doctor says you need will be covered. So people can also turn to crowdfunding sites when insurance companies deny care.

There is some good news related to the growth of medical crowdfunding. And it relates to people's goodwill. "The more that we see it, the more it becomes socially acceptable," says Salvador Briggman, founder of crowdfunding-focused blog CrowdCrux, and author of *Crowdfunding Personal Expenses: Get Funding for Education, Travel, Volunteering, Emergencies, Bills, and more!* In the past, people might have been worried about looking like they were asking for a handout, Briggman continues. (Remember Jerry Watson's concerns? Joyce also was initially hesitant for this reason.)

But now, as people are more willing to give online in general, they're also more likely to donate to fundraising campaigns where they can see the need for a individual or family, Briggman says. Jarod notes that his campaign felt like the right thing to do as the family dealt with the fallout after his father's heart attack. "[My father] is the typical person that doesn't like asking people for help," he says. But the GoFundMe campaign gave them a way to receive support from their community, with members also banding together to throw a benefit.

Still, even though Americans, and others across the globe, can gain and offer support via online networks, some underlying issues remain. "Americans are generous," Nielsen says when talking about U.S. medical campaigns. She looks at benefits held in church basements as examples of how Americans have consistently helped each other. But millions of people are still not able to afford adequate medical care. "It's a terrible problem that we have in this country, and we have to get beyond the partisan fighting to figure out what is the right thing to do."

This need for a solution can feel urgent. "People still are struggling. There are many studies that have shown that," Nielsen adds. "You have people trying to figure out how to survive." Joyce's husband did survive and has made a full recovery. For that, she is grateful. "It was miracle after miracle," she recalls.

But until the world's citizens can cover all of their health-related expenses—including bills, deductibles, travel costs, and more—we shouldn't expect these crowdfunding campaigns to go anywhere.

Leslie Quander Wooldridge is a writer and editor based in Washington, DC, who often covers health and lifestyle topics.

RELATED: HEALTHCARE

People Love Sex During Hurricanes, And It's Creating a Public Health Crisis

BDSM Isn't Just Good for Your Libido, But Y

A Brief History of the New Year's Eve Kiss

EXPLORE CATEGORIES

OPINION

POP CULTURE

BACK TO TOP

CONTENT

Read
Watch
Galleries
Sitemap