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# Determinants of Patient Preference for Private Hospitals Over Public Hospitals: An Empirical Study

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### **Abstract**

**Introduction:** There are several choices when it comes to choosing the type of hospital. In Nepal, the general public is free to seek medical attention from any facility they feel is suitable for them. People have to make vital decisions while choosing a hospital because these decisions relate to health and relieve them from any burden regarding their health. There is a preference for private hospitals over public ones. Despite the relatively cheaper cost of care in public hospitals, such a setup was not preferred by the people; this observation motivated us and created a need to conduct a research study to validate the observation statistically. This study examines reasons why private hospitals are preferred by patients over public ones.

**Methods:** The quantitative description research methodology has been adopted for this study. Developmental research approach is used in conducting this study through quantitative descriptive research. The researcher has followed a deductive research approach to examine the hypotheses we had set up with respect to their significance. Only 117 responses out of the 120 persons of the sample were found to be significant for the research study. A structured questionnaire was designed based on a five-point Likert scale. Random sampling was selected because of the probability sampling methodology used for the research study.



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**Findings:** In Tarkeshwor Municipality, the general public does not select a private hospital over a public hospital considering their income. There is no visible relation between the level of hospital services, treatment costs, and hospital selection criteria with income level of respondents. Three dependent variables—service quality, cost, and individual selection motive—have an influence on hospital choice decisions. The vast majority of the respondents appeared to make some kind of valuation about the value for money of the hospitals they visited, irrespective of their income. Since there exists a strong positive correlation between the cost and service mean, they attach higher costs to higher quality of service. Service quality: When asked about service quality, most of the respondents replied that what inclined their preference towards private hospitals and not government-run ones was the short waiting time and up to date medical equipments.

**Conclusion:** Hence, based on this, it can be concluded that the choice of hospitals among the public is determined in view of the cost of treatment and hospital selection motives, such as access to up-to-date medical technology and lesser wait times and so on, rather than by income, which is not related to any of the dependent variables: service quality, treatment costs, and selection motives for hospitals.

**Keywords:** Cost of treatment, Factors, Hospital choice, Hospital service quality, Hospital selection, Influence, Private hospital, Public hospital

## Introduction

### **Background of the study**

The majority of impoverished and rural residents seek medical care at government primary care centers and private pharmacies. Individuals in the lower income quintiles are more likely to visit government primary care institutions for medical care. In a similar vein, residents of hills and mountains are more inclined to use government primary facilities (ArjunThapa & Adhikari, 2017; Wagle, Neupane, Nyaupane, & Timalsena, 2024).

When it comes to choices in between the type of hospitals one has numerous option. In Nepal public are free to seek healthcare in whichever health facilities they deem is suitable for them. The selection of hospital is critical decision to people as their choices affect their health outcomes and relieve them from any sort of health burden. The study of (Shrestha & Adhikari, Factors Affecting Choice Of Health Care Facilities Among The Adults of an Urban Community, 2021) showed that the majority of respondents (60.8%) utilized private healthcare facilities, and that choosing a healthcare facility had a substantial impact on parameters connected to healthcare services, but that the chosen sociodemographic variables had no significant impact (Adler, et al., 2003). It is determined that a variety of criteria associated to health care services, including as accessibility, acceptability, price, and availability, likely to influence the choice of healthcare institution (Shrestha & Adhikari, 2021).



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This study conducted examines the factors that influence hospital choice decision in general public of Tarkeshwor municipality. Tarkeshwor municipality is located in Kathmandu district, Bagmati Povince. The municipality offers healthcare facilities both private and public to its citizens yet people much prefer to travel to adjacent Kathmandu metropolitan city in order to seek hospital services (Ctievano, Caruso, & Friganović, 2024). As observed the reason behind this might be inavailability of hospitals above 25 beds inside municipality. Many renowned hospitals are located in Kathmandu metropolitan city which might be another reason for this medical care travel.

Another trend observed was that people prefer private hospitals over public hospitals. Despite the lower cost of healthcare in public hospitals people choice of private hospitals was found to be contrasting which led in conducting of this research study in order to support this observation statistically (Ritter, 2011). The study also delves to research why people choose private hospitals over public ones.

The theoretical support to this study states that the decision of hospital choice depends on various factors such as demographic status, hospital service cost, socio-economic conditions, type of health problems and disease contracted as well as other hospital selection motives. Meanwhile this study focuses on three different factors (Neupane & Khanal, 2018): services/facilities provided by the hospital, cost of treatment and hospital selection motive of people and their relationship with income level of people which may be a major cause for hospital choice decision made by general public (Feo, Rasmussen, Wiechula, Conroy, & Kitson, 2024). The study takes into account the opinion of people falling under eighteen to sixty age group regardless of gender, economic, social, educational and cultural background. The instruments used was a structured questionnaire prepared in English language and later translated to Nepali language so that people with no schooling and basic knowledge can easily understand and answer the questions.

#### **Problem of the statement**

Although private hospitals are costly people still prefer taking treatment in private hospitals rather than public hospitals. It is important for healthcare providers, government and policy makers to understand why this preference will have negative impact on government hospitals and garner dissatisfaction from taxpayers.

This research addresses the following issues:

- i. Why do people in Tarkeshwor municipality prefer private hospitals over public hospitals?
- ii. Do level of income influence choice of hospitals?
- iii. Are hospital service, cost and hospital selection motives the factors that influence people's hospital choice decision?
- iv. Is cost the major variable that influences people's decision of choosing private hospital over public hospital?
- v. Are people really gaining negative experiences from public hospitals?



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vi. Is it true that private hospitals provide high level of healthcare service with up-to-date medical technology?

### Significance of the study

This study will address the gap in the existing literature created due to lack of full data on why people choose to go to private hospitals. The quantitative descriptive approach of this study aims to examine these factors namely health services provided by respective hospitals, cost of healthcare and hospital selection motive of people by providing insights that can inform strategy in addressing the existing deficiencies in public healthcare delivery system of the country so as to make state owned hospitals more competitive with private hospitals.

This study will further aid for making healthcare facilities better, attractive and satisfactory to the general public thus ensuring equitable and good healthcare system. This will be possible as the study does intensive research in understanding the reasons behind people opting not to choose public hospitals. The study also lists the series of concerns shown by public towards government hospitals, addresses their reasons for distrust in public healthcare and also examines the cause for their dissatisfaction.

This study's findings can be used by policy makers in order to develop targeted interventions for the enhancement of public healthcare facilities. The thorough understanding of all key factors of service quality, cost, hospital environment, waiting times and so on will enable resources to be better allocated towards specific deficiencies in public healthcare system. The understanding of cost variable will probably inform in planning and making of private hospital healthcare more cost-effective and affordable to general public.

### **Objective of the study**

The specific objectives of the research are:

- To examine various variables that affects general public decision to visit private hospitals as opposed to public hospitals.
- To examine income as a variable that influences the choice of hospital.
- To identify importance level of (service,cost and hospital selection motives) in influencing this decision.
- To support this observed trend of people choosing private hospitals over public ones statistically.
- To reveal reasons behind and barriers to people's reluctance to visit public hospitals.

The purpose is to achieve these objectives so as to provide insights on why people decide to approach private hospitals and not public ones although higher cost relating to health examination, investigation and treatment procedurals.

#### **Hypotheses**

Based on the objectives the following null hypotheses are formed:

• H1: There is significant co-relationship in between income and quality of service/facilities provided that influences hospital choice decision.



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- H0: There is no co-relationship in between income and quality of service/facilities provided that influences hospital choice decision.
- H2:There is significant co-relationship in between income and cost of treatement that influences hospital choice decision.
- H0: There is no co-relationship in between income and cost of treatment that influences hospital choice decision.
- H3:There is significant co-relationship in between income and hospital selection motives that influences hospital choice decision.
- H0:There is no co-relationship in between income and hospital selection motive that influences hospital choice decision.

The rejection/acceptance of these hypotheses determines the significance of this research study.

### Philosophical Worldview

Philosophical worldviews are the collection of ideas people hold about the essential elements of reality that form the basis of all their perceptions, thinking, ideas, knowledge and actions (Funk, 2001). The paradigms of research are otology, epistemology, methodology and advocacy. The epistemology is further divided into post-positivism, constructivism and pragmatism.

This research paper takes Post-positivism stance which emphasizes on empirical evidence and observed phenomena. (Groff, 2004) defined post positivism as a philosophical position that aims to address certain assumption made by positivism and according to its perspective is not grounded in indisputable principles but rather emerges from a combination of various human speculations. This worldview focuses on quantifiable factors and statistical relationships. The research carries out following activities under this paradigm: objective reality, hypothesis testing and generalizability.

# **Conceptual framework**

We have chosen four variables relative to this research. They are income level, hospital service, cost and hospital selection motive.



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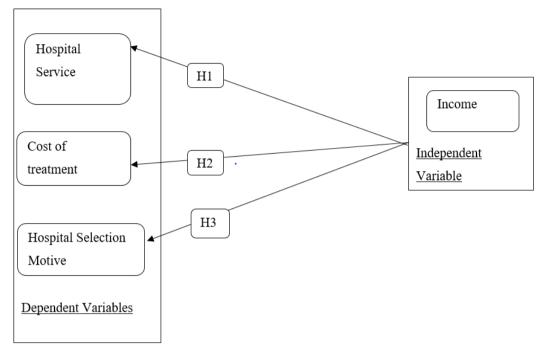


Figure 1-Conceptual framework of the study

#### **Theoretical Framework**

The research study has identified three dependent variables and one independent variable. This means any changes occurring in independent variables i.e. Income will bring changes in dependent variable i.e. Hospital service, cost of treatment and hospital selection motive which influences hospital choice decision of general public.

The purpose of theoretical framework here is to understand this relationship among the variables identified by the study. It also explains how the interactions of these variables influence the decision-making process.

#### Hospital service and Quality (SERQUAL) model

The SERVQUAL model is widely used in service industry including healthcare form assessing service quality as the model has twenty two items divided into five headings (tangibles, reliability, responsiveness, assurance and empathy) (Brochado, 2009).

The study demonstrated that the method of Servqual is broadly used in various medical sectors to assess the quality of medical services provided. In addition, the study demonstrated that patients had significantly higher expectations of the medical services offered in the five dimensions studied. The results, obtained through the Servqual method, may help improve and monitor the quality of services provided by different institutions. The SERVQUAL model is broadly used and considered reliable for assessing healthcare service quality in various countries, including Iran, Pakistan, Malaysia, South Korea, Bangladesh, Iraq, UAE, and Syria. (Jonkisz, Karniej, & Krasowska, 2022).



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#### **Health Belief Model**

The Health Belief Model (HBM is a theory that leverages people's desire to prevent harmful health outcomes as its primary source of motivation for taking healthy actions (Public Health Nigeria, 2022)

Health behavior is mostly predicted by barriers and benefits, with susceptibility and severity being less reliable indicators (Carpenter, 2010).

### Consumer decision making model

The complexity of healthcare options is not taken into account by assumptions about rational decision-making, and consumers frequently lack the information needed to make fully informed judgments. The idea is that consumers' decisions regarding their health care are the result of a logical comparison of options; that is, that by providing information on plan or provider performance along with details about cost and service scope and limitations, consumers will choose affordable, high-quality plans or providers (James S. Lubalin, 1999).

#### **Limitations and delimitations**

#### Limitations

- The time was limited as research paper was composed within two weeks after data collection.
- Limited number of samples as only 117 participants was taken under study.
- The questionnaire may not have captured all the relevant factors influencing hospital choice decision among general public.
- The findings may not be applicable to people living in different municipalities.

#### **Delimitations**

- The study is limited to urban areas of Tarkeshwor municipality.
- The study excludes population below 18 yrs and above 50 yrs as well as people who have had no previous experience with hospitals.
- The study only study people's choice between private and public hospital thus excluding any other kind of healthcare facility.
- The research has used quantitative approach only.

### **Literature Review**

In getting wider information for the research issue the review of literature was not restricted in any year and nation boundary. As per (Vishakha Chauhan A. S., 2019) understanding the patient choice notion is crucial in developing nations like India, where it is difficult to provide its inhabitants with publicly supported health care. Her paper bears resonance with this study as Nepal is too developing country and shares cultural, religious ties with Indian Community. Thus it would not be farfetched to conclude that the results from (Vishakha Chauhan & Sagar., 2019) will be somewhat study material for this paper. (Vishakha Chauhan & Sagar, 2019) say that factors such as payment and meal facilities, hospital reputation, sanitation, and treatment quality are crucial considerations for patients when selecting a healthcare provider.



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(Mosadeghrad, Patient choice of a hospital: implications for health policy and management, 2014), said that patients' choice of hospital was influenced by various factors such as hospital type, services offered, word-of-mouth, cost of services, health insurance program, location, physical environment, amenities, interpersonal behavior and expertise of clinicians, and hospital reputation. For inpatients and outpatients, respectively, the primary factors in selecting a hospital were physician referrals and health insurance plans. In order to improve their services and draw in more patients, managers and policymakers can allocate resources more effectively by recognizing and comprehending the important factors that impact a patient's decision regarding a healthcare environment.

According to (M. Dharmesh, 2014), when choosing a hospital, patients are influenced by skilled medical professionals, round-the-clock emergency care, prior hospital experiences, and well-trained nursing personnel. As per (Egunjobi, 1983) the following factors were identified as influencing this choice, in decreasing order of importance: proximity, level of service, family living in the country town in which the hospital is situated, finances, transportation accessibility, relationship with hospital staff, and religion.

The study by Egunjobi was conducted more than five decades ago but the factors influencing hospital choice decision are still relevant till date. (Honora Smith & Pornpimol Chaiwuttisak, 2017) said we consider variables like the distance between a patient and a hospital, number of beds, and parking spaces, along with a set of publicly available statistics from NHS websites that may influence a patient's choice of the hospital. These latter include a mean wait time, the ward cleanliness score from the patient survey, the patient safety score, and the overall care score from the inpatient survey.

Even before public data releases, quality of hospital service had a major role in influencing hospital choice for patients and referring physicians, with medical school connection improving selection probability. The public and medical professionals have been inundated with information regarding hospital quality as it relates to patient outcomes (Harold S. Luft & Mark, 1990). A study conducted on outpatient by (Mosadeghrad, 2014) revealed these factors considered by the patients in choosing an optimum hospital were a facility's reputation, quality of service, word-of-mouth, cost of care, coverage under health insurance, location, congenital physical surroundings, amenities, and interpersonal skills and experience of staff. Physician referral and health insurance plans ranked first in concern by inpatients and outpatients, respectively.

In conclusion, the literature review shows that a number of considerations influence the choice of hospital, such as cost, amenities, reputation, accessibility, cost-effectiveness, and firsthand experiences. To enhance customer happiness and service delivery, governments and healthcare practitioners need to take these aspects into account. Hospitals may improve patient satisfaction and loyalty by attending to four important areas, which will help them better satisfy the requirements and preferences of their patients.



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#### **Method & Materials**

Methodology in research refers to the research study's structure and a collection of guidelines that guides its execution, including methods for obtaining and analyzing data which may include both Qualitative/Quantitative research (Munday, 2011). This chapter describe about the research design, population and sample size, instruments used for data collection and data analysis methods used by the researcher. We have used Quantitative descriptive research methodology for this study purpose.

### **Research Approach**

The researcher has adopted deductive research approach as we have set hypothesis and the goal was to test these hypotheses for their significance i.e whether to accept or reject the established hypotheses. This approach was employed through collection and analysis of data.

### **Research Design**

This research study follows quantitative descriptive research under which developmental research design is adopted. It describes the variable measured and their relationship with each other. The purpose of selecting specifically this method is that it fulfills the objective of the research study by measuring different type of variables for their averages, frequencies and correlations. Furthermore, it tests hypotheses about their relationships among variables identified.

## **Setting of the Study**

The study was conducted in general public of Tarkeshwor Municipality to understand factors that influences their decision in choosing between public and private hospitals.

# **Sample Collection**

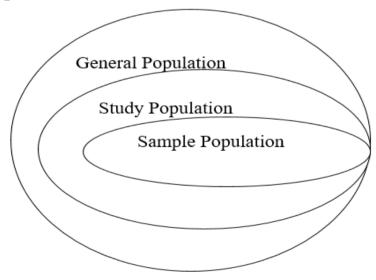


Figure 2-Sample Collection frame

The general population is all of people living within Tarkeshwor municipality. The study population is the part of whole population that is general public who have visited either type of



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health facility. The sample population is people of age group (18-50) yrs who have visited public or private hospital or both.

### Sample Size

The sample size used for this study is 118 participants. The calculation was done on basis of this formula;  $SS = [Z \ p \ (1-p)]/C \ 2$ , where:

SS= Sample size

Z= given z value

p= percentage of population

C= confidence level

With 9% margin of error, 95% confidence level and 50% response distribution the calculated sample size is 118 done by the use of sample size calculator online (Raosoft, Inc., 2004).

### **Criteria for Sample Selection**

### **Inclusion criteria**

- Age group: People between ages of 18 to 50 years are included as respondents.
- Gender: Both female and male population is included in order to balance representation and capture gender specific response.
- Socio-economic status: Participants from various economic and social standing in the society are included to find out responses variability from different economic groups.
- Past hospital experience: The respondents who have previous hospital experience are included for comparing hospital visit experiences of individuals.

#### **Exclusion Criteria**

- Age group: People of age below 18 and above 50 are not included in this research study.
- Location: The participants from rural areas of Tarkeshwor municipality are excluded from the study.
- People from outside of Tarkeshwor municipality are not consider as participants by this research.
- People who have no previous experience with hospitals of at least 50 beds are not included in this study.

# **Sampling Technique**

This research study uses probability sampling approach under which random sampling method was chosen. The sampling frame was general public of Tarkeshwor municipality between age group 18-50 yrs and having past experience with hospitals. The sample size was determined from people falling under this frame. The respondents were selected randomly. Anyone who fulfills these sampling characteristics could have been chosen as participants for the study purpose.

#### **Data collection tool**

A structured questionnaire was formed by using 5-point Likert scale. The statements of this questionnaire were taken from (Al-Balushi & Khan, 2017) and only research statements that are relevant to this paper are included. The questionnaire was divided into four parts and the



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parts were alphabetically numbered as A,B,C and D. The part A consists of socio-demographic characteristics and questions relating to their gender, age, education degree, profession, marital status, monthly income level and previous experience with hospital visit were asked.

In part B peoples' opinions on hospital service/facilities provided were asked. Likewise, in part C and part D peoples' opinions on cost of treatment and hospital selection motives were asked. The answers were in point scale as in 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree.

### Reliability and Validity

Table 1: Reliability and Validity of Questionnaire

Case Proces	ssing Summary			
		N	%	
Cases	Valid	117	100.0	
	Excludeda	0	.0	
	Total	117	100.0	
a. Listwise	deletion based on all vari	ables in the procedure		
Reliability S	Statistics			
Cronbach's A	Alpha	N of Iter	ns	
757		14		

The cronbach's alpha test was performed to test the reliability of the questionnaire. Since  $\alpha$ =0.757>0.6, the questionnaire is reliable and valid. A Cronbach's alpha of 0.757 indicates that the internal consistency is within the moderate to good range. The more the values, the greater the reliability, moving toward 1.

### **Data collection procedure**

The survey method was administered for collection of primary data as it allows for collection of people's opinions, experiences, characteristics etc by asking them directly (McCombes, 2021). An online goggle form was created and fifty printed forms were used for conducting survey among general public.

### **Data Analysis**

The method for data analysis used is descriptive statistics to analyze socio demographic characteristics and co-relational analysis is done to test hypotheses.

### **Results and Analysis**

Socio-Demographic analysis of data

a)Gender



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Table 2: Gender frequency table

Gender:						
		Frequency	Percent	Valid Percent	Cumulative	
					Percent	
Valid	Male	34	29.1	29.1	29.1	
	Female	83	70.9	70.9	100.0	
	Total	117	100.0	100.0		

The gender composition of the sample is described in detail in the table. Of the total sample, the majority of the respondents were women, accounting for 70.9%, while males accounted for a very small proportion of 29.1 percent.

b)Age

Table 3: Age frequency of participants

Age					
		Frequency	Percent	Valid Percent	Cumulative
					Percent
Valid	18-20	11	9.4	9.4	9.4
	20-30	80	68.4	68.4	77.8
	30-40	13	11.1	11.1	88.9
	40-50	13	11.1	11.1	100.0
	Total	117	100.0	100.0	

18-20 years: This category had 11 responses, accounting for 9.4 percent of the total sample,20-30: This is the largest group, numbering 80 respondents, which is 68.4 percent of the total sample,30-40: 13 respondents (11.1% of the total sample), 40-50: 13 respondents, accounting for about 11.1 percent of the total sample. The highest number of respondents belongs to age group 20-30 as opposed to lowest number of participants from age group 18-20. In this study the respondents mostly were people belonging to 20-30 age group making up to 68.4% of total sample.

c)Education

Table 4: Education Frequecy

Educat	Education						
		Frequency	Percent	Valid Percent	Cumulative		
					Percent		
Valid	Illiterate	1	.9	.9	.9		
	SEE	4	3.4	3.4	4.3		
	SLC	21	17.9	17.9	22.2		
	Bachelor's	66	56.4	56.4	78.6		
	Diploma	12	10.3	10.3	88.9		
	Master's	13	11.1	11.1	100.0		
	Total	117	100.0	100.0			



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The table shows the frequency distribution of respondents based on their educational qualifications. Illiterate: One of the respondents is illiterate, which is 0.9 percent of the total sample, SEE: Four of them completed Secondary Education Examination, which is 3.4 percent of the total sample, SLC: Twenty-one, which is 17.9 percent of the total sample who hold a School Leaving Certificate, Bachelor's: The biggest proportion is of those having a bachelor's degree -- 66, 56.4 percent of the total sample, Diploma: Twelve of the sample completed a diploma program, which is 10.3 percent of the total sample, Master's: Thirteen of the members have a master's degree, which is 11.1 percent of the total sample. The research shows that more than half of respondents i.e 56.4% have undergraduate degree.

d)Profession

Table 5: Profession frequency table

Profess	Profession					
		Frequency	Percent	Valid	Cumulative	
				Percent	Percent	
Valid	Student	74	63.2	63.2	63.2	
	Work in private	23	19.7	19.7	82.9	
	sector					
	Work in public	8	6.8	6.8	89.7	
	sector					
	Un-employed	12	10.3	10.3	100.0	
	Total	117	100.0	100.0		

The study has identified 74 participants as students. Only 23 out of 117 work in private sector while remaining work in public sector. Altogether 12 respondents are un-employed.

#### e) Income

Table 6: Income frequency

Income	Income						
		Frequency	Percent	Valid Percent	Cumulative		
					Percent		
Valid	None	63	53.8	53.8	53.8		
	5k-10k	7	6.0	6.0	59.8		
	10k-20k	19	16.2	16.2	76.1		
	20k-30k	10	8.5	8.5	84.6		
	Above 30k	18	15.4	15.4	100.0		
	Total	117	100.0	100.0			

The largest group, 53.8 percent, falls into the "None" category, indicating that a large number of respondents failed to indicate their income. This could be for many reasons, spanning from privacy concerns to not working or otherwise. The highest category of income contains only 15.4% of the respondents earning above 30,000.

#### f) Hospital Visit



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Table 7: Hospital visit Frequency

Hospitalvisit						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Private	17	14.5	14.5	14.5	
	Public	3	2.6	2.6	17.1	
	Both	97	82.9	82.9	100.0	
	Total	117	100.0	100.0		

The "Private" category accounts for 14.5% of the respondents. These people only visit private hospitals for medical needs. Only 2.6% of the respondents are rated as "Public". Most of the respondents (82.9%) visit both public and private hospitals. This means that very many members of the public get to access both types of hospitals when seeking some form of healthcare-related service.

### Descriptive analysis of Data

a) Part A: Hospital services/facilities

Table 8: Response on Hospital services/facilities

		Count	Layer N %
In private hospitals patients easily	Strongly disagree	20	17.1%
approach the reception staffs.	Disagree	65	55.6%
	Neutral	21	17.9%
	Agree	6	5.1%
	Strongly agree	5	4.3%
	Total	117	100.0%
I feel free to tell my problems to	Strongly disagree	10	8.5%
the doctor at the private hospital	Disagree	29	24.8%
than doctor at the public hospital.	Neutral	36	30.8%
	Agree	37	31.6%
	Strongly agree	5	4.3%
	Total	117	100.0%
Waiting time is lesser in a private	Strongly disagree	6	4.3%
hospital	Disagree	5	5.1%
	Neutral	12	10.3%
	Agree	36	49.6%
	Strongly agree	58	30.8%
	Total	117	100.0%
The private hospital buildings are	Strongly disagree	40	34.2%
clean and tidy compare to public	Disagree	55	47.0%
hospital.	Neutral	14	12.0%



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	Agree	7	6.0%
	Strongly agree	1	0.9%
	Total	117	100.0%
In private hospitals, doctors treat	Strongly disagree	17	14.5%
patients with high respect.	Disagree	52	44.4%
	Neutral	33	28.2%
	Agree	11	9.4%
	Strongly agree	4	3.4%
	Total	117	100.0%
In private hospitals they have up-	Strongly disagree	3	2.6%
to-date medical equipment and	Disagree	6	5.1%
technology.	Neutral	21	17.9%
	Agree	63	53.8%
	Strongly agree	24	20.5%
	Total	117	100.0%

The above table shows that more than half of respondents have disagreed that approaching reception staffs in private hospitals is easy (layer n% 55.6). This is evidenced by the fact that most respondents either disagreed or strongly disagreed that patients easily approach reception staff in private hospitals. Only about 9.4% agreed or strongly agreed with this statement. This perhaps means that there is a need for private hospitals to raise the level of reception services in order to boost the patients' experience.

The respondents have agreed that private hospitals have lesser waiting time (layer n% 49.6). Most of them (about 80.4%) agreed or strongly agreed that waiting time is lesser in private hospitals. This statement was disagreed with by only 9.4 percent of the responses. The patients seem to welcome efficient service delivery in private hospitals.

Thirty-seven participants have agreed that they feel free to tell their problems to the doctor at the private hospital than doctor at the public hospital (layer n% 31.6). They felt free to discuss problems with doctors in private hospitals. Nonetheless, the same percentage, around 33%, remained indifferent to this issue. Better doctor-patient communication in private hospitals may alleviate some of the patients' concerns.

Most of the respondents either disagreed or strongly agreed that private hospital buildings were cleaner and neater as compared to those of public hospitals (layer n% 47). Only a very small minority responded strongly to this statement, about 0.9 percent.

A high proportion of the respondents, about 44.4 percent, indicated that doctors in private hospitals do not treat patients with a large amount of respect.

This could be the scope of improvement in the doctor-patient interaction for the private hospitals.

Of the respondents, roughly 74.3 percent agreed or strongly agreed with the statement that most of the modern types of medical equipment and technology are available in private hospitals. This may be one of the major factors to choose which hospital to go to. More sixty people have



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agreed that in private hospitals they have up-to-date medical equipment and technology (layer n% 53.8).

#### b) Part B: Cost of Treatment

Table 9: Response on Cost of treatment

		Count	Layer N %
Cost of treatment is more in	Strongly disagree	3	2.6%
private hospital, but I get a better	Disagree	6	5.1%
treatment.	Neutral	23	19.7%
	Agree	58	49.6%
	Strongly agree	27	23.1%
	Total	117	100.0%
Availability of modern and	Strongly disagree	2	1.7%
advanced equipment in the	Disagree	4	3.4%
hospital is the reason for	Neutral	19	16.2%
selecting the hospital.	Agree	62	53.0%
	Strongly agree	30	25.6%
	Total	117	100.0%
Reputation of doctors working	Strongly disagree	28	23.9%
in the hospital attracts people's in	Disagree	63	53.8%
choosing between hospitals	Neutral	17	14.5%
	Agree	9	7.7%
	Strongly agree	0	0.0%
	Total	117	100.0%
The overall appearance of the	Strongly disagree	13	11.1%
hospital contributes to the	Disagree	60	51.3%
patient's choice of hospital.	Neutral	20	17.1%
	Agree	24	20.5%
	Strongly agree	0	0.0%
	Total	117	100.0%

The above table shows that fifty-eight participants have agreed that cost of treatment is more in private hospital, but they get a better treatment (layer n% 49.6). This may then imply that for most patients, perceived quality of care would be more important compared to financial burden

Sixty-two respondents have agreed that availability of modern and advanced equipment in the hospital is the reason for selecting the hospital. Only about 7.7 percent agreed with this statement. Reputation alone may not be a major criterion for patients

Likewise, sixty-three have disagreed that reputation of doctors working in the hospital attracts people in choosing between hospitals (layer n% 53.8). The respondents have given their opinion that the overall appearance of the hospital contributes to the patient's choice of



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hospital (layer n% 51.3). Only about 20.5% agreed with this statement. While aesthetics matter, other factors seem to weigh in more critical role.

### c)Part D: Hospital Selection

Table 10: Response on Hospital selection motive

		Count	Layer N %
Availability of modern and	Strongly disagree	2	1.7%
advanced equipment in the	Disagree	4	3.4%
hospital is the reason for	Neutral	19	16.2%
selecting the hospital.	Agree	62	53.0%
	Strongly agree	30	25.6%
	Total	117	100.0%
Reputation of doctors working	Strongly disagree	28	23.9%
in the hospital attracts people's in	Disagree	63	53.8%
choosing between hospitals	Neutral	17	14.5%
	Agree	9	7.7%
	Strongly agree	0	0.0%
	Total	117	100.0%
The overall appearance of the	Strongly disagree	13	11.1%
hospital contributes to the	Disagree	60	51.3%
patient's choice of hospital.	Neutral	20	17.1%
	Agree	24	20.5%
	Strongly agree	0	0.0%
	Total	117	100.0%
The location of the hospital	Strongly disagree	1	0.9%
attracts the patients to choose a	Disagree	16	13.7%
hospital.	Neutral	25	21.4%
	Agree	49	41.9%
	Strongly agree	26	22.2%
	Total	117	100.0%

The above table shows that sixty two respondents have agreed that availability of modern and advanced equipment in the hospital is the reason for selecting the hospital (layer n%53.0). This proves a point in attracting patients through the use of advanced technology in medicine. On the other hand sixty three participants have opinioned that reputation of doctors working in the hospital does not attracts people's in choosing between hospitals (layer n%53,8). Only about 7.7 percent agreed with this statement. The reputation alone may not be the prime factor for patients



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The overall appearance of the hospital contributes to the patient's choice of hospital also cannot be a reason in people choosing private over public hospital since sixty participants have disagreed with this statement (layer n%51.3).

About forty-nine participants have agreed that the location of the hospital attracts the patients to choose a hospital. This, therefore, suggests some role of convenience and accessibility in decision-making.

### **Correlational Analysis**

Table 11: correlations between variables

#### **Correlations**

		Income	hospitalservi	costmean	selectionmea
			cemean		n
Income	Pearson Correlation	1			
Income	Sig. (2-tailed)				
	N	117			
hospitalservicemea	Pearson Correlation	057	1		
n	Sig. (2-tailed)	.538			
	N	117	117		
aastmaan	Pearson Correlation	.000	.337**	1	
costmean	Sig. (2-tailed)	.999	.000		
	N	117	117	117	
selectionmean	Pearson Correlation	.004	.310**	.276**	1
	Sig. (2-tailed)	.968	.001	.003	
	N	117	117	117	117

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Hospitalservicemean= mean of hospital service quality

Costmean = mean of cost of treatment

Selectionmean = mean of hospital selection motives

- a) Income and hospital service quality influence in hospital choice decision
  - Null hypothesis: There is no relationship in between income and quality of service/facilities that influences hospital choice decision.
  - The correlation coefficient between income and hospital service mean is -0.057, with a p-value of 0.538. Since the p-value is greater than the common threshold (0.05), we fail to reject H0. There is no significant evidence that income would impact upon the choice of hospitals.
- b) Income and cost of treatment influence in hospital choice decision



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- Null hypothesis: The relationship between income and cost of treatment do not influence hospital choice decision.
- The correlation coefficient is approximately 0.000, which is almost no relationship; the p-value is 0.999, which is not significant. So in this case, we fail to reject the null hypothesis. Income does not have a significant effect on the cost of treatment in their choice of hospitals for treatment.
- c) Income and hospital selection motive influence in hospital choice decision
  - Null hypothesis: The relationship between income and hospital selection motive do not influence hospital choice decision.
  - The correlation coefficient between income and selection mean is weak, 0.004, with a p-value of 0.968. Since the p-value is greater than 0.05, we cannot reject the null hypothesis. There is no significant effect of income on general hospital selection motives.

### **Findings**

- Income is not a factor that influences the hospital choice of the general public in Tarkeshwor municipality choosing private hospitals over public hospitals. Since there exists no significant co-relationship between income with hospital service quality, cost of treatment, and hospital selection motive.
- Hospital choice decisions depend upon three dependent variables that are service quality, cost, and selection motive of people. No matter the income level people generally measure the value of hospital services they get. They relate higher cost with better service quality as the relationship between costmean and service mean is significant. (Source: correlation table no 10)
- In the service quality part of responses people have picked up lesser waiting time and
  up-to-date medical technology as reasons for choosing private hospitals over public
  hospitals. Meanwhile, other statements such as interaction with reception staff, intercommunication with doctor-patient, and visual aesthetic factors weren't critical for
  making hospital choice decisions.
- The researcher had a presumption that doctors in private hospitals treat patients with high respect but the data shows that people do not experience respectful behavior from doctors as sixty-nine participants have either disagreed or strongly disagreed with the statement.
- The data shows that cost is a major variable influencing hospital choice decisions as it has a significant relationship with quality service and hospital selection motive. The responses collected show that even though private hospitals are costly as they have modern equipment and better treatment services, people readily agree to pay more rather than choose public hospitals.



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 The availability of modern and advanced equipment in the hospital and location of the hospital are two major motives behind people selecting in between private and public hospitals.

#### **Discussions**

- It is important to note that patients are very cost-conscious; hence, it will be necessary for hospitals to develop transparent pricing information and competitive rates.
- The use of cost-reducing tools, such as efficient utilization of resources and bulk purchases, is necessary for hospitals to work on the factor of affordability without reducing quality.
- The choice of the quality of hospital services does not directly depend on income; however, hospitals still need to ensure excellent patient experiences for all level of income groups visiting the hospital.
- Income is also a factor in hospital selection motives. Therefore, hospitals can design
  appropriate marketing strategies concerning different income demographics: Tackle
  premium services and personalized care, specifying excellent amenities for higher
  income groups and affordability, community reach, and accessible health care for lower
  income groups.
- Positive word-of-mouth and patient satisfaction are an addition to one's reputation and thus future referrals. It can be improved upon by investing in staff training, patientcentered care, and good facilities.

#### **Recommendations and Conclusion**

#### Recommendations

- It would be better if public hospitals would ensure well-equipped latest facilities, laboratories, and other equipment. Modern technological advancements increase the accuracy of diagnosis, speed procedures up, and render better services to the patient.
- It is better that the staff are trained enough to deal with the patients. The doctors and the receptionists, by behaving in a friendly and respectable manner can ensure good interaction.
- It would be better if hospitals focused more on lessening waiting times as among those factors that contributed to this positive experience are patient-centered care, comfortable facilities, and shorter waiting times.
- One of the prime reasons is the cost factor. Though the charges of private hospitals are
  higher compared to government hospitals, people still want to go for private ones due
  to better treatment facilities with modern equipment. It would be better if hospitals
  redirect their attention to transparent pricing and competitive rates when dealing with
  cost-conscious patients.
- Good quality service does not necessarily mean more revenues. However, it would be better if every hospital aspires to excellence. Excellent care promotes good word-ofmouth and patient satisfaction.



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### **Conclusion**

Another trend observed was that people prefer private hospitals over public hospitals. Despite the lower cost of healthcare in public hospitals people choice of private hospitals was found to be contrasting which led in conducting of this research study in order to support this observation statistically. The study also delves to research why people choose private hospitals over public ones. Why do people in Tarkeshwor municipality prefer private hospitals over public hospitals? Do level of income influence choice of hospitals? Are hospital service, cost and hospital selection motives the factors that influence people's hospital choice decision? Is cost the major variable that influences people's decision of choosing private hospital over public hospital? These are the problem statements identified beforehand the research was conducted. Three null hypotheses are made for the research purpose:

- H0: There is no relationship in between income and quality of service/facilities provided that influences hospital choice decision.
- H0: There is no relationship in between income and cost of treatment that influences hospital choice decision.
- H0: There is no relationship in between income and hospital selection motive that influences hospital choice decision.

We have chosen four variables relative to this research. They are income level, hospital service, cost and hospital selection motive.

The literature review shows that a number of considerations influence the choice of hospital, such as cost, amenities, reputation, accessibility, cost-effectiveness, and firsthand experiences, hospital type, services offered, word-of-mouth, cost of services, health insurance program, location, physical environment, amenities, interpersonal behavior and expertise of clinicians, and hospital reputation.

We have used quantitative descriptive research methodology for this study purpose under which developmental research design is adopted and deductive research approach was used. The study was conducted in general public of Tarkeshwor Municipality to understand factors that influences their decision in choosing between public and private hospitals. The researcher chose random sampling method and included one hundred twenty samples in the study. A well-structured questionnaire using 5-point Likert scale was developed for collecting responses.

The results from this research as obtained through descriptive and correlational analysis performed by using SPSS software has accepted all the three hypotheses. In Tarkeshwor municipality, the general public does not select a private hospital over a public hospital based on their income. Since there is no discernible correlation between income and the level of hospital services, treatment costs, or hospital selection criteria. Three dependent variables influence hospital choice decisions: cost, selection motive, and quality of treatment. Individuals generally assess the value of the healthcare services they receive regardless of their income level. Because of the strong correlation between cost and service mean, they associate greater costs with higher levels of quality. It's crucial to remember that people are extremely cost-



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conscious, so hospitals will need to provide competitive prices and clear pricing information. It would be better if hospitals concentrated more on reducing wait times, as these elements—patient-centered care, cozy surroundings, and reduced wait times—were among those that made for a favorable experience.

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