

The Effect of Private Insurance on Patient Service and Loyalty Facilities at Mitra Medika Premiere Hospital Medan City

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ABSTRACT

This study aims to analyze the influence of private insurance ownership on patient perception regarding service facilities and loyalty to Mitra Medika Premiere Hospital Medan City. The method used was descriptive quantitative with a survey approach using questionnaires to 100 respondents of patients using private insurance who were selected through purposive sampling techniques. The research instrument was tested for validity and reliability before use, and data analysis was carried out by regression and correlation tests. The results showed that 75% of patients who used private insurance expressed satisfaction with hospital facilities and services, and 68% of patients expressed willingness to return to treatment and recommended the hospital to others. The regression test showed that private insurance ownership had a significant effect on the perception of service facilities ($p < 0.05$), while patient loyalty was influenced both directly by private insurance and indirectly through the service facilities obtained. These findings confirm that hospitals' partnerships with private insurance providers not only improve patient satisfaction, but also have implications for long-term loyalty formation.

INTRODUCTION

The development of the health sector in Indonesia in recent decades has shown a significant increase, along with increasing public awareness of the importance of access to quality health services. One of the important aspects in supporting the provision of health services is the health insurance system, both organized by the government and by the private sector. (Postgraduate Public Health et al., 2023) (Fitria, 2025)

Private health insurance is getting more and more attention because it is considered to be able to provide flexibility and higher quality of services for its users. In addition to acting as an instrument of financial protection, private insurance also provides competitive pressure for hospitals to continue to improve their facilities and service quality. Patients enrolled in private insurance programs generally have higher expectations, such as the availability of modern facilities, responsive services, comfortable treatment rooms, and easy access to medical specialists. (Dewi et al., 2024) (Afkarina et al., 2021) (Leviana P et al., 2023)

This condition encourages hospitals, especially management, to carry out various innovations and service developments to meet the standards and preferences of patients using private insurance. Improving service facilities not only has an impact on patients' perception of service quality, but also affects patient loyalty to hospitals. (Haryeni & Yendra Nofri, 2019)

Patient loyalty is one of the important indicators in the sustainability and competitiveness of the hospital. Patients who feel satisfied during treatment – both from a medical and non-medical aspect – have the potential to return to using the same service and recommend it to others. Therefore, the existence of private insurance is suspected to have a strategic role in shaping patients' positive perceptions of the services provided and ultimately increasing their loyalty. (Rampi et al., 2023) (Sari et al., 2023)

Based on this background, this study aims to analyze the influence of private insurance on hospital service facilities and patient loyalty at Mitra Medika Premiere Hospital in Medan City. This research is expected to contribute to the development of healthcare strategies based on the needs and expectations of patients using private insurance.

THEORETICAL REVIEW

Previous Research

Research by Iin Iva Afkarina, Titis Eka Gusti, Aprilya Tunggo Dewi. Entitled "The Role of Patient Satisfaction as a Variable Mediating the Influence of Quality Outpatient Registration Services on the Loyalty of Non-PBI BPJS Participant Patients at "X" Tulangan District, Sidoarjo Regency in 2023-2024". What was carried out at Aisyiyah Fatimah Tulangan Sidoarjo Hospital in 2023-2024 analyzed the effect of the quality of outpatient registration services on the loyalty of non-PBI BPJS participants through satisfaction levels. The research using quantitative analytical methods and cross sectional design used 96 respondents with purposive sampling techniques and data analysis using path analysis through multiple linear regression. The results showed that service quality had a significant effect on patient satisfaction (p -value = 0.000) and

patient loyalty (p -value = 0.000), while patient satisfaction also affected loyalty (p -value = 0.000). In addition, service quality has been proven to affect loyalty through patient satisfaction with a p -value = 0.001. The R-square value of 0.530 shows that the variables of service quality, satisfaction, and patient loyalty contribute to the influence of 53%.

Research by Difa Nurulia Savitri, Wahyu Hidayat, Reni Shinta Dewi. THE EFFECT OF SERVICE QUALITY, LOCATION, AND RATES ON INPATIENT SATISFACTION OF LESTARI RAHARJA HOSPITAL MAGELANG CITY (Case Study on Non-Insurance Inpatients) conducted at Lestari Raharja Hospital Magelang City aims to determine the influence of service quality, location, and rates on inpatient satisfaction. This explanatory research type used 88 respondents of non-insured inpatients using proportionate stratified random sampling techniques, and was analyzed using simple linear regression, multiple regression, t-test, and f test. The results of the study show that the quality of service, location, and rates have a positive and significant effect on patient satisfaction both partially and simultaneously. In detail, the quality of service has a very strong correlation ($r = 0.865$) with an influence contribution of 74.6%, location has a strong correlation ($r = 0.687$) with a contribution of 46.6%, and tariffs have a strong correlation ($r = 0.625$) with a contribution of 38.4%. Simultaneously, the three variables had a significant influence on patient satisfaction with a very strong correlation ($r = 0.930$) and a contribution of 86.1%.

Key Concepts and Definitions

Private health insurance is a non-government health funding scheme that covers part/all of the cost of services at health facilities. The amount of premiums and benefits (*benefit richness*) varies and generally negotiates service rates with hospitals. In theory, variations in rates can influence the behavior of service providers and hospital investment decisions in physical and non-physical facilities. International evidence shows that, in markets with private payers, hospital rates from private insurance are on average well above public payor rates, thus enlarging financial space for capital expenditure and service improvement. Hospital service facilities refer to the elements of "structure" (structure-process-output) according to the Donabedian model: buildings, beds, treatment rooms (e.g. single rooms), equipment, human resources, and information systems. Structure influences clinical/administrative processes, which in turn impacts outcomes (safety, satisfaction, loyalty).

Private Insurance

Private health insurance is a form of financial protection organized by non-government insurance companies with the aim of providing health insurance for individuals or groups through the payment of certain premiums. According to Rejda (2014), insurance is a risk transfer mechanism in which the insured pays premiums to the insurer to obtain protection for financial losses that may arise due to certain events. In the context of health, private insurance provides coverage for the cost of treatment, medicines, and medical procedures, in accordance with the agreed policy.

Health Insurance

Health insurance is a form of financial protection against the risk of health costs arising from illness or accidents. According to Rejda (2014), insurance functions as a mechanism for transferring risk from individuals to insurance companies by paying certain premiums. In the context of private health insurance, insurance companies provide service flexibility, ease of claim, and broader coverage of coverage than public insurance programs. This has implications for increasing patient expectations for the quality of health services obtained.

Hospital Service Facilities

Hospital service facilities are all facilities, infrastructure, and service support provided by hospitals in order to provide health services to patients. According to the Law of the Republic of Indonesia Number 44 of 2009 concerning Hospitals, health service facilities include medical services, nursing, medical support, pharmaceuticals, and non-medical services that support patient comfort. Thus, hospital facilities are not only limited to physical infrastructure, but also include an integrated service system to support patient health recovery.

Patient Loyalty

Loyalty is the tendency of patients to return to using hospital services and recommend them to others (Griffin, 2005). Patient loyalty can be understood as a commitment to continue using healthcare services at the same facility and recommending them to others. Oliver (1999) states that loyalty is formed through cognitive, affective, conative, and actual action stages. In the context of hospitals, patient loyalty is greatly influenced by the satisfaction gained from the service experience and facilities available, as well as the support of financing systems such as health insurance.

Private Insurance Relationships, Service Facilities, and Patient Loyalty

Several previous studies have shown that private health insurance ownership has implications for improving the quality of hospital services, as patients with insurance have higher expectations of the facilities provided (Anderson & Newman, 2015). Furthermore, good service facilities have proven to be an important determinant in building patient satisfaction and loyalty (Zeithaml & Bitner, 2003). Thus, it can be conceptually formulated that private insurance has a direct effect on the perception of service facilities, which in turn has an impact on patient loyalty.

METHODOLOGY

Types and Research Methods

This study uses a quantitative approach with descriptive and associative research types. The quantitative approach is used to measure and analyze the relationship between variables numerically, while the associative approach aims to determine the influence between independent and dependent variables,

namely the influence of private insurance ownership on the perception of service facilities and patient loyalty. (Afidahtin et al., 2024)

This research was carried out at Mitra Medika Premiere Hospital located in Medan City, North Sumatra. The research implementation period starts from July to August, 2025, which includes the stages of preparing instruments, collecting data, analyzing data, and preparing research reports.

Population and Sample

1. Population

The population in this study was all outpatients and inpatients at Mitra Medika Premiere Hospital Medan City who used private health insurance services when receiving health services during the study period.

2. Sample

The samples in this study were taken using the purposive sampling technique, which is a technique of determining samples based on certain criteria that are considered relevant to the research objectives. The inclusion criteria in the selection of respondents are as follows:

- a. Patients aged 17 years and above
- b. Have used private insurance when getting services at Mitra Medika Premiere Hospital
- c. Willing to be a respondent and fill out a questionnaire

The number of samples used in this study was as many as 100 respondents, which was considered adequate for statistical analysis using regression and correlation.

Data Collection Techniques

Data was collected through the distribution of closed questionnaires to outpatients and inpatients at Mitra Medika Premiere Hospital in Medan City who use private insurance. The questionnaire is given directly with assistance from the researcher so that the respondents understand each statement item. (Gultom, 2025)

All respondents were patients who were willing to become participants, according to purposive sampling criteria, with a total of 100 people. This technique allows researchers to obtain primary data quickly and in a targeted manner, according to the needs of the research.

Research Instruments

The research instrument was in the form of a questionnaire using a 5-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). The questionnaire is divided into three parts that represent three research variables, namely:

- a. Private Insurance (X): measures the patient's perception of the benefits and convenience of private insurance ownership in the treatment process.
- b. Service Facilities (Y1): measures the level of patient satisfaction with the facilities, infrastructure, and quality of medical and non-medical services.
- c. Patient Loyalty (Y2): measures the patient's tendency to return to hospital services and recommends them.

The instrument was tested through validity and reliability tests on 30 test respondents. The results showed that all items were valid ($r_{\text{count}} > r_{\text{table}}$) and had high reliability with Cronbach's Alpha value > 0.70 , which indicates the internal consistency of the instrument is good.

Validity and Reliability Tests

Before the instrument was used in the main study, validity and reliability tests were carried out on 30 trial respondents. The validity test was performed using the Pearson Product Moment correlation technique, where the test results showed that all statement items had a calculated r value greater than the r of the table at a significance level of 5% ($\alpha = 0.05$). This means that all items are declared valid and suitable for use.

Next, the reliability test was carried out using Cronbach's Alpha coefficient. The results of the reliability test showed that Cronbach's Alpha value was greater than 0.70 on all variables, which means the instrument has a good level of internal consistency and is reliable for measuring the study variables.

Variable Operations

Here is the operational definition of each variable used in the study:

Table. 1 Variable Operations

Variable	Operational Definition	Indicators	Number of Items	Scale
Private Insurance (X)	The level of patient perception of the benefits, convenience, and service support of private insurance	Insurance benefits, ease of claim, service coverage	5	Likert 1-5
Service Facilities (Y1)	Patient perception of the completeness, comfort, and quality of hospital facilities	Facilities, infrastructure, access to services, cleanliness, comfort	6	Likert 1-5
Patient Loyalty (Y2)	Patient's tendency to return to the service and recommend the hospital	Intention to return to treatment, recommendations, overall satisfaction	5	Likert 1-5

RESULTS

Respondent Description

Of the 100 respondents who were the research sample, the majority were outpatients (65%) and the rest were inpatients (35%). The highest age range is 26-45 years old (55%), followed by age over 45 years (30%) and 17-25 years old (15%). This variation shows that private insurance users at Mitra Medika

Premiere Hospital include the productive to elderly age group. (Lestari et al., 2024)

Patient Satisfaction and Loyalty Levels

- a. Facilities and Services, As many as 75% of patients expressed satisfaction with the hospital's facilities, which include facilities, infrastructure, comfort of treatment rooms, and access to medical services.
- b. Patient Loyalty, As many as 68% of patients stated that they were willing to return to using the services at Mitra Medika Premiere Hospital and recommended it to others. This shows a fairly high level of loyalty among private insurance users.

Patient Satisfaction and Loyalty Levels

The results of the linear regression test show that:

- a. Private Insurance → Service Facilities: there was a positive and significant influence ($p < 0.05$).
- b. Private Insurance → Patient Loyalty: Private insurance has a significant effect on patient loyalty, both directly and indirectly through the quality of facilities.
- c. These findings indicate that service facilities act as a mediating variable that strengthens the relationship between private insurance ownership and patient loyalty.

DISCUSSION

The results of the study show that the existence of private insurance has a significant influence on patients' perception of hospital service facilities. As many as 75% of respondents expressed satisfaction with the facilities and services provided by Mitra Medika Premiere Hospital. These findings indicate that private insurance not only functions as an instrument of financial protection, but also encourages hospitals to improve the quality of facilities, infrastructure, and medical and non-medical services provided. This is in line with the theory of customer satisfaction which states that improving the quality of service directly has implications for user satisfaction.

In addition, the study found that patient loyalty was also at a relatively high level, with 68% of respondents expressing a willingness to return to using hospital services and recommending them to others. These findings confirm that patient satisfaction obtained through services facilitated by private insurance has implications for the formation of long-term loyalty. Thus, patient loyalty can be seen as an outcome of the integration between the private insurance system and the quality of hospital service facilities.

Furthermore, the results of the regression test showed that patient loyalty was not only directly influenced by private insurance ownership, but also indirectly through the quality of the facilities obtained by patients. This mechanism shows that service facilities act as a mediating variable that strengthens the relationship between private insurance and patient loyalty. Conceptually, this supports the view that service quality is a key determinant in building loyalty,

while the existence of private insurance serves as an external factor that facilitates access to better services.

Thus, this study confirms that private insurance not only has a role in the financial aspect, but is also a catalyst for improving the quality of health services. The practical implication of these findings is that hospitals that are able to optimize cooperation with private insurance providers have a greater chance of increasing patient satisfaction and loyalty, while strengthening their competitiveness in the healthcare industry in the city of Medan.

CONCLUSIONS AND RECOMMENDATIONS

This study uses a quantitative approach with descriptive and associative methods through the distribution of questionnaires to 100 respondents of patients using private insurance at Mitra Medika Premiere Hospital, Medan City, with a test of the validity and reliability of qualified instruments, as well as linear regression analysis to test the relationship between variables. The results showed that the majority of respondents were outpatients with the productive age group, where 75% expressed satisfaction with hospital facilities and 68% showed high loyalty to return to use and recommend services. Regression analysis proves that private insurance ownership has a positive and significant effect on patient satisfaction and loyalty, both directly and indirectly through service facilities as a mediating variable. Thus, the study concludes that private insurance not only serves as a financial instrument, but also promotes improved service quality which ultimately strengthens patient satisfaction and loyalty, while providing practical implications for hospitals to optimize partnerships with insurance providers in order to improve the competitiveness of healthcare services.

Mitra Medika Premiere Hospital is advised to continue to expand cooperation with private insurance providers and maintain consistency in service quality so that patient satisfaction and loyalty are maintained. In addition, it is recommended for future researchers to conduct further research by expanding variables, populations, or methods of analysis, so as to provide a more comprehensive picture of the relationship between private insurance, service facilities, and patient loyalty in different hospitals and regions.

FURTHER STUDY

Future research is suggested to include a larger sample size, compare multiple hospitals, and examine additional factors such as patient trust and satisfaction to provide a more comprehensive understanding of the relationship between private insurance, service quality, and patient loyalty.

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