

AN ANALYSIS OF HEALTH INSURANCE SERVICE UTILIZATION AND CONSUMER SATISFACTION

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ABSTRACT

Health insurance is essential for improving access to healthcare and reducing financial risk; however, its effectiveness depends on service utilization and consumer satisfaction. This study analyzes the relationship between health insurance service utilization and consumer satisfaction, with particular attention to the factors influencing both outcomes. A cross-sectional survey design was employed, and data were collected from insured individuals using structured questionnaires. The analysis incorporated descriptive statistics and inferential techniques to examine utilization patterns and assess satisfaction across dimensions such as accessibility, affordability, quality of care, and administrative efficiency. The results indicate that coverage adequacy, ease of access to healthcare providers, timeliness of services, and efficiency of claims processing are significant determinants of both utilization and consumer satisfaction. Despite relatively high enrollment levels, gaps remain between expected benefits and actual service experiences, which may hinder optimal utilization. The study concludes that enhancing service delivery mechanisms, strengthening provider networks, and improving communication and administrative processes are critical for increasing consumer satisfaction and effective utilization of health insurance services. These findings offer practical implications for policymakers, insurers, and healthcare administrators aiming to improve the performance and consumer responsiveness of health insurance systems.

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1.1 INTRODUCTION

Health insurance is a fundamental component of modern healthcare systems, designed to enhance access to medical services, protect individuals from catastrophic health expenditures, and promote equitable healthcare delivery. By pooling financial risks and reducing out-of-pocket payments, health insurance schemes play a vital role in improving population health outcomes and supporting the sustainability of healthcare systems. Despite increasing health insurance coverage in many countries, challenges remain regarding the effective utilization of insurance services and the level of satisfaction experienced by consumers. Utilization of health insurance services reflects not only enrollment in insurance schemes but also the extent to which insured individuals are able and willing to access covered healthcare services when needed. Consumer satisfaction, on the other hand, represents individuals' perceptions of the quality, affordability, accessibility, and administrative efficiency of health insurance services. High levels of satisfaction are associated with continued enrollment, trust in insurance providers, and appropriate healthcare-seeking behavior, while dissatisfaction may lead to underutilization, delayed care, or reliance on out-of-pocket payments despite insurance coverage. Several factors influence health insurance service utilization and consumer satisfaction, including benefit package design, provider availability, service quality, waiting times, claims processing procedures, and communication between insurers and beneficiaries. Socio-demographic characteristics such as income, education, age, and health status further shape consumers' experiences and perceptions. In many contexts, gaps persist between the intended objectives of health insurance policies and the actual experiences of insured individuals, raising concerns about system efficiency and equity. Understanding the relationship between health insurance service utilization and consumer satisfaction is therefore essential for evaluating the performance of health insurance systems. This study seeks to analyze patterns of

health insurance service utilization and assess consumer satisfaction, with the aim of identifying key determinants that influence both outcomes. By providing empirical evidence on consumer experiences, the study contributes to existing literature and offers insights for policymakers, insurance providers, and healthcare administrators seeking to improve service delivery, enhance consumer satisfaction, and promote effective utilization of health insurance services.

1.2 REVIEWS

Thomas (2017) studied consumer insights towards health insurance. Primary data were collected in the urban cities of Chennai and Coimbatore in Tamil Nadu by collecting the primary data from 520 respondents. 41% of the consumers were not aware of the TPA role that was a matter of concern for the insurers as the TPA was most often the first touch point with consumers in areas such as enrolment, claims settlement and customer service. The most important reason of purchasing the health insurance was to avail good quality services in hospitals and other one was to cover medical expenses. 57 % of respondents preferred internet/phone as buying channel and 60 per cent expected annual premium up to 6000 Rs. Near about 40% did not have any type of health insurance.

Boyanagari (2018) recognized the pros and cons by understanding the process of Rashtriya Swasthya Bima Yojana (RSBY) implementation in Udupi (Karnataka). The data was collected through in depth interview from insured person and service providers. The Factors that slow down use of service by beneficiaries were rejection by the hospitals for providing health care services, lack of awareness regarding different aspects of that policy, less availability of core services etc. Also health providers did not receive reimbursement in time and also no proper guidelines issued by State Governments and these were the major reason informed by the hospitals for not providing treatment to the card holders.

Kumar & Sohal (2018) focused on need of significant reforms to reduce out of pocket expenditure and some prospective & retrospective payment methods. The objective of an effective health care system is not only making the provisions for health care delivery but also defend the people from disastrous health expenditure by implementing proper financing system for health care. Many people in the world face financial ruin and insolvency due to out of pocket health care payments in every year. The total health care demand will not decrease due to rising health care prices. In such circumstances many households may not be able to use health care services and

proper advice from the professional leading to self-medication which may results into the drug confrontation.

Raphael Guber, Martin G. Kocher, Joachim Winter (2020) In this paper, we reported results of a laboratory experiment in which losses from a real-effort task could be reduced by purchasing an insurance. After subjects revealed whether they want to be insured or not, insurance coverage was randomized. This novel design allows us to disentangle selection from incentive effects.

Fernando Almeida (2021) This study essentially provides an overview of the impact of COVID-19 in South America and analyzes the current and estimated pressure on national health critical care systems. With this, it is intended to foster the emergence of national and transnational public policies that help mitigate the consequences of the pandemic on the healthcare systems of these countries.

1.3 RESEARCH GAP

Many empirical and conceptual studies have been conducted by many researchers on health insurance sector both at national and international levels. It was found that most of the studies were related to life insurance and different segments of non life insurance other than health insurance segment. Some studies have been conducted on factors affecting health insurance purchase pattern and on the various consequences of health insurance on individual in different countries. But a very few studies had been conducted in the Indian context and there is a gap which needs to be filled up. Thus an attempt has been made to fill the gap by studying purchasing decisions of health insurance sector in India with special reference to Tiruppur District.

1.4 RESEARCH QUESTIONS

This research work is based on following questions:

Are the people having the awareness about health insurance utilization?

Are the policyholders are really satisfied?

The research hypotheses are based on observation of researcher as the study is descriptive.

1.5 OBJECTIVE OF THE STUDY

Following is the objective of health utilization and consumer satisfaction of the policyholders related to health insurance services:

- To study the pattern of health utilization and consumer satisfaction in consumption of Health Insurance services during pandemic

1.6 METHODOLOGY FOR RESEARCH WORK

Research Methodology is the way to systematically solve the research problem. This study is based on Purchasing Decisions during pandemic towards Health Insurance in Tiruppur District and 150 respondents are selected for the study. The primary data has been analyzed with the help of Percentage Analysis and Factor Analysis.

1.7 HEALTH UTILIZATION

There are two ways of health utilization measures are analyzed under this head i.e., health utilization by hospitals and health utilization by types of benefits.

Table 1.7.1 - Health utilization by hospitals

Healthcare Providers	Number of Respondent	Percentage Analysis
Govt. Hospital	56	37
Private Hospital	94	63
Total	150	100

Source: Primary Data

Table 1 revealed that 63 per cent of the respondents utilized the services of private hospitals and 37 per cent of them were hospitalized in Government hospitals.

Table 1.7.2 - Health utilization by types of benefits

Benefits	Number of Respondent	Percentage Analysis
Hospitalization Expenses	39	26
Critical Illness	18	12
Accident Coverage	22	15
Pre and Post Hospitalization Charges	7	5
ICU charges	29	19
Mental Illness	3	2
Surgery Costs	22	15
Maternity expenses	10	7
Total	150	100

Source: Primary Data

Table 2 clearly depict that hospitalization expenses were availed as a claim benefit by 26 per cent, ICU charges as 19 per cent, Accident Coverage and Surgery costs as 15 per cent, Critical

illness as 12 per cent, Maternity expenses as 7 per cent and mental illness as 3 percent of the insured respondents.

1.8 CONSUMER SATISFACTION

Consumer satisfaction is crucial aspect in the service industry because future demand of this sector depends heavily on the satisfaction level of the consumers. Health Insurance is a financial instrument which aides in utilization of health services at the time of medical exigency. In this section, the level of satisfaction of the households with respect to Health Insurance was assessed through their claim experience. Further a Factor analysis was done to identify the major factors leading to consumer satisfaction in consumption of Health Insurance services. The main indicators of consumer satisfaction with respect to Health Insurance were identified as: (a). based on claim received, (b) Health Insurance policy and (c) Chances of Renewal.

Factor analysis technique was employed to analyze the factors that contribute towards achieving consumer satisfaction. Respondents were asked to give their responses on 5-point Likert scales ranging from strongly agree to strongly disagree for the following questions i.e., Policy selection, Delivery of documents, Premium charged, Settlement of claims, Cooperation and attitude of the insurance agent, queries and clarifications process.

1.9 FINDINGS OF THE STUDY

- It was observed that respondent's choice (63 per cent preferred Private hospital) was predominantly molded by provision of specialized treatment followed by familiarity with the doctor, Cost of treatment, waiting time or distance travelled played minor role in this choice making. In general, respondents gave top priority to specialized treatment.
- It was observed that hospitalization expenses were availed as a claim benefit by 26 per cent of the insured respondent.
- Good service behaviour was the key factor responsible for high satisfaction level amongst the insured respondents.

1.10 CONCLUSION

Health and healthcare must be clearly distinguished, as health is often mistakenly perceived as a direct outcome of healthcare services alone. Health extends beyond the mere absence of disease; it represents a state of physical, mental, and social well-being that enables individuals and communities to realize their full potential. As such, good health forms the foundation of overall well-being and remains a central concern in public policy discussions across societies. The health

status of populations is shaped by multiple factors, including socio-economic conditions, cultural perceptions of illness and wellness, accessibility and quality of healthcare services, and prevailing biomedical knowledge. Healthcare encompasses not only curative medical services but also preventive care, health promotion, and self-care practices. It involves both public and private sector contributions, including government-funded programs and out-of-pocket spending by individuals. In this context, health insurance emerges as a vital mechanism for improving access to healthcare while providing financial protection against unexpected medical expenses. By reducing out-of-pocket expenditures, health insurance supports timely healthcare utilization and mitigates the financial burden associated with illness. The findings of this study underscore the critical role of health insurance service utilization in shaping consumer satisfaction. Adequate coverage, ease of access to healthcare providers, and efficient service delivery significantly influence consumers' perceptions and utilization behavior. Furthermore, increased awareness and understanding of health insurance benefits encourage informed decision-making and proactive enrollment before the onset of illness. This research highlights the importance of strengthening health insurance systems and enhancing consumer awareness to promote effective utilization, improve satisfaction, and ultimately contribute to better health outcomes and financial security for individuals and society as a whole.

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