

## **Uplift Mutuals: Aiding communities afford unpredictable healthcare expenditure**

### **Abstract**

In India, less than 20% of the rural population has any form of health insurance<sup>1</sup>. Commercial Health Insurance companies are usually attracted by middle and high-income populations, making it difficult for low and low middle-income families to fight against the burden of expensive and urgent healthcare expenses. These expenses eventually lead to catastrophic expenditures, as this population is unable to receive any safety net and there is a significant lack of secure and affordable healthcare.

Uplift Mutuals, a Mutual Aid-based healthcare organization in India, is a one-stop healthcare solution for these families to protect them from healthcare emergencies while providing them additional opportunities for preventive care to reduce and optimize their healthcare solutions. Powered by community cooperation, investment and regulation, Uplift Mutuals creates long term feasible communal solutions for families that are in need of accessible and affordable healthcare via key innovations such as financial aid, healthcare helpline, non-profit medications and regular preventive care services.

### **Problem Statement**

The current healthcare industry in India is a mix of sustainable digital solutions and innovations, along with inadequate public health systems and expensive private hospitals. There are investments and attention given towards revolutionary healthcare mostly popular among the upper middle- and high-income urban population that can afford to pay for such innovations. Alongside, we find people from both urban low and low-middle income and rural areas who are struggling to access affordable healthcare. The increased purchasing power of urban

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<sup>1</sup> <https://timesofindia.indiatimes.com/blogs/voices/the-unexploited-insurance-market-of-rural-india/>

communities attracts healthcare professionals and progressive healthcare measures, which creates a striking difference between healthcare expenditures among people below and above the poverty line. On the other hand, hospital bills of low-income families are often paid through out-of-pocket (OOP) expenditure, consequently draining their finances and leading to catastrophic expenditures<sup>2</sup>. For them, the decision is always between quality and affordability. Research in 2017 concluded that around one-fifth of Indian households suffer from catastrophic expenditures<sup>3</sup>. This number has increased with the recent COVID-19 pandemic, and it is estimated that more than 40 million middle-income Indian families have been pushed into poverty<sup>4</sup> and people stricken by poverty of the same number is expected to experience a dreadful increase in their financial burden<sup>5</sup>. Besides finances, digitalized healthcare, although revolutionary, is yet to make a mark in rural India. Even geography remains a big challenge to access healthcare.

Lack of clear administrative workflow, misuse and mismanagement of funds, outdated medical equipment, inadequate and inefficient manpower and poor planning have crippled the public healthcare system in India. The urban to rural doctor density ratio is currently at 3.8:1<sup>6</sup>. Rapid urbanization has also led to the increase in the population of the “urban poor”, a population that resides in urban areas, but is financially incapable of affording urban healthcare services. Furthermore, this public health system is scattered and stretched – a sub-center covers an average of 5,729 people where each primary health centre is there for every 35,730 people and a community healthcare centre for every 171,779 people in rural India<sup>7</sup>. Over the past decade, the technological evolution within healthcare in India has been remarkable. While the healthcare technologies have evolved, they are still inaccessible to majority of the people in need. As per the National Health Accounts 2018-2019, the current out of pocket health expenditure as a share of current health expenditure is 53.2%.<sup>8</sup> In conclusion, developments in healthcare for rural

<sup>2</sup> <https://www.sciencedirect.com/science/article/abs/pii/S003335061830074X>

<sup>3</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5861478/>

<sup>4</sup> <https://www.economist.com/graphic-detail/2022/01/12/the-covid-19-pandemic-pushed-millions-of-indians-into-poverty>

<sup>5</sup> <https://www.pewresearch.org/fact-tank/2021/03/18/in-the-pandemic-indias-middle-class-shrinks-and-poverty-spreads-while-china-sees-smaller-changes/>

<sup>6</sup> <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1581325#:~:text=India%20has%20a%20doctor%2Dpopulation,density%20ratio%20being%203.8%3A1.>

<sup>7</sup> <https://ruralindiaonline.org/en/library/resource/rural-health-statistics-2019-20/#:~:text=The%20percentage%20of%20people%20in,5%2C895%20PHCs%20and%20466%20CHCs.>

<sup>8</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1858770#:~:text=Out%20of%20pocket%20expenditure%20as,2%2C155%20currently.>

segments in India are missing a clear administrative workflow, efficient manpower and regulatory interventions.

The Government of India has successfully launched several social health insurance schemes, including Rashtriya Swasthya Bima Yojana, Universal Health Insurance Scheme, Central Government Health Insurance Scheme, and Ayushman Bharat Pradhan Mantri Jan Aarogya Yojna (AB-PMJAY) among others<sup>9</sup>. Ayushman Bharat, the latest digital health mission of India has stood out as one of the most progressive and advanced health insurance schemes to facilitate the economically weaker section of the society: a convenient, cashless healthcare for secondary and tertiary care services<sup>10</sup>. In May 2022, AB-PMJAY and its digital app were revamped to make it more convenient for users to use the app and create an official health account. Approximately, 40 digital health service applications have been integrated with Ayushman Bharat Digital Mission<sup>11</sup>. However, strategically planned national digital health mission has its shortcomings. The indirect costs incurred by patients to access health services through the social insurance scheme, and lack of complete information by patients about the benefits, limits them to avail services. To avoid delays in claims settlements, private hospitals prefer upfront payment under the PMJAY scheme. Many underprivileged communities are still not fully aware of how these Universal Health Programs can benefit them<sup>12</sup>.

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<sup>9</sup> <https://www.acko.com/government-health-insurance-schemes-in-india/>

<sup>10</sup> <https://www.bajajfinserv.in/insights/ayushman-bharat-yojana-are-you-eligible-for-the-pmjay-scheme>

<sup>11</sup> <https://theprint.in/india/40-digital-health-service-applications-integrated-with-ayushman-bharat-digital-mission/952338/>

<sup>12</sup> <https://www.deccanherald.com/opinion/panorama/is-ayushman-bharat-truly-a-pro-poor-health-scheme-859200.html>

## **Solution**

In 2004, Kumar Shailabh co-founded Uplift Mutuals. The objectives of co-founding Uplift Mutuals was to address the financial burdens of a poverty-stricken population whose healthcare problems are unpredictable and largely unaffordable. Uplift is one of the very few health mutual aid organizations in India which aims to provide urgent and immediate access to healthcare.

Health Mutual aid are group-generated collective pool of funds. Low-income households join forces to financially contribute and develop a risk pool of funds that are allocated for both outpatient and inpatient purposes. Such a fund-management body has an independent set of policies, funds and resource management committee. In a community-based mutual health program, the contributors (households) are aware of the management and allocations hence, their incentive towards a transparent financial pool increase. Such an initiative goes a long way for low and low-middle income families to not compromise on their health expenses. Instead, it creates a cycle of readily available funds from which any member of the community can benefit at any point in time.

Today, Uplift Mutuals provides financial solutions for health-related emergencies and also creates incentives to seek regular healthcare. It even absorbs families inside care-provider networks, and most importantly, provides information on the right treatment, affordable health facilities, and appropriate medications. What begins as a low-cost insurance product expands into a complete digital healthcare solution, from the funds that are regulated, authorized and managed by the community itself. Uplift Mutual's mutual-aid model enables communities to pool their money. In case of a health emergency, families can use the mutual risk pool and make small periodic contributions to receive treatment, instead of being forced to spend thousands to treat an injury. The fee collected from each member roughly breaks down to four expenses: 60% allocated for hospital claims, 25% to provide primary care services 24/7 along with teleconsultation and navigation support, 5% to manage claims and the remaining 10% is for administrative costs. Initially a part of the primary care services, claims management and administration were subsidized by a donor, however now it is borne by member households.

Health payments are covered with the smallest charge possible, thus protecting countless families from the financial downfall triggered by out-of-pocket expenditure.

Established with a simple objective to provide health-based insurance solutions to low-income families, the founders' ambitions were redirected soon enough to address a significantly larger problem. Low-income families cannot benefit from current health insurance opportunities, for it is not tailored to their needs or their financial status.

## **Biradaree**

Uplift's B2B2C strategy began by approaching institutions (MSMEs, Unions, etc.) who were interested in sharing healthcare solutions along their communities and groups who need them. They seek out communities neglected by the insurance providers who urgently need healthcare packages of similar nature. The tailored package is specially designed in a way that communities understand: a communal health risk pool for the communal purpose of healthcare, followed by the agreement to comply with the regulations put forth for the sake of optimum allocation. These institutions are then approached and if their operation channels match Uplift's idea, an agreement is made, followed by a survey around the communities to observe and understand their healthcare needs.

Once the healthcare needs are identified, health products are designed, produced and modified according to the feedback. A business plan is crafted around the final product, which is then introduced to local communities via Uplift's partner institutions. Individuals from these communities have an option to access such a healthcare product that can be done through "Biradaree", a term which means a community/group of people sharing interests or support. The Biradaree pool is filled with a basic membership fee for each member. Access to Biradaree is virtual: members can access all kinds of information via mobile application along with registering for services, ordering medicines and filing for claims. This pool is the major pillar of healthcare solutions for this particular community: it opens up a gate to an amplified version of healthcare solutions for the low-income community members who were previously deprived of. A systematic, community-based mutual health pool need not be just for immediate healthcare-

related issues, which is why they expanded to other benefits including monthly cashless and discounted outpatient services, 24 X 7 helpline, a network of care providers along with client education sessions.

Uplift Mutuals constantly works with women members who volunteer to bridge the gap between larger community members and insurance product designers. With no restrictions on gender previously, the team now focuses mostly on bringing women volunteers on board, since their experience has shown that women from these communities are far more concerned and alert when it comes to providing affordable healthcare to their families and communities.

With great concern for the selfless contributions of truck drivers in India, during the COVID-19 pandemic, Uplift Mutuals teamed up with HumSafer, a company dedicated to building safer conditions for truck drivers, to provide them with a healthcare package under the “Truckdriver Biradaree” program. This proved to be a challenge, since the community of truck drivers is an unstable one, and truck driver-based healthcare package was unheard of. Being constantly on the road, truck drivers have less time and even lesser information to seek important and regular healthcare. Their package includes teleconsultation or medical helpline, outpatient consultation in specific stations e.g., truck parking plazas, and financial aid in hospital admission and treatment. The project is in its pilot phase currently covering 10,000 truck drivers.

Uplift’s operations have expanded to multiple regions of urban and rural Maharashtra and to the tribal population of Rajasthan in India.

## ***Key Features of Uplift Mutual:***

### ***1) Hamara Doctor- 24\*7 Helpline service***

Uplift Mutual underscores the importance of right information at the right time and the right place. A health emergency limits any family from making calculated decisions. Rather, financial resources end up shrinking because of haphazard choices. “Hamara Doctor” (translates to “Our Doctor” in English) is a 24 X 7 helpline that shares information with its members on the right and affordable medical institutions, medication information, and much more. Low-income families often fear the shortcomings of a public hospital and are hardly ever informed about managing or comparing the nearest private and public health facilities. The helpline supports with information patients and their families need and allows the customers to make the best decisions in the shortest of time, for the sake of health as well as financial relief.

### ***2) Focus on preventive care to reduce hospitalization***

Cashless doorstep OPD consultation is an essential part of the package for a surprisingly low fee. Co-founder and Executive Director of Uplift Mutuals, Kumar Shailabh mentions how direct hospitalization creates a problem on both the supply and the demand side. Instead of hospitalization which leads to a direct and unending rise in insurance premiums, Uplift Mutuals prioritizes outpatient (preventive) care treatment, as a “gatekeeper” for families to differentiate between critical and preventive health problems. With 45,000 outpatient screenings in Pune, only 400 claims were made, which means less than 1% of these people needed hospitalization. This is how the risk pool design changed: monthly outpatient care, which was relatively more affordable, was offered to decrease the number of hospitalization claims.

### ***3) Women centred communities***

Mutual aid projects like these can empower families through simple fund allocations. Uplift Mutuals works on a decentralized network, with most of the member families led by women. It

offers women-centric health coaching, in which the women are educated about reproductive health, child nutrition, diseases specific to women and so on.

***4) Program open for any age group – no “cherry-picking”***

It additionally has a “no cherry-picking” policy, which means that a person of any age can be a part of this health mutual aid group, avoiding selection bias. Any person, for the only package, pays the same premium under this inclusive insurance. While insurance companies set age limits to reduce the risk of their policy, Uplift Mutuals till date has experienced no risk whatsoever from not adopting these limits.

***5) Digitization for convenience and faster claims settlement***

With the mission for health convenience and the urgency of the recent global pandemic, Uplift Mutuals has successfully been able to onboard 100% of its claim transactions. In the last two years it has brought down its claims settlement time from 15 to 7 days and the fastest turnaround averages 48 hrs.

*Inclusivity: Going the Extra Mile*

Furthermore, Uplift Mutuals is experimenting with occupation based Biradaree which focuses on a group of members with similar jobs and hence who face similar health issues and healthcare limitations from their current employment contracts. Additionally, understanding the need to address the increasing cases of non-communicable diseases, the team has also successfully established their pharmacies and provide medications in bulk for their members, without a profit margin. This was critically important in response to the families who were unable to take their medicines during COVID-19 pandemic due to the gaps in income.



## ***UTTAM***

Digitalizing Uplift Mutual's health packages have made their services such as filing for claims, governance voting, medicine order, service registration and others exceptionally convenient. In their member app, claims can be settled within 24 hours, while the rest of the mutual's information (Total portfolio, contribution collected, financial aid disbursed, health services availed) can be easily viewed by any and every member. Uplift Mutual's channel, processing mechanism, training plans and network, while being professionally engineered is eminently accessible and governed by the people who wish to benefit from its healthcare privileges.

## ***Why it Works***

Uplift Mutuals' Biradaree is a self-sustaining risk sharing for health, complete with its list of rules as to how the member contributions are to be allocated and managed. Once a community is onboarded with Uplift Mutual's health package, responsible community members are trained to collect and manage the risk pool while being given information on contribution collection and management. For the initial few years, the community gains support from the Uplift team, but within 3-5 years they become self-sustainable. Mutual governance creates an incentive for the members to use the risk pool wisely. A periodic community-based payment pool, if managed well, can help them properly address their urgent healthcare needs. Financial aid for hospital fees ranges from 40-50% in the case of private hospitals and 80-90% in the case of public hospitals. These aids are provided according to the collective guidelines. Biradaree loss and surpluses are therefore recovered or used in the interest of the people: the burden of loss is distributed evenly among members while the surplus is added back to strengthen the Biradaree.

One of the most common questions faced by the team is: What do you do with the idle pool of money? "Idle money remains idle and safe in our Fixed Deposit," claims Mr Shailabh. "Over the years, the fund reserve helped us to successfully recover from unforeseen financial challenges during COVID-19 pandemic and we were able to pay many claims. If there were proper regulations, we could have depended upon a re-insurance, where we could have diversified our savings. This deprives us also of expanding our operations further." Uplift

Mutuals' aid platform has helped several communities reduce their health based financial risk independently. "Our products are built around these communities. Once you stabilize them, you can let them run on their own", states Mr Shailabh.

Uplift Mutual's strategy is directed toward the well-being of the people. Their most crucial service, Biradaree, is created in local coordination and is transparent. They attract low-income families but need to charge a small fee to become a member. However, their work and projects are self-sustainable. Their ambitions to provide access to healthcare are therefore not short-lived but will stretch on for decades. This trailblazing idea may provoke healthtech entrepreneurs to build their business plans around rural healthcare access, since access to healthcare may well be a promising concept for a new enterprise, where innovation can lead community healthcare solutions to channel return on investments.

## Challenges

*Uplift mutual has been operating for 18 years and the journey has a fine share of challenges. Some of the major challenges faced are:*

- 1) Lack of clear regulations – The mutual aid models in India can exist and operate, however, there are no regulations for the process. This results in a lack of support from the re-insurance industry and ultimately in the scaling of the platform
- 2) Education and awareness – Low awareness of the community leaders and members was one of the major challenges to launching the mutual aid program

Uplift Mutuals has always fought against social obstacles in its mission. From dealing with short-sighted community leaders to formulating products for specific communities, the team has never made an exception for an individual or community in terms of their service. It thoroughly conducts surveys and research to come up with a healthcare package designed specifically for the needs of the particular community, which is released after sufficient tests and evaluations. "If a product is made, it is locked and utilized for up to a year. If it needs to change, then it needs

to change for everybody.” Mr Shailabh claims. For the sake of uniformity and preventing unforeseen risks, the team refrains from any modifications, for at least up to a year.

Convincing leaders or members of the community takes years. It takes patience to introduce a life-changing concept when it was initially unheard of. The organization had to create policies, write up claims, train volunteers and govern their management much like an actual insurance company. Although they’ve mastered these skills, they’ve made sure that Uplift Mutuals provides far more accessible and convenient healthcare packages than any private insurance provider. Their initial impact on the Indian communities was credible and progressive because they had successfully incorporated their software so that the data that was collected was transferable among the volunteers, regulators and fund managers.

Uplift Mutuals, now entering its third decade, was initially not welcomed by the communities who now benefit from their services. In the initial years, educating members about the working mechanism of the project as well as building trust proved to be the biggest challenge, followed by the expenses that fall beyond the claims of members. They needed donor support for non-claim related expenses, at least until the model broke even.

The COVID-19 pandemic proved to be another big challenge for this aid platform. While people were unable to pay their minimum fees, they were greatly in need of financial aid. However, now the team has pandemic precedence to work with, and it has allowed them to be better connected with government facilities.

The idea of fund pooling was also not without its problems. The mutual fund strategy thrives greatly in closed member-based strategies, but member governance may also induce fraud. The major threats to their current methods of operations are loan lending apps, which, while progressively providing immediate loans to the consumers, do not protect them against events of indebtedment.

“Mutual aid models are looked at with suspicion by regulators for the fear of ruin.,” adds Mr Shailabh, and also due to semblance with Ponzi schemes. Mutual aid model of Uplift is very similar to the business of how commercial health insurance works with the difference here that

consumers are part of decision making similar to a cooperative. Products, exclusions, and risk management are all calculated with people in mind.”

Mr Shailabh adds “Mutuals are market builders. As our communities mature in managing the mutual aid products, they want endowment products and they want them now. Once you get the taste of how things are, how innovation creates convenience, people become hungry for diverse products.” Like any other insurance company, Uplift Mutual’s mutual aid services, while attractive, need a form of re-insurance to ensure that their service mechanism doesn’t collapse.

## **Impact**

With the establishment of a centralized risk pool in 2018, Uplift Mutuals has been able to successfully pilot a recent project where 100% of the transactions, from onboarding to payment claims have been digitized. Uplift Mutuals supported communities have impacted 400,000 lives with health coverage and specifically 28,000 lives covered post-COVID. It has built a sustainable growth cycle in every community it enters, where after a certain period the entire management is transferred to the communities.

## **Conclusion**

Mutual Aid pools have created an efficient alternative for families of low and low middle income to seek financial assistance during the time of a health crisis. Creating a self-sustaining health financing model not only secures a family’s budget towards an elevated standard of living but also informs and addresses their current issues regarding affordability and accessibility to healthcare.

Uplift Mutuals’ risk reduction strategy along with member governance and fund allocation transparency has led people to reduce their annual healthcare costs for all families. As soon as long-term healthcare payment solutions are solved, a low-income family can move towards other important expenditures, thus stabilizing its economic state. As Uplift Mutuals expands through regions of India, spreading trust, awareness and an opportunity for affordable healthcare, the

journey is now becoming more digital, thus more accessible, and is bringing about a synergistic healthcare success. Trust, after all, is the most crucial key to localized healthcare insurance, which after decades of work has been established and will only expand.