

MOTIVATIONS AND BARRIERS TO PURCHASE HEALTH INSURANCE: A QUALITATIVE STUDY

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ABSTRACT

OBJECTIVE

The purpose of this study is to understand and explore the motivations and barriers faced by customers while purchasing health insurance.

DESIGN AND SETTING

An exploratory qualitative research design is applied to analyse the textual content of the depth interview data. The theory of Planned Behaviour (TPB) provides the theoretical backdrop in designing the codes for the themes.

RESULTS

The major factors which motivated the respondents to purchase health insurance policy include financial security, cashless transaction, taxation benefits, continuity benefits and helping in medical emergency. The significant barriers in the purchase of health insurance as identified by the participants include factors such as all ailments not covered, all facilities not covered, affordability, lack of awareness, lack of clarity and regarding the expense as an unnecessary expenditure.

CONCLUSION

The study uses the framework of TPB to ascertain the factors which contribute to the major themes during the course of content analysis. Our results indicate the factors which act as a motivation as well as the factors which act as barriers in the purchase of health insurance. A possible solution for such barriers is to widen the scope of financial literacy, to include the benefits of health insurance and make people aware of the details of such policies. Insurance companies should also try to reduce the premium charged.

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KEYWORDS

health insurance, TPB, qualitative content analysis, depth interviews, motivations, barriers

INTRODUCTION

Over the last two decades, the Indian Insurance industry has enjoyed impressive growth, thus contributing

significantly to the economy. The Indian Insurance sector has two main categories: Life Insurance and Non-Life

Insurance, and they are both regulated by IRDAI (Insurance Regulatory and Development Authority of India). Non-Life Insurance is also known as General Insurance, which includes Health Insurance.

The outbreak of the COVID-19 pandemic had a significant impact on the overall Indian Insurance sector and, more specifically, on Indian Health Insurance. While only 10 per cent of people considered health insurance necessary before the outbreak of Coronavirus in India, this has now increased to almost 70% who consider it essential to protect themselves from unforeseen events [1]. Medical emergencies experienced by the people during this pandemic highlighted the importance of having adequate insurance for the health and safety of their family.

A qualitative study undertaken in 2016 [2] revealed that the low uptake and the renewal of health insurance were a result of two broad factors, namely sociocultural and systemic factors. In a qualitative study by [3], affordability of healthcare premiums, social security against

unexpected health issues and availability of free drugs were identified as key motivations. Long waiting lines at healthcare facilities and health insurance offices contributed to the barriers to health insurance subscription including perceived mediocre quality of drugs, and negative attitudes of employees at healthcare facilities and the insurance company.

A qualitative study undertaken in 2018 [4] found that Saudi Arabians were mostly dissatisfied with the availability of appointments, drugs and waiting times, as well as the quality of public sector healthcare services. Study results from [5] revealed that perceived usefulness and perceived risk were the key factors in determining attitudes towards the intention to purchase health insurance. According to [6] in their quantitative study, the results showed that perceived usefulness, insurance literacy, subjective norm, attitude towards health insurance, and perceived behavioural control had a significant positive influence on the intention to purchase health insurance. Table I presents the summary of factors and the respective authors from existing literature.

TABLE 1: FACTORS INFLUENCING HEALTH INSURANCE ACCORDING TO EXISTING LITERATURE

Factors/Authors	Fenny et al. [2]	Kumi-Kyereme et al. [3]	Al-Hanawi et al. [4]	Brahmana et al. [5]	Mamun et al. [6]
Sociocultural	√				
Systemic	√		√		
Social security		√			
Affordability of premiums	√	√			
Attitude		√		√	√
Perceived usefulness		√		√	√
Perceived risk				√	
Subjective norm					√
Perceived behavioural control					√

In one review by Ahlin et al [7], they emphasized the need for further research on the factors that influence citizens' decisions to enrol in, drop out of, or utilize the benefits of insurance programs. In the study by [8], they indicated that there is a need for improving awareness of various health insurance plans in India by issuing timely enrolment cards with all the necessary details, achieving universal enrolment, continuing and prompt renewal, and educating the vulnerable segments to ensure proper utilization among them. In the study by [9], it was found that

performance, reputation, and positive affect were influential factors affecting customer retention.

In reviewing the literature, it is evident that there are various factors influencing the purchase of health insurance. However, the existing literature in the area of health insurance purchase in India is scarce. A call for further research in the area of health insurance purchase in India has also been observed in the literature. Thus, the purpose of this study is to understand and explore the motivations

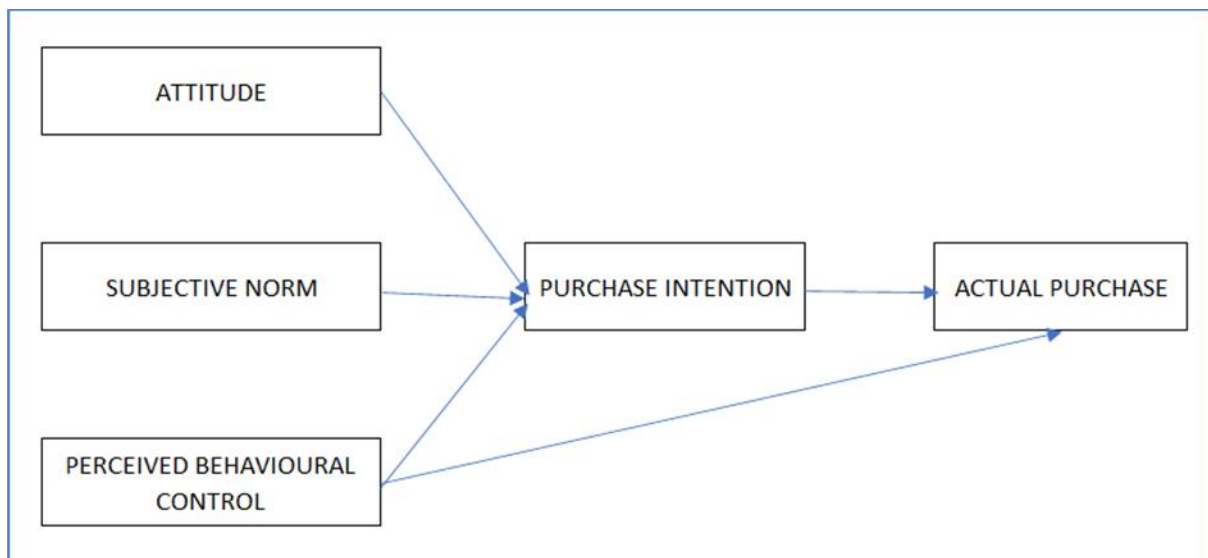
and barriers faced by customers while purchasing Health Insurance. This study attempts to contribute and extend to the literature in the area of health insurance purchase in India.

CONCEPTUAL FRAMEWORK

We used the Theory of Planned Behaviour (TPB) developed by Ajzen [10] as a conceptual framework for this study (Figure 1). The TPB is a well-validated psychological theory that links beliefs to behaviour and has been applied in the

area of health insurance and various other contexts [3 10]. According to TPB, the central factor in the determination of actual purchase behaviour is purchase intention which is influenced by three antecedents namely: attitude, subjective norm and perceived behavioural control. In context to this study, attitude refers to a degree to which a person has a positive or negative assessment about purchasing health insurance; subjective norm refers to the perceived social pressure to purchase or not to purchase health insurance; and perceived behavioural control refers to perceived ease or difficulty in purchasing health insurance.

FIGURE 1: CONCEPTUAL FRAMEWORK



Source: Adapted from Ajzen [10]

METHODS

DESIGN

An exploratory qualitative research design was used to learn more about the motivations and barriers faced by respondents who had purchased health insurance. An analysis of the textual content of the depth interview data was conducted using qualitative content analysis. The theory of planned behaviour provided the theoretical backdrop for designing the codes for the themes.

DATA COLLECTION

A convenience sampling method was used to select the respondents from Mumbai, India, for the telephonic interviews. A structured interview guide with open-ended questions was used to effectively manage the data collection. The interviews were conducted in English and audio was recorded. As the data collection progressed, it was observed that information from the interviews was

becoming repetitive. Therefore, interviewing was stopped after 18 respondents.

ETHICAL CONSIDERATION

Prior to the commencement of the interview, each respondent was briefed about the nature and purpose of the study. It was voluntary participation, and each respondent was informed that they might withdraw at any time or choose not to participate. After verbal consent from each respondent, an interview was conducted. All respondents were assured that the data would be strictly used for research purposes only and not for any other purpose.

DATA ANALYSIS

The audio recordings were transcribed in full using the services of a professional service provider. Coding was done following the TPB components and then categorised into themes. The frequency of similar items discussed by the respondents was one criterion. The other criteria were the

emphasis that the participants placed and the depth of their discussion for the issue that they considered significant. NVivo 10, a qualitative software analysis package was used for analysis.

SAMPLE CHARACTERISTICS

Out of the 18 respondents, we summarize the characteristics of the respondents:

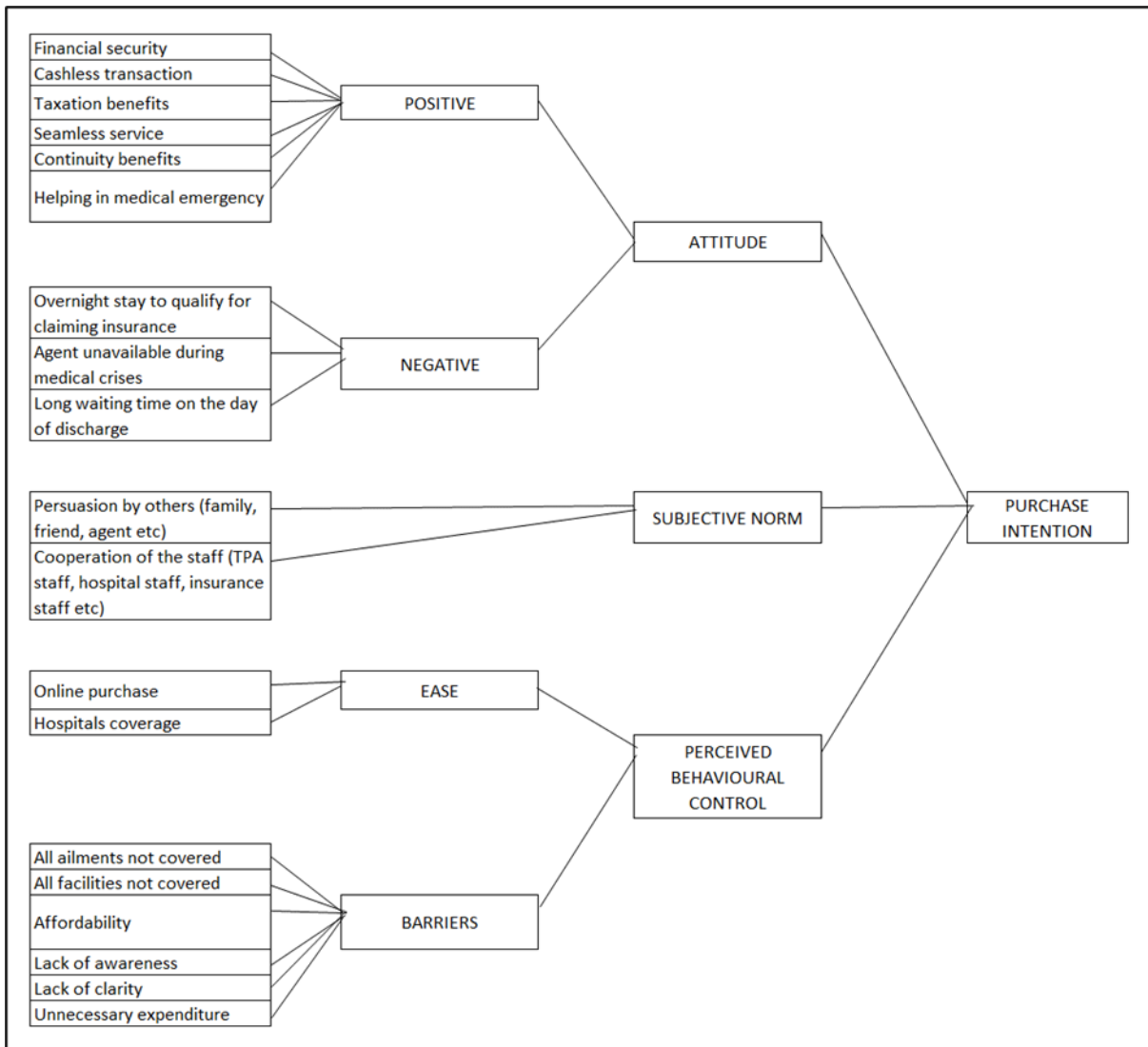
- Gender:
 - ✓ 72% were female
 - ✓ 28% were male
- Marital status:
 - ✓ 67% were married
 - ✓ 33% were single
- Age group:
 - ✓ 44% were from 41-50 years
 - ✓ 28% from 21-30 years

- ✓ 17% from above 50 years
- ✓ 11% from 31 to 40 years
- Education:
 - ✓ 39% were post-graduate,
 - ✓ 33% were Ph.D. holders
 - ✓ remaining 28 per cent were graduates or undergraduates.
- The annual household income was above ₹20 Lakhs for the majority of the respondents.

RESULTS

Figure 2 presents the summary of results in line with our conceptual framework.

FIGURE 2: SUMMARY OF RESULTS



ATTITUDE - POSITIVE

The major factors which motivated the respondents to purchase health insurance were: financial security, cashless transaction, taxation benefits, seamless service, continuity of care benefits and help in a medical emergency. With reference to financial security, some of the respondents said:

It is better to have some kind of financial security. So, if there are some unforeseen circumstances where at least the basic medical expenses need to be covered. – Respondent 16

I think overall it is very important very necessary to have health insurance because most of the expenditure would be covered by the insurance, that you know it gives relief and takes away a lot of the anxiety, about the hospital bills. – Respondent 1

The cost of health care is remarkably high in India. And usually, hospital bills are very highly unaffordable. I prefer going to a private hospital or consulting a private doctor for any kind of ailments. And looking at the cost, I thought it's better to be insured. – Respondent 4

With regards to cashless transactions, some of the respondents quoted:

Zero cash/cashless kind of facility they offer and the hospital network which they cover, that is one thing which they talk about – Respondent 11

We didn't need to pay anything; everything was covered under the medical insurance. Maybe the cashless kind of technologies. – Respondent 2

When we had some hospitalisation cases in the family, I used cashless transaction and that was the most important attraction for me because most of the hospitals require the security deposits immediately and we didn't have that much cash. – Respondent 5

With respect to tax benefits, some of the respondents quoted:

It helps that the premium paid for health insurance gives a tax deduction – Respondent 1

Another advantage is the tax benefit I'm getting – Respondent 6

Respondents felt that having health insurance helps in medical emergency as seen in the following quotes:

When we get some sudden medical expenses, then we feel that whatever we have got or whatever we have planned it is getting hampered So I feel that this will be helping us to face any sudden crisis that can happen. – Respondent 15

Life is full of uncertainty. So, it's always a good idea to have a risk cover. We live in a fast progressive life, where bodies also, body and mind both are, in fact, attuned to a lot of stresses and strains. So, this is something which is as basic as everything, there is no doubt that health insurance is necessary. – Respondent 13

ATTITUDE - NEGATIVE

The major negative factors stated by the respondents while purchasing health insurance was the need to be in hospital overnight to be able to claim on the insurance, agent unavailable during medical crises and long waiting time on the day of discharge.

Regarding overnight stay the quotes from some of the respondents include:

But when he was admitted to a hospital, they did not reimburse the charges, because they said that you were not there in the hospital overnight. Now that the operation was a big operation, but they let him go home by evening, but he was not reimbursed for it, because they said that unless you stay overnight, which would have meant an extra charges and since the doctor said that he is free to go and he can take care at home, he had to you know, he had to shell it out from his own pocket. So, which was very disappointing. – Respondent 14

Some of the respondents quotes in support of long waiting times include:

On the day of discharge from the hospital at that time, I found that the waiting time was very long in the processing. I mean, we had to wait for quite some time, six to seven hours, there was a lot of coordination between the TPA (third party administrator) at the hospital, the insurance company and the billing counter at the hospital. So that

was a little tiresome, and a long wait. So, I wish the duration would be reduced. — Respondent 1

SUBJECTIVE NORM

The key indicators of subjective norms as per the respondents include persuasion by others (family, friend, agent etc) for the purchase of health insurance, and the cooperation of the staff (TPA staff, hospital staff, insurance staff etc).

The respondents quoted the following arguments to claim Persuasion by others while deliberating on their purchase decision:

There was a young cousin of ours, who approached us, and she did encourage us -- Respondent 14

A close couple of friends were discussing with me and they told me that it is very important to have a good amount of coverage during these challenging times. And so they were a convincing factor. They told me how important it is to increase the amount of coverage because what is provided by my employer is good, but not very high — Respondent 1

The respondents shared their experience with the cooperation of the staff TPA staff as mentioned in the undermentioned quotes:

Excellent, because during such time, it was the kind of service they provided to me, like only one phone call. They didn't ask me anything. They called the hospital, and they did all the arrangements, and it was hassle free — Respondent 15

Very helpful in getting and co-ordinating for the payments' procedure for cashless transaction. It went very smooth -- Respondent 5

The respondents also shared the helpfulness or not of the hospital staff while availing health insurance:

Yeah, I think the concerned hospital staff were cooperating -- Respondent 10

The point of contact at the hospital and the people at the hospital were also really helpful — Respondent 6

PERCEIVED BEHAVIOURAL CONTROL - EASE

The factors that contributed to the ease in the purchase of health insurance policies are stated by the respondents as an online purchase and hospitals coverage.

The respondents quoted the following while discussing an online purchase:

The choosing of health insurance via online is a very good idea because at least we get to decide on our own. There are various websites available where we can compare the different health insurance plan instead of opting to choose what are our friends or colleagues have chosen. So that is a good thing. We come to know the details of our plan. And we know that we have purchased a good plan for ourselves -- Respondent 16

The below statement is from a respondent in support of hospitals coverage or tie-ups:

I check whether their (health insurance provider) tie-up hospital is nearby to my home and my hometown. If I'm there in the hometown by chance and so I may need, I checked that also – Respondent 6

PERCEIVED BEHAVIOURAL CONTROL – BARRIERS

The significant barriers to the purchase of health insurance as identified by the participants include factors such as all ailments not covered, all facilities not covered, affordability, lack of awareness, lack of clarity and regarding the expense as an unnecessary expenditure.

The quotes from respondents in support of all ailments not covered and all facilities not covered include:

Most of the diseases should be covered, most of the disease conditions and surgery should be covered. Many of the medical policies, they don't cover things like, you know, deliveries. Right. All these are not covered. -- Respondent 17

They (medical insurances) don't cover pre-existing diseases.- – Respondent 8

The respondents made the following statements concerning the affordability factor:

Premium was a barrier, because I didn't want to pay a very high premium -- Respondent 1

As I'm getting older, I have also increased my overall insurance to let's say around seven lakhs or something like that. Now moving forward, I'm going to find it unaffordable -- Respondent 4

I think the premiums are very high. And if you want to penetrate at a lower-level, premiums should be really affordable — Respondent 9

With respect to the factor of lack of awareness and lack of clarity, respondents indicated:

Many times, the terms and conditions are not clear to the layman. An agent will tell you all the plans, he will tell you the difference, but at the end the lay man is not able to understand which plan he should have -- Respondent 6

One thing where I would urge any medical insurance company to be a bit more clear, a bit more honest, not just you know sugar-coat the product and then sell it and then you find that a person in need is really struggling. - - Respondent 16

The respondents quote the following about the premium being an unnecessary expenditure:

I think the biggest barrier could be when you are healthy, you are not able to see how much could be the hospitalization costs, even something like five days of private hospitalization can actually take away all your savings -- Respondent 4

The middle class always feel that it's an unnecessary expenditure - - Respondent 16

DISCUSSION

The main aim of this study was to understand and explore the motivations and barriers faced by customers while purchasing health insurance. The TPB was used as a conceptual framework in this study. Various themes emerged from this qualitative study under each of the respective antecedents of purchase intention namely attitude, subjective norm and perceived behavioural control.

The positive factors pertaining to attitude identified in this study included 6 factors. One factor namely helping in a medical emergency is similar to the factor of social security against unexpected health issues from the study by [3]. The

negative factors identified in this study are three. Long waiting times were observed to be matching with the research findings of the past [3, 4].

With respect to the subjective norm, two factors were identified in this study. In a study by [5] subjective norm was observed to have a significant positive influence on the intention to purchase health insurance. In the present study, the respondents indicated good co-operation of the staff which is similar to the findings of [6]. Regarding perceived behavioural control two factors were identified under ease and six factors under barriers. The lack of awareness factor is matching with the findings of the study by [8].

Overall, the results of the research are consistent with the limited previous studies that were found in the literature. As a result of the pandemic, there has been an uptake in demand for health insurance in the last two years. However, increased efforts will make health insurance more accessible to the public at large. This study assists insurance providers in framing their policies.

CONCLUSION

The study uses the TPB framework to ascertain the factors which contribute to the major themes during the course of content analysis. Our results indicate that respondents view factors such as financial security, cashless transaction, taxation benefits, seamless service, continuity of health care benefits and helping in a medical emergency as the major motivations to purchase health insurance. Overnight stay to qualify for claiming insurance, agent unavailable during medical crises and long waiting time on the day of discharge are the major negative factors that respondents state regarding purchasing health insurance. Such issues could be resolved by making the insurance agents more accountable and reducing the waiting time for processing the claims.

The key indicators of subjective norms as per the respondents include persuasion by others (family, friend, agent etc) for the purchase of health insurance policy and the cooperation of the staff (TPA staff, hospital staff, insurance staff etc).

The factors that contributed to the ease in the purchase of health insurance policies are stated by the respondents as online purchase and hospitals coverage. The significant

barriers to the purchase of health insurance as identified by the participants include factors such as all ailments not covered, affordability, lack of awareness, lack of clarity and regarding the expense as an unnecessary expenditure. A possible solution for such barriers is to widen the scope of financial literacy to include the benefits of health insurance and make people aware of the details of such policies. Insurance companies should also try to reduce the premium charged.

We acknowledge the limitation of generalization of results due to conducting of survey in one city namely: Mumbai, hence future researchers may conduct similar studies in different cities and states of India. Qualitative research methodology has its limitations hence further studies in this area can be done using quantitative research methodologies or mixed method. The research in this area could assist insurance companies in the development of health insurance for the Indian population.

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