

ATTITUDES, PERCEPTIONS, AND BENEFITS: DRIVERS OF HEALTH INSURANCE ENROLMENT AMONG HEALTHCARE WORKERS IN MALAYSIA

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ABSTRACT

In Malaysia, while the public healthcare system remains highly subsidized, personal healthcare insurance (PHI) has gained traction as an alternative financing option, particularly among middle- and high-income groups, including healthcare personnel. Understanding the factors influencing PHI enrollment is crucial for policymakers and insurers. This study examines the impact of attitude, perception, and perceived benefits on PHI participation among healthcare staff in selected private hospitals. Using a quantitative approach, data were collected through a structured questionnaire targeting healthcare personnel. Statistical analysis was conducted to determine the relationship between psychological and informational factors and PHI enrollment decisions. The findings indicate that a positive attitude and perception toward PHI significantly increase the likelihood of participation. Additionally, individuals with a strong understanding of PHI benefits are more inclined to enroll, highlighting the importance of awareness and knowledge in decision-making. The study concludes that increasing PHI uptake requires targeted awareness campaigns, improved trust-building efforts, and flexible policy options. Policymakers and insurance providers should simplify policy structures, enhance transparency in claims processing, and implement educational initiatives to improve public understanding of PHI benefits. Employers in the healthcare sector can also support PHI participation through workplace enrollment programs. The study contributes to existing literature by emphasizing the role of psychological and informational factors in health insurance decisions. Practically, it provides actionable insights for policymakers and insurers to enhance PHI participation.

Keywords: Attitude, Perception, Health Insurance Benefits, Private Health Insurance Participation

1.0 INTRODUCTION

The rising cost of healthcare services globally has emphasized the need for financial protection mechanisms, with private health insurance (PHI) playing a crucial role in complementing public healthcare systems (World Health Organization [WHO], 2021). PHI provides individuals with financial security, reduces out-of-pocket expenses, and ensures access to high-quality medical care (Pauly et al., 2020). In Malaysia, while the public healthcare system remains highly subsidized, PHI has gained traction as an alternative financing option,

particularly among middle- and high-income groups, including healthcare personnel (Mahmud & Khalid, 2020). However, despite its benefits, PHI participation rates among healthcare professionals remain inconsistent, raising concerns about the underlying factors influencing their enrollment decisions (Lim & Yap, 2019).

Healthcare personnel, given their direct exposure to medical costs, treatment procedures, and patient outcomes, are assumed to have higher awareness of the importance of PHI (Schneider & Hanson, 2022). However, previous research suggests that their participation is shaped by various factors, including attitudes, perceptions, and the perceived benefits of PHI coverage (Jiang et al., 2021). While some studies indicate that healthcare workers are more likely to adopt PHI due to their medical literacy (Kim & Lee, 2020), others highlight that skepticism regarding affordability, claim processes, and the effectiveness of coverage can deter enrollment (Smith & Witter, 2019). Moreover, employer-sponsored insurance schemes and government policies also influence healthcare personnel's decisions on PHI participation (Alhassan et al., 2021; Mills et al., 2018). Although numerous studies have explored PHI participation among the general population (Yiengprugsawan et al., 2017; Mills et al., 2018), research focusing specifically on healthcare personnel remains limited, particularly in the Malaysian context. Most existing studies have examined insurance adoption trends among patients (Gao et al., 2022) or public healthcare users (Alhashem et al., 2011), while fewer have investigated healthcare workers' perspectives (Grossman & Simon, 2020; Hussain et al., 2019). Understanding the determinants of PHI participation among healthcare personnel is critical, as their enrollment decisions can influence public perceptions of health insurance and affect the overall healthcare financing landscape (Atinga et al., 2019; Nguyen & Nguyen, 2020).

This study aims to address this gap by investigating the influence of attitude, perception, and health insurance benefits on PHI participation among healthcare personnel in a selected private hospital in Malaysia. By examining these factors, the study seeks to provide valuable insights into the motivations and barriers affecting PHI adoption. The findings will contribute to improved healthcare financing strategies, enhance PHI accessibility, and support policymaking efforts to ensure sustainable health insurance coverage for medical professionals.

2.0 MATERIALS AND METHODS

This study is grounded in the philosophical framework of ontology and adheres to a post-positivist paradigm. A quantitative research methodology was employed, utilizing a cross-sectional study design. This non-experimental approach involves collecting data from multiple individuals at a specific point in time through questionnaires or surveys (Schmidt & Brown, 2019). The cross-sectional design is particularly suitable for assessing relationships between variables without manipulation, ensuring an objective evaluation of the research questions.

According to Perner (2010), consumer attitudes toward a product or service consist of cognitive knowledge, emotional responses, and behavioral intentions: factors that collectively shape decision-making. In the context of health insurance, higher health consciousness leads individuals to seek more health-related information and increases the likelihood of purchasing PHI (Dutta-Bergman, 2004). Healthcare personnel, due to their professional exposure and awareness of disease risks, tend to exhibit heightened health consciousness. Tam et al. (2021) found that individuals' attitudes significantly affect their decisions to enroll in, maintain, or discontinue PHI. These attitudes are shaped by whether individuals already hold PHI and are

influenced by perceptions, beliefs, and trust in insurers. A lack of trust can negatively impact the willingness to purchase PHI. Wang (2010) similarly reported that attitudes toward the insurance industry affect purchase decisions, while Ganesh et al. (2000) highlighted that favorable views of insurance and its providers lead to increased uptake. As such the first hypothesis for this study states that there is a significant positive influence of attitude on healthcare personnel participation in Private Health Insurance.

Perception shapes how individuals interpret and respond to products and services, influencing purchasing decisions (Zhuang, 2016). Belch and Belch (2004) emphasized that consumer behavior involves complex activities like searching, evaluating, and selecting products to meet personal needs, with perception playing a key role in these processes. In the context of PHI, the rising cost of healthcare and the COVID-19 pandemic have shifted public perception, making individuals more aware of insurance as a means of financial and health protection (Patil et al., 2022). Previously seen as an investment or tax tool, health insurance is now increasingly viewed as essential. However, perception varies. While many now recognize the value of PHI, others remain hesitant due to rising premium costs (Cantiello et al., 2015) or doubts about its effectiveness in reducing medical expenses (Mathur et al., 2014). Mathur et al. further noted that a favorable perception of PHI significantly increased the likelihood of uptake, while skepticism reduced participation. The second hypothesis states that there is a significant positive influence of perception on healthcare personnel participation in Private Health Insurance.

Consumers are motivated not by product function alone, but by the benefits they expect to receive—these perceived benefits shape their sense of value (Winsky, 2017). Natalier and Willis (2008) emphasized that individuals opt for PHI not only based on personal experience but also future expectations, especially in mitigating healthcare inflation risks. Similarly, Cantiello et al. (2015) noted that PHI uptake increases when individuals believe the benefits outweigh the costs.

The COVID-19 pandemic accelerated digital transformation in insurance, shifting consumer expectations toward greater efficiency and accessibility (Maiato, 2020). Streamlined digital claims processes and service responsiveness improve customer satisfaction and influence insurance decisions. In contrast, poor claims handling, as reported in Nigeria by Ejye (2007), discourages insurance participation. Patil et al. (2022) highlighted that key benefits influencing PHI decisions include competitive premiums, hospital access, and tax incentives. Kavitha and Latha (2012) further identified service quality factors, such as policy renewal reminders, agent responsiveness, and claims transparency as strong motivators for PHI enrollment. As such the third hypothesis of this study states that there is a significant positive influence of healthcare benefits on healthcare personnel participation in Private Health Insurance.

The sample size for this study was determined using the RAOSAFT calculator, with a margin of error of 6.71% and a 95% confidence level. The study population consists of 3,200 health staff members, with an assumed distribution of 50%. Based on these parameters, the minimum required sample size was calculated to be 200. To account for a potential dropout rate of 10%, the final adjusted sample size was set at 210 participants, ensuring the robustness of the findings.

The primary data collection instrument for this study was a structured questionnaire, which consisted of four sections. Part A collected socio-demographic data through twelve items. Part B measured attitudes toward health insurance policies, adapted from Berkman et al. (2011) and Weedige et al. (2019), and included six specific items. Part C assessed general perceptions of health insurance policies through seven items derived from Weedige et al. (2019) and Yang (2016). Finally, Part D evaluated perceptions of benefits and ease of claims using eight items adapted from previous studies conducted by Paez et al. (2014) and Joshi & Shah (2015). The questionnaire employed a five-point Likert scale for measurement, providing a structured and standardized method for capturing participant responses.

To ensure the reliability and validity of the instrument, a pretest was conducted before the pilot test. The pretest process included a review by two domain experts to confirm the relevance and adequacy of the adapted items. Additionally, a respondent-driven pretest was conducted with five colleagues of the researcher, who provided feedback on sentence structure, clarity, and format. Based on their input, necessary modifications were made to refine the questionnaire. Following the pretest, a pilot test was conducted with 30 respondents to further assess the reliability and consistency of the instrument.

For reliability assessment, the Kaiser–Meyer–Olkin (KMO) test, Bartlett’s test of sphericity, and Cronbach’s alpha analysis were performed using the pilot test data. The Cronbach’s alpha value for general perception items was 0.896, while the value for Health benefits items was 0.922. Since a reliability coefficient above 0.7 indicates strong internal consistency, these values confirm the reliability of the measurement instrument and its accuracy in capturing the intended constructs.

Data analysis was conducted using SPSS to ensure systematic and rigorous statistical evaluation. Ethical considerations were carefully addressed in compliance with the General Data Protection Regulation (GDPR). Since email addresses are classified as personally identifiable information (PII), they were securely stored in an encrypted folder and linked to unique study identification numbers. Upon study completion, the data was transferred to a hard drive and securely stored for a minimum of two years before being permanently deleted. While participants had no direct access to their individual data, they may formally request access to the study’s overall findings by contacting the researchers.

3.0 RESULTS

3.1 Attitude and PHI Participation

As shown in Table 1, there is a strong positive correlation between individuals’ attitudes and participation in PHI ($r = 0.579$, $p < 0.01$). This indicates that more positive attitudes are associated with a higher likelihood of PHI uptake among healthcare professionals in both public and private hospitals. Therefore,

Table 1: Attitude And Participation in Health Insurance

		Health Insurance Participation
Attitude	Correlation Coefficient	0.579**
	Sig. (2-tailed)	0.000

*p< .01 (significant at the 0.01 level, 2-tailed)

3.2 Perception and PHI Participation

Table 2 shows a strong, significant correlation between general perception and PHI participation ($r = 0.640$, $p < 0.01$). A more positive perception of health insurance corresponds with greater participation.

Table 2: Perception and Private Health Insurance Participation

		Health Insurance Participation
General Perception	Correlation Coefficient	0.640**
	Sig. (2-tailed)	0.000

*p< .01 (significant at the 0.01 level, 2-tailed)

3.3 Perceived Benefits and PHI Participation

As presented in Table 3, a significant positive correlation was found between perceived health insurance benefits and PHI participation ($r = 0.591$, $p < 0.01$). Higher perceived benefits are linked to greater PHI engagement. Therefore,

Table 3: Health Insurance Benefits and Private Health Insurance Participation

		Health Insurance Participation
Health Insurance Benefits	Correlation Coefficient	0.591**
	Sig. (2-tailed)	0.000

*p< .01 (significant at the 0.01 level, 2-tailed)

4.0 DISCUSSION

4.1 The Influence of Attitude on PHI Participation

This study found a significant positive association between individuals' attitudes and their participation in Private Health Insurance (PHI), with more favorable attitudes linked to higher uptake among healthcare personnel. This supports findings by Jan et al. (2020), who observed that individuals with a positive view of PHI, especially its role in enhancing healthcare quality, were more likely to enroll. Tam et al. (2021) further noted that those with PHI tend to hold more positive attitudes compared to those without, influencing both enrollment and continuation decisions. Similarly, Ganesh et al. (2000) and Wang (2010) found that favorable attitudes significantly predict insurance uptake. These findings suggest that attitude formation, influenced by perceived value and risk evaluation, plays a critical role in PHI decisions.

4.2 The Influence of Perception on PHI Participation

A strong positive correlation was also observed between general perception and PHI participation. This supports Hypothesis H2, aligning with prior studies such as Buchmueller et al. (2013), which found that positive perceptions are associated with greater insurance engagement. From a risk-aversion perspective, individuals with favorable perceptions of PHI are more inclined to enroll as a safeguard against medical inflation (Cantiello et al., 2015; Harley et al., 2011). Jayaraman et al. (2017) also found that positive perceptions influenced both uptake and retention of PHI coverage. Arboleda-Arango (2015) noted that flexibility in provider choice enhances perception and, consequently, access to healthcare. However, differing individual perceptions, trust in insurers, and public reputation also play roles in shaping confidence and decision-making.

4.3 The Influence of Perceived Benefits on PHI Participation

Perceived benefits showed a significant positive correlation with PHI participation. Individuals who understood the cost-saving potential and practical advantages of PHI were more likely to enroll, supporting Jan et al. (2020). Tam et al. (2021) highlighted that policy incentives, such as tax rebates, further increase PHI adoption. Conversely, limited awareness of benefits is associated with reduced willingness to pay (Balqis-Ali et al., 2021; Van Winssen et al., 2016), often due to loss aversion. Mohammed et al. (2011) identified poor claims service as a major barrier to participation. Clear communication of benefits and improved claims processes can strengthen perceived value and encourage enrollment. Offering subsidized PHI can also help consumers assess value and make more informed long-term decisions.

5.0 CONCLUSION

This study highlights the significant influence of attitude, perception, and perceived benefits on PHI participation among healthcare personnel. Positive attitudes and perceptions, along with a clear understanding of benefits, increase the likelihood of enrollment. These findings support behavioral economic theories and underscore the importance of psychological and informational factors in health insurance decisions. To enhance PHI uptake, policymakers and insurers should build trust, offer flexible policies, simplify enrollment, and promote awareness through digital platforms and workplace initiatives.

Several limitations should be noted. The reliance on self-reported data may introduce bias, and the sample was limited to private hospital staff, reducing generalizability. The cross-sectional design also restricts insights into changes over time. Future studies should use longitudinal and mixed-method approaches with broader samples to deepen understanding and improve policy relevance.

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