

Communicating Health Insurance Benefits: Perspectives of the Insurer and the Insured

Jemchang Yildam Fabong¹

MBBS, FMCFM, PGPN (Boston)

Director of Health Financing, USAID-IHP Nigeria,

Former Director-General, Plateau State Contributory Healthcare Management Agency
(Plaschema)

Hope Adanchin M. Fabong²

Assistant Librarian in training, University of Jos Library

Gilbert Paul Igboechesi¹

Librarian II, University of Jos Library

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ABSTRACT: *Evaluating how the insurer responds to the insured expectations in terms of health insurance benefits enables better efficiency from all angles. This paper presents a comprehensive analysis of the communication of health insurance benefits from both the insurer and insured perspectives, emphasizing the importance of clear communication and the need for tailored strategies to meet diverse needs of the beneficiaries. The specific aim is to shed more light on the communication strategies used in Plateau State by examining the Plateau State Contributory Health Insurance Agency (PLASCHEMA) and their health benefits to the insured and propose strategies for more effective communication of health insurance benefits. This research employs a mixed-methods approach. Survey data collected was analyzed using SPSS software, the results presented in tables and expressed in simple percentages to identify factors influencing comprehension and satisfaction of the observed parties. Results established that the agency utilizes corporate communication strategies for both internal and external communication to communicate the benefits of health insurance to the insured. The respondents' recommended that the use of both conventional and unconventional means should be intensified and also, information literacy is pertinent on the part of the insured through the help of the insurer to help better their comprehension level.*

KEYWORDS: health insurance, health insurance benefits, insured, insurer

INTRODUCTION

In developing countries, over 2 billion people live with health systems afflicted by inefficiency, inequitable access, inadequate funding, and poor quality services. These people account for 92% of global annual deaths from communicable diseases, 68% of deaths from non-communicable diseases and 80% of deaths from injuries. For various years, the World Health Organization (WHO) estimates that more than 150 million of these people suffer financial catastrophe every year, having to make unexpected out-of-pocket expenditures for expensive emergency care (Escobar, Griffin and Shaw, 2010). Health insurance serves as a financial safety net, providing coverage for medical expenses and offering peace of mind to individuals. The purpose of health insurance is three fold: increase access and use by making health services more affordable, improve health status through increased access and use, and mitigate the financial consequences of ill health by distributing the costs of health care across all members of a risk pool (Escobar, Griffin and Shaw, 2010). It is a critical component of healthcare systems worldwide, providing financial protection and access to essential healthcare services. Essentially, there is basically a contractual agreement between the insured and the insurance company, covering medical expenses arising from illnesses, injuries, or preventive care. It pools risks and resources to protect individuals from significant financial burdens associated with healthcare services because as medical care advances and treatments increase, health care costs also increase. Despite its importance, many individuals remain uninsured or underinsured, exposing them to significant health and financial risks. This is largely because Health insurance is a complex and dynamic field, with Insurers and the insured often having differing perspectives on benefit communication; the perspectives of insurers and the insured on how health insurance benefits are communicated can vary significantly. When there are layers of difficult or less connecting communication processes, the complexity of health insurance plans often leads to misunderstandings, dissatisfaction and underutilization of benefits. Insurers face the challenge of conveying intricate policy details in a manner that is easily comprehensible to the insured. Effective communication between insurers and insured individuals is essential to ensure that policyholders are well-informed about their coverage, that they can make informed healthcare decisions and derive maximum benefit from their plans. This goes to show how effective communication is critical for ensuring that individuals understand their coverage, make informed healthcare decisions, and utilize benefits optimally.

The responsiveness of healthcare services to the insured expectations is a target of the Insurer because it impacts their system goals. In the insured satisfaction, responsiveness is part quality of care. A responsive Insurer ensures that the insured are able to obtain healthcare in a client-oriented manner with no discrimination of different client strata. Insurers also have a key role in ensuring that their customers are kept informed about health insurance policies in general as well as changes to benefits whenever they occur. Health insurance benefits basically include coverage for hospital bills especially as it relates to finances that cover areas like outpatient services, prescription drugs, preventive services, and in some instances dental and eye care, depending on the Health

Publication of the European Centre for Research Training and Development -UK Maintenance Organization (HMO). The specifics of what is covered, along with any exclusions, limitations, and cost-sharing requirements such as deductibles, copayments, and coinsurance, are detailed in the policy documents. These benefits are designed to provide financial protection and access to necessary medical services, promoting overall health and well-being. Understanding these benefits is crucial for insured individuals to maximize their value from their health insurance plans. As earlier stated, the way these benefits are presented to insured individuals matters a lot. Effective communication of health insurance benefits involves clear, concise, easy, friendly and accessible information. This includes the use of plain English language; no bogus or complicated grammar, use of local languages known by the individuals, visual aids, personalized communications, and multiple channels (e.g., online portals, printed materials, customer service representatives, information professionals). Effective communication also requires ongoing orientation/education and support to help the insured navigate their benefits and make informed healthcare decisions.

In Nigeria, as seen in other climes, health insurance aims to provide the insured and their dependents (beneficiaries) with good quality and cost-effective healthcare services they are entitled to. Its pattern in achieving this is divided into four main programmes including: formal sector, informal sector, vulnerable groups and others like international travel health insurance, retirees, and the unemployed. What remains to be verified is the capacity and effectiveness of the communication strategy used by the insurer in edifying the insured in other to increase their coverage/expansion strategy to achieve universal coverage. This study investigates the perspectives of both insurers and the insured regarding the communication of health insurance benefits to ascertain the perceptions and comprehension levels of the insured in Plateau State by examining the Plateau State Contributory Health Insurance Agency (PLASHEMA). Aiming to shed more light on the communication strategies used and their benefits, identify gaps and propose strategies for more effective communication.

Significance of the Study

Enhanced communication can lead to better preventive care, timely medical interventions, and overall satisfaction with health insurance plans. The significance of this study lies in its potential to improve health outcomes by ensuring that insured individuals fully understand and utilize their benefits through effective means of communication. On the part of the insurers, this study contributes to literature by providing insights into the specific effective strategic communication in health insurance as clear communication can reduce customer service costs, enhance customer loyalty, and improve public perception.

Research Problem

The core problem addressed by this research is identifying the extent to which communicating health insurance benefits have fared between health insurers and insured individuals. Since it has been observed that the gap in effective communication has often led to misunderstandings,

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underutilization of benefits, and dissatisfaction; stemming from overly complex language, inadequate dissemination of information, and a lack of personalized communication strategies.

Research Objectives

Specific objectives are to:

- a. Analyze the current methods used by insurers to communicate health insurance benefits.
- b. The extent of strategic communication feedback between communities and the Primary Health Care facilities to provide health care services for the insured by the insurer
- c. Assess the insured individuals' understanding and perceptions of their health insurance benefits.
- d. Develop recommendations for improving communication strategies to enhance understanding and satisfaction.

Research Questions

- a. What methods do insurers currently use to communicate health insurance benefits to policyholders?
- b. What is the extent of strategic communication feedback between communities and the Primary Health Care facilities to provide health care services for the insured by the insurer?
- c. How well do insured individuals understand their health insurance benefits?
- d. What strategies can be implemented to improve the communication of health insurance benefits to the insured by the Insurer?

LITERATURE REVIEW

Communication Strategies of Insurers

Nyaole-Kowuor (2007) stated that the perceptions customers hold about insurance determine their response to sales presentations. The study emphasized the importance of insurance agents understanding customer perceptions and using appropriate communication strategies to effect positive change. Similarly, Kibet (2015) recommended that insurance companies aiming to achieve high levels of customer satisfaction should communicate effectively and offer quality service. The study used regression analysis to establish the relationship between communication focus, perceived service quality, and customer satisfaction. The results showed that effective communication leads to increased customer satisfaction, supporting the hypothesis that insurance companies with effective communication are likely to have more satisfied customers. Insurers employ a variety of communication strategies to convey health insurance benefits to their customers. These strategies include printed materials (e.g., brochures, policy documents), digital communications (e.g., emails, websites, mobile apps), and personalized interactions (e.g., customer service representatives, insurance agents). Studies suggest that a multimodal approach, combining different communication channels, is most effective in reaching a diverse audience (Hibbard & Greene, 2013).

Perceptions and Comprehension of the Insured

Bharath, Chandrakala, and Sowmya (2023) proposed a theoretical model to examine the direct and indirect outcomes of communication in the insurance industry. The study found that communication directly influences reputation, trust, and commitment, and indirectly influences loyalty and word-of-mouth (WOM). According to Sanjeewa and Hongbing (2019), their studies emphasize the importance of policy flexibility, add-ons, and options for customization according to individual needs. Flexible policy features may positively influence consumer perception. The Insured perception and comprehension of health insurance benefits significantly impact their satisfaction and utilization of services. Research indicates that individuals with higher health literacy are better able to understand and navigate their insurance plans, resulting in better health outcomes (Nielsen-Bohlman, Panzer and Kindig, 2004). Conversely, those with limited health literacy are at a disadvantage, often experiencing higher out-of-pocket costs and poorer health management. This supports the position that consumer perceptions and comprehension of insurance reflects a comprehensive exploration of various factors influencing insured attitudes, expectations, and experiences. Understanding these factors is crucial for insurers to enhance service quality and meet the evolving needs of the insured in the dynamic health insurance landscape.

Insurer and Insured Perspectives

Insurers recognize the importance of clear and effective communication but acknowledge significant challenges in achieving this goal. Common strategies include the use of plain and local languages, communication through media platforms. Insurers also highlight barriers such as regulatory constraints, the complexity of insurance products, and the diverse needs of their customer base. On the part of the insured, factors such as health literacy, education level, and previous experience with health insurance significantly influence comprehension. However, the insured with higher health literacy and education levels report better understanding and greater satisfaction, while those with lower literacy levels express confusion and dissatisfaction.

Challenges in communicating Health Insurance benefits

According to Barnett, Hsu & McWilliams (2014), several challenges hinder the effective communication of health insurance benefits. These include the inherent complexity of insurance terminology, variations in individual health literacy levels, and the diverse demographic characteristics of the insured population. Thus, insurers often struggle to present information in a clear, concise, and accessible manner based on these challenges, leading to confusion and misinterpretation among the different categories of the insured.

METHODOLOGY

This research employs a mixed-methods approach, combining qualitative interviews with quantitative surveys to gather data from both insurers and insured individuals. The qualitative component involves in-depth interviews with representatives from Plateau State Contributory

Publication of the European Centre for Research Training and Development -UK Health Insurance Agency (PLASCHEMA) to understand their communication strategies and challenges. The quantitative component involves surveys distributed to a diverse sample of the insured (policyholders) to assess their perceptions, comprehension, and satisfaction with the communication of their insurance benefits. Through a comprehensive review of existing literature and an analysis of empirical data collected, this research identified best practices for improving health insurance benefit communication to enhance understanding, satisfaction, and utilization among policyholders.

Sample

The sample for the qualitative interviews includes communication directors, customer service managers, and marketing executives from PLASCHEMA. The purposive population sample comprises of 2, 095,900 insured individuals aged 18-64, background from 6 Local Government Areas considered by the differences in their size, urbanization, number of health facilities, likelihood of insurance participation selected to represent a wide range of demographic characteristics, including gender, income level, and educational. A simple sample formula that can be used especially by people with little statistical or mathematical background to achieve accuracy according to Yamane (1967) was used to statistically determine the sample size of the large population size given above to be 485.

Data Collection and Analysis

Data collection for the qualitative interviews involves semi-structured interview guides, focusing on topics such as communication methods, health insurance perspectives of the insured and the insurer, challenges, and best practices. The interviews are transcribed and analyzed using thematic analysis to identify common themes and insights. The quantitative surveys include questions on demographic information, health literacy levels, perceptions of communication clarity, and satisfaction with insurance benefits. Survey data is analyzed using SPSS software, the results presented in tables and expressed in simple percentages to identify factors influencing comprehension and satisfaction of the observed parties.

RESULTS

Table 1: Methods Insurers currently use to communicate health insurance benefits to policyholders

RESPONSE	FREQUENCY	PERCENTAGE
Health Facility/Health Woker	189	24%
Media (Television, Radio, Newspaper)	276	35%
Social Media	129	16.3%
Friends/Family	96	12.2%
Worship Center	52	6.6%
Other	47	6%
Total	789	100%

Source: Field Work

Responses contained in the table indicate that 189 respondents (24%) posit that methods Insurers currently use to communicate health insurance benefits to policyholders in PLASCHEMA is through visits to health facilities and health workers. Data also shows that 276 respondents (35%) affirmed that the mass media - television, radio and newspapers are their key sources of communicating insurance benefits by the Insurer to the insured in PLASCHEMA, while 129 respondents (16.3%) state that their source of communication on health insurance benefits in PLASCHEMA is social media. Also, 96 respondents (12.2%) confirmed that they get their communication on health insurance benefits under PLASCHEMA from friends and family members, and 52 respondents (6.6%) stated that they get information on health insurance benefits through PLASCHEMA from worship centres. The remaining 47 respondents (6%) indicated that their source of communication on health insurance benefits and PLASCHEMA is from other sources.

Table 2: The extent of consistent strategic communication feedback between communities and the Primary Health Care facilities to provide care services for the insured by the insurer

RESPONSE	N	PERCENTAGE
Agree	225	46.4%
Disagree	4	0.8%
Neither agree nor disagree	135	27.8%
Strongly Agree	121	24.9%
Total	4852	100%

Source: Field Work

Information regarding the extent of consistent strategic communication feedback between communities and the Primary Health Care facilities to provide care services for the insured by the insurer. Information contained in the table shows that an overwhelming majority of the respondents sampled majority opinion in both agreeing and strongly agreeing that PLASCHEMA has established consistent strategic communication feedback between communities and the Primary Health Care facilities to provide care services for the insured by the insurer.

Table 3: How well insured individuals understand their health insurance benefits

RESPONSE	FREQUENCY	PERCENTAGE
Yes	291	60%
No	194	40%
Total	485	100%

Source: Field Work

Table 3 contains data on how well insured individuals understand their health insurance benefits. The table contained in the table show that out of the 485 respondents sampled for the study, 291

Publication of the European Centre for Research Training and Development -UK respondents (60%) indicated that they understand their health insurance benefits in PLASCHEMA as a result of various communication strategies by the agency. The remaining 194 respondents (40%) stated that they were not exposed to the awareness creation about PLASCHEMA services carried out using various communication strategies by the agency

Table 4: Strategies that can be implemented to improve the communication of health insurance benefits to the insured by the Insurer

RESPONSE	FREQUENCY	PERCENTAGE
Making use of radio, billboard, and fliers	32	6.6%
Media publicity at Agro FM Shendam and NBS Lafia Nasarawa state	18	3.7%
Through more awareness campaigns at various worship centres	22	4.5%
Through more awareness campaigns especially at the grass root	122	25.5%
Total	194	100%

Source: Field Work

The respondents were also asked suggest ways through which the communication of health insurance benefits to the insured by the Insurer on PLASCHEMA services can be more effective. The table provides information on respondents' opinion regarding their propositions. The table shows that 32 respondents (6.6%) reiterate use of both conventional and other media such as radio, billboards and fliers in communication information on PLASCHEMA services; also 18 respondents (3.7%) also stated the use of mass media, specifically the Agro FM in Shendam and the NBS Lafia in Nasarawa State which has high reception in the southern geopolitical zone of Plateau State. The data also indicate that 22 respondents (4.5%) are of the opinion that PLASCHEMA should intensify its awareness campaigns at worship centres, and the remaining 122 respondents (25.2%) who are in a majority opinion advocated community and grassroots engagements by PLASCHEMA to create more awareness through the use of community mobilization strategies. Thus, respondents were able to evaluate the strategies and recommend new communication strategies that can be utilized by PLASCHEMA to communicate health insurance benefit more effectively with the people. This implies that deliberate communication efforts of PLASCHEMA has taken root amongst the majority of people on the Plateau hence they are able to evaluate and suggest ways of improving the communication strategies currently in use at the agency.

DISCUSSION

From the responses of the both the survey and the interviews the study established that PLASCHEMA as an organization utilizes corporate communication strategies for both internal and external communication work plan which involves the use of various channels for information dissemination which include the use of broadcast media, radio and TV, print media as well as direct contacts with friends and family, engagements and advocacy visits with community and religious leaders (worship centres) who as considered as gatekeepers. This reveals that there is a deliberate effort in meeting communication mandate as revealed by the efforts and systems put in place for information dissemination in PLASCHEMA. The findings underscore the need for insurers to adopt a more tailored approach to communication, considering the diverse needs and preferences of their customer base. Strategies such as using plain language, providing multiple formats of information, and leveraging technology to offer personalized communication can enhance understanding and satisfaction. This means that improving the communication of health insurance benefits requires a multifaceted approach; Insurers should prioritize the use of plain language, provide personalized and targeted communications, and utilize multiple channels to reach different segments of their audience. Additionally, initiatives to improve health literacy among the insured can have a significant impact on their ability to comprehend and utilize their insurance benefits effectively.

CONCLUSION

Effective communication of health insurance benefits is essential for maximizing the value of health plans for both insurers and insured individuals. By addressing the need to introduce effective communication strategies and leveraging best practices identified in this research, insurers can improve the comprehension of the insured, satisfaction, and utilization of benefits.

Suggested Research Area

Future research may explore the impact of emerging technologies, such as artificial intelligence and machine learning, on enhancing health insurance benefits communication.

Limitations of the Study

The findings of the study may not be generalized beyond the case study areas. It could serve as a pace setter to other federating states seeking better performance in their health insurance schemes. In addition, the researchers understand that the perspectives of the insurer and the insured in communicating health insurance benefits is a complex one as it is usually controlled by direct and indirect factors that also change in time. Therefore, this study covered specific periods of 2021 through 2022. After this time, advancement or debasement may have taken place in the research sample areas and beyond.

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