

# Impact of Value-Added Services: An Assessment of Satisfaction & Preferences in Nursing Homes & Corporate Hospitals

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**Abstract – The healthcare market in India is split into five key segments as outlined below: Hospitals – Government infrastructure including healthcare centres, district and general hospitals and private hospitals including nursing homes, mid-tier, top-tier, and super specialized establishments. Pharmaceuticals – his includes the manufacture, extraction, processing, purification, and packaging of chemicals to be used as medication. Diagnostic – Comprising of businesses and laboratories that offer analytics or diagnostic services including body fluid analysis. Medical Equipment and Supplies – Including establishments engaged in manufacturing and maintaining medical equipment's for surgical, dental, ophthalmic, laboratory etc. use. Medical Insurance – Comprising of insurance to cover hospitalization expenses, reimbursements etc.**

**According to Anantha Naik Nagappa, Value Added Services (VAS) in healthcare has become essential due to competition and fragmented services leads to increase in cost. A VAS in healthcare is an integrated approach promising the total healthcare in a cost-effective manner. The reimbursement by third party payer or out of the pocket payment is locking in cheap affordable quality VAS in healthcare.**

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## INTRODUCTION

The VAS is based on the principle of individualization of therapy. The patient centric approach takes consideration of current patient condition and makes change in the strategy of treatment. The patient can interact and give feedback on the outcome of treatment to the clinical pharmacists.

The present study was planned to determine the Impact of value-added services of patient satisfaction and healing in nursing homes and corporate hospitals in Mumbai & Pune region

## REVIEW OF LITERATURE

It is found that certain patient groups: more highly educated and younger patients, patients with higher income and patients without an existing (satisfactory) relationship with a provider are more active in choosing healthcare provider. As this information comes from research of Victoor et al. (2012) which observed data published in 118 studies conducted in the United States, Canada and European countries, we can conclude that patient satisfaction is relevant

for a choice or change of healthcare provider. These data also indicate what other groups (highly educated and younger, higher income patients) should be considered as target groups for gaining more market share when you try to fight competition with quality of care. Data from other research also confirm better educated and higher-income groups are more independent in making healthcare decisions (Nanda, Telang & Gaurav, 2012). We may presume this as people generally value their health very highly, especially when there are life-threatening health problems (Wright & Rogers, 2010). Therefore, providing value-added services and better medicines, prosthetic materials or other benefits over competition for same price should attract users. Testing of this presumption on sample of Bosnian population is the purpose of our research. In any case, patients need to be properly informed about quality of care and all value added services and amenities that will be provided to them if they choose a hospital as their provider of care.

There is another researcher Shostac; (1984) who observed that customer service can be regarded as a process that consists of actual steps to satisfy

customer requirements. For analyzing customer expectations and designing customer service process model is required. A better service design provides the solution to market success and growth. Patient satisfaction surveys are useful in gaining an understanding of user's needs and their perception of the service received. In a survey conducted by Department of Public Health, Ireland the level of satisfaction among the OPD attendees were 94%. Doctors and nurses were perceived as friendly by 61% and 72% and rude by 1% patients respectively.

**GAP ANALYSIS**

As many study has been conducted in lieu of exploring patient satisfaction in hospitals and healthcare services but still there is a big gap has been identified in Indian context, there is no proper study has been conducted to understand the comparative value added service provided by hospitals and nursing homes, hence this study will be exploring the VAS effect in patient satisfaction and healing processes.

**OBJECTIVES OF THE STUDY**

The main objective of the study is to understand and analyze the impact of value added services on patients healing in nursing homes and corporate hospitals in selected cities of Maharashtra.

**SUB OBJECTIVES**

To Achieve this objective the following sub objective of this study has been identified: -

- 1) To explore the nature of services in corporate hospital and Nursing home and demographic effect.
- 2) To understand the impact of value added services in corporate hospitals and nursing homes with their respective target market.
- 3) To identify the various factors to adopt Value added service into both the segments.
- 4) To examine the role of patient perception towards the ethical approach of corporate hospitals and Nursing homes for better satisfaction level.
- 5) To understand the role of infrastructure and amenities in patients referral to their family and friends.
- 6) To examine the role of medical consultants and staffs in creating greater patients healing and satisfaction.

**HYPOTHESIS**

**H00:** There is no significance difference in services provided by corporate hospitals and Nursing home to different demographics.

**H01:** There is a significance difference in services provided by corporate hospitals and Nursing home to different demographics.

**H02:** There is no significant impact of value added services on their target market in corporate hospitals and Nursing Home.

**H22:** There is a significant impact of value added services on their target market in corporate hospitals and Nursing Home.

**H03:** There are no significant factors for adaptation of value added services (VAS) in corporate Hospitals and Nursing Home.

**H33:** There are some significant factors for adaptation of value added services (VAS) in corporate Hospitals and Nursing Home.

**H04:** Patient perception on ethical approach does not play a great role in selection of hospitals and Nursing homes

**H44:** Patient perception on ethical approach does play a great role in selection of hospitals and Nursing homes

**H05:** Infrastructure and Amenities does not play a significant role in patient healing and satisfaction level in corporate hospital and nursing home

**H55:** Infrastructure and Amenities does play a significant role in patient healing and satisfaction level in corporate hospital and nursing home

**H06:** There is no significant impact of medical consultant and staffs skills on patient satisfaction and healing process.

**H66:** There is a significant impact of medical consultant and staffs skills on patient satisfaction and healing process

**RESEARCH METHODOLOGY**

**Sample Universe:** 25 corporate hospital and 50 nursing homes were selected Mumbai & Pune region and considered as a sample universe.

**Sample Size: Total sample size for the study**

| Category/City | Mumbai | Pune | Total |
|---------------|--------|------|-------|
| Administrator | 350    | 200  | 550   |
| Patients      | 650    | 400  | 1050  |

## RESEARCH INSTRUMENT

The research was conducted using structured questionnaire and survey methods to understand the role of Value added services (VAS) on performance of Corporate Hospitals and Nursing Homes, hence the different variables has been selected to achieve the accuracy in the study. The quantitative section will be tested using SPSS 21(Version). The tools will be Chi-square analysis for categorical variables and to find the associations. Factor Analysis (PCA) will be identified to find out the best possible factors.

## RESULTS & DISCUSSION

Based on the results obtained from the respondents-it certainly is. The Chi-square test indicates that one of the statistically significant benefits which play the role in customers' willingness to use hospital services is an option for scheduling checkup or examination via telephone or internet. This factor is significant at 5% level ( $p=0.025<0.05$ ).

On the other hand, parking availability appears to have no significant influence on customer choice- the Chi square test does not indicate significant relationship ( $p=0.135>0.05$ ).

Factor of staying in single bed suite or having individual bathroom appears also not to be a key factor in development of preference of our respondents. The Chi-square test does not indicate significant relationship between these two factors ( $p=0.445>0.05$ ).

Having Wi-Fi, TV and magazines available (dailies and weeklies) while in hospital plays a prominent role in formation of preferences. The Chi square test indicates that this factor is significant at 5% level ( $p=0.035<0.05$ ).

Optional service which has no statistically significant effect on customers' willingness to use hospital services is an option to order supplemental laboratory analyses conducted and results interpreted (if these were not related to primary reason for hospitalization). The Chi Square results ( $p=0.156>0.05$ ) indicate that while our respondents perceived it as a benefit, it simply was not significant enough.

One of the offered benefits which are exceptionally important in affecting customers' willingness to use hospital services is a follow-on service- having printed materials on the nature of your ailment, course of treatment, dietary regimen, and course of treatment recommendations at discharge. For our respondents, option to have these materials was significant at 1% level (Chi Square  $p=0.004<0.01$ ).

## INTERPRETATION

The first examined factor was a possibility of telephone or internet scheduling of examinations or check-ups. For our respondents it was significant at 5% level ( $p=0,025$ ). As both means of communication (telephone and internet – email) are widely used and very cheap, there is no approvable reason for institutions not to offer these services to their users.

The second examined factor, parking, seems to be not so important to our group ( $p=0.135$ ). This option is usually very important in western countries with proper significance dedicated to it by hospital management (Shelton, 2000). On the other hand, with usual lack of space for existing institutions, this represents a relief for management as it is not demanding construction of new parking spaces which requires financial expenses.

The next issue, a single bed suite with private bathroom is also not important for our group with  $p=0.445$ . This high percentage of people not interested in staying in a single bed suite during hospitalization is in contradiction with tendency of western hospitals to offer only single bed room for patients, with significant benefits found in duration of a hospital stay, infection prevention and more (NHS Estates, 2005). This also presents savings from investments unless laws regulate matter differently, but certain number of single rooms for isolation of infection must be available in hospitals in any case.

TV, Wi-Fi, newspapers and magazines represent significant factor for our surveyed group on 3.5% level ( $p=0.035$ ). It would probably be inconvenient to provide every patient with daily newspapers but, as patients already like to stay in rooms with other people, one newspapers per room do not represent large expense. The same is with weekly magazines.

Option for buying food and toiletries in hospitals seems not to interest patients as Wi-Fi or newspapers do. Percentage of those interested in this is 20.9%, far above our 5% margin. From management perspective, this fact is great, as it eliminates the need to waste resources and time of staff and allow focusing on primary activities.

As we previously stated, most people value their health very much. In that sense, very significantly, at 1% level ( $p=0,004$ ), people wish to get printed materials about the nature of their disorder, a course of treatment, a dietary regime and recommendations for the future. As we can see printed instructions improve clinical outcomes as well and that fact indirectly and additionally improves satisfaction. Having these instructions in printed form will not create much costs and should be made available for every possible situation.

Another potential benefit is no need for staff to give detailed verbal explanation to each individual patient, therefore allowing them to dedicate their time to other tasks.

Same as above, option of getting modern surgical procedures is significant at 5% level ( $p=0.039$ ). Although some treatments are complicated to understand, as we have seen perception about care is changing with generations and with more information publicly available, this is also logical choice as modern, minimally invasive surgical procedures offer less pain, faster recovery and return to usual activities.

**CONCLUSION**

Purpose of this research thesis was to find the impact of amenities and value-added services in large hospitals and nursing homes on people in Mumbai and Pune area of Maharashtra.

As both amenities and value-added services can enhance patient experience, knowing the relative importance of each factor to population (users of healthcare) can help managers make decisions that will make their institutions and services more attractive to current and potential users, and how to retain business of prior patients. For that purpose, we formulated null and alternate hypothesis as follows:

H0 Amenities and value-added services in hospitals are important factors in selection of the hospital service provider for healthcare customers in Mumbai & Pune region.

And, H1 Amenities and value-added services in hospitals are not important factors in selection of the hospital service provider for healthcare customers in Mumbai & Pune region.

The research indicates that following specific factors are statistically significant at 1% level:

- Follow-up service - having printed materials on the nature of ailment, a course of treatment, a dietary regimen, and recommendations for future at discharge.
- Availability of better medicines and higher quality prosthetics.
- On demand additional diagnostics procedures (i.e. RTG, CT, endoscopy, colonoscopy, etc.).

The research indicates that following specific factors are statistically significant at 5% level:

- Option to schedule check-up or an exam over telephone or internet.

- Having Wi-Fi, TV and magazines available.
- Modern surgery procedures which facilitate faster and easier recovery.
- Additional medical checks which are not a segment of the standard procedures for treating condition.

Therefore, based on the survey results, we can accept H0 and reject H1 and conclude that amenities and value-added services in hospitals are indeed important factors in selection of the hospital service provider for healthcare customers in Mumbai & Pune region.

Satisfaction can be defined as the extent of an individual's experience compared with his or her expectations. Patient satisfaction is related to the extent to which general health care needs and condition-specific needs are met.

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