



## Barriers in the Purchase and Utilization of Health Insurance: An Empirical Analysis

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### Abstract

The current study looks at the obstacles people face while trying to buy and use health insurance policies. This study investigates the fundamental aspects of restrictions, such as monetary, informational, structural, and experiential obstacles, using factor analysis, correlation analysis, and principal component extraction. Following factor analysis, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's assess of Sphericity were used to statistically assess the data gathered from 396 respondents. The results show important elements pertaining to lack of knowledge, alternative investment preferences, restricted coverage, agent conduct, claim-related problems, peer pressure, and financial constraints. Additionally, correlation analysis reveals weak or non-existent connections between views of health insurance, awareness, reliability problems, and unfavourable peer experiences. The study comes to the conclusion that in order to increase health insurance adoption and satisfaction, specific interventions are needed to address the multifaceted barriers. Suggestions for policies are offered to raise knowledge, streamline procedures, and bolster customer confidence.

**Keywords:** Barriers, Health insurance, challenges

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### I. Introduction

One of the most important financial tools for reducing the growing expenses of healthcare is health insurance. Despite rising healthcare requirements, health insurance penetration is still low in emerging countries like India. This situation is influenced by a number of systemic, psychological, and socioeconomic obstacles. In order to create policies that encourage the use of insurance, legislators, insurers, and healthcare providers must recognize and evaluate these obstacles.

According to earlier research, major deterrents include lack of knowledge, restricted coverage, bad experiences, administrative difficulties, and financial limitations (Mishra & Sarkar, 2019; Bawa & Ruchita, 2011). There isn't much actual data, though, that uses component analysis to combine these obstacles into underlying dimensions. By quantitatively identifying important barriers and assessing their influence on customer perception and decision-making, this article aims to close that gap.

### Objectives of the Study

1. To determine the main obstacles that respondents face while trying to acquire health insurance.
2. To use factor analysis to classify these obstacles into underlying dimensions.
3. To investigate how customers' opinions of health insurance relate to the barriers that have been identified.
4. To offer policy suggestions for raising satisfaction, accessibility, and awareness.

### II. Research Methodology

#### Data and Sample Gathering

A comprehensive questionnaire spanning structural, behavioral, experiential, and financial aspects impacting health insurance was used to gather data from 396 respondents.

Statistical Tools used:

1. To assess sampling suitability and adequacy for factor analysis, use KMO and Bartlett's Test.
2. Principal Component Analysis, or factor analysis, is used to determine the fundamental aspects of obstacles.
3. To examine the connections between certain obstacles and the perception of health insurance, correlation analysis is used.

### III. Results and Analysis

A moderate level of sufficiency for factor analysis was indicated by the Kaiser-Meyer-Olkin measure of sampling adequacy, which was 0.719. The dataset's suitability for factor extraction was confirmed by the Chi-square value of 960.874 ( $df = 91$ ,  $p < 0.001$ ) obtained from Bartlett's Test of Sphericity.

**Table 1: KMO and Bartlett's Test**

Test	Value
Kaiser-Meyer-Olkin Measure	0.719
Bartlett's Test of Sphericity Chi-Square	960.874
df	91
Sig.	0.000

Source: Primary Survey

#### 2. Communalities

The majority of variables appeared to share a significant amount of variation with extracted factors, as indicated by the extraction values, which varied from 0.276 (Reliability/Flexibility Issues) to 0.716 (Lack of Peer Support). Their inclusion in the model is thus validated.

Variable	Initial	Extraction
Financial Constraints	1.000	0.516
Perceived Lack of Need	1.000	0.514
Alternative Investments Preference	1.000	0.611
Lack of Awareness	1.000	0.648
Limited Coverage	1.000	0.386
Reliability/Flexibility Issues	1.000	0.276
Unsatisfactory Agent Behavior	1.000	0.679
Hospital Service Issues	1.000	0.455
Complicated Claim Process	1.000	0.455
Less Tax Benefits	1.000	0.574
Lack of Peer Support	1.000	0.716
Access to Free Medical Facility	1.000	0.453
Negative Personal Experience	1.000	0.534
Negative Peer Experience	1.000	0.600

Source: Primary Survey

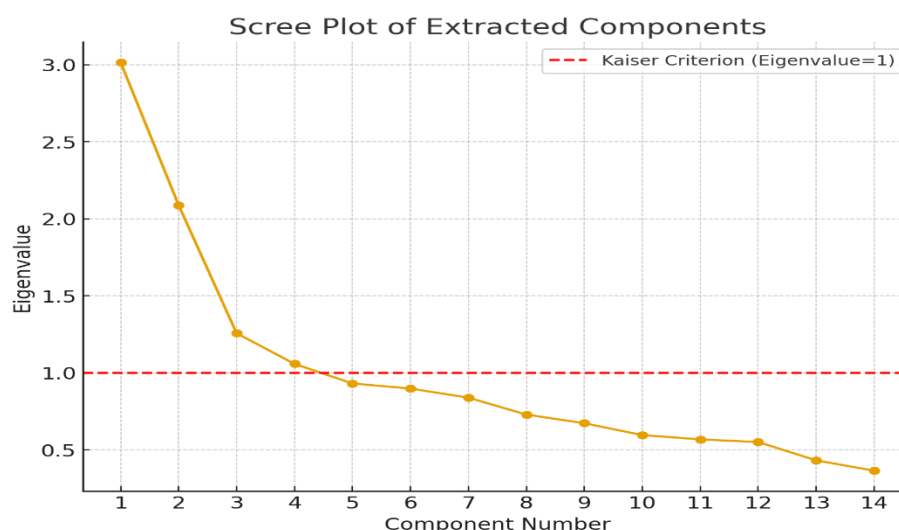
#### 3. Total Variance Explained

Four components with eigenvalues greater than one were identified by principal component analysis, which helped to explain 52.979% of the cumulative variance.

**Table 3: Total Variance Explained**

Component	Initial Eigenvalues (Total)	% of Variance	Cumulative %
1	3.014	21.526	21.526
2	2.088	14.914	36.441
3	1.257	8.981	45.422
4	1.058	7.558	52.979

Source: Primary Survey

**Figure 1: Scree Plot of Extracted Components**

(The eigenvalues can be shown by adding a scree plot, which will clearly reveal a break after the fourth component.)

#### 4. Component Matrix

The rotated factor structure indicated distinct groupings.

**Table 4: Component Matrix**

Variable	Component 1	Component 2	Component 3	Component 4
Financial Constraints	0.447	-0.551	-0.106	-0.025
Perceived Lack of Need	0.469	-0.522	-0.034	-0.142
Alternative Investments Preference	0.575	-0.513	0.060	-0.118
Lack of Awareness	0.571	-0.556	0.020	0.113
Limited Coverage	0.441	-0.128	0.353	0.225
Reliability/Flexibility Issues	0.336	0.233	-0.003	0.330
Unsatisfactory Agent Behavior	0.482	0.107	-0.183	0.634
Hospital Service Issues	0.406	0.535	0.055	0.036
Complicated Claim Process	0.394	0.426	0.314	0.141
Less Tax Benefits	0.426	0.269	0.564	-0.040
Lack of Peer Support	0.473	0.239	0.263	-0.605
Access to Free Medical Facility	0.528	0.323	-0.210	-0.162
Negative Personal Experience	0.485	0.313	-0.429	-0.131
Negative Peer Experience	0.399	0.239	-0.605	-0.132

Source: Primary Survey

#### 5. Correlation Analysis

**Table 5: Correlation Analysis Results**

Variables Compared	Pearson Correlation	Sig. (2-tailed)	N	Interpretation
Reliability/Flexibility Issues × Customer Satisfaction	-0.002	0.963	396	No significant relationship
Lack of Awareness × Health Insurance Subscription Status	-0.004	0.936	396	No significant relationship
Negative Peer Experience × Perception of Health Insurance	0.008	0.881	396	No significant relationship

Source: Primary Survey

### IV. Discussion

The results demonstrate the multifaceted nature of health insurance restrictions. The main factors were found to be financial and informational, supporting earlier findings that lack of knowledge and financial affordability serve as significant deterrents (Bawa & Ruchita, 2011). Per Sekhri & Savedoff's (2005) research, service-related problems including limited coverage and claim complexity also have a significant impact.

Interestingly, correlation studies show that perception is not significantly predicted by isolated obstacles like awareness and peer influence. This implies that the cumulative interplay of several factors, rather than a

single element, determines customer decisions. Although statistically weaker when considered separately, behavioral and peer-related obstacles are a part of the larger psychological and social factor that affects satisfaction and trust.

## V. Conclusion

Financial and informational hurdles, service and administrative barriers, policy and benefit-related barriers, and peer/behavioral barriers are the four main categories into which this study shows that obstacles to the purchase and use of health insurance fall. The cumulative variation explained by these factors implies a considerable collective impact, even while individual correlations reveal very little influence.

Policymakers and insurers must:

1. Increase financial accessibility through flexible payment plans or subsidies in order to boost the uptake of health insurance.
2. Increase awareness through focused educational initiatives.
3. Streamline claim procedures and guarantee service dependability.
4. Use peer involvement and customer trust-building to address behavioral hurdles.

Adoption of health insurance may be greatly increased by tackling these obstacles comprehensively, which will help India's healthcare system finance and access improvements.

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