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"Understanding Patient Preferences: A Comparative Analysis of Private and Government Healthcare Utilization"

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Abstract

A 2020 study published in the International Journal of Innovative Science and Research Technology found that 72% of rural and 79% of urban populations in India preferred private hospitals over government hospitals, despite the higher costs. The primary reason cited was poor hygiene and low-quality services in public healthcare facilities. This study focused on the Hyderabad region and surveyed 299 outpatients, 130 female and 169 male, to analyze the factors influencing hospital preferences. (Varma, 2020) In 2025, our group conducted a follow-up study to assess whether these preferences have evolved. Unlike the previous study, which examined the entire Hyderabad region, our research focused specifically on the rural area of Rudraram village. Both studies employed structured questionnaires to gather data. Compared to the 2020 findings, our results suggest that while the preference for private hospitals remains high, some shifts in perception are beginning to emerge, particularly among the younger and more educated demographics. Respondents cited cleanliness, shorter wait times, and better doctor availability as continued advantages of private hospitals, but also expressed a desire for improved infrastructure and staff behavior in government hospitals, suggesting growing expectations from the public healthcare system.

Introduction

Public health care in India plays a critical role in maintaining equitable access to health services, particularly for low-income and marginalised populations. Huge investments and numerous welfare schemes have been launched by the central and state governments, even then, a large proportion of the population prefers paying larger amounts in private health facilities, bypassing government health care. This trend is also noticed in the following policy brief analysed by the given questionnaire and survey, and raises important questions about the quality, access, and trustworthiness of public hospitals.

The policy brief is tied to the survey designed to get the general public's view and the accessibility of government hospitals. To get the reasons why people avoid these institutions and prefer private facilities is the primary objective of this brief. This brief also serves as a laboratory to look for the reasons why this trend persists in our society. The survey expands on five key sections: demographics, healthcare preferences, public hospital service quality, proposed improvements, and additional feedback. The survey aims to capture an extensive understanding of patient experiences, healthcare positions, and systemic gaps through a nuanced set of questions.

The insights from the questionnaire suggest that the challenges, such as a shortage of staff, unavailability of critical medicines, long waiting times, and insufficient diagnostic facilities, are the major reasons for the trend of private hospital preference. This ongoing trend is further compounded by referrals from government hospitals to private hospitals due to a lack of diagnostic infrastructure, which reflects the overload and limitations of resources. The demographic data acquired, including like gender, age, and education, will aid in streamlining

responses to better analyse the data of population groups and their interaction with the public health care system. Such segmentation is vital for making targeted interventions that highlight the needs and constraints of a diverse population.

By reflecting both systemic shortcomings and public expectations, this brief seeks to target for reforms which are for restoring faith in government hospitals. A few areas that need urgent intervention are cleanliness, reduced wait time, increasing workforce in government hospitals, and launching awareness generation plans for government schemes.The policy brief targets to give actionable suggestions that are based on the citizen feedback to bridge the gap between on-ground realities and public policy intent.

Problem Statement

Despite being affordable and accessible, government hospitals are underutilized due to various constraints like long waiting times, lack of trust, and a doctor shortage. This leads people to seek expensive private care, even when state facilities exist. This wide gap between availability and usage reflects critical shortages in the public healthcare system.

Literature Review

Patient preferences in healthcare utilization are influenced by multiple socio-economic, perceptual, and systemic factors. Two empirical studies, one from Hyderabad, India, and the other from India overall, bring richer understandings not only into "why" patients choose private healthcare utilizes relative to government facilities but also identify key patient-specific, socio-economic factors that predict private sector utilization despite the presence of government hospitals. The first study, from Hyderabad, found that even when government healthcare services

are free or subsidized, the majority of patients prefer private hospitals due to perceptions of higher quality care, lesser wait times, and better access to doctors and diagnostic tests (Varma, 2020). Patients believe that private hospitals are more responsive, have better hygiene standards, and attend to patients' individual needs, and for those lower and middle-class citizens, the higher costs of care may still provide perceived value. Other factors such as absenteeism of healthcare workers, lack of medicines, and infrastructure deficits in public hospitals further incentivize private care utilization.

Similarly, the second study (Megha Sharma, 2023) that reported patient preference for private healthcare over public hospitals was consistently guided by the expectation of healthcare provider "good behavior", timeliness, and overall quality of care. The study employed a cross-sectional survey and statistical modeling to demonstrate that relevant factors such as monthly household income, educational attainment, and employment additionally factor into the decision-making process of public and private sources. Not surprisingly, even among low-income populations, there was an intention to spend more money on perceived better care from the private sector.

Both studies have a striking commonality: in spite of government efforts to improve access and coverage, persistence of perceived quality, efficiency, and patient-centred service described a segment of the population that will seek private healthcare providers. These considerations are not entirely based on cost but are factors based on relationships from lived experience, public opinion, and the importance healthcare has in people's lives. Consequently, patient choice is substantiated by profound factors of perceived quality, systemic shortcomings in the public structures of health service delivery, and a socio-economic dimension, which

highlights the urgency to address public health service delivery, management of personnel, and consideration of reform in public health architecture.

Policy Context

In some previous research, like in a 2020 study that happened in the Hyderabad region, we found that people's preference is more for private as compared to Government hospitals. Even people who are low-in-income also prefer private medical facilities. It is largely affected by poor hygiene, lack of doctor availability, and poor quality of service facilities in government hospitals. Our study raises this question again in 2025 by conducting a focused health facilities survey in Rudraram Village and rural areas within the Hyderabad region. We aim to find whether people have shifted their preferences in recent years and the reason behind any change. It can be based on healthcare needs, awareness and quality of services, which may be influencing people's choices. We adopt the survey method with a questionnaire structure for collecting the data for actual reasons of people’s preferences. We took a total of 60 people for our survey,

While carefully choosing respondents from different age groups, genders, income levels and work fields to conduct a balanced survey for accurate and meaningful results. We asked some basic questions to understand them better, such as where they go for treatment, why they prefer government or private hospitals, what changes they wanted to be in public hospitals, and how many difficulties they faced for any treatment in public hospitals.

We kept some similar questions for comparing the 2020 study and also added a few new questions. It helps us to see how much people still trust public hospitals for serious illness. What improvements are needed to encourage them to go to public healthcare centres often?

This method helped in the comparative and context-specific understanding for healthcare choices in the rural areas. These changes over time gave us a better understanding of how people in Rudraram and rural areas in Hyderabad see their healthcare options today. It will provide insight for improving future health policies.

Case Studies

Tamil Nadu:

Tamil Nadu is among the top 3 states in most crucial health indicators and has been striving hard to take essential healthcare to its citizens and fight diseases. The state government had made sure that COVID-19 vaccines were accessible to individuals. It also offers free medical treatment to victims of road accidents, which was initiated in 2021. It initiated a program to address non-communicable diseases such as diabetes, hypertension, cancer, cardiac ailments, and others, to mention a few. Apart from the 2024-25 budget speech, the finance minister added that the government will be launching a new cancer management mission, under which disease management strategies such as awareness, early detection, proper treatment, and rehabilitative care centers would be the top priority. The state had already met its goals for IMR and MMR under Sustainable Development Goals, which were to be met by 2030. Maternal and child health problems were being given fresh attention with debt audits at community, institutions and districts and state levels to meet the standards of government.

Impact: More than 60% of Tamil Nadu outpatients are using government facilities (NSSO 75th Round). Maternal mortality fell to 54 per 100,000 (one of the lowest rates in India).

Thailand:

Thailand's 2001 launch of the Universal Health Coverage Scheme (UCS) provides a strong example of expanding coverage to government health facilities. In just two years, the UCS brought health protection to about 47 million individuals, covering 76% of the population.

Important UCS Implementation Factors

1. Political Commitment: The political commitment of the Thai government played a crucial role. The Thai Rak Thai party integrated the UCS into its 2001 election platform, reflecting a high level of political will to place healthcare reforms at the forefront.
2. Civil Society Engagement: Active participation of civil society organizations (CSOs) was instrumental in lobbying for and influencing the UCS. CSOs were involved in policy debates and rallied public opinion, making sure that the scheme benefited the population effectively.
3. Technical Expertise: Technical experts designed and implemented the UCS based on evidence-based policies. The expertise made the scheme both inclusive and sustainable.

Comparative Analysis: Patient Preferences for Private vs. Government Hospitals in Hyderabad Region (2020 vs. 2025)

A 2020 study published in the *International Journal of Innovative Science and Research Technology* found that 72% of rural and 79% of urban populations present in India would definitely prefer private hospitals over government hospitals despite having higher costs. And the primary reason for this was poor hygiene and low quality services provided by public hospitals. This study focused on Hyderabad and surveyed 299 outpatients out of which 130 were female and 169 were male to analyze factors which primarily influence choice of hospital. Our group in 2025 did a new survey with around 60 respondents to assess whether these preferences have evolved or not. As compared to the previous study, which focused on the whole of Hyderabad

region, this study done by our group focuses specifically on rural Hyderabad region in Rudraram village. Both the studies followed structured questionnaires methods.

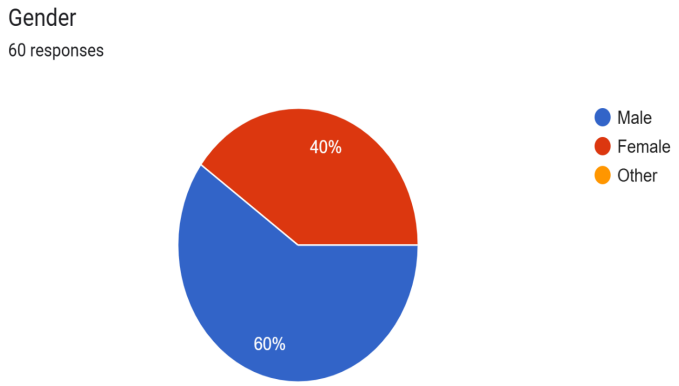

Figure 1 Demographics

The survey is of 60 respondents in Hyderabad within rural areas with questions on demographics such as age, gender, education, income, occupation, treatment preferences, reasons for choosing private and public hospitals, and desired improvements in government hospitals. Out of 60 respondents, 40% were female and 60% were male, showing a more balanced sample than 2020. This gender balance in 2025 eliminates potential bias present in 2020's male-heavy sample. Out of which 41.7% were from the age group of 26 to 40 years old, 33.3% were from

the age group of 41 to 60 years old, 20% were from the age

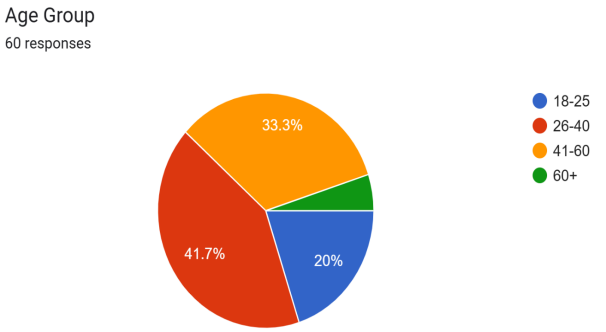

Figure 2 Demographics

group of 18 to 25 years old, and the rest were from 60 years old and above, giving a wide range of ages of respondents.

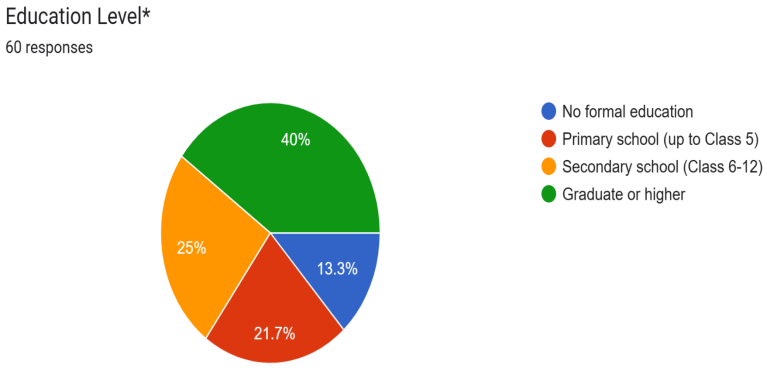

Figure 3 Education Level

Around 40% of our respondents are graduates or from a higher level of education, 25% have only completed secondary school, 21.7% have completed primary school, and 13.3% do not have any formal education.

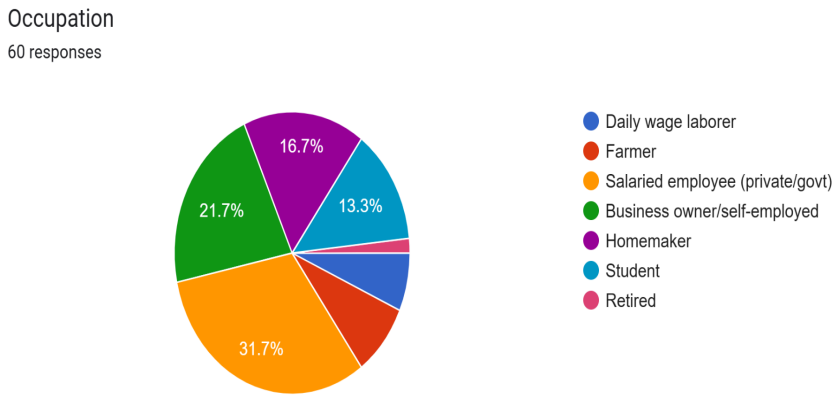

Figure 4 Occupation

More than 50% of respondents were salaried employees in government or private sectors and business owners or self-employed, 16.7% were homemakers, 13.3% were daily wage labourers, and others were retired students or farmers.

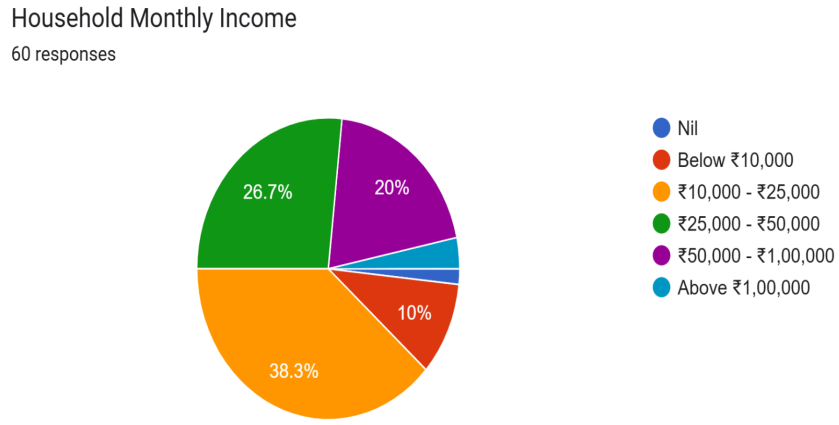

Figure 5 Household Monthly Income

Out of all the respondents 38.3% of people earned 10-25,000 monthly, 26.7% earned 25-50,000 monthly, 20% earned 50,000-1,00,000 monthly, and 10% owned below 10,000. This shows that respondents are distributed across income levels. Comparing this to the 2020 data

where most respondents fell in the lower-middle to middle-income bracket, yet still showed a strong preference for private hospitals.

The 2025 sample is smaller but more detailed in demographics. Middle-Income groups dominate, potentially explaining the higher use of private healthcare services as compared to 2020, where income distribution was broader.

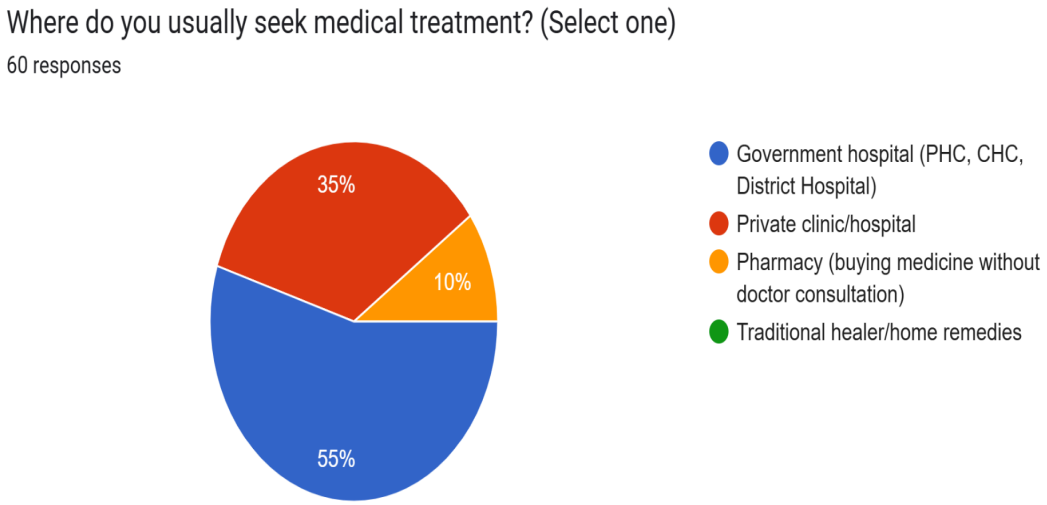

Figure 6 Where do you Usually seek medical treatment

As compared to the 2020 study, where 82% of respondents preferred private hospitals, 13% chose government hospitals, and 5% opted for other options i.e. traditional healers, etc. Our study in 2025 shows that 55% of respondents prefer government hospitals for routine medical treatments, 35% prefer going to private clinics or hospitals when sick and 10% prefer buying medicine without any doctor consultation on their own, and none prefer traditional healers or home remedies. This shows a change in preference for medical treatment with none of the respondents wanting to get any home remedies, more would self medicate for routine sickness and the majority would also prefer government services over private for the same.

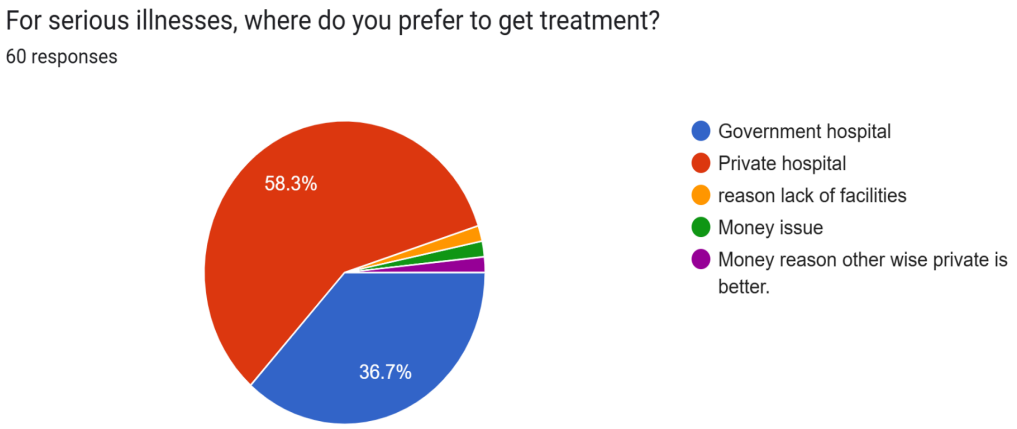

Figure 7 Preference

To have a better understanding, we asked a different question in addition to the normal "Where do you get your treatment, government or private hospitals/clinics?", to know how much people trust to go to government care facilities when they are facing a serious medical illness or diseases. This gave us a deeper insight as to how people would tend to make decisions when it comes to more serious or life threatening illnesses. Hence, as for serious illnesses, around 25 people, respondents, that comes up to 58.3% of total, said that they would prefer private hospitals over government hospitals, whereas around 36%, that is around 22 respondents, said that they would still prefer government hospitals. Two people said that they would prefer government hospitals due to monetary constraints, but otherwise they would have chosen a private health care facility for serious illnesses. A person said that they would prefer private over government for serious illnesses because government health care services lack facilities. When comparing the 2025 data with 2020 we see that for serious illnesses, the preference for private care (58.3%) is still strong but lower than the 2020 overall figure. This suggests a modest shift toward public facilities, but this could also be accounted for due to the data being only of rural areas, thus a general lack of money to pay for the out of pocket expenses in private hospitals.

Reasons for Preferring private hospitals over public ones:

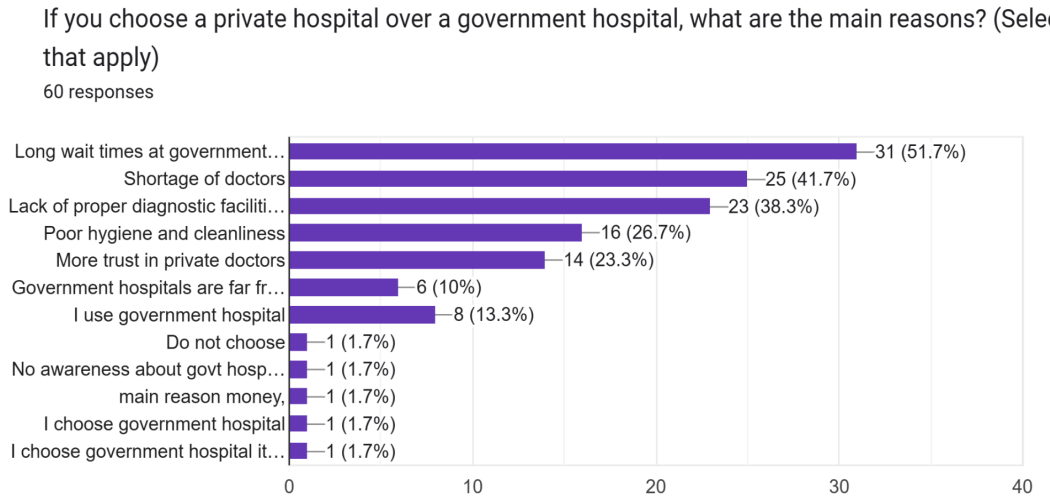

Figure 8 Why would prefer private hospitals over public hospitals

We asked our respondents why they would prefer private hospitals over public hospitals, and the majority, around 51% of people, responded that there is a long waiting time at government hospitals, poor hygiene and cleanliness was responded by 26.7% and lack of proper diagnostic facilities in government hospitals. This also shows a similarity to the 50% of people in 2022 data, who responded that quality of service is really important for them to prefer private over government hospitals. According to the regression analysis, they found that quality of services is a significant predictor of choice of hospital for the respondents.

Next, around 25 people also responded that there is a high shortage of doctors in government hospitals, and around 14 people responded that they have more trust in private doctors compared to doctors from government hospitals. Drawing similarities from previous years data, where around 49% of people would choose private services over government because they had better doctor quality and availability.

Around 10% of respondents said that due to the larger proximity of government hospitals from their residents, they tend to prefer private hospitals, which are more near. Similarly in the 2020 data, 185 reactions, private clinics were under 1 km from their houses and only 4 residents said that private clinics were in excess of 10 km far from their residents This also shows that private clinics are much more accessible to people based on proximity, hence they prefer private clinics more But after they ran regression analysis, they found that proximity played an insignificant role in selection of hospital.

In the 2020 data, regression analysis, they found that the R-square for the treatment affordability is 3%, which said that affordability is significant in a patient's preference for hospital. But in our survey less number of people saw affordability as a major aspect in considering where to go for treatment. There are only three people mentioned that affordability is a constraint while considering the preference of hospital.

Overall, both these studies highlight quality-related issues, i.e., hygiene, doctor availability, diagnostics, etc., as drivers for private hospital preferences. However, in 2025, emphasis on operational inefficiency, such as wait times, doctor shortages, are more significant over affordability, which was more prominent in 2020. Proximity still remains a factor, but less significant in 2025, possibly due to improved private hospital accessibility, i.e., more private clinics opening up within the vicinity of Hyderabad.

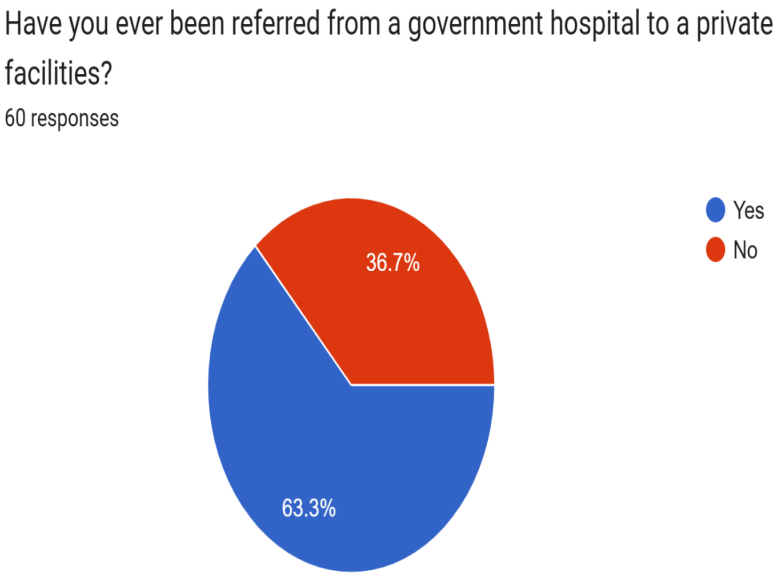

Figure 9 Have you ever been reffered from a government hospital to a private hospital due to lack of facalities

We also ask the respondents if they were ever referred to a private hospital from a government hospital due to lack of facilities, which gave us information about the general lack of infrastructure in government hospitals to treat people with illnesses, this can be somewhere similar to our previous question, if they would prefer private hospitals over government if they had severe illnesses, over 63.3% of people said yes that they were referred from a government hospital to a private hospital due to lack of facilities, which highly reinforces the lack of infrastructure in government hospitals, this reinforces that government hospitals there are limitations to treat the patients as evidenced in our survey.

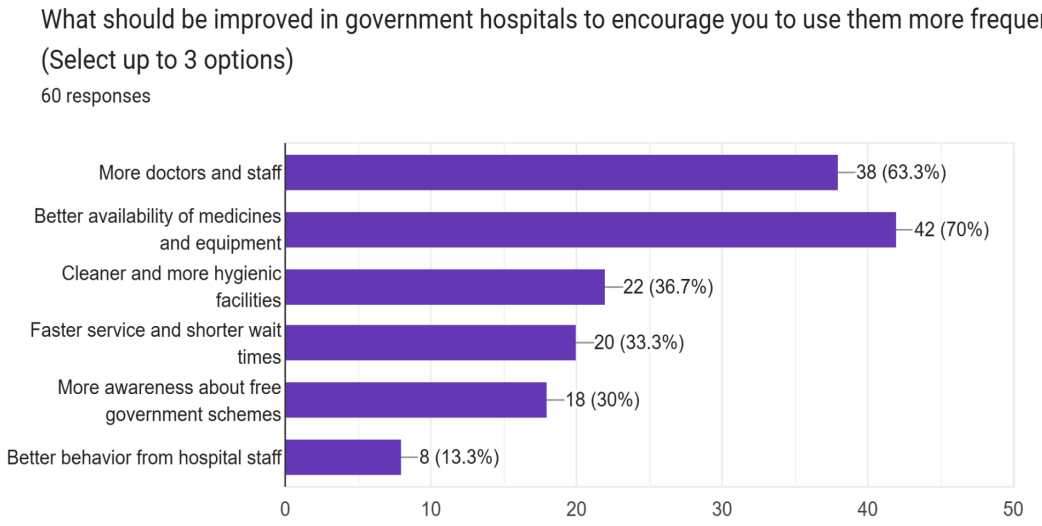

Figure 10 What Facilities should be improved in Government Hospitals

To deeper the analysis, we also asked that what improvements would people like to see in government hospitals to encourage them to use those facilities more frequently and 70% of respondents said that they would like better availability of medicine and equipment required for treatment, 38 respondents that is 63.3% said that there should be more doctors and staff available, 20 respondents that is 33.3% of people said that the government facilities and hospitals should be more cleaner and hygienic in nature, 23.3% that is 20 respondents said that there should be faster services and shorter wait times, 8 respondents

said that there should be better behaviour from government hospital staff. At the same time 18 people said that they would like to be better informed of the government schemes and fee structure for them to use government services, this shows that lack of awareness is a hidden barrier. Even if government hospitals *offer affordable or even free care*, people might not know or understand how to access it.

The above imply that the respondents aren't just vaguely dissatisfied—they have *very specific expectations*. These are all *basic infrastructure and operational* challenges, not impossible demands. By actually meeting those demands public hospitals could regain trust by focusing on these actionable areas.

Implications

The above analysis implies the following:

A. There is a gradual but conditional shift towards public health care which is largely for routine or minimal care but the trust for critical treatment remains with the private sector still in 2025.

B. The major barriers to public hospital use in 2025 include longer waiting time, doctor shortages, poor hygiene, and diagnostic inadequacies. Whereas only 5% mention affordability as a primary factor, this suggests that quality and efficiency outweigh the cost concerns. This implies that people's reluctance is not due to bias against public hospitals, but is based on poor service delivery, which can be fixed by issues like better staffing, cleanliness, and higher diagnostic access to better infrastructure.

C. In 2020, affordability was more significant, especially for low to middle-income respondents. In 2025, with a more evenly distributed income base, affordability is less of a concern. Even middle-income owners prefer government hospitals if basic services are met. This implies that public hospitals are not just a *poor man's option* anymore, there is a general, broader appeal, given that services should also improve, especially in rural populations.

D. The human element, i.e., trust in medical personnel and better patient experience, is lacking, as 14 respondents explicitly mentioned lack of trust in government doctors. Thus, this must be addressed alongside infrastructure fixes.

E. Public hospitals, even when used, are often stepping-stones and not fully-fledged care centers, as many patients will float from public to private hospitals due to lack of facilities. This tends to erode public trust and indicates more out-of-pocket spending.

F. People want to use public services, but the issue is quality, awareness, and system inefficiency, not a lack of willingness.

Recommended Public Health Policy Solutions

1. Firstly, it is important to strengthen infrastructure and core services in government hospitals. There should be increased budget allocations specifically for diagnostic facilities, essential medicine stockpiles, and sanitation infrastructure in rural public hospitals. There can be creation of *village-level health quality dashboards* to track wait time, doctor presence, and medicine availability, which addresses the top three patient concerns. This also improves the perception and actual experiences of the patients simultaneously. It builds trust in government services through visibility and accountability. At the same time, bridges the urban-rural gap in healthcare. There can be budgetary constraints, which might limit the pace of rollout. At the same time, there can be initial implementation lag, which might lead to temporary disillusionment.
2. Second, there can be mobile health units with real-time telemedicine access. Mobile health vans in partnership with public-private providers would reach villages like

Rohtararam. The telemedicine platforms would be used to connect patients with doctors in real-time for non-emergency but essential healthcare. This would overcome the doctor shortages and proximity issues without relying on heavy infrastructure investments, reducing the funding problem in the solution above. This proves to be a cost-efficient solution in low-density rural settings, also reduces self-medication and encourages early intervention for patients.

3. There needs to be a reform in staff hiring and accountability measures, such as there should be mandatory performance audits and satisfaction surveys for public hospital staff linked to incentives. There can be rational postings with hardship allowance to ensure rural postings are adequately staffed. This would reduce the perception of doctors' unavailability and improve patient-staff relationships. It would build internal motivation amongst staff to improve behavior and quality of care towards patients, and also carry incentives for rural services, reducing the absenteeism problem amongst doctors.
4. There can be village-level awareness drives which are led by ASHA workers or local champions on availability of services, fees, and entitlements. There can be use of infographics and videos in leisure languages for better clarity. This tackles the hidden barrier of information asymmetry, especially among lower educated groups. This is low-cost intervention, but would have a high potential impact. It would empower patients to make informed decisions.

These recommendations do not push privatization but recognize the patient's agency in choosing quality and focus upon repairing trust in public systems through transparency, responsiveness, and community engagement.

Conclusion

There should be incremental service improvements in hygiene, staffing, and diagnostics, which would drastically shift preferences toward public hospitals. Next, there is a need for patient-centric reforms, not just infrastructure, but trust-building, efficiency, and communication is actively needed. Raising awareness must be on the table. The public healthcare system has the potential to win back users, but must account for specific demands which are needed. At the end, preferences are not static, they evolve with better services, awareness, and affordability. The rural population is open to improved public health infrastructure, provided it is reliable and better quality. Public healthcare still dominates in trust and capability, especially in critical areas, but this gap can be bridged with targeted public health reforms. The shift from 2020 to 2025 suggests a policy window of opportunity to transform rural health perceptions and outcomes if policymakers listen to people's specific expectations.

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