

The Relationship between Health Insurance Companies and Patient Satisfaction with Quality of Care

Khaled Althabaiti[#], Suhail Alzahrani[^], Raed Alotaibi^{#*} and Waleed Alahmari[#]

[#]Taif University, Saudi Arabia

[^]Tadaw Medical Complex, Saudi Arabia

Received 24 Jan 2019, Accepted 25 March 2019, Available online 28 March 2019, Vol.7 (March/April 2019 issue)

Abstract

Countries worldwide continue to grapple with the issue of disease burden. For instance, increasing incidence and prevalence rates of chronic and non-communicable diseases have led to increased mortality rates. Additionally, the financial costs of addressing and managing these issues have also increased. This has had a negative impact on healthcare service delivery, particularly to underprivileged people who are unable to afford healthcare services. Governments have sought to understand this trend and are conscious of their responsibility to deliver quality and affordable care to their citizens. One of the approaches that is increasingly being adopted in different countries is the provision of healthcare insurance. This is a means of promoting healthcare access to the maximum number of people possible. However, it should be noted that the private sector is also largely involved in the provision of healthcare services, which indicates that the healthcare industry is dominated by both the public and private sectors. This forms the basis of the current literature review (LR), which seeks to determine the relationship between healthcare insurance companies and patient satisfaction with regard to the quality of care.

Keywords: Healthcare service delivery etc.

Defining quality care

According to Ishfaq *et al.* (2015), service quality is defined as the ability of a business (in this case a healthcare facility) to meet the expectations of its customers. Ishfaq (2015) stated that a service quality would be considered substandard if customer expectations surpass the level of performance, thereby hindering satisfaction. Similarly, Schoen *et al.* (2010) argued that the principle of meeting patient expectation is vital and should be considered a pre-requisite factor of achieving patient satisfaction.

The multifaceted role of health insurance companies

According to Farley *et al.* (2014), the level of customer satisfaction has been a long-used metric for the assessment of healthcare quality outcomes in service-based industries. A cohort study carried out by Chen (2009) found that the level of patient experience across different metrics, including interactions with an insurance company, had a huge influence on customer satisfaction. This did not solely depend on the extent to which the particular insurance company was willing to cover

medical bills, but also on the nature of the company's customer care services, as well as additional services such as going the extra mile to provide disease prevention information to patients through collaborative efforts with healthcare providers (Chen, 2009). In this way, the study indicated that healthcare insurance companies have a central role to play in the improvement of healthcare outcomes and therefore patient satisfaction. Similarly, Shan *et al.* (2016), found that a lack of adequate financial resources was a limiting factor in patient satisfaction. The authors noted that health insurance provided an opportunity for the population to pay for their medical bills, thereby bringing about financial relief and satisfaction to health consumers (Shan *et al.*, 2016).

Cost-sharing between healthcare insurance companies and patients

A study conducted by Schoen *et al.* (2010) found that insurance companies which protected patients from 'out-of-pocket' payments through a cost-sharing strategy helped improve the level of patient satisfaction (Lindencrona, 1958). Out-of-pocket payments for medical care expenses is a huge burden to a large number of people, especially those from disadvantaged backgrounds. Thus, the services of an insurance company

*Corresponding author's ORCID ID: 0000-0001-5343-5380

DOI: <https://doi.org/10.14741/ijmcr/v.7.2.3>

could be considered a huge relief in such instances, thereby improving the level of customer experience (Shan *et al.*, 2016). However, for patient satisfaction to be achieved, Schoen *et al.* (2010) stated that the insurance company must be committed to ensuring that the promised medical care benefits are delivered in a timely manner. For example, the strategy is currently utilized in New Zealand, where a portion of medical expenses are covered by insurance companies and patient satisfaction is improving (Schoen *et al.*, 2010). Another example of health insurance bringing about relief and satisfaction for citizens is Swedish medical care insurance (Lindencrona, 1958), which provides free and subsidized drugs to citizens and has led to an increased level of patient satisfaction amongst Swedish citizens (Lindencrona, 1958).

The role of healthcare insurance companies in a multidimensional healthcare system

Even in instances where the 'out-of-pocket' model is encouraged, Alonazi (2017) noted that the insurance system must be structured in such a way that patients are reimbursed their money; furthermore, that the government is responsible for ensuring that a highly-effective healthcare system is put in place to ensure equal access to quality healthcare services for all members of the public in the most cost-effective manner (Alonazi, 2017). According to Alonazi (2017), this requires establishing appropriate healthcare insurance programmes that focus on creating public-private partnerships that work towards improving overall healthcare outcomes. This has already been experienced in Saudi Arabia through the National Transformation Program (NTP), which advocates for increased public-private partnerships (PPPs) with the aim of offering comprehensive care to citizens. Similar approaches are also utilized in other countries such as the United Kingdom (UK) and Australia, where patient satisfaction levels with regard to quality of care delivered have been reported to be relatively high. The government and private sector efforts in these two countries, among others, have promoted highly open and accountable healthcare systems, which are primarily focused on delivering the best healthcare services possible to the members of the public, eventually promoting satisfaction (Alonazi, 2017). According to Ishfaq *et al.* (2015), healthcare is a multidimensional system; as such, healthcare programmes must bring on board different players for optimal satisfaction to be achieved through the delivery of patients' expectations.

Healthcare insurance as a solution for low-income and socially disadvantaged families

Moreover, insurance cover plans make it easier for low-income individuals to access affordable healthcare. In this way, healthcare service delivery disparities on the basis of

potential medical expenses are addressed, so that even economically unstable patients do not go without care, regardless of the prevailing costs (Schoen *et al.*, 2010). It is imperative to note that patients from low-income backgrounds are highly sensitive regarding medical expenses, and as such are highly satisfied with healthcare services when the costs are settled by insurance companies. After their medical bills are paid for by their insurance company, these patients place the responsibility of quality care on the particular healthcare facility they are attending. This means that such patients assess quality of care according to care providers rather than insurance companies, as the latter has already cleared their medical bills (Schoen *et al.*, 2010). Indeed, according to Ishfaq *et al.* (2015), healthcare service delivery is a multidimensional concept whereby different stakeholders play different roles in ensuring that optimal quality outcomes are achieved.

Another study carried out by Schoen *et al.* (2010), in eleven commonwealth countries, established that the design of the insurance systems as determined by the prevailing healthcare structures had an impact on the level of customer satisfaction. According to the research, the featured countries had different healthcare insurance designs, and their impact on care quality was reflected by the individual healthcare outcomes (Schoen *et al.*, 2010). The healthcare and insurance systems implemented in these countries varied in terms of premiums, benefits, financial protection, and roles. However, the results showed that insurance cover was vital to helping the patients settle their medical bills, especially in socioeconomically disfranchised populations. Similarly, Shan *et al.* (2016) conducted a study that investigated the impact of healthcare insurance on patients in China. The authors concluded that healthcare satisfaction levels in the country were deteriorating, and some of the factors that were contributing to this trend were poor patient-provider relationships and an inappropriate healthcare system due to misplaced government priorities with regard to financial management, among other issues (Shan *et al.*, 2016).

Healthcare insurance companies as confidence builders for patients

Patient perceptions of quality and satisfaction regarding healthcare services were also investigated by Ishfaq *et al.* (2015), who primarily focused on the Saudi Arabian healthcare system. In their study, the researchers utilized five key dimensions, which they noted were crucial to determining the patients' perceptions of the healthcare services. These included the responsiveness, assurance, empathy, tangibles, and reliability of each healthcare insurance plan (Ishfaq *et al.*, 2015). Based on the findings, the researchers concluded that there was a strong and positive relationship between these factors and the patients' perceptions of the care delivered. It therefore follows that the lack of an insurance company to uphold

these concepts would lead to perceived compromised healthcare outcomes amongst the patients and subsequent high dissatisfaction levels. For instance, the patients in the Kingdom of Saudi Arabia (KSA) reported relatively low confidence levels towards reliability with regard to the insurance system in the country. They believed that it would be difficult for the healthcare and insurance system to deliver the expected quality outcomes; thus, patient satisfaction would not be achieved (Ishfaq *et al.*, 2015).

Contribution of healthcare insurance towards equipping healthcare facilities

It is important to emphasize that insurance companies play a vital role in covering staffing costs. The fact that they are responsible for covering medical expenses indicates that they play a central part in the hiring, recruitment, training, and retention of highly multidisciplinary medical teams. Aiken *et al.* (2012) stated that professional healthcare staffing coupled with the quality of the workplace environment are important predictor factors of patient satisfaction and the overall quality of healthcare outcomes. Furthermore, that timely remittances imply that healthcare staff will be paid on time, eventually promoting their commitment towards service delivery. Indeed, existing literature has shown that patients in adequately staffed healthcare facilities exhibit high levels of satisfaction and would thus recommend their colleagues to seek medical services from such healthcare centres, as opposed to patients in inadequately staffed hospitals and poor healthcare environments. This demonstrates that the role of insurance companies in funding healthcare facilities and staff has an impact on the quality of healthcare outcomes and eventually on patient satisfaction levels (Aiken *et al.*, 2012).

Total cover of patient bills by healthcare insurance companies

Another example of a healthcare insurance system that has optimized the level of patient satisfaction through increased healthcare quality outcomes is the Oregon Health Plan (OHP) (Finkelstein *et al.*, 2012). In their research, Finkelstein *et al.* (2012) noted that the OHP offers a very comprehensive healthcare insurance plan that exempts any cost sharing with patients. The plan is strategized in such a way that it caters for medical equipment, hospice services, physician services, and all major healthcare benefits, among others (Finkelstein *et al.*, 2012).

The research showed that the OHP has prompted more people to purchase insurance coverage. For instance, the launch of the OHP saw an increase in the number of people utilizing healthcare services, reduced out-of-pocket medical expenses, and better reported mental health outcomes. This is a clear demonstration that the OHP has largely and positively contributed to enhanced patient satisfaction (Finkelstein *et al.*, 2012).

Conclusion

This literature review has established that there is strong correlation between insurance companies and the level of patient satisfaction. Well-developed healthcare systems provide an opportunity for the development of effective insurance programmes that help economically disadvantaged individuals pay their medical bills. Insurance remittances also play a key role in improving the overall quality of care by settling other health-related costs. In cases where insurance companies are able to meet their obligations, patient satisfaction is improved, and customer dissatisfaction is highly likely in cases where the healthcare insurance plans do not deliver on their promises.

References

- Alonazi, W. B. (2017). Exploring shared risks through public-private partnerships in public health programs: a mixed method. *BMC Public Health*, 17(571), 1-7.
- Chen, C. X. (2009). Who really matters? Revenue implications of stakeholder satisfaction in a health insurance company. *American Accounting Association*, 84(6), 1781-1804.
- Farley, H., Enguidanos, E. R., Coletti, C. M., Honigman, L., Mazzeo, A., Pinson, T. B., and Reed, K. *et al.* (2014). Patient satisfaction surveys and quality of care: an information paper. *Patient Satisfaction and Quality Survey*, 64(4), 351-357.
- Finkelstein, A., Taubman, S., Wright, B., Bernstein, M., Gruber, J., Newhouse, J. P., and Allen, H. *et al.* (2012). The Oregon health insurance experiment: evidence from the first year. *The Quarterly Journal of Economics*, 127(3), 1057-1106.
- Ishfaq, M., Qadri, F. A., Mohammad, K. S., Abusaleem, and Al-Zyood, M. (2015). Measuring quality of service from consumers' perspectives: a case of healthcare insurance in Saudi Arabia. *Health Science Journal*, 10(11), 1-11.
- Lindencrona, F. (1958). Health insurance, maternity insurance and employment injury insurance in Sweden. *Hospital Insurance in Sweden*, 15(78), 772-774.
- Schoen, C., Osborn, R., Squires, D., Doty, M. M., Pierson, D., and Applebaum, S. (2010). How health insurance design affects access to care and costs, by income, in eleven countries. *Health Affairs*, 29(12), 2323-2334.
- Shan, L., Li, Y., Ding, D., Wu, Q., Liu, C., Jiao, M., and Hao, Y. *et al.* (2016). Patient satisfaction with hospital inpatient care: effects of trust, medical insurance and perceived quality of care. *PLOS One*, 1-18.