

A Conceptual Essay on the Determinants of Healthcare Provider Choice Among Outpatients in Sri Lanka

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ABSTRACT

With the increase in non-communicable diseases and healthcare needs of the rapidly aging population in Sri Lanka, healthcare providers are an essential part of people's daily lives. The choice of healthcare providers varies amongst Sri Lankans, specifically when seeking outpatient treatments. The aim of the current study is to shed light on factors that lead people to choose one out of the two main out-patient healthcare providers in Sri Lanka: public and private. The current concept paper is built upon the theory of consumptions values to discern what leads people to make the choice that they make between private and public out-patient care. The prospective outcomes of this investigation hold the capacity to exert a substantial influence on both scholarly discourse and practical initiatives. They stand poised to offer invaluable direction to

policymakers and institutions in their endeavors to devise measures to attract and retain out-patients.

Keywords - choice behavior, consumption values, healthcare provider

1. INTRODUCTION

The outstanding performance of Sri Lanka in healthcare has persisted for an extended timeframe. The maternal mortality ratio is 29 to 100,000 live births (World Health Organization, 2020) compared to 223 globally, while infant mortality is recorded at 6 per 1000 live births compared to a global statistic of 28 per 1000 live (World Bank, 2023b). Though Sri Lanka continues to report impressive health indicator statistics (Kumar, 2019) specifically compared to other countries in the South Asian region, with its public-financed healthcare system (Smith, 2018), half the national healthcare expenditure is accounted for by the private sector (Kumar, 2019) which is out-of-pocket expenditure.

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This shows the ineptitude of the state sector to meet the ever-increasing demand for healthcare in Sri Lanka, even though the public healthcare expenditure is also on the increase (World Bank, 2023a).

The private sector continues to thrive due to the tremendous demand for treatments for NCDs (Non-communicable diseases) and the needs of the rapidly aging population, which will continue in the foreseeable future (Perera et al., 2019). This is further established by the ever-increasing out-of-pocket expenditure on healthcare as depicted in Figure 1.

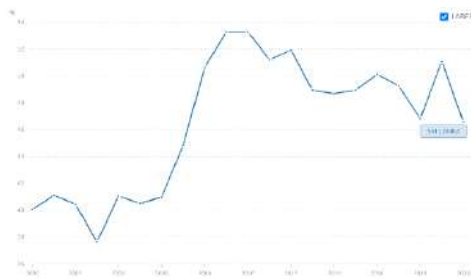


Figure 1. Out-of-pocket healthcare expenditure in Sri Lanka (2000-2021)

Note: The graph shows the increasing trend in out-of-pocket healthcare expenditure in Sri Lanka. World Bank Data Bank, 2023. Copyright 2023 by The World Bank Group.

The extant body of literature has demonstrated that healthcare expenses borne directly by individuals can engender a substantial fiscal burden on households, thereby leading to occurrences of catastrophic healthcare expenditures and subsequent medical impoverishment (Pandey et al., 2018; Sirag & Nor, 2021). Hence, there arises a problem why Sri Lankans would opt for private healthcare services, when a comprehensive public healthcare system is available free of cost.

In light of the foregoing context, the principal aim of this research endeavor is to conceptually explore what determines the Sri Lankans' choice of healthcare providers for out-patient care, based upon the theory of consumption values.

2. LITERATURE REVIEW

Patients seeking out-patient healthcare in Sri Lanka have two main choices as discussed: public or private. Diverse patients opt for varying choices under distinct circumstances. As Vitoor et al. (2012) identify, research on the domain should focus on identifying characteristics people base their decisions on in real choice situations rather than in an experimental context. The choice in the current context is deemed to be shaped by a multifaceted interplay involving a plethora of both patient and provider characteristics (Vitoor et al., 2012).

The theory of consumption values is anticipated to furnish a sufficient explanation regarding the determinants influencing Sri Lankans in their preference for one healthcare provider over another. This is due to the facts that it clarifies the factors behind consumers' decisions to either purchase or abstain from purchasing (or employ or abstain from employing) a particular product, why consumers select one product category over another, and why consumers opt for one brand over another, and is applicable to choices encompassing a comprehensive spectrum of product types including services (Sheth et al., 1991).

The theory of consumption values is underpinned by three fundamental axiomatic propositions: (1) consumer choices are contingent upon a composite of

various consumption values, (2) these consumption values exert distinct influences in diverse choice scenarios, and (3) these consumption values operate independently (Sheth et al., 1991). This theoretical framework has been extensively applied and rigorously examined in over 200 empirical studies, consistently showcasing robust predictive validity (Sheth et al., 1991). The theory explains that a consumer's choice behaviour is affected by any or all of five consumption values: functional, social, emotional, epistemic and conditional. Functional value is the perceived benefit obtained from an alternative's ability to deliver "functional, utilitarian, or physical performance" (pp. 160). Conditional value is the perceived value gained from an alternative's affiliation with one or more distinct social groups. The perceived value obtained from an alternative's ability to evoke emotions or affective states is encapsulated in emotional value. Epistemic value refers to the perceived value gained from an alternative's ability to pique curiosity, offer novelty, and/or fulfill a thirst for knowledge. The perceived value gained by an alternative due to the particular situation or circumstances encountered by the decision-maker is captured in Conditional value.

2.1 Functional value

The functional value of an alternative can be ascribed to its inherent characteristics or attributes (Ferber, 1973), including factors such as reliability, durability, and pricing (Sheth et al., 1991). Price/cost is a common factor studied in extant literature on choice of healthcare providers, where certain studies find lower costs to be more

appealing (Jia et al., 2020; Schleifer et al., 2015; Vuong & Nguyen, 2015), while others found that respondents associate higher costs with higher quality (Hibbard et al., 2012). Reliability/credibility of healthcare professionals also is an important factor that is encompassed in functional value, and affects healthcare provider choice (Vuong & Nguyen, 2015). Hence, it is proposed that:

H1: Functional value has an impact on healthcare provider choice for out-patient treatment.

2.2 Social value

The social value of an alternative is established through its alignment with demographic, socioeconomic, and cultural-ethnic groups that may carry either positive or negative stereotypes (Sheth et al., 1991). In healthcare provider choice, one may be influenced by their family and friends (Freed et al., 2010) and follow their instructions or stick to the stereotypes developed by them, though this may not always be the case (Kozikowski et al., 2022). Hence, it is proposed that:

H2: Social value has an impact on healthcare provider choice for out-patient treatment.

2.3 Emotional value

Emotional value is conferred upon an alternative when it becomes linked with particular emotions or when it triggers and sustains those emotions (Sheth et al., 1991). Though not much explored empirically to the researcher's knowledge, one may have an emotional attachment to/detachment from a certain healthcare provider that

might significantly affect the choice of healthcare provider (Kemp et al., 2014). Hence, it is proposed that:

H3: Emotional value has an impact on healthcare provider choice for out-patient treatment.

2.4 Epistemic value

Epistemic value is attained by alternative options through the inclusion of items related to curiosity, novelty, and knowledge (Sheth et al., 1991). As an example, the available information/knowledge acquired on different healthcare providers is reported to have a significant impact on healthcare provider choice (Vuong & Nguyen, 2015). Novelty of available technology at healthcare provider facilities also affect the choice (Murphy, n.d.). Hence, it is proposed that:

H4: Epistemic value has an impact on healthcare provider choice for out-patient treatment.

2.5 Conditional value

Conditional value is attributed to an alternative when antecedent physical or social contingencies are in place, augmenting its functional or social worth (Sheth et al., 1991). This means that the consumer choice would often depend on situational factors (Sheth et al., 1991). Seeking out-patient treatment also often depends on the context of a situation a person is facing (Fischer et al., 2015): Clinical (Chandra et al., 2011) or otherwise. Hence, it is proposed that:

H5: Conditional value has an impact on healthcare provider choice for out-patient treatment.

In summary, the theory of consumption values provides a robust understanding of the complicated relationships between the different values and choice made by consumers on healthcare service providers. The current study builds upon the theory and explores a novel dimension in consumer choice in healthcare sector, which has not been analysed in the consumption values stand point to the researcher's knowledge.

3. METHODOLOGY

This research endeavor aims to explore the nuanced interplay between influential factors on healthcare provider choice for out-patient care. Through the adoption of a rigorous research philosophy, the utilization of a well-structured conceptual framework, and the application of robust data analysis techniques, the study aspires to uncover significant insights within this emerging realm of inquiry.

3.1 Research philosophy

The current study would follow a quantitative research epistemology which constitutes a structured and empirical methodological approach to the investigation of the concerned phenomena through the systematic collection and analysis of numerical data. This epistemological framework places significant emphasis on the utilization of rigorously designed research methodologies, standardized measurement tools, and statistical procedures to quantify and elucidate relationships, patterns, and

trends within a designated research domain. It is grounded in the conviction that the inherently objective and quantifiable nature of numerical data can provide substantive insights and contribute to the formulation of empirically substantiated conclusions. Such an approach aligns with a positivist or post-positivist epistemological standpoint, prioritizing the values of objectivity, replicability, and generalizability. Extant literature has also based on quantitative approach ((Amaghionyeodiwe, 2008; Fischer et al., 2015; Gotsadze et al., 2017; Kozikowski et al., 2022; Zhu et al., 2019). The selected method is deemed as the most suitable as the intention is to identify the determinants of healthcare choice and to test their statistical significance in the decisions made, along with the aim of generalizing the findings to the population at large.

3.2 Conceptual framework

The research will be grounded in the theoretical framework of the theory of consumption values, which will serve as the foundational conceptual framework for understanding what determines the Sri Lankan outpatients' choice of healthcare providers. This would guide the selection and use of validated scales of measurement for each variable of interest such as the one adopted by Lin and Huang (2012). Figure 2 illustrates the conceptual framework of the current study.

It is expected that functional value, social value, emotional value, conditional value, and epistemic value would have statistically significant impacts on the consumer choice of out-patient healthcare provider, in line with the theory of consumption values.

Hypotheses 1 to 5 are as discussed under the previous section.

3.3 Population, sample and sampling technique

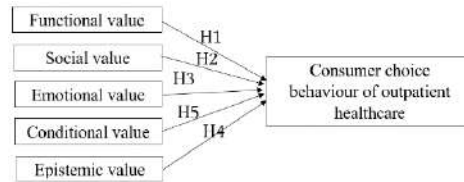


Figure 2. Conceptual framework
Note: Developed by author based on the theory of consumption values

The study's target population comprises individuals actively seeking outpatient care, as similar to extant literature (Freed et al., 2010; Kozikowski et al., 2022; Vuong & Nguyen, 2015). Employing a purposive sampling approach, a heterogeneous sample will be deliberately selected from various demographic backgrounds to ensure the inclusion of a representative cross-section of outpatient care utilizers. Purposive sampling technique is employed because it is a non-probabilistic sampling technique, which allows the researcher purposefully choose particular individuals, groups, or cases to include in the study in order to address research objectives and gain a deeper understanding of a particular phenomenon (Patton, 1990).

Data will be collected through way of structured surveys thereby allowing a quantitative analysis of choice determinants (see Zhu et al., 2019). The proposed sample size is 384 based on the Morgan table (Krejcie & Morgan, 1970), since the population of the study is expected to exceed 100,000 individuals, as every

individual in the country may have to seek out-patient care each year.

3.4 Data analysis methods

The quantitative data collected through structured questionnaires will undergo analysis using Structural Equation Modeling (SEM) with the aid of SmartPLS software. Structural Equation Modeling (SEM) is a valuable tool for elucidating latent relationships and assessing hypotheses concerning causal pathways (Hair et al., 2013, 2014). The formulated hypothesis will be thus tested on their acceptability as been done in previous similar studies (Kemp et al., 2014).

4. EXPECTED OUTCOMES AND IMPLICATIONS

The current study anticipates to uncover the impact of different consumption values on the outpatients' choice of healthcare providers. It is expected that the theory of consumption values would be ideal in understanding the choice behaviour of Sri Lankans regarding the outpatient healthcare. Though it is not expected that each consumption value would definitely and equally be determinant of such choice, the researcher expects that each value would be proven significant in different circumstances.

4.1 Theoretical implications

The current paper suggests that the theory of consumption values be tested in the healthcare industry, where it has not been put into test previously in the researcher's knowledge. The importance of testing an existing theory in such a new context is copious.

At the outset, determining the degree to which a theory's principles, constructs, and relationships are valid outside of its original context is facilitated by testing the theory in a different setting. This improves one's comprehension of the robustness and applicability of the theory (see Gupta & Govindarajan, 2000; Hofstede, 1984). As the current paper suggests its application to the healthcare industry, it being a volatile context would provide such rich understandings.

Testing in a different setting may also highlight subtleties or improvements to the theory, improving its precision and accuracy in describing specific aspects of the phenomenon. For instance, the applicability of the some determinants highlighted in the theory of consumption values may be found more important than others, and may need refinement when tested in similar contexts. The current study suggests testing of all determinants of consumer choice in the healthcare context, which may assist in proving the contextual applicability of its separate determinants.

4.2 Practical implications

In the realm of healthcare, informed decision-making plays a pivotal role, engendering a cascade of consequential outcomes. An understanding of how each value may enhance or impede an individual's choice in out-patient healthcare provider may facilitate the provision of accurate information from the suppliers' side. When individuals are endowed with access to a compendium of information regarding diverse healthcare providers, encompassing facets such as the quality of care dispensed, the array of services

proffered, and the experiential feedback from patients, a corollary effect ensues: the augmentation of their capacity to make judicious choices pertaining to their healthcare. This, in turn, begets a nexus of salient benefits, chief among them being the enhancement of healthcare outcomes and an enhanced level of contentment with the care received.

Furthermore, the understanding of the reasons for consumer preference would enhance the improvement of service quality provided by the public as well as the private healthcare institutions. The incentive structure for healthcare providers is reconfigured in a setting where consumers are endowed with choices. In such an environment, both private and public healthcare providers are impelled to engage in a competitive struggle to entice and retain patients. This competitive crucible stimulates providers to augment the quality of healthcare services, make strategic investments in advanced technologies, and proffer innovative treatment modalities.

Further more, on the consumers's side, an understanding of the factirs affecting their provider choice, and the fiscal disparities between healthcare providers empowers individuals to make choices that align seamlessly with their monetary constraints and insurance coverage. This dexterity in fiscal discernment, underpinned by knowledge, not only serves as a potential source of monetary savings for patients but also holds the potential to mitigate the aggregate cost of healthcare on a broader scale.

Moreover, the proliferation of consumer choice engenders heightened accountability

within the healthcare scene. As consumers gain autonomy in their selection of healthcare providers, the latter find themselves subject to greater scrutiny. Negative appraisals or adverse feedback from patients can profoundly impact the standing and reputation of healthcare providers, thereby incentivizing them to uphold rigorous standards of care.

Furthermore, the dissemination of information concerning healthcare providers imbues patients with the empowerment to embark on a healthcare journey that resonates harmoniously with their preferences and values. This empowerment lays the foundation for a more patient-centric paradigm in healthcare, with providers adapting their services to comport with individual idiosyncrasies and requirements.

When individuals perceive themselves as being vested with choices and endowed with the capacity to make decisions concerning their healthcare, the resulting effect is an augmented level of confidence reposed in the healthcare system as a whole. This bedrock of trust constitutes a cornerstone in nurturing fruitful patient-provider relationships and fostering overarching satisfaction with the healthcare ecosystem.

5. CONCLUSION

In conclusion, the current study expects to explain the choice of outpatient healthcare providers through the theory of consumption values, which has not bysofar been adopted in the healthcare realm. Its theoretical implications are that testing the established theory in a context which is defferent from the original improves its generalizeability

and accuracy, and applicability. Practically, the findings aim to assist private and public healthcare providers improve the quality, and any other aspects as proved important to consumers. Moreover, consumers benefit by gaining a thorough understanding of what factors they need to take in to account when seeking outpatient care.

The study hence suggests that future research be conducted in the consumer choice determinants of outpatient healthcare in light of the theory of consumption values, to gain deeper insights to individual's behavioural choices.

However, it is imperative to acknowledge that the influence exerted by knowledge on consumer choice of healthcare providers is subject to variegation contingent upon an assortment of factors, such as geographical location, insurance coverage, and socioeconomic strata.

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