

Patients in Enigma: Quality versus Cost Crisis in Hospitals

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Abstract: ***Rationale:** There have been various studies and research in context to the quality provided by the hospital and the cost offered for the treatments. New insight related to the subject has marked cost transparency been pivotal to value-based care. This has created an ambiguity amongst the patients related to the choice of treatment facilities. According to the study and research, it is evident that there is great need to simplify the empirical perception of patients. **Objective:** To illustrate the proportionality between the cost transparency and service efficacy in terms of value-based healthcare. **Methodology:** Used secondary data method to examine the relationship between the quality and need for cost transparency of health services. Studied patients' reviews on Google and verified their authenticity by the method of Google Map Local Guide. Also approached other online review portals to observe for patient satisfaction as a tool to study quality of services conferred by various hospitals. **Key Findings:** Studies revealed several indicators that determine quality of services patient seek from hospital namely patient waiting time, room turnaround time, staff patient interface, physician's diagnosis, patient interaction and patient sensitivity, cleanliness, billing etc. The direct proportionality with respect to cost transparency and quality of health services delivered by the hospitals was clearly illustrated, though due to limitations with studies conducted in India and lack of primary data, precision in numerical findings could not be met. **Conclusion:** Cost of services plays an imperative role for sustainable quality adherence by private hospitals, in other words, cost is an important fuelling factor that drives the quality of service being conferred upon patient by a hospital. Studies show comparative effectiveness approach by physicians and patient convenience and access by means of cost transparency are directly related to service efficacy of hospitals.*

Keywords: Private hospitals, Quality care, Cost transparency, Patient Satisfaction, Empirical relationship, Quality indicators of health services

1. Introduction

There has been an endless debate between the costs and quality of health care services available. A huge gap can be inevitably seen between patient demand and the business costs of health services. Unlike government hospitals, there is no price capping for any of the health services in private hospitals. Studies have shown that the private hospitals often charge their patients with a premium for the quality of services they deliver and this price has no relation to the actual cost. Patients claim that they are not even provided with a daily break-up of the expenses they bear at hospitals during treatment procedures. The aim of the study is not to show if private hospitals just make money but to solve an important conundrum if those premiums with cost really justify the quality of care that is delivered to the patients in private hospitals. Various researches in this context have been done across different countries in the world though in India such studies are still under progression. This study aims to investigate and illustrate the empirical relationship that exists between cost transparency and quality care offered by private hospitals. Patient satisfaction has been used as an important tool to test if quality care is delivered to patients which include several indicators like patient care, staff-patient interaction, patient-doctor interface, cleanliness and housekeeping services, and room turn around time.

2. Materials and Methods

Quality and cost transparency were analysed by comparing patient satisfaction indicators between two different private hospitals of same city with similar socioeconomic footfalls.

Sample Size: To test if the quality care was related to cost transparency of health services delivered by private

hospitals, 50 patient reviews (by patient or their attending acquaintances) on google for each of the two private hospitals were randomly selected, recorded and rated.

Criteria for Selection: Several sites for patients' reviews were studied but due to lack of authentication, those sites were not used for reviews analysis, instead Google reviews were taken. To check the reliability of the user, each review was verified using Google Map Local Guide Method. Google Map Local Guide is a badge/honorary position given by google to the users who contribute by suggesting edits if some information is wrong about a place on Google maps or by adding reviews of places they visited. So, criteria of inclusion was selecting only those patients for review analysis who had local guide badges which improved the scope of reliability.

Criteria for Exclusion: The users who were marked as anonymous or which didn't had the badge in their profile were excluded from the study.

Rating: Each review was rated in terms of patient care, communication, room turnaround time and cleanliness/housekeeping as a measure to indicate the quality care. Further, these indicators were compared to the cost transparency in order to determine the relation between the two. Each review was then rated as positive (+) and negative (-).

Criteria for Positive: While reading and analysing, each review that described or appreciated the quality indicator, were marked as positive, for instance, the review that appreciated cleanliness in the hospital or the staff interaction with them was rated positive under the respective indicators of cleanliness and communication.

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Criteria for Negative: Reviews which gave the impression of improvement in any of the quality indicator of the hospital were rated negative.

Reviews which presented unpleasant and undesirable experience and observation in reference to the selected quality indicators were also rated negative.

All the positive and negative reviews were then added separately for each indicator for respective hospitals, following which, they were compared by keeping the base same for further analysis and evaluation.

Comparison (Table 1, 2 and 3) and analysis (Graph A) were done by statistical methods like patient survey tables and bar graphs.

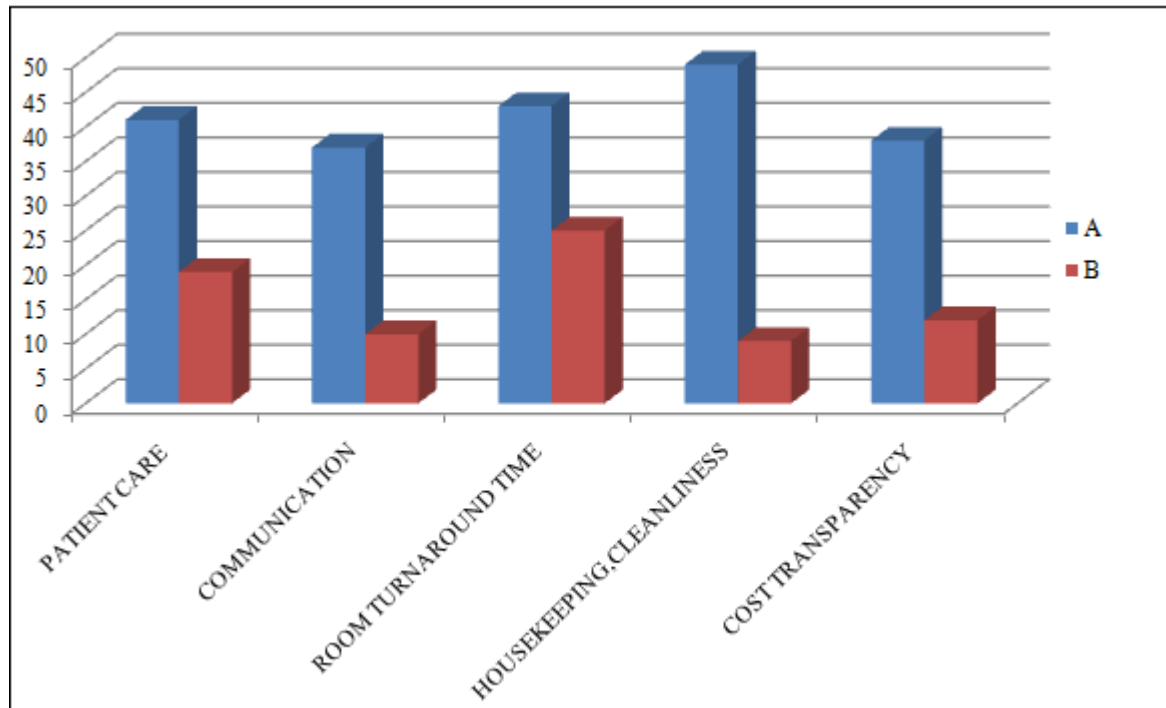
Table 1: Google reviews of patients who used services in Hospital A

S.no.	Patient care	Communication	Room turnaround time	Housekeeping services, cleanliness	Cost transparency
1	+	+	+	+	+
2	+	+	+	+	+
3	+	--	+	+	+
4	+	--	+	+	--
5	+	+	+	+	+
6	+	--	+	+	+
7	+	+	+	+	+
8	--	--	--	+	--
9	+	+	+	+	+
10	+	+	+	+	+
11	+	+	+	+	+
12	+	--	--	+	--
13	+	+	+	+	+
14	+	+	+	+	+
15	+	+	+	+	+
16	+	+	+	+	--
17	+	+	+	+	+
18	+	--	--	+	--
19	+	+	+	+	+
20	+	+	+	+	+
21	+	+	+	+	+
22	--	--	+	+	--
23	+	+	+	+	+
24	+	+	+	+	+
25	+	+	+	+	+
26	+	+	+	+	+
27	--	-	+	+	--
28	--	--	--	+	--
29	--	--	+	+	--
30	+	+	+	+	+
31	+	+	+	+	+
32	--	--	--	--	--
33	+	+	+	+	+
34	+	+	+	+	+
35	+	+	+	+	+
36	+	+	--	+	+
37	+	+	+	+	+
38	+	+	+	+	+
39	+	+	+	+	+
40	+	+	+	+	+
41	+	+	+	+	+
42	+	+	+	+	+
43	+	+	+	+	+
44	--	--	+	+	--

45	+	+	+	+	+
46	+	+	--	+	+
47	+	+	+	+	+
48	--	--	+	+	--
49	+	+	+	+	+
50	+	+	+	+	+

Table 2: Google reviews of patients who used services in Hospital B

S.no.	Patient care	Communication	Room turnaround time	Housekeeping services, cleanliness	Cost transparency
1	--	+	+	--	--
2	--	+	--	--	--
3	--	--	--	+	--
4	+	--	--	--	--
5	+	--	+	--	--
6	--	--	+	--	+
7	--	--	+	--	--
8	+	--	+	+	+
9	--	--	+	--	+/--
10	--	+	--	--	--
11	+	+	+	--	+
12	+	--	+	+	+
13	--	--	--	--	--
14	--	--	--	--	--
15	--	--	--	--	--
16	--	--	+	--	--
17	+	--	--	+	--
18	--	--	--	--	--
19	--	--	+	--	--
20	+	--	--	+	--
21	+	--	+	--	--
22	--	--	+	--	+
23	+	+	--	--	--
24	+	--	--	+	--
25	--	--	--	--	--
26	--	--	--	+	--
27	--	--	+	+	+
28	--	--	+	--	--
29	--	+	--	--	--
30	--	--	--	--	--
31	--	--	+	--	--
32	+	+	+	--	+
33	--	+	+	+	+
34	--	--	--	--	--
35	+	+	+	--	+
36	+	--	+	--	+
37	--	--	--	--	--
38	+	--	--	--	--
39	--	--	--	--	--
40	--	--	+	--	--
41	--	--	+	--	+
42	+	--	+	--	+
43	--	--	--	--	--
44	+	--	+	--	--
45	--	--	--	--	--
46	+	+	--	-	+
47	--	--	+	--	--
48	+	--	+	--	--
49	--	--	--	--	--
50	+	--	--	--	--



Graph A: Comparison of quality indicator ratings of Hospital A and Hospital B

Table 3: Representation of collective data ratings for Hospital A and Hospital B in respect to quality indicators

	A (+)	A (-)	B (+)	B (-)
Patient Care	41	9	19	31
Communication	37	13	10	40
Room Turnaround Time	43	7	25	25
Housekeeping, Cleanliness	49	1	9	41
Cost Transparency	38	12	12	38

3. Results and Analysis

From the graphical illustrations, it is observed that rating for hospital A in terms of patient care (41/50) scored more points than hospital B (19/50). This clearly indicates that patients who used services of hospital A were more satisfied in terms of care they received in the hospital throughout the treatment related procedures as compared to those who used services of hospital B. Patients of hospital A were happy with the staff and doctor relations with them including the nursing care they received, while the situation was totally opposite for patients of Hospital B.

The communication and room turnaround time was also rated better for Hospital A when compared to hospital B. The number of positive ratings were more for Hospital A (37/50) than B (10/50) in terms of communication as patients experienced good communication relations with both the doctors and the staff in the hospital which is an essential indicator to assess quality of the care delivered. Room turnaround time that determines the time given to each patient during any procedure, that is, outpatient department turnaround time during diagnosis or time taken for counselling session of each patient was also rated positive more for Hospital A (43/50) than for hospital B (25/50). These findings indicated that patient's level of satisfaction was high in both the aforementioned terms for hospital A than that for B, hence, indicating one dimension of quality care being provided to the patients.

Cleanliness and housekeeping services scored more number of positive ratings in Hospital A (49/50) than in hospital B (9/50). This indicates that patients were not happy with the cleanliness and housekeeping services in hospital B which is another important dimension of quality of the services delivered to them.

From complete data analysis, it was observed that rating in terms of cost transparency scored more number of positives for hospital A (38/50) than B (12/50) which indicates that patients who were satisfied with other dimensions of quality care appreciated cost transparency resulting in better positive ratings, that justified the value they received through the services delivered by the hospital A whereas the low positive count for cost transparency in hospital B indicates patients who were dissatisfied with other services also rated cost more negatively.

4. Discussion

The findings above, establish a positive relationship between cost transparency and quality of services delivered by the hospital. More number of positive ratings for each of the indicators in hospital A as compared to hospital B clearly show the value of care delivered to the patients by these hospitals. While hospital A delivered high quality care to its patients, hospital B did not meet the patients' demands. Cost transparency consequently was seen to be high for hospital A than that for hospital B. This clearly indicates a direct relation between cost transparency and quality of health services provided, that is, to give value to the patients, cost transparency must be high. Hospital A justified the costs of its services in exchange of quality care it delivered to the patients. A confusion that exists when patients are not sure about the treatment facility they choose can be eliminated to a significant extent if the hospitals offer high cost transparency with value care. The most common problem that a patient confronts while deciding which health care

facility to approach for seeking medical services is the cost that hospitals offer for their services. Patients are not able to decide if they should opt for hospitals that deliver decent services at lower prices or the hospitals that deliver same services but with better quality and more amenities at higher prices that is the premium, they are asked to pay in exchange of services they receive. To reduce this information asymmetry, cost transparency is observed as a solution in the study. The results of the study contribute in eliminating this major confusion among masses by showing that it is the quality of the services that is more important as a factor than merely the costs of those services that determine if the patients are satisfied or not. It is observed from the findings that hospitals that are more cost transparent are more likely to deliver quality services to their patients, thus, justifying the overhead premium they demand from their patients in comparison to hospitals that are less cost transparent. Hospitals that are less transparent in costs are more likely to offer unreasonably high prices and relatively low quality of the services they deliver to their patients. Conversely, it could be proposed that cost transparency acts as an enabler that helps patients seek value care in exchange of premium they pay for the services to the hospitals. Thus, the relationship that exists between cost transparency and quality of health services delivered by the hospitals though significant, is typically empirical that cannot be verified by any logic but by studies through observations and patients' experiences.

5. Conclusion

The information asymmetry caused by the ambiguity between costs offered by the private hospitals and quality of services delivered by them is a major issue of concern in India. Due to limitations in studies conducted in the country, not much information is available that could provide clarity regarding the issue. This study aimed to simplify such empirical relationship and used Google patient review method for conducting secondary patient satisfaction survey. Comparative ratings' analysis between two hospitals gave results that showed how the quality of care received by the patients is determined by the cost transparency of the hospitals in delivering services. It was observed that patients who were satisfied with all the determinants of quality care were very well satisfied with the costs and cost transparency of the hospital while those who had complained about cost as a factor in reviews they mentioned, were observed to be those patients who were dissatisfied with the rated quality care indicators. Hence a direct relationship was indicated between cost transparency and quality of the health services delivered to the patients by the private hospitals. Approach towards various indicators mentioned to determine the quality of health care services delivered to the patients by private hospitals is slowly evolving in the society. Use of digital platform to analyse the quality and perception of patients who have already used the services are still emerging in country like India. But the boom of Internet can mark this as an important key factor for hospital branding or marketing. The findings from this study indicate that the cost offered by the private hospitals in the form of premium in exchange of quality services delivered make the patients satisfied. Such patients then perceive those hospitals as cost transparent that offer them value-based care. Cost

transparency is an implied term that contributes in assuring quality of the health care services delivered by the private hospitals. Limitation to the study remains in the area that cost transparency cannot be functional in the hospital industry completely, as being a more technical oriented domain, it is not possible for hospitals to explain costs of all the medical services to the common people who are unaware of such technical terms. Despite its limitations, the cost of services plays an imperative role for sustainable quality adherence by private hospitals, in other words, cost is an important fuelling factor that drives the quality of service being conferred upon patient by a hospital. Comparative effectiveness approach by physicians and patient convenience and access by means of cost transparency could be used to improve service efficacy of hospitals.

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