SATISFACTION LEVEL AND PROBLEMS FACED BY MEDICLAIM POLICYHOLDERS AGAINST SELECTED PRIVATE HEALTH INSURERS

DR.A.ANANDALAKSHMY & DR. K. BRINDHA*

**Assistant Professor, Department of Commerce, VLB Janakiammal College of Arts & Science, Coimbatore. E-Mail: aalakshmy@gmail.com. Phone No. 94866 0467, Tamilnadu.*
*** Assistant Professor, Department of Commerce, LRG Government College for Women Coimbatore, Tamilnadu*

Abstract

The development of human resource depends on health of the citizen. It is a universally accepted phenomenon. Good health, when protected, not only adds benefit to an individual but also aids the well-being of the family, the community, the society and the country as a whole. People prefer not only the basic amenities, but also social goals, education and health care. Today, expenditure on healthcare is highly increasing in price all around the world. Therefore, it is absolutely necessary to ensure that one should be adequately equipped to meet the medical expenses. The objectives of the study is to determine the variables which influence the policyholder's satisfaction on service quality of selected private health insurance providers and to analyze the major problems faced by the policyholders with respect to selected private health insurance providers. The statistical tools used such as (i) Garrett Ranking (ii) Friedman's Two-way ANOVA (iii) Correlation-Spearman Rank Correlation. It is concluded that information about new policies and location of the company are the main criterion for satisfaction level of policyholders relating to the insurers.

Keywords: *Health Insurance, Health Insurance Policies, Service Quality, Motivating factors, Problems.*

Introduction

Health insurance policy gives access to the best medical care and treatment while being monetarily sheltered. In case of a health crisis, mediclaim policy guarantees amity of mind and ensures that are confined from medical expenses while receiving the best treatment in a hospital at the policyholders option. Improvement in health status is essential for the enhancement of human capabilities. Illness is a significant basis of worsening to human health out of all the risk faced by poor households; health risks cause the greatest risk to their lives and livelihoods. Policyholders can avail numerous benefits like pre and post hospitalization expenses, cashless treatment, room rent, ambulance charges, and much more.

Statement of the Problem

Liberalization and globalization made insurance industry a competitive one from near monopoly position of GIC. Private health insurance sector has become one of the most significant growth catalysts for the Indian economy. There is an argument that the growth of private health care sector is a direct consequence of policyholders' view about the quality of service offered by health insurance players. Therefore, it is important for the private health care providers to understand countries general population, perception on health care service quality. In a highly competitive market like India, it is essential that the service is to be delivered according to the policyholder's needs.

Against this circumstance, the following questions have been raised in the mind of the researcher.

- What is the level of policyholder's satisfaction towards health insurance products and health insurance providers?
- What are the problems encountered by the policyholders after availing the health insurance policies?

Need for the Study

The factors influencing the medical insurance are more important for selection of policies in private medical insurance companies. Medical care has always been a problem area for the population those who are living in urban slums and in rural area, especially below the poverty line. This study attempts to find out the effectiveness of health insurance by taking into consideration of various related factors, which cause for the low health insurance coverage and to derive necessary preconditions for the growth of a sound health insurance system. The study also addresses the scope and relevance of private health insurance policies. The present study has made an attempt to bring out factors in the selection of private medical insurance companies in Coimbatore City.

Objectives

- Factors Influencing to Choose the Private Health Insurer
- Policyholder's satisfaction towards insurer
- To analyze the major problems faced by the policyholders with respect to selected private health insurance providers.

Scope of the Study

The study aims at creating awareness about health insurance among general public. It will also give a clear picture about health insurance sector and suggest the probable market potential available in Coimbatore. The private insurance companies shall get an idea about customer expectations and preferences towards health insurance services, factors' influencing the policyholders' satisfaction on service quality of private insures which in turn will help in better customer relationship management and improve business prospects. The study shall

also helps the general public to get a clear picture on the profile of health insurance companies, health insurance schemes and services offered by them.

Methodology used in the study

Methodology used in the study points out the methods followed in order to realize the objectives of the study which includes research design, sampling design, sources of data, collection of data, processing of data, and frame work of analysis.

Research Design

The vast data have been collected from primary sources. The research design selected for the study is descriptive one. The primary objective of the study is to examine the service quality of private health insurance and the policyholder's satisfaction on health insurers.

Source of Data

Primary Data

The study is mainly focused on primary data which were collected through well designed questionnaire to suit the objectives of this research. The first hand data have been collected from health insurance policyholders.

Secondary Data

The primary data have been supplemented by secondary sources. The necessary secondary data relating to the study have been gathered from the books, journals, websites, IRDA reports, magazines, and newspapers.

Area of the study

The study has covered Coimbatore District.

Frame work of Analysis

For the purpose of analysis the statistical tools such as (i) Friedman's Two-way ANOVA(ii) Correlation-Spearman Rank Correlation (iii) Garrett Ranking (iv) Discriminant Analysis (v) Factor Analysis were used.

Review of Literature

Saravanakumar (2015) in his study on, "Health Insurance Policyholders Perception towards Private Sector Health Insurance in Erode District of Tamilnadu", examined the policyholders' perception towards public sector health insurance at Erode district. The objective of the study was to analyse policyholder's perception towards the services of public sector health insurance. The study has used the primary data. Sample size of 600 respondents using stratified random sampling was selected. The findings of the study revealed that the insurance penetration in India is very low.

Mehrdad Asghari and Harish Babu (2018) studied the service quality gap and its impact on the performance of health insurance companies. The study suggested that health insurance companies should focus on facilitating promised service to retain the customer

confidence and ensure customer access for more facilities thereby, promotion of customer satisfaction and productivity.

Nalini et al. (2018) examined the operational policy, practices and associated problem in insurance business. They were able to find that the companies have to cope up with fast changing market trend and competition. For this purpose the health care providers should assess the service quality and customers perception in order to meet their expectation.

Vikash (2016) conducted a research on, "Service Quality Perception of Customers", about Insurance companies by applying SERVQUAL model. The author has examined the services of public sector insurance companies and private sector insurance companies and found that the private sector health insurance companies are providing better competitive services than public sector companies.

Mahesh Bhatt et al. (2016) in their paper on, "Health Insurance in India - Opportunities, Challenges and Concerns", has studied the opportunities for health insurance companies in India. The study point out that if health insurance is left to the private players it will only cover those, which have extensive ability to disburse leaving out the poor and making them more susceptible.

Factors Influencing to Choose the Private Health Insurer

The reason for selecting the company normally varies from one policyholder to another according to their affordability as well as preferences. To identify the most prominent sources of motivation among them, ranking analysis the technique has been employed here based on the response given by the policyholders.

Table 1

Factors Influencing to Choose the Private Health Insurer

S.No	Factor Influencing	Total score	Mean score	Rank
1	More popular	71692.86	85.35	**1**
2	Low premium	69721.43	83.00	**2**
3	Known Officials	65271.43	77.70	**3**
4	Quick claim settlement practice	58307.14	69.41	5
5	Relatives' Recommendation	41185.71	49.03	6
6	Advertisement	63771.43	75.92	4
7	Preferred Hospital Included	36250.00	43.15	8
8	Attractive policies	37728.57	44.91	7
9	More Branches	27128.57	32.30	9
10	Better Services	27121.43	32.29	10
11	Friends' Recommendation	25950.00	30.89	11
12	Colleagues' Recommendation	23900.00	28.45	12
13	Proximity	23792.86	28.32	13
14	No other option	16335.71	19.45	14

It is concluded that most of the respondents have selected the policy based on the factors such as popularity and low premium. They are the major factors in choosing the mediclaim policy. The factors such as proximity and no other option have been given least importance in the selection of policy.

Table 2

Satisfaction Level- Relating to Insurer

S.No	Aspects	Weighted Average score	Rank
1	Introducing New schemes	4.22	3
2	Information about new policies	4.29	1
3	Processing procedure	4.12	4
4	Mode of premium payment	4.09	5
5	List of Hospitals with cashless service faculty	3.87	8
6	On-line services	3.99	7
7	Employee –policyholder relationship	4.00	6
8	Feedback Assessment	3.68	10
9	Grievance Redressal	3.79	9
10	Location of the company	4.24	2

It is concluded that information about new policies and location of the company are the main criterion for satisfaction level of policyholders relating to the insurers. Grievance redressal and feedback assessment are the least criteria which satisfy the policyholders relating to the insurers.

The KMO and Bartlett's test of sphericity is primarily essential to measure sample adequacy for using Factor Analysis. The small value of KMO statistics indicate that the correlations from pair of variables cannot be explained by other variables and the Factor analysis may not be appropriate.

Table 3

Problems of Policyholders

S.No	Problems	Factors					Communalities
		1	2	3	4	5	
1	Poor service	0.41	-0.20	**0.70**	-0.04	0.21	0.75
2	Less number of Hospital Coverage	**0.63**	-0.17	0.49	-0.12	0.06	0.68
3	Lot of conditions and formalities	**0.49**	-0.17	0.45	-0.04	-0.23	0.53
4	Rate of Premium	-0.27	0.24	0.26	**0.50**	0.28	0.53
5	Poor response From Agents at the time of Claiming	**0.55**	-0.19	0.05	-0.42	-0.09	0.53

S.No	Problems	Factors					Communalities
		1	2	3	4	5	
6	Unnecessary Investigations and Document Verifications	0.36	0.09	0.35	0.32	**-0.39**	0.52
7	Lack of customer friendliness	**0.42**	0.03	-0.10	0.33	0.32	0.39
8	Lack of knowledge of officials on particular policies	**0.52**	-0.18	0.00	0.46	0.29	0.60
9	Malpractices by Agents ,hospitals, TPA's etc.	**0.66**	-0.16	-0.09	0.06	-0.03	0.48
10	Undue Favouritism to some policy holders	**0.61**	-0.28	-0.28	-0.06	0.09	0.53
11	Inefficient Handling in complaints	**0.65**	-0.06	-0.35	-0.05	-0.08	0.57
12	Development Officers / Agents not explained the exclusions	**0.62**	0.09	-0.37	0.05	-0.22	0.58
13	Time consuming and Inefficient in claim settlement management	**0.64**	-0.02	-0.31	-0.11	0.12	0.54
14	Terms and conditions Stated by the Government	0.45	**0.58**	-0.01	0.18	0.06	0.57
15	Mis-statement Given by the agents	**0.64**	0.01	-0.12	0.36	-0.06	0.56
16	Policy conditions and exclusions are not in local language	0.20	**0.77**	0.01	-0.24	0.29	0.78
17	Limitations in Terms of Coverage	**0.59**	0.31	0.07	-0.02	-0.09	0.45
18	Poor Government Backing on Funding the particular Insurance Company	0.35	0.18	0.13	**-0.54**	0.39	0.61
19	Expected Amount not	0.18	**0.55**	0.15	-0.06	-0.48	0.59

S.No	Problems	Factors					Communalities
		1	2	3	4	5	
	Sanctioned						
	Eigen value	2.96	2.29	2.27	1.69	1.59	10.79
	% var exp	15.56	12.03	11.96	8.87	8.35	56.78
	Cum % V exp	15.56	27.59	39.55	48.42	56.78	

Out of the 19 problems faced with the health insurance companies, 5 factors have been extracted and these 5 factors put together explain the total variance of these statements to the extent of 56.78 %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data.

Table 4

Clustering of the Problems

Factor	Problems with health insurance companies	Rotated factor loadings
I (15.56%)	Less number of Hospital Coverage .2	0.63
	Lot of conditions and formalities .3	0.49
	Poor response From Agents at the time of Claiming .5	0.55
	Lack of customer friendliness .7	0.42
	Lack of knowledge of officials on particular policies .8	0.52
	Malpractices by Agents , Hospitals, TPA's etc. 9	0.66
	Undue Favouritism to some policy holders .10	0.61
	Inefficient Handling in complaints .11	0.65
	Development Officers / Agents not explained the exclusions .12	0.62
	Time consuming and Inefficient in claim settlement management .13	0.64
	Mis-statement Given by the agents .15	0.64
	Limitations in Terms of Coverage .16	0.59
II(12.03%)	Terms and conditions Stated by the Government .14	0.58
	Policy conditions and exclusions are not in local language .16	0.77
	Expected Amount not Sanctioned .19	0.55

Factor	Problems with health insurance companies	Rotated factor loadings
III(11.96%)	Poor service .1	0.70
IV(8.87%)	Rate of Premium .4	0.50
	Poor Government Backing on Funding the particular Insurance Company .18	0.54
V (8.35%)	Unnecessary Investigations and Document Verifications .6	-0.39

Five factors were identified as being maximum percentage variance accounted. The 12 problems namely 2, 3, 5, 7, 8, 9, 10, 11, 12, 13, 15 and 16 were grouped together as factor I and which accounts for 15.56 % of the total variance. The three problems namely 14, 16, and 19 constituted as factor II and accounts for 12.03 % of the total variance. One problem namely poor service constituted as III factor and accounts for 11.96%.The rate premium and poor Government backing funding the particular insurance company problems constituted as the factor IV which accounts for 8.87% of the total variance. One problem namely unnecessary investigation and document verification constituted as V factor and that account for 8.35 %.Thus the factor analysis has been condensed and simplified that 19 problems faced with health insurance companies have been grouped into 5 factors thereby explaining 65.95% of the variability on all the 19 problems.

Findings

- Mean satisfaction score is high among the policyholders who are under graduates. Majority of the policyholders opinioned that taking up the policy is simple procedure.
- Majority of the policyholders' opinioned that premium payable is moderate.
- Majority of the policyholders opinioned that is time taken for issuing the ID card is moderate period.
- Most of the policyholders opinioned that the amount reimbursed from the insurer is satisfactory.
- It is concluded that poor service, less number of hospital coverage, undue favoritism to some policy holders, malpractices by agents, hospitals and TPA's etc., development officers / agents not explained the exclusions are the major problems faced by the policyholders.
- The Factor analysis reduced and simplified the 19 problems faced with health insurance companies grouped into 5 factors thereby it explains 65.95% of the variability among all the 19 problems with health insurance companies.

Suggestions

- Through effective campaign by highlighting the difference between financial security and health are essential to pinpoint the need for health insurance among the mass population.

- In order to widen the existing market the rate of premium in health insurance should be reduced to suit the different strata of entire population.
- Renewal of policy by the policyholders should be promoted.
- Renewal intimations should be sent well in advance and in regular manner
- Procedures may be minimized at the time of claim settlement.

Conclusion

In this modern era, health is connected really to life-style which has contact on people mind set. Current days, coverage is offered to till now barred illness or treatments with co-pay or deductibles, expenses of organ donors are being covered and Ayush treatment expenses are being reimbursed. There is coverage for infertility and coverage for air ambulance is also in practice. Cover for second medical opinion expenses of additional persons etc is also becoming common.

References

P.Saravana Kumar (2015),Health Insurance Policy holders Perception towards Public Sector Health Insurers in Erode District, IOSR Journal of Humanities and Social Science,e-ISSN:2279-0837,p-ISSN:2279-0845, pp.06-10

Nalini, Global Journal of Management and Business Research,Vol.2,2018

Vikash Gowtham, Indian Journal of Marketing, 41(3), 8-20, 2016

World Health Organisation (2015), Fact sheet No: 320, World Health Expenditure Report, Page No. 125-130.

National Survey of Medigap policyholders (2009), "New Survey Finds High Level of Satisfaction,"http://www.bcbs.com/issues/medicare/background/new-survey- finds-high-level.html.

Evangelos Tsoukatos and Rand (2006), "Path Analysis of perceived Services Quality, Satisfaction and Loyalty in Greek Insurance", Managing Service Quality, Vol.16 (5),pp.501-519.

Song Hongmei (2006), "Insurers score Low in Client Satisfaction", http://www.chinadaily.com.cn/bizchina/2006-11/22/content_740062.htm.

Abolghassem Asheri (2006)," The Impact of IT application in customer satisfaction and cost decrease: Case study," http://epubl.ltu.se/1653-0187/2006/53/index.html