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HEALTHCARE CHOICES OF RURAL AND URBAN HOUSEHOLDS: A COMPARATIVE STUDY WITH SPECIAL REFERENCE TO MEENACHIL PANCHAYAT AND PALA MUNICIPALITY

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INTRODUCTION

Kerala has earned recognition for its exceptional healthcare system, showcasing achievements in various health indicators and serving as a model for development for various countries. Since the 1990s, the rapid growth of the private healthcare sector, combined with technological advancements, has driven up healthcare costs and out-of-pocket expenses. According to the WHO's health finance profile for 2017, India's out-of-pocket healthcare expenditure reached 67.78%, far above the global average of 18.2%.[1] Kerala leads the nation in this regard.[2] The coexistence of a stagnant public healthcare system and unchecked private sector growth, along with high out-of-pocket spending, has raised concerns about Kerala's ability to sustain its healthcare successes.

This transition has resulted in differences in healthcare approaches between the public and private sectors, contributing to a growing healthcare gap between rural and urban areas. In India 75% of the healthcare infrastructure is concentrated in urban areas where only 27% of the total population resides.[3] Among the BRIC and other growing economies, India has the lowest spend on healthcare per capita. The spend on public sector healthcare is below 1.5% of the GDP as compared to the 18% US spends.[4] To address these disparities, there is a need to evaluate the current public healthcare system as well as the gaps in healthcare resource requirements in rural and urban areas.

SIGNIFICANCE OF THE STUDY

The state of public healthcare in Kerala has suffered due to low funding, outdated infrastructure, and government inaction. Meanwhile, the private health sector has shifted its focus from welfare to profit, leading to soaring medical costs, far exceeding the general inflation rate.[5] This has made healthcare unaffordable for many Indians without adequate health insurance, especially in rural and low income communities.[6]

The growing private sector drives up household health-care costs, turning health into a commodity purchased based on one's ability to pay.[7] Many public healthcare facilities remain underutilized, while medical professionals are increasingly drawn to the private sector. This create concern regarding healthcare quality, access, exclusion and increase in health disparities.

To address these issues, the current research study is a micro- level preference analysis of rural and urban residents in Kottayam district for public and private healthcare services. Additionally, the study is investigating consumer healthcare spending patterns and health insurance coverage to better understand the dynamics of healthcare-seeking behaviour in the region.

OBJECTIVES OF THE STUDY

- To compare rural-urban preference for public and private healthcare services
- To examine the determinants of household preference for public and private healthcare services.
- To examine the pattern of the healthcare expenditure of households in Meenachil panchayat and Pala municipality.
- To evaluate health insurance coverage of households.

HYPOTHESIS

The following hypothesis have been tested in the study:

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- There is association between monthly income and monthly health expenditure
- There is a connection between where the respondents reside and their choice of healthcare.

METHODOLOGY AND DATA SOURCE

The analysis in this study involves the use of both primary and secondary data sources. Primary data was collected from a sample of 50 households in Meenachil Panchayat and Pala Municipality within Kottayam district. This sample was selected randomly, with 25 households from each location. Data collection methods included the use of questionnaires and personal interviews. Secondary data were obtained from various scholarly articles, newspapers, publications from various organizations, academic journals, and online sources.

In the analysis, percentages and graphs were employed, and software tools like Excel and SPSS were used to process and analyse the primary data. Additionally, statistical techniques like regression were applied to assess the statistical significance of differences between data groups.

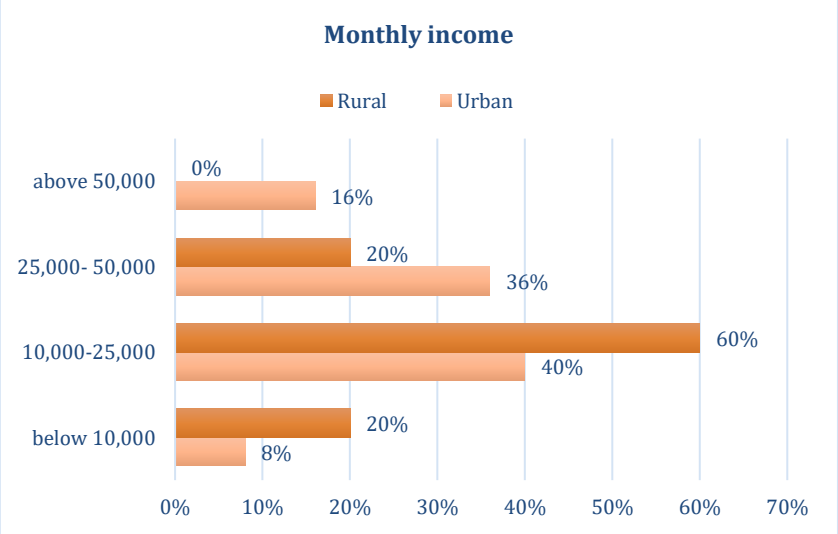
LIMITATION OF THE STUDY

During the study I had to face many limitations especially during the time of data collection, they are:

- The study is restricted to Meenachil panchayat and Pala municipality only.
- The sample size is only 50 households.
- The study duration was brief.
- Unwillingness of the respondents to respond to certain questions

DATA ANALYSIS AND INTERPRETATION

MONTHLY INCOME



(Source: Primary Data)

Interpretation

In Meenachil Panchayat (rural), 8% of households have a monthly income below Rs. 10,000, 40% earn between Rs. 10,000 and Rs. 25,000, while only 16% have income exceeding Rs. 50,000. In Pala Municipality (urban), 20% of households earn below Rs. 10,000, 60% earn between Rs. 10,000 and Rs. 25,000, and none have incomes above Rs. 50,000.

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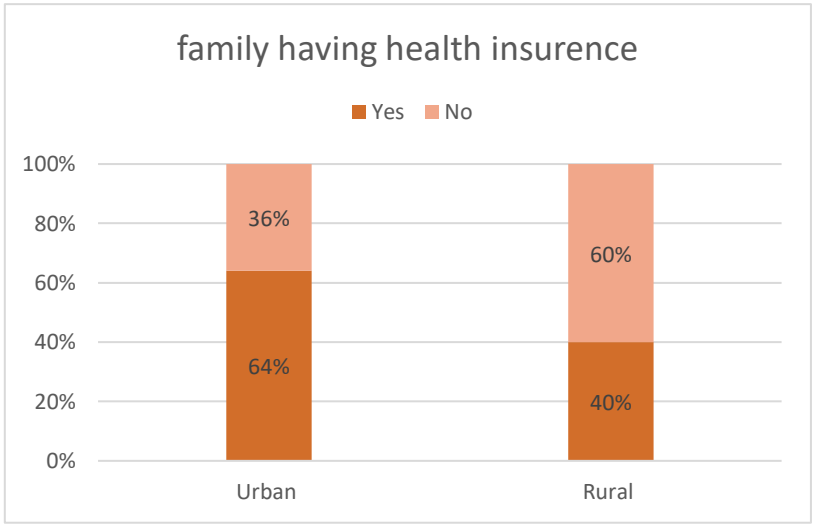
FAMILY HAVING HEALTH INSURENCE

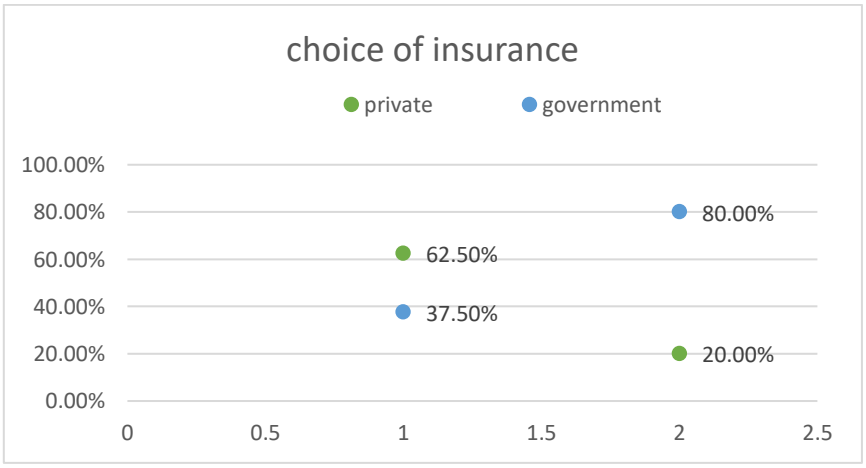


(Source: Primary Data)

Interpretation

In urban area, 64% of respondents reported having health insurance, compared to 36% of the total population who did not. In contrast, only 40% of responders in the Meenachil Panchayat have health insurance, while 60% of the respondents does not.

CHOICE OF INSURENCE



(Source: Primary Data)

Interpretation

Among 16 insurance holders in the urban pala municipality, 62.5% said they choose privately financed insurance while 37.5% had government insurance. Only 20% of respondents in the Meenachil Panchayat had private insurance, compared to 80% had government-funded insurance.

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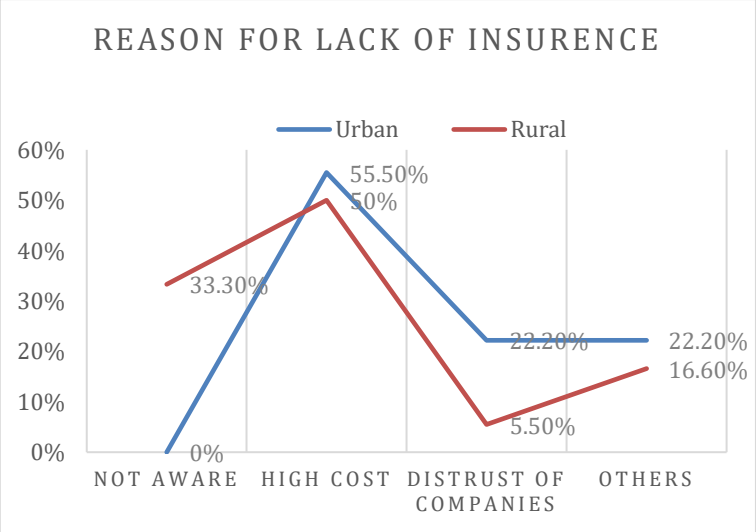
REASON FOR THE LACK OF INSURENCE

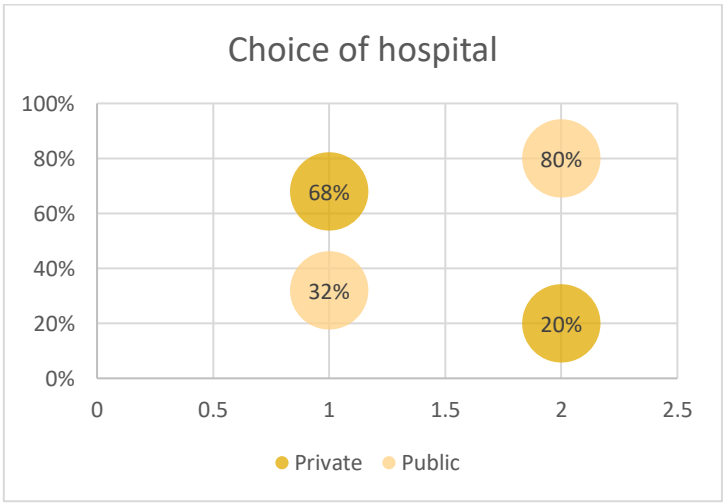


(Source: Primary Data)

Interpretation

In Palai Municipality, 50% of households lack insurance due to high costs, 22.2% due to distrust in insurance companies, and 22.2% for various reasons, including job changes. In Meenachil Panchayat, 26.6% are uninsured due to unawareness, the majority due to cost (46.6%), 6.6% due to trust issues, and 20% for other reasons. High cost is the primary barrier to insurance access in both urban and rural areas.

CHOICE OF HOSPITAL



(Source: Primary Data)

Interpretation

In urban area (Palai municipality), about 68% of families prefer private hospital over public hospital whereas only 32% of families prefer public hospital. In rural area, about 80% of families prefer public hospital whereas only 20% of families prefer private hospitals.This shows that urban population prefer private hospitals and rural population prefer public hospitals.

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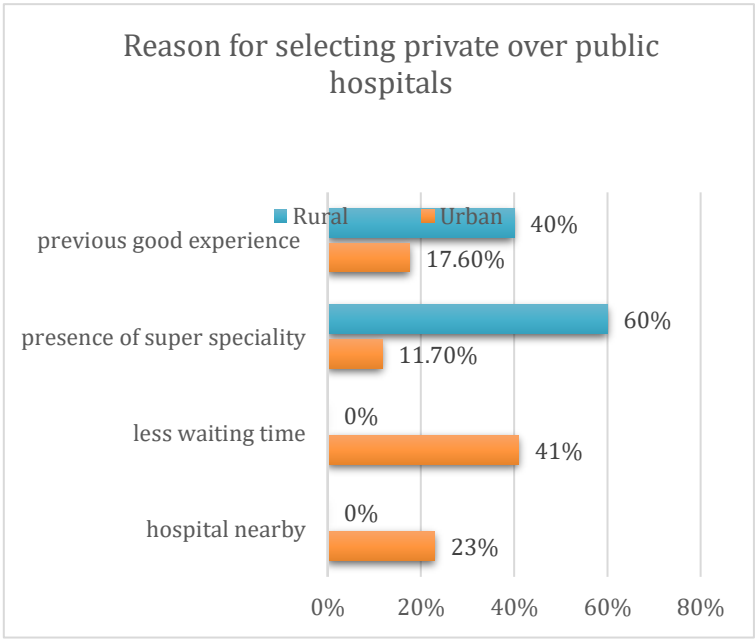
REASON FOR SELECTING PRIVATE OVER PUBLIC HOSPITALS

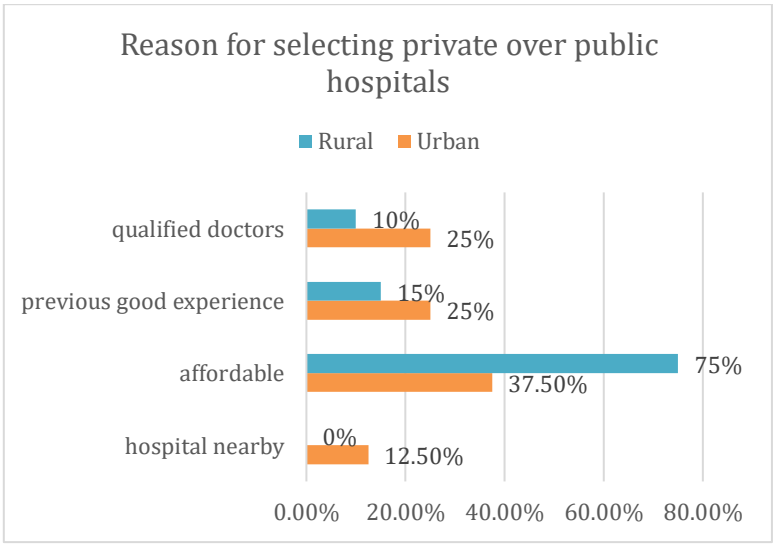


(Source: Primary Data)

Interpretation

In urban area (Palai Municipality) 68% of respondents favor private hospitals. Among them, 23% choose private hospitals due to proximity, 41% for reduced wait times, 11.7% for access to super specialties, and 17.6% based on positive past experiences. In contrast, in rural region like Meenachil Panchayat, only 30% prefer private hospitals, with 60% citing the presence of super specialties as their reason, and 40% choosing them based on positive past experiences.

REASON FOR SELECTING PUBLIC OVER PRIVATE



(Source: Primary Data)

Interpretation

In Pala municipality, 32% of families opt public hospitals. 12.5% choose because of proximity, 37.5% citing affordability. While 25% choose due to prior experience, and 25% due to the availability of trained doctors. In Meenachil Panchayat, 80% prefer public hospitals, primarily due to affordability (75%), with a smaller number choose them for qualified doctors (10%) and past experiences (15%). This indicates that the main factor influencing hospital choice in both urban and rural areas is the availability of free services at public hospitals.

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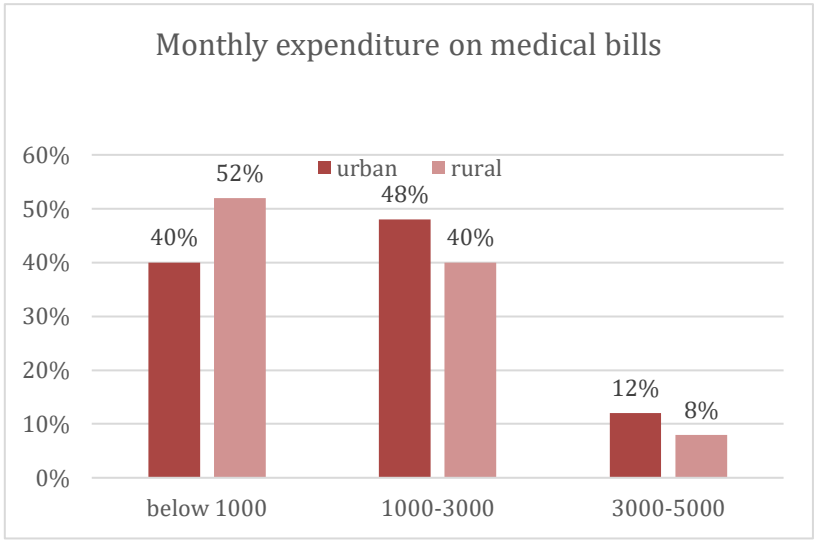
MONTHLY EXPENDITURE ON MEDICAL BILLS

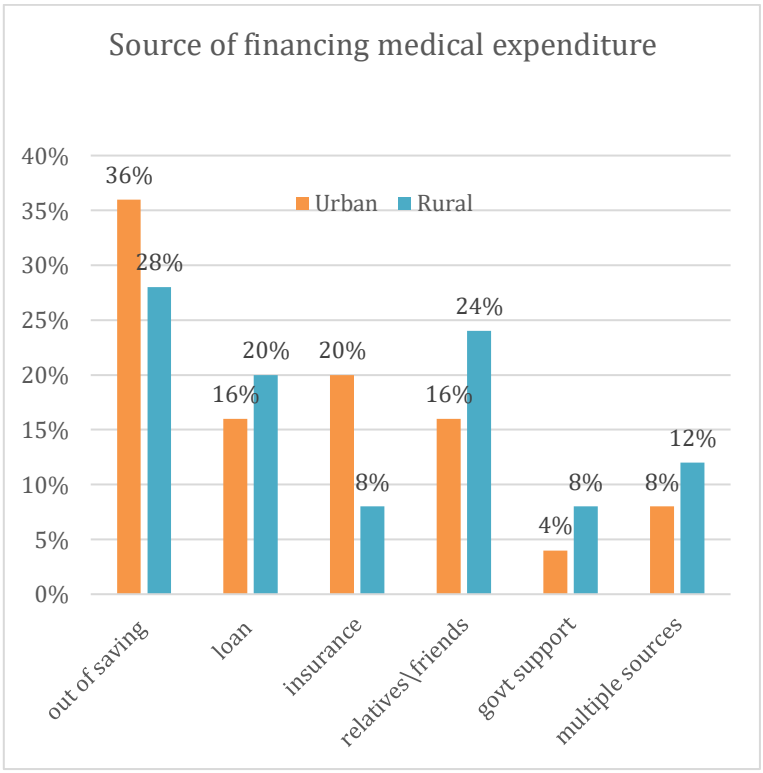


(Source: Primary Data)

Interpretation

In Pala Municipality, 40% of respondents spend less than Rs. 1000 monthly on health, while 48% spend between Rs. 1000 and Rs. 3000, and 12% spend Rs. 3000-5000. In Meenachil Panchayat, 52% spend less than Rs. 1000, 40% spend Rs. 1000-3000, and 8% spend Rs. 3000-5000 monthly on health.

SOURCE OF FINANCING MEDICAL EXPENDITURE



(Source: Primary Data)

Interpretation

In Palai Municipality, various sources are used to cover medical expenses: 36% rely on savings, 20% use insurance, 16% take out loans, 16% borrow from family or friends, 4% receive government assistance, and 8% employ a combination of methods. In contrast, in Meenachil Panchayat, 28% use savings, 24% borrow from

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family or friends, 20% obtain loans, 8% rely on insurance, 12% utilize multiple sources, and 8% receive government assistance to pay for healthcare expenses.

HYPOTHESIS TESTING

Hypothesis

Ho: there is no significant association between monthly income and monthly health expenditure
H1: there is significant association between monthly income and monthly health expenditure

Weights	Beta Coefficient	R Square	P Value	Inference
Monthly Income Monthly Health Expenditure	.748	.559	.000	Rejected null hypothesis

The hypothesis tests if monthly income carries a significant association with monthly health expenditure. The R square= .559 depicts that the monthly income explains 55.9% of the variance in monthly health expenditure. Beta coefficient value .748 suggest that The monthly health expense will grow by.748 units for every unit increase in monthly income. p< .001 indicates that monthly income play a significant role in shaping monthly health expenditure. the null hypothesis is rejected.

Hypothesis

Ho: There is no significant difference between where the respondents reside and their choice of healthcare.
H1: There is significant difference between where the respondents reside and their choice of healthcare.

Variables	Beta Coefficient	R Square	P Value	Infernce
location Choice of healthcare	-.483	.234	.000	Reject null hypothesis

The R square= .234 indicates that area where respondents reside explain 23.4% of variance in choice of healthcare. p< .001 indicates that area where respondents reside play a significant role in shaping choice of healthcare. Therefore, the null hypothesis is rejected.

FINDINGS

- One of the factors in the hospital's choice appears to be education. Highly educated individuals, particularly those with higher education and higher secondary, tend to prefer private hospitals, while a smaller percentage opt for public hospitals.
- Occupation strongly shapes hospital preference, with most government employees and business people favoring private hospitals, while less than 12% opt for public ones. further, half of the unemployed population chooses public hospitals.
- More than half of BPL families prefer public hospitals, while the majority of APL families prefer private hospitals.
- The majority of rural households' monthly income falls between Rs. 10,000 and 25,000. None of the rural households have a monthly income beyond Rs. 50,000, compared to 16% of families in urban areas.
- In rural areas, over half of them lacked health insurance, while in urban areas, most had insurance, with government insurance being the preferred option. High costs were the main barrier in both regions.
- Public hospitals are preferred mainly by rural households when compared to urban families.
- In urban areas, half of them live near private hospitals while all rural respondents are close to private hospitals.
- Urban respondents preferred private hospitals for shorter waiting times and proximity,while rural responder who chose private hospitals did so because of the availability of super specialties.
- Both rural and urban households primarily choose public hospitals because of affordability. Some among them prefer public hospitals due to positive past experiences.

- For minor ailments, lot of urban households opt for private hospitals, while rural households prefer public hospitals. However, for major ailments, both urban and rural families choose private hospitals.
- Private hospital respondents waited less than 30 minutes for a doctor, while most public hospital users (72%) had to wait over 30 minutes.
- Most respondents feel that private hospitals have adequate staffing, while most of them expressed staffing concerns specifically about public hospitals.
- Majority of the urban and rural families do not get any medical benefits.
- In rural areas, more than half spend less than Rs 1000 monthly on medical expenses, while in urban areas, nearly half spend between Rs 1000 and 3000. Only 8% of rural households spend Rs 3000-5000, compared to 12% of urban households.
- In urban areas, savings are the common choice. Quarter among them use insurance, loans, or borrowing from family. In rural areas, 28% use savings, while others turn to family, loans, or various sources for medical expenses.
- Both in urban and rural areas, four-fifths of medical expenses is out of pocket expenditure.
- It is abundantly obvious from the empirical study that there is a strong relation between monthly health expenses and income.
- From the empirical study it is clear that place where respondents live and their choice of hospital is associated.

SUGGESTIONS

- To reduce hospital wait times and prevent overcrowding in public hospitals, an effective strategy is necessary. This includes appointing qualified managers and public relations officers to ensure efficient administration.
- Single window clearance can be implemented to reduce the rush in public hospitals.
- Private hospitals offer a wide range of services, while government hospitals provide fewer options, leading to patient dissatisfaction. To improve public hospital satisfaction, expand available diagnostic procedures and medications.
- To enhance the public healthcare system, the proposal is to encourage broader use of public hospitals by improving care quality and extending OPD hours, making services more accessible, including extending evening hours.
- To improve healthcare, ensure doctors focus on their primary duties in public hospitals by reducing administrative tasks, VIP duties, and medico-legal report work. Promote hiring qualified officials for administrative duties.
- Public hospitals have lower satisfaction due to treatment and compassion issues caused by staff shortages, while private hospitals excel in patient care and privacy. Proposed solutions include modernization, increased staffing, and advanced technology for public hospitals.
- Providing orientation classes for staff on patient care and compassion will enhance their ability to handle patients effectively.
- Establishing a Grievance Cell and properly resolving public grievances could improve in raising use of public healthcare services.
- Use media to raise awareness among the public about new developments and departments in public hospitals.
- Private hospitals offer quality care but are costly. Government involvement is needed to maintain affordability through a redefined partnership, making the private sector socially accountable and prioritizing service over profit.
- Promote health insurance for all, with premium discounts for BPL families to ensure access to healthcare for the entire population.
- Increase public expenditure on healthcare. Despite kerala has the second highest per capita spending on health in the country, kerala also has second largest out of pocket expenditure, the government's investment does not seem to be fulfil the growing health needs of expanding population.

By managing the above weaknesses and following the suggestions given in the study, the public healthcare sector will certainly be able to provide better healthcare services to the masses. The private sector can also be streamlined not to be as commercialized as it has become today.

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