



ECONOMIC AFFORDABILITY AND QUALITY DIMENSIONS OF HEALTH CARE SERVICE PROVIDED BY HOSPITALS IN KOCHI – A DISCRIPTIVE ANALYSIS

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Abstract

The paper reports the findings of a study conducted at a group of households in rural and urban Kochi about the economic affordability and quality of medical care in public and private sector hospitals. The study reinforced the assumption that the economic affordability of public hospitals is more compared to private hospitals. It was also observed that, among the patients taking service from public hospitals, the number of people suffering from chronic illness is more and the insurance coverage is less. The concept of quality in service sector differs from individual to individual, it ranges from getting service without much of waiting, empathetic and compassionate care from the doctors, nurses and supportive staff, immediate cure from illness, non repeatability of diseases etc. Considering the quality parameters, the study concluded that the soft variables play a prominent role in meeting quality expectations and a set of comments is provided based on these analysis.

Keywords: Healthcare, Quality, Service Expectations, Kerala Healthcare, Quality Management, Economic Affordability of Hospitals .

Introduction

The nature of health care organizations, mainly its sensitivity makes it more oriented towards the customers than any other organizations. The quality of their services is crucial to the patients and the community. With increasing competition, advances in medical sciences, and rising patient expectations, the health care systems have become complex organizations. With the advancements in facilities, there has been changes in the cost of treatment as well as the economic affordability of health services. Because of the growth of private sector in Healthcare, there has been inequalities in the service received by the poor and the rich. Quality and accessibility problems of the public sector forced even the low income groups to depend on the private sector hospitals, especially for specialized areas of serious illness care (Levesque, Delampady and Fournier, 2006).

This paper analyses the economic affordability of health services and the differences in the patient perception of public and private hospitals in Kerala. An empirical study was conducted by collecting data from 30 household, which were selected randomly from rural area of Ernakulum and Ernakulum city. The demographic data collected for the study includes age, gender, marital status, educational qualification, working sector and monthly income. Five main variables and few sub variables were included in the study. The main variables are patient preference of hospitals, service quality and attitude of staff, cost and affordability of service, nature of illness and frequency of visit and over all quality of the hospital. The data was collected through structured questionnaires, personal interviews and observation method. A comparative analysis between private and public sector hospitals is done along with the comparison based on different demographic variables.

The study intends to give an outline on the different dimensions of patient care in the state and the areas where the public hospitals differs from private hospitals on a large scale. Some of the problems with respect patient care and service quality is analyzed, with special reference to three areas like timeliness of service, attitude and behavior of doctors, nurses and supporting staff. Few comments are given based on the analysis, which can support in understanding the possible ways of improvement..

Healthcare Sector in Kerala

Kerala is a south Indian state which was formed on 1 November 1956 as per the States Reorganization Act by joining together different Malayalam-speaking regions. Apart from the legal explanation, a myth dating back to Satya Yug also portrays the origin of Kerala state. According to the Legend, Lord Parasurama of Hindu mythology threw his axe into the sea from Gokarnam and the land emerged as the water separated apart. It is one of the most refined states in India in terms of communal well being and standard of living. (<http://www.kerala.gov.in>)

The missionary hospitals that were established even in the very remote areas of Kerla marked the origin of state healthcare sector. The influence of the British Raj is one of the major reasons for the replacement of aboriginal Ayurveda medicines by modern medicines. But the pace of healthcare developments was quite slow and the present advancement commenced only in the late 1980s. The investment pattern of government in health care sector was on a declining mode as the fiscal deficit

was growing and government tried to control the expenditure. The public sector failed to meet the growing health care requirements in terms of quality and quantity. Though in the initial stages the public sector dominated the health care sector the ascendancy was gradually taken over by the private sector.

The post independent period witnessed the growth and development of both private and public sector hospitals. On a more precise ground, it can be stated that the private sector hospitals outperformed the public sector mainly with respect to its growth. The changes in the social and economic standards of the people and the failure of public hospitals to fulfill the growing requirements for quality health care triggered the growth and expansion of private sector hospitals.(V, R. K. , 2000). The state has become a role model to other states in terms of low birth and death rates, infant and maternal mortality rates, literacy rates, standard of living etc.

As per the reports of Kerala State Industrial Development Corporation, in the year 2000, there were about 70,000 beds in the private sector as against 45,684 in the Government sector. During the year, the number of doctors in the Government sector was less than 6,000, while the private sector employed over 12,000 doctors. There are more than 300 hospital beds per 100,000 population in Kerala, which is probably one of the highest ratios in the developing world. The average density of beds in the private sector is almost twice that in the government sector.

As per the reports of NSSO study (1998), it is found that the average OP health care expenditure per Ailment in rural Kerala is Rs 136 whereas in rural India it is Rs.176. Looking at the corresponding urban figures, it can be seen as Rs 120 and Rs.194. Similarly, for IP medical expenditure in rural Kerala is Rs.2293 and Rs.3202 .The corresponding urban figures are Rs 1927 and Rs.3921. Thus it can be understood as a lower expenditure for urban and rural healthcare in Kerala as compared to other Indian states or the normal Indian scenario.

Table 1: Statistics of Rural and Urban Hospitals & Beds in Kerala

Rural Number	Hospitals Beds	Urban Number	Hospitals Beds	Total Number	Hospitals Beds	Reference Period
281	13756	105	17529	386	31285	01.01.2010

Source : Kerala State Industrial Development Corporation, 2010

Table 2: Government Aided Health Institutions in Kerala

Institutions	No. of Hospitals	Bed Count
Total Govt. Modern Medicine Institutions	1250	37021
General Hospitals	12	4866
District Hospitals	15	4854
Specialty Hospitals	19	5740
Taluk Hospital	80	9502
Community Health Centres	230	6527
24X7 Primary Health Centres	175	3343
Primary Health Centres	660	2182
T.B. Centres /Clinics	17	176
Other Institutions	19	198

Source : Kerala State Industrial Development Corporation, 2010

The private sector accounts for more than 80% of the health care spending in India. India's health care infrastructure has not kept pace with the economic growth. The physical infrastructure is woefully inadequate to meet today's health care demand's much less tomorrows. While India has several centre of excellence in health care delivery, these facilities are limited in their ability to drive health care standards because of the poor condition of infrastructure in the vast majority of the country.

Today only 25% of the Indian population has access to Western medicine, which is practiced mainly in urban area where two – third of India's hospitals and health centre's are located. Many of the rural poor must rely on alternative form of treatment such as ayurvedic medicine, unani and acupuncture. Financing of health expenditure has become an important policy issue in both developing and developed countries, Health expenditure as a percentage of the GDP is as high as 14 percent in the USs and as low as 2.7 percent in China. In India, it is a little more than 5 percent and in Sri Lanka 3 percent and in most OECD countries it is more than 9 percent. Region wise analysis shows that South Asia has the lowest health expenditure (3.7 percent

of GDP) and, at the same time, the highest incidence of poverty and malnutrition. Public health expenditure as a share of total health care expenditure is also the lowest in South Asia (39 percent of the total health expenditure). This induces the specific need for increasing the efficiency of the public health care sector and regulating the functioning of the private health care sector. On the other hand, the OECD and developed non-OECD countries spend a larger proportion of their GDP on health. For instance, the OECD countries spend more than 8.3 percent of their GDP on health and 76 percent is the share of public health expenditure in total expenditure.

Understanding the Income status and the patients preference of Hospitals

The role of the private sector has been progressively increasing and has become the dominant provider of health care services across systems of medicine. The sector wise distribution reveals that one-third is the share of public sector for outpatient care as against one-fourth for inpatient care.

The samples were grouped into four income categories, based on their monthly income as below or equal to 1000, 10000 to 25000, 26,000 to 50,000 and above 50,000. This shows that the respondents significantly belonged to different economic stratus. The patients, who use the public sector hospitals mainly belonged to first two groups that is below or equal to 1000, 10000 to 25000. In contrast, the private sector was selected by people whose monthly income is above 10,000.

Table 3 : Monthly income pattern of Respondents

Income range(Rs)	Public Sector Hospitals (% of respondent)	Private Sector Hospitals (% of respondent)
Below or equal 1000	41.66	0
10000-25000	41.66	80
25000-50000	8.3	20
Above 50000	8.4	0

The major reason for the preference of public sector was given as low cost, while compared to other prominent reasons like location, quality of services, quality of staff, availability of medicines etc. The private sector hospitals were selected mainly for their quality of service and staff. The attempts to reduce the public deficit has forced the governments to reduce their investments in the health care sector, which has a serious impact on the quality of services provided by them.

Timeliness of Service

Timeliness in health care is the capacity of the system to offer the service as soon as the requirement is identified and understood. . It is one of the six dimensions of quality the Institute of Medicine established as a priority for improvement in the health care system (Institute of Medicine, 2001). The major dimensions of service includes the time spent waiting in doctors' offices and emergency departments (EDs), and the interval between identifying a need for specific tests and treatments and actually receiving services. Timeliness of service is one of the important factors that determines patient satisfaction level (Irfan, S. M., Ijaz, A., & Farooq, M. M., 2012). Because of the urgency of the situation, every patient expects to get the best treatment from best personnel's on right time. Patient expectation on the timeliness of service and their expectations of care are valid indicators of patient satisfaction and hospital preference. (Sayed, H. Y., Mohamed, H. A., & Mohamed, E. E., 2013

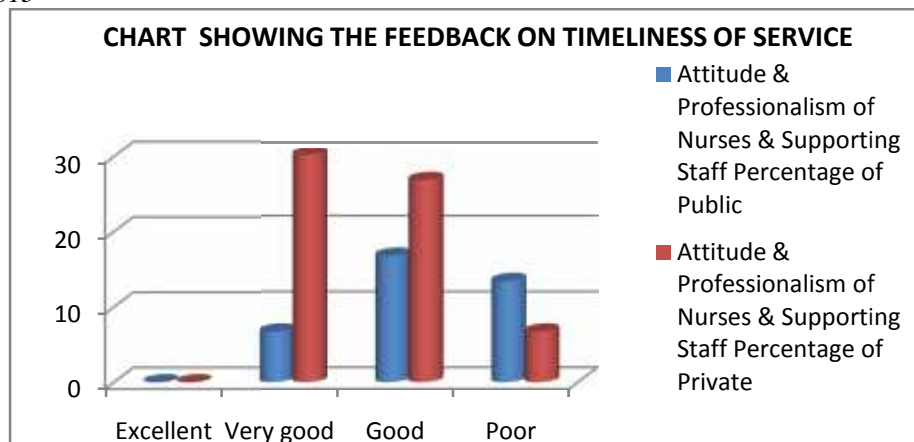


Chart 1 : Response On Timeliness Of Service

In the study, Timeliness of service was one of the factors which had almost an equal rating in comparison between public and private hospitals. Both the patients who preferred both public and private hospitals stated that, the timeliness of service was not satisfactory. The perceived service time was not met by both the hospital groups. The reason can be either the unreasonable expectations of the patients or the failure of the institutions to recognize the importance of one time service. The study reveals that public hospitals had long gap between the identifying a need for specific tests and treatments and actually receiving services. The waiting time for doctors and emergency services was also longer than the perceived delay of service. The only difference in private sector hospital was the waiting time for emergency services was comparably less.

Attitude And Professionalism Of Doctors

The attitude of doctors towards the profession influences to a large extent a number of aspects of clinical competence. It will be directly reflected on their attitude towards their patients on the outset. Their attitude towards the patient is predominantly important as it establishes the nature of communication with the patients. Like in any other service sector or more important compared to other service sectors, positive communication with the doctor plays as imperative role in improving the morale of the patients. (Monchy, C. D.. 1992) .

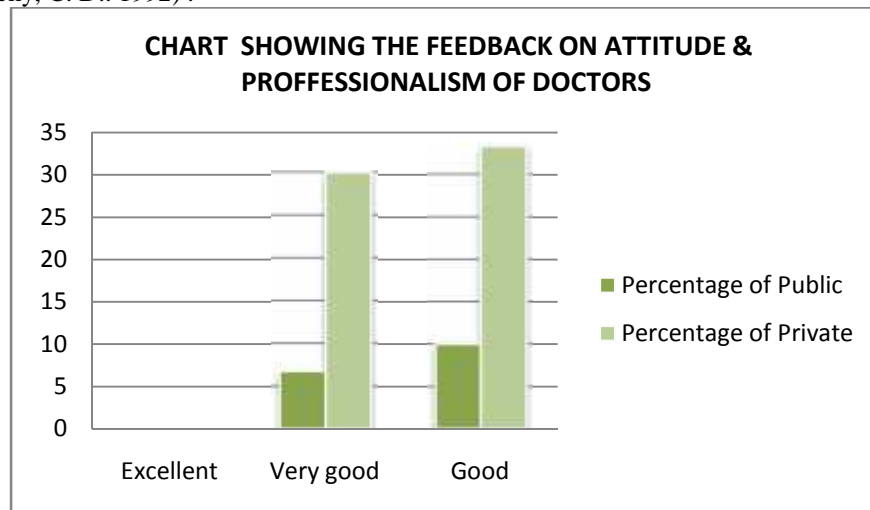


Chart 2 : Attitude & Professionalism of Doctors

Based on the study, it can be believed that there is a genuine reason to assume that a certain number of practicing clinicians does not possess the required positive attitude to their patients and the expected levels of empathy and communication skills. This would warrant more and different attention to this subject by medical schools than is actually the case. The present era has seen the change of patient centered treatment mode to problem centred treatment modes. In the public hospitals the doctors does not spent quality time with their patients and there is no attempt from their sides to provide mental support to the parties. In the case of private hospitals, the doctors possess a professional attitude and an orientation to support the patients.

Analyzing the components on attitude of doctors, it is clear that the private hospital is making a good performance (73%) and public hospital is making a satisfactory performance. (26%). The major disparity clearly shows the big gap in the attitude of doctors and their understanding of the psychological requirements of the patients. In the public sector majority of the doctors look forward towards outside practice and other income sources, which is a hindrance to the ethical aspect of medical profession.

Attitude And Professionalism of Nurses And Supporting Staff

Professional attitude and behaviour of nurses has been a key areas in assuming patient satisfaction. Ensuring that patients receives the best possible care is fundamental to nursing. A key aspect of delivering high quality health care is treating patients with compassion, dignity and respect, which needs to be primarily done by nurses and supporting staff. Attitudes are the values nurses hold, their thoughts and feelings and behaviours are what nurses do or say (Pittet, D., Hugonnet, S., Harbarth, S., Mourouga, P., Sauvan, V., Touveneau, S., & Perneger, T. V., 2000). The nursing profession demands that the individual be responsible, accountable, self-directed and professional in behavior.

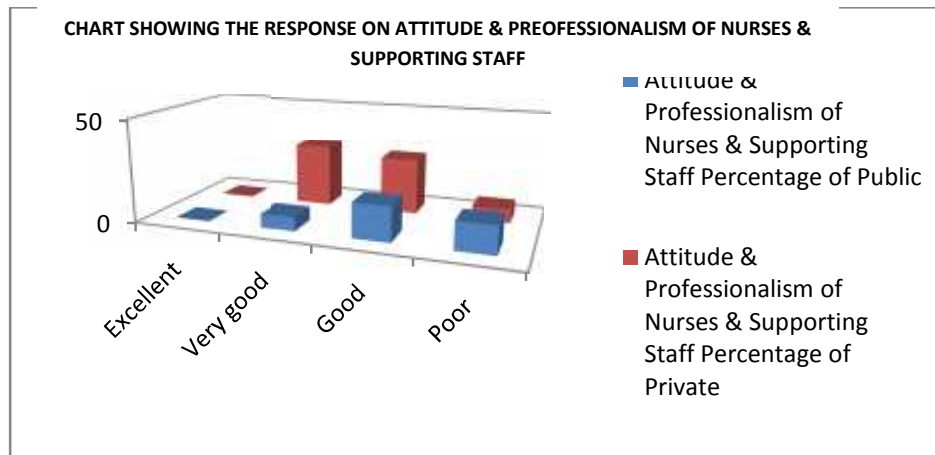


Chart 3 : Attitude & Professionalism of Nurses & Supporting Staff

The study showed a comparatively negative graph towards the attitude of nurses and supporting staff. The negative response is more in the case of public hospitals. It can be also observed that, the attitude and professionalism of nurses is rated lower than the attitude and professionalism of doctors. Based on some of the personal interactions with the female samples, it was understood that the service aspect of medical care is completely absent with some of the nurses and supporting staffs working in emergency care and labour wards. Even in private hospitals, the situations of unhappiness with nurses and supporting staffs are present but the frequency of such responses is low. The cases of risks and problems due to improper care from the nurses also prevailed in public hospitals.

Conclusion

The economic affordability of private sector hospitals is comparatively low. Although there is significant expenditure in both sectors for these groups, hospitalization on free public wards is associated with lower expenditure than other options. Factors which results in higher expenditure includes duration of stay; hospitalizations on paying public wards and in the private sector; hospitalizations for above poverty line households and hospitalizations for chronic illnesses. Expenditure for services taken from outside the hospital is also prevalent in the public sector. (Levesque JF1, Haddad S, Narayana D, Fournier P., 2007)

The major factors, that was analyzed with respect to quality of hospitals are timeliness of service, attitude and professionalism of nurses and supporting staff, attitude and professionalism of doctors, The quality aspects are rated low in public sector hospitals while compared to private sector. Still the lower income group prefer government hospitals as the financial affordability is a problem. The study revealed that, in Kerala both private and public sector hospitals play a vital role. In the quality dimensions, private sector hospitals surpass government hospitals. The professionalism and attitude of doctors, nurses and supporting staff in government hospitals is rated low. This reflects a serious issue with the quality parameters. The timeliness and availability of support is rated equally in both public and private hospitals.

The patients are happy with the public sector as the vaccination medicines and similar medical aids are provided on free of cost through these venues. Even though the economic affordability of private sector is lower in comparison to the public hospital, people's preference towards private hospital gives a clear idea about the efficiency of private sector in rendering better health care services. Among the lower income group people, the number of people who suffer a chronic illness was more. Thus, they needed regular attention and care, which makes the treatment expenses higher. It was also observed that the number of people, who had health insurance policies was also less in this category. People choose public hospitals mainly because of components likes availability of medicine and low cost.

It is also to be noted that the location wise preference and proximity of services especially in rural areas is more for the government hospitals, as majority of good quality private hospitals are located in urban areas. The study also found that when it comes to rural areas, the quality dimensions private sector hospitals are low. Even though the economic affordability of private sector is lower in comparison to the public hospital, people's preference towards private hospital gives a clear idea about the efficiency of private sector in rendering better health care services.

Comments

The scientific advancements in the medical field had led the it into a process of specialization, with heavy emphasis on knowledge and technical skills, leaving the traditional humane and interpersonal aspects of the practice of medicine.



Traditional practices of medicines believed that the ability of the medicine to restore the patients health and the healing power of doctors is equal. The present era views service sectors like hospitals, educational institutions etc as a business domain where the main motive is profit. The changes in the perspectives of the medical professionals and the business view point of hospitals has resulted in the decline of the medical profession's dignity.

Though infrastructure constraints are present in public sector hospitals, the main reason for patient dissatisfaction is the problems with the employees. Regarding quality improvements, the words of Edward Deming raises an important point : "If you always do what you always did, you will always get what you always got." The nature of medical professionals work in hospitals is not well analyzed and understood by the stakeholders. The hospital's effort to control labour costs, results in improper and deficient remuneration patterns.

Thus, the measures to improve their morale and motivation is not sufficient. Every hospital should establish a apt HR department with clear views on performance management. It is important to make sure that the medical professionals receive adequate rewards and recognition, based on the complexities of jobs they perform. It is the responsibility of the management to ensure that there is enough nurses to monitor patient conditions, coordinate care, and educate patient, along with supporting staff thus effectively ensuring the quality of service. Another initiative that can be taken is engaging supporting staff in improving hospital performance.

Regarding the cost of treatment, public hospitals are more favorable compared private hospitals. The affordability problems may be reduced by providing pricing and service options to the patients. Through this the patients may receive the chance of choosing the best options of service which are reasonably priced but of good quality. Though this increases the disparity between rich and poor in the hospitals but it makes the services affordable and open to every classes. Improving the quality of service in public hospitals is also a requirement of time, as health is a major parameter of economic development and societal upliftment.

While considering the prospective ways of improving quality of health care, the seven S model of Hard S and Soft S can be taken into consideration. First of all, the institution should start with a strategy which facilitate achievement of competitive advantage. It should be supported by a structure that act as a framework in which the activities of the organization's members are coordinated and a system which reduces redundancies as well as streamline the process. These three aspect contributes to the hard S in the system. Hospitals being a service organization Soft Ss plays a more decisive role. Shared values or super ordinate goals acts as the guiding principles to the functioning. Second characteristic is the style. It is the leadership approach and the organizations overall operating approach and it contributes directly to the job satisfaction of the medical professionals. The next two dimensions are the staff and skills. Both of it speaks about the pure HR facets of how people are recruited, the competencies possessed by the employees, what kind of training is provided to the employees etc. The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful. The key factors that can help in improving the Soft S dimensions in a hospital can be summarized as, Developing supporting work culture and policies, Attract and retain quality people and Establishing effective HR practices

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