MEASURING SERVICE QUALITY, PATIENT SATISFACTION, AND REUTILIZATION IN PRIVATE HOSPITALS IN INDONESIA: A STRUCTURAL EQUATION MODELING ANALYSIS

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Abstract

In Indonesia's competitive healthcare landscape, the imperative for hospitals extends beyond delivering top-tier medical services; they are now challenged to surpass patient expectations. The amalgamation of impeccable service quality and the cultivation of a positive hospital reputation emerges as crucial, not only for immediate patient contentment but as a catalyst for enduring trust, familial satisfaction, and sustained patient loyalty. Aligned with national ethical codes and professional standards, the delivery of qualified services stands as a paramount objective for hospitals in Indonesia, reflecting a commitment to patient well-being and a strategic response to the burgeoning healthcare market. This research explores the dynamics of hospital performance, focusing on five Type C hospitals in Indonesia, with three situated in Jakarta and two in Batam. Methodologically, the study employs closed questionnaires, utilizing the Likert Scale to gather data from 250 inpatient respondents aged at least 17 years. Analyzed using SPSS and AMOS for Structural Equation Modeling (SEM), the findings indicate a good fit for the overall model, with all hypotheses accepted for logical reasons. These findings contribute to increased knowledge, providing a basis and reference for other researchers and organizations. From the government perspective, as Indonesia aims to improve its economy through the hospital service sector, this study aids in achieving development plans by enhancing management and hospital personnel's commitment and performance in Indonesian hospitals.

Keywords: Service Quality, Hospital Reputation, Patients' Satisfaction, Patients' Revisit intention

INTRODUCTION

Hospitals are vital components of the National Health System, playing an essential role in advancing overarching objectives of National Health Development. The fundamental aim is to ensure every citizen's ability to lead a healthy life, aligning with optimal public health levels outlined in national objectives. Positioned as integral entities in the healthcare system, hospitals face numerous challenges in providing crucial health services to society. Their spectrum of services, covering treatments and various health-related interventions, has become indispensable for individuals, addressing both minor health concerns and major medical issues. As health awareness continues to grow, the significance of seeking the best available medical facilities becomes increasingly apparent.

Moreover, hospitals function as comprehensive service institutions, offering a continuum of health services, including inpatient, outpatient, and emergency care. This array spans promotive,

preventive, curative, and rehabilitative activities, reflecting a holistic approach to individual well-being. Amidst this multifaceted role, the orientation of hospitals toward customer satisfaction emerges as a critical determinant of success. Assessing consumer satisfaction becomes paramount in evaluating the efficacy of these service-oriented institutions. The healthcare industry, particularly within hospitals, is characterized by a complex interplay of financial constraints, quality imperatives, and service demands. Therefore, effective marketing strategies are essential for healthcare organizations to navigate these challenges successfully, ensuring they meet national health development objectives while remaining responsive to the evolving needs of their diverse consumer base. In this context, a focus on customer satisfaction serves as a linchpin for the success and sustainability of healthcare services in the ever-evolving healthcare environment.

In the aspect of public health services, hospitals in Indonesia play an essential role, although they exhibit considerable variance in standards and service quality. The proliferation of hospitals, coupled with heightened community demands for superior yet affordable health services, poses a challenge for these institutions to not only survive but excel amid growing competition. The evolving healthcare landscape necessitates strategic positioning to address dynamic client expectations. Hospitals face a delicate balancing act, requiring a commitment not only to clinical excellence but also a keen understanding of the intricacies of consumer satisfaction. Consumer satisfaction serves as more than a benchmark for success; it acts as a compass guiding healthcare organization through the complexities of the industry. This is particularly pertinent in Indonesia, where numerous hospitals vie for prominence amid community expectations for superior and affordable healthcare. In this competitive landscape, hospitals must adopt a proactive stance, utilizing effective marketing strategies to distinguish themselves and meet the evolving needs of their diverse clientele. The multifaceted role of hospitals within the National Health System requires a strategic focus on consumer satisfaction, serving not only as an indicator of success but also as a driving force for sustained effectiveness and relevance of healthcare services. The intricate interplay of financial constraints, quality imperatives, and service demands underscores the need for hospitals to navigate these complexities adeptly. Through a commitment to consumer satisfaction and the implementation of effective marketing strategies, hospitals can not only meet the objectives of national health development but also thrive in an environment characterized by intense competition and evolving healthcare dynamics.

In the modern era marked by increased life complexities, patient expectations within the healthcare sector have transformed significantly. Patients seek enhanced convenience and a broader array of services from hospitals. Escalating competition propels hospital administrators to continually expand service offerings, reflecting a dynamic response to the evolving needs of the community. Healthcare facilities' development hinges not only on their establishment but also on the efficiency and innovation embedded in their administration and management. The competition among hospitals to provide exceptional services and cutting-edge facilities has reached unprecedented levels, emphasizing the strategic imperative for sustained growth and viability. Central to this competitive environment is the critical factor of customer retention, where healthcare

organizations prioritize the satisfaction and loyalty of their current clientele over acquiring new customers, recognizing the higher cost associated with the latter.

Against the backdrop of the community's decision-making process for medical services, the selection of a particular hospital emerges as a crucial determinant of the institution's success. This decision is influenced by various factors, including the perceived quality of services and the overall reputation projected by the hospital, as emphasized by researchers (Parasuraman et al., 1985; Zeithaml et al., 1996; Tabachnick et al., 2007; Ullah, 2014; Wu et al., 2015; Brown, 2020). Hospitals increasingly recognize the significance of enhancing their reputation, providing consistently high-quality services, and ensuring patient satisfaction, as articulated in the literature (Hutcheson & Moutinho, 1998; Maria & Serrat, 2011; Cai et al., 2021). Statistics underscore the urgency for healthcare organizations to address these aspects. On average, service organizations lose 20% of their customers annually, with a substantial portion of this attrition attributable to declining service quality. The vulnerability of reputation to a single poor service experience reinforces the critical role that service quality plays in shaping patients' satisfaction and overall perception of a healthcare institution. The multifaceted understanding of quality in healthcare, perceived through distinct lenses by different stakeholders such as administrators, patients, and doctors, adds complexity to the quality concept in healthcare (Getty & Getty, 2003; Briggsa et al., 2007; Han, et al., 2021).

Despite the critical nature of these variables, there exists a significant gap in the current literature concerning patients' perceptions of service quality, satisfaction, and revisit intention in the context of hospital reputation (Huseyin, 2005; Mohsin & Lockyer, 2010; Palese et al., 2018; Zhou et al., 2019; Mason et al., 2021). This research aims to bridge this gap by conducting an in-depth investigation into the interrelationships among service quality, hospital reputation, patient satisfaction, and their subsequent impact on patients' revisit intention (Cronin & Taylor, 1994; Al Khattab & Aldehayyat, 2011; Crick & Spencer, 2011; Murray et al., 2019). Specifically focusing on a newly established Type C hospital operational for less than two years, poised to provide limited Specialist Medical Services in every Regency Capital, this nuanced inquiry aims to contribute valuable insights enriching our understanding of the challenges and opportunities inherent in existing healthcare service provision.

In the healthcare industry, the findings of this study have significant implications for shaping policies aimed at enhancing the quality of hospitals, especially within the context of private healthcare services in Indonesia. Understanding the intricate dynamics of patients' purchasing-decision processes and their satisfaction levels can guide strategic decisions and operational adjustments within hospital management. Pinpointing the factors influencing patients' choices and contentment enables healthcare providers, particularly in the private sector, to refine their services to better align with patient expectations. This strategic alignment not only fosters improved patient experiences but also contributes to the overall enhancement of healthcare service quality. For the academic community and the broader society, this study serves as a valuable reference for researchers exploring the nuanced aspects of patients' revisit intention in selecting healthcare services and gauging satisfaction levels. By shedding light on the interconnected variables shaping

patients' choices and contentment, this study adds to the body of knowledge within healthcare research. Academic scholars can draw upon these findings to inform and enrich their own investigations, contributing to the cumulative growth of knowledge within the academic domain. As a source of knowledge, this study extends its significance to the general community. Consumers of healthcare services can benefit from the insights gained through this research. Understanding the factors that contribute to patients' satisfaction and influence their revisit intention processes empowers community members to make more educated decisions about their healthcare providers (Boon-itt & Rompho, 2012; Monmousseau et al., 2020). This knowledge contributes to an environment where healthcare services are more attuned to patient needs and preferences.

Lastly, for researchers, this study offers a fresh perspective and new insights into the intricate factors influencing patients' purchasing decisions and satisfaction levels in the aspect of healthcare services. By revealing the complexities of these dynamics, the research community gains a deeper understanding of the multifaceted nature of patient experiences within healthcare settings. This study contributes to the continual expansion of knowledge within the field, acting as a catalyst for future research aimed at unraveling the intricacies of patient-provider interactions and satisfaction dynamics in the evolving phenomena of healthcare services.

LITERATURE REVIEW

Indonesia's expansive healthcare system, dispersed across 13,000 islands and catering to over 240 million people, presents a complex landscape. Governed by primary healthcare principles, the Ministry of Health plays an essential role in orchestrating a dual system that encompasses both public and private healthcare providers. Patient rights are safeguarded through comprehensive legislation, ensuring transparency, confidentiality, and entitlements such as informed consent. Within this diverse healthcare environment, the study explores the intricate dynamics of patient experiences, shedding light on the complexities of Indonesia's healthcare system. By exploring the contrasting experiences of patients under the national health insurance program (JKN) and those without coverage, the research uncovers insights into accessibility, choice, and financial responsibilities associated with healthcare services. The findings hold substantial implications for policymakers, offering a nuanced understanding of the challenges and opportunities within Indonesia's healthcare system. For researchers, this study contributes to the growing body of knowledge, providing valuable insights that can inform further investigations into the intricacies of patient experiences. The broader community, including healthcare consumers, can benefit from a more informed perspective on the factors influencing healthcare choices and satisfaction levels, potentially fostering improvements in healthcare service quality in Indonesia.

Healthcare System

The term "healthcare" encompasses a diverse array of activities, ranging from drug administration to physical examinations, involving services provided by various allied health disciplines. The World Health Organization defines the healthcare system as a complex network involving

organizations, individuals, institutions, and actors collectively working toward promoting, maintaining, and restoring physical health.

Healthcare can be broadly categorized into two main types: acute or emergency and necessary healthcare, and planned healthcare. While acute situations often limit clients' opportunities to choose providers due to urgency, planned care offers more time and options for selecting healthcare providers. Providers of planned healthcare services operate in a competitive environment, tailoring their services to meet specific needs. Hospitals, as high-hazard industries, are compared to other industries with similar risk profiles. The inherent intricacies of human biology, coupled with medical technologies and the organizational structure of healthcare systems, contribute to the complexity of healthcare. The sector exhibits a balance between centralized and decentralized elements, with unique challenges and risks shaping the delivery of services. The healthcare system can be conceptually divided into providers and suppliers, including hospitals, clinics, and pharmaceutical companies, and payers, such as employers, government entities, and insurance companies. The relationships among these components are nonlinear, reflecting the complex and adaptive nature of the healthcare system. Understanding organizational revisit intention becomes essential in healthcare systems, which are fundamentally organizations. Drawing from various academic disciplines, research in revisit intention provides insights into the multifaceted nature of organizational behavior and decision-making in this critical sector, emphasizing the need for a holistic understanding beyond traditional healthcare paradigms.

Service Quality

Service quality is a crucial factor for an organization's success and long-term stability in the market, contributing to its competitive advantage (Usman, 2017). In healthcare organizations, the interpretation of quality is subjective and varies among individuals associated with or affected by the organization, shaped by their unique perspectives (Birdogan & Iskender, 2015). Administrators perceive quality as the provision of optimal human and material resources essential for service delivery. This includes continuous evaluation of services provided by medical professionals and ongoing training of human resources to enhance service quality. From the patient's standpoint, quality revolves around being treated with respect, attention, sympathy, and understanding by all individuals directly or indirectly involved during their hospital stay. For doctors, quality means delivering the highest level of knowledge, skills, and medical equipment to ensure optimal care for patients. These diverse perspectives contribute to the multifaceted understanding of service quality within healthcare organizations.

While the primary goal of healthcare is to maintain or enhance health status, various non-medical aspects of care are considered significant for overall quality, including hotel and administrative considerations. This study explores service quality from three dimensions: hotel service quality (HoSQ), health service quality (HeSQ), and administrative service quality (AdSQ). Health service quality refers to the contribution of health services to desired health outcomes and alignment with current professional knowledge. Administrative service quality encompasses aspects that provide support services for the efficient operation and functioning of healthcare services in the hospital.

Despite their distinct objectives, hospitals and hotels share fundamental functions and features. Both provide similar amenities, including pre-admissions, check-in processes, stays, discharges, and post-stay experiences. However, hospitals have more responsibilities than hotels to ensure patients' comfort and satisfaction, highlighting the multifaceted nature of healthcare service quality. This acknowledgment underscores the need for a comprehensive understanding of quality that incorporates diverse dimensions to address the complexities inherent in healthcare service delivery.

Reputation

The perception of a hospital in a patient's memory constitutes its reputation, and a positive reputation plays a crucial role in various aspects of organizational success. A positive reputation facilitates rapid entry into new markets, expands service capabilities, attracts talented staff, promotes services, and sets the brand apart from others. It is a strategic tool of high value, providing a competitive advantage that is challenging to imitate and requires substantial financial and human investments to develop over an extended period. Healthcare organizations must prioritize the removal of any negatives that may harm their reputation and invest significantly in building a positive reputation in the minds of stakeholders (Crick & Spencer, 2011; Murray et al., 2019). Researchers (Robledo, 2001; Hafeez & Muhammad, 2012; Chang et al., 2017; Srivastava et al., 2021) have highlighted two main components contributing to forming an organization's reputation: the functional component and the emotional component. The functional component relates to the physical dimensions of the organization, encompassing its tangible aspects and operational efficiency. On the other hand, the emotional component pertains to psychological dimensions such as feelings and attitudes towards the organization, emphasizing the importance of the emotional connection and overall experience. Crucially, organizational reputation is personal and subjective, varying from one individual to another and even within the same group. This subjectivity is rooted in feelings, knowledge, and past experiences, highlighting the complexity of how individuals perceive and form judgments about a hospital's reputation. Therefore, healthcare organizations need to excel not only in functional aspects such as efficient operations and quality healthcare services but also prioritize the emotional aspects that contribute to a positive and lasting reputation. This holistic approach ensures that both tangible and intangible elements align to create a positive impression, reinforcing the organization's position in the minds of stakeholders and the broader community.

Satisfaction

In the aspect of customer satisfaction within the service environment, a central debate revolves around whether customer satisfaction is considered an outcome or a process. Two distinct schools of thought have emerged on this matter. Churchill and Suprenant, along with Oliver, perceive customer satisfaction as an outcome arising from the consumption experience. In contrast, Hunt argues that satisfaction is not derived from the pleasure of the experience but rather from the evaluation that the experience either met or exceeded expectations.

The "satisfaction as a process" school emphasizes that satisfaction or dissatisfaction is not intrinsic to the product or service itself; instead, it is shaped by an individual's perceptions of the product's attributes in relation to their expectations. Consequently, satisfaction is subjective and formed through the interaction of perceptual interpretations of the service and consumer expectations. This perspective acknowledges that different consumers may derive varying levels of satisfaction from an experience that is essentially the same. While both viewpoints have gained recognition, the process-oriented approach appears more fitting in the service environment, where consumption is an experiential process involving collective perceptual, evaluative, and psychological factors contributing to consumer satisfaction. Additionally, the unique characteristics of services, such as intangibility, and the peculiarities of marketing services, such as inseparability, highlight the need for a distinction between overall or cumulative satisfaction and satisfaction with a specific service encounter (transaction-specific satisfaction), a crucial differentiation that is often overlooked (Crick & Spencer, 2011; Murray et al., 2019). The concept of customer satisfaction can be approached from two main perspectives: encounter-specific satisfaction and overall or organizational satisfaction. The encounter-specific perspective considers satisfaction as a post-choice evaluative judgment of a specific purchase occasion, focusing on the assessment of each individual encounter. However, this perspective may not necessarily align with the customer's overall satisfaction with the firm or their perceptions of the firm's quality. Over time, multiple service encounters are likely to contribute to an overall level of satisfaction.

On the other hand, the organizational or brand-specific perspective views satisfaction as an overall evaluation based on numerous transient experiences with a product or service over time. In this context, satisfaction is an ongoing assessment of a firm's ability to consistently deliver the benefits a customer is seeking. Overall satisfaction is likely to be multidimensional, incorporating all encounters and experiences with that service firm. This broader view recognizes that satisfaction may result from various interactions with different individuals within the same firm. Transactional satisfaction, associated with specific encounters, can be seen as a contributor and subsequent modifier to a less dynamic attitude of satisfaction at an organizational level. Overall satisfaction, then, represents the customer's global evaluation of the entire product or service offering provided by the organization. Regardless of the perspective, customer satisfaction is acknowledged as a key factor for long-term profitability, even in the context of a hospital environment (Murray et al., 2019).

Reutilisation

The intricate process of consumer reutilization, shaped by various factors and scholarly perspectives, is crucial in healthcare decision-making. Defined as the selection of alternatives, reutilization involves a thoughtful process akin to traditional product or service purchases, emphasizing the significance of consumer choice in healthcare services and treatments (Ramli, 2016; Tham et al., 2017). The five-stage revisit intention process highlights problem recognition, information search, alternatives evaluation, product choice, and post-purchase evaluation, recognizing the role of both cognition and affect in decision-making (Ramli, 2016).

Healthcare providers are adapting marketing-oriented approaches, recognizing factors influencing patients' decisions, including price transparency, location, staff behavior, tangible aspects, and technology-driven processes. While healthcare shares commonalities with other service industries, its focus on the curative aspect of quality sets it apart, emphasizing not only customer satisfaction but also patient well-being and recovery.

Understanding the intricate revisit intention process in healthcare is paramount for organizations. Patients actively seek information, and effective communication channels are essential for their involvement in decision-making. Research identifies factors influencing hospital selection, including affordable prices, positive experiences, recommendations, qualified staff, clear explanations, courteous service, and modern facilities. Patient-centeredness and the incorporation of patient preferences enhance healthcare quality, attracting patients and fostering referrals. The trend of seeking medical treatment abroad underlines the need to understand patient preferences. In this context, a conceptual framework derived from patient satisfaction theory and SERVQUAL dimensions becomes a valuable analytical tool, capturing the complexities of healthcare decision-making.
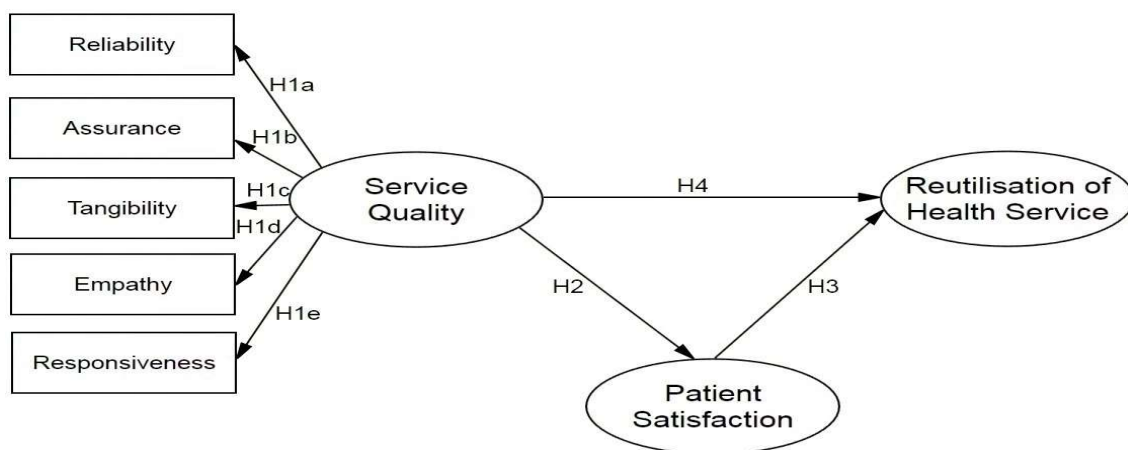

Figure 1: Conceptual Framework

Following the research questions and objectives outlined in Section 1, hypotheses in this study are being formulated, providing a structured basis for analysis.

H1a: There is a relationship between reliability and service quality in Private hospitals in Indonesia
H1b: There is a relationship between assurance and service quality in Private hospitals in Indonesia
H1c: There is a relationship between tangibility and service quality in Private hospitals in Indonesia
H1d: There is a relationship between empathy and service quality in Private hospitals in Indonesia
H1e: There is a relationship between responsiveness and service quality in Private hospitals in Indonesia
H2: There is a significant positive impact of service quality on patient satisfaction in Private hospitals in Indonesia

H3: There is a significant positive impact on patient satisfaction on reutilisation of health service in Private hospitals in Indonesia

H4: There is a significant positive impact of service quality on the reutilisation of health service in Private hospitals in Indonesia

H5: There is a significant positive impact of service quality on the reutilisation of health service mediated by patient satisfaction in Private hospitals in Indonesia

3. RESEARCH METHODOLOGY

The selection of a descriptive study design in this research serves a crucial purpose, enabling a nuanced exploration of the characteristics inherent in the variables under consideration. Descriptive studies provide a systematic approach to understanding and articulating these characteristics, laying the groundwork for informed decision-making (Hair et al., 2010; Azam et al, 2021). This design not only allows for a comprehensive examination of the variables but also provides a structured platform for further research and exploration, aligning with the iterative nature of scientific inquiry.

Additionally, the incorporation of cross-sectional studies is strategically justified in the context of this research. The non-contrived setting of cross-sectional studies, combined with their use of both causal and correlation methods, is particularly suited to the unique nature of this research endeavor. Moreover, the hypothesis testing approach adopted in this study adds a layer of depth to the research strategy. It not only aids in understanding the variance in the dependent variable but also sheds light on the intricate relationships between the independent and dependent variables, in line with the research objectives (Kothari, 2004).

The overarching research focus is on the dynamics of hospital performance, with a specific emphasis on five Type C hospitals in Indonesia, distributed between Jakarta and Batam. The analysis of Bed Occupancy Rates (BOR) during the period from January to September 2019 reveals rates falling below the ideal range of 60-85%, averaging at 46%. This prompts an in-depth investigation into the factors influencing BOR, with a spotlight on the roles played by Hospital Reputation and Service Quality. These factors are examined not only for their direct impact but also for their interplay with Patients' Satisfaction, which serves as a crucial mediating variable.

Methodologically, the research employs closed questionnaires utilizing the Likert Scale, ensuring a structured and standardized approach to data collection. The inclusion of 250 inpatients aged at least 17 years in the sample enhances the study's representativeness. The subsequent analysis, carried out using SPSS ver. 19, reveals key insights. The combined impact of Service Quality and Hospital Reputation contributes significantly to Patients' Satisfaction, with Hospital Reputation exerting a more substantial influence. Importantly, Patients' Satisfaction emerges as a central variable, playing an essential role in influencing Patients' Revisit intention, surpassing the impact of both Service Quality and Hospital Reputation.

In essence, the research design adopted in this study aligns with a quantitative research strategy, following the model development and testing paradigm (Azam et al., 2023). This not only enables a systematic exploration of hospital performance dynamics but also contributes valuable insights

into the factors shaping Patients' Satisfaction and Revisit intention, critical aspects in the healthcare domain. The strategic combination of descriptive and cross-sectional approaches enhances the study's ability to navigate and unravel the complexities inherent in the healthcare context.

4. DATA ANALYSIS
4.1 Demographic Analysis
The demographic profile of respondents in this study paints a comprehensive picture of their diverse characteristics, offering valuable insights into potential variations in healthcare perceptions. Gender distribution is fairly balanced, with 53.3% identifying as female and 46.7% as male. Notably, the age distribution showcases substantial representation from the middle-aged population (41-64 age group, 46.7%) and a significant presence of younger individuals (17-40 age group, 40.0%). Moreover, 13.3% of respondents are over 65, shedding light on the experiences of the elderly in the aspect of healthcare satisfaction.

Marital status emerges as a crucial socio-demographic factor, with 66.7% of respondents being married and 33.3% single. This aspect provides insights into how relationship status might influence perceptions of healthcare experiences. The educational background is notably diverse, encompassing 53.3% completing middle school, 26.7% holding diplomas or undergraduate degrees, 13.3% being elementary school graduates, and 6.7% possessing postgraduate qualifications. This diversity hints at a broad spectrum of perspectives and information-processing capabilities among respondents.

The employment status, a critical determinant of access to healthcare, reveals that 36.7% of respondents are private employees or civil servants, while 13.3% are students or unemployed. Such distinctions offer valuable insights into potential variations in healthcare needs and priorities among different occupational groups. Income distribution further contributes to the nuanced understanding, with 50% of respondents earning an income equivalent to the Regional Minimum Wages, 26.7% earning below, and 23.3% earning above. This economic diversity sheds light on how financial considerations might impact healthcare satisfaction.

The duration of respondents' stays in healthcare facilities presents variations, with 63.3% staying for 3-6 days, 16.7% staying less than 3 days or between 7-15 days, and 3.3% staying more than 15 days. This information is essential for assessing the intensity of healthcare interactions and potential correlations with satisfaction levels. Lastly, the distribution of insurance coverage reveals that 53.3% use Government Insurance, 26.7% use private insurance, and 20.0% rely on personal income. Understanding the role of insurance is essential for comprehending the broader context of patient satisfaction in Indonesia. In summary, this detailed demographic overview establishes a robust foundation for interpreting the study's findings and extrapolating implications for healthcare management and policy.

4.2 Reliability

The reliability of a scale is indicative of its consistency and ability to measure what it intends to without undue random error (Hair et al., 2010). Essentially, it reflects the stability of a research instrument over repeated measurements. Cronbach's alpha is a widely employed method for assessing reliability, offering insights into the internal consistency among the items in a research instrument. The values of Cronbach's alpha range from 0 to 1, with higher values signifying greater reliability (Zainudin, 2012). Typically, a Cronbach's alpha value within the range of 0.6 to 0.7 is deemed acceptable (Hair et al., 2010). In this study, Cronbach's alpha was employed to evaluate the reliability of the questionnaire items. The obtained value of 0.819 indicates a satisfactory level of consistency among the items within the research instrument (see Table 1). This signifies that the questionnaire reliably measures the intended constructs, ensuring a dependable foundation for subsequent analyses and interpretations.

Table 1: Reliability Statistics

	Variable	Cronbach's Alpha	N of Items
Service Quality	Tangibles (TA)	0.778	4
	Reliability (RL)	0.795	4
	Responsiveness (RP)	0.876	5
	Assurance (AS)	0.775	4
	Empathy (EM)	0.738	5
Patient Satisfaction (PS)		0.704	7
Reutilisation of Health Service (RHS)		0.711	5
	Overall	**0.782**	**34**

4.3 Structural Equation Modelling

In this phase, Structural Equation Modeling (SEM) was applied to unveil the underlying relationships between medical tourists' motivational factors and their impact on the choice of a medical tourism destination, serving as a test for the study's hypotheses. Several goodness-of-fit indices were employed to gauge the model's adequacy, adhering to the recommendation by Hair et al. (2010) to consider at least three fit indices from each category. The assessment of structural path relationships followed three criteria, as per Hair et al. (2010): Absolute fit (evaluated using Root Mean Square Residuals, RMSEA), Incremental fit (involving Comparative Fit Index, CFI, and Goodness Fit Index, GFI), and Parsimonious fit (examining ChiSq/df, CMINDF). The initial model did not meet the required GFI value (GFI = .890), prompting a check of the Modification Index (MI). Notably, MI values between e9 and e12 (MI = 37.128) and e17 and e19 (MI = 18.002) indicated the necessity to introduce a double-headed arrow between these constructs. Post-adjustment, the model achieved the necessary fitness values [CFI = .967, GFI = .943, CMINDF = 2.915, RMSEA = .052], ensuring alignment with the required fitness parameters. This underscores the model's robustness and its ability to effectively capture the relationships among the examined variables.
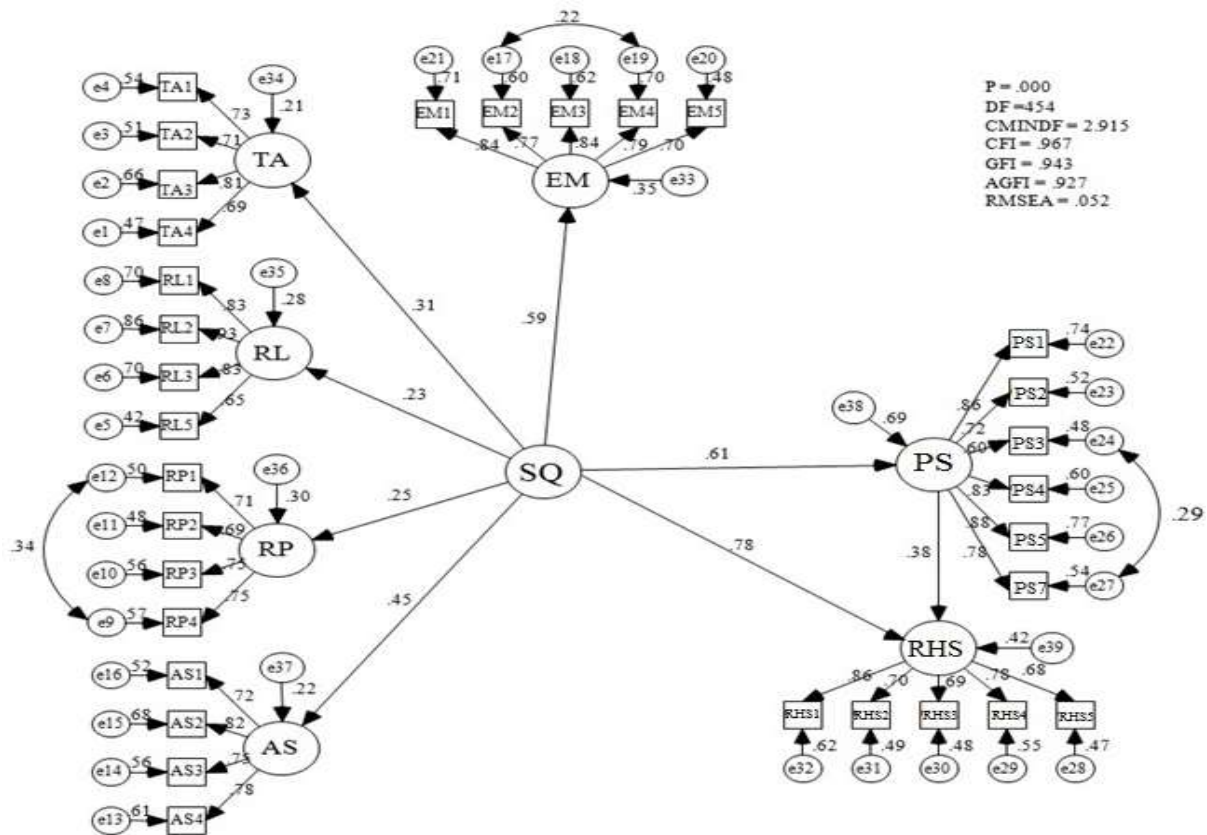
Figure 2: Final Structural Model

No additional modifications were necessary as the model has successfully attained the requisite values, ensuring its fitness for estimation.

4.4 Hypothesis Testing

The hypotheses of this study were tested using SEM, and the overall statistical results indicate a good fit. The complete model, including the nine hypothesized paths, is presented in Table 2, revealing that all variables exhibit positive values.

Table 2: Hypothesis Testing

			Estimate	S.E.	C.R.	P
Tangibles	→	Service Quality	0.312	0.310	1.006	***
Reliability	→	Service Quality	0.234	0.234	1.000	***
Responsiveness	→	Service Quality	0.250	0.252	0.992	***
Assurance	→	Service Quality	0.445	0.453	0.982	***
Empathy	→	Service Quality	0.591	0.592	0.998	***
Patient Satisfaction	→	Service Quality	0.611	0.508	1.203	***
Reutilisation of Health Service	→	Service Quality	0.778	0.365	2.132	***
Reutilisation of Health Service	→	Patient Satisfaction	0.384	0.381	1.008	***

In this phase, the revised model was compared with the initial model, both tested to uncover the causal relationships among tangible, reliability, responsiveness, assurance, empathy, patient satisfaction, and the reutilization of health services. As shown in Table 3, the first model exhibited imperfect fit in the goodness-of-fit indices [Incremental fit (CFI) = .947, (GFI) = .890; Parsimonious fit (CMINDF) = 4.257; and Absolute fit (RMSEA) = .052]. However, the revised model showed slight improvement [Incremental fit (CFI) = .967, (GFI) = .943; Parsimonious fit (CMINDF) = 2.915; and Absolute fit (RMSEA) = .052]. Therefore, it was inferred that the revised model was accurate, as it enhanced all goodness-of-fit indices (GOF) per the suggestion of Zainudin (2012). A summary of the key findings is presented in Table 3.

Table 3: Summary of the Main Findings of the Study

H(x)	Hypothesis	Finding
H1a	There is a relationship between reliability and service quality in Private hospitals in Indonesia	Accepted
H1b	There is a relationship between assurance and service quality in Private hospitals in Indonesia	Accepted
H1c	There is a relationship between tangibility and service quality in Private hospitals in Indonesia	Accepted
H1d	There is a relationship between empathy and service quality in Private hospitals in Indonesia	Accepted
H1e	There is a relationship between responsiveness and service quality in Private hospitals in Indonesia	Accepted
H2	There is a significant positive impact of service quality on Patient Satisfaction in Private hospitals in Indonesia	Accepted
H3	There is a significant positive impact of Patient Satisfaction on Reutilisation of Health Service in Private hospitals in Indonesia	Accepted
H4	There is a significant positive impact of service quality on Reutilisation of Health Service in Private hospitals in Indonesia	Accepted
H5	There is a significant positive impact of service quality on Reutilisation of Health Service mediated by Patient Satisfaction in Private hospitals in Indonesia	Accepted

5. Conclusion and Managerial Implication

This study utilized SPSS and AMOS statistical tools for data analysis and employed SEM to ensure the construct validity of identified constructs. Five sub-constructs represented Service Quality (SQ), the independent variable, including Tangible (TA), Responsiveness (RP), Reliability (RL), Assurance (AS), and Empathy (EM). Patient Satisfaction (PS) served as the mediating variable and was explained by seven items. The dependent variable, Reutilization of Health Service (RHS), was explained by five items. Through SEM, the research addressed various statistically significant hypotheses in the Indonesian context.

The study highlighted the crucial role of management strategy in hospital operations, emphasizing its impact on the long-term viability of healthcare institutions. It contributed to the global discourse on healthcare management by emphasizing strategic imperatives influencing service delivery in Indonesian hospitals.

Patient satisfaction was positioned as a linchpin in service-oriented industries, particularly healthcare. The study recognized its essential role not only in immediate choices but also in patients' decisions to revisit the same services, aligning with global trends towards patient-centered care. The holistic understanding that patient satisfaction extends beyond clinical efficacy to the overall service experience was emphasized, contributing to building a positive hospital reputation and impacting profitability.

Specific areas within hospitals demanding attention for sustained patient satisfaction and loyalty were identified, providing a practical guide for administrators to proactively address issues impacting overall satisfaction and public perception. The findings had broad implications, urging healthcare providers to prioritize a holistic approach to patient care, beyond clinical excellence.

The study contributed to the global discourse on patient satisfaction and service quality, emphasizing patient satisfaction as a multifaceted construct influenced by various factors. It highlighted the strategic importance of patient satisfaction and the retention of existing patients for sustained financial success in the healthcare market. The argument emphasized that maintaining patient satisfaction is not only a reactive measure but a proactive strategy for profit maintenance and growth.

The narrative aligned with the broader shift towards a customer-centric approach in the 21st-century service economy, viewing patients not only as transient consumers but as an enduring market base. Patient satisfaction was positioned as an ongoing necessity for hospital operations to thrive. The consistency between promised and actual service delivery was crucial for cultivating positive perceptions and influencing patient revisit intentions.

The conclusion accentuated the ripple effect of positive perceptions, leading to a higher likelihood of patient revisit intentions and eventual loyalty. This nuanced understanding of patient satisfaction, service quality, and the overarching objective of hospital operations provided a roadmap for hospitals in Indonesia to navigate competitive phenomena with resilience.

From a practical standpoint, the study's findings contributed to increased knowledge and served as a starting point of reference for other researchers or organizations. For the Indonesian government aiming to improve the economy through the hospital service sector, the study provided insights to achieve development plans. Systematically reviewing patients' feedback, decision-makers could examine critical aspects to determine appropriate decisions and actions, fostering patient satisfaction and retention. The fixed structure of the management process was highlighted as a means for hospital personnel to examine relevant variables in decision-making, contributing to improved healthcare service delivery.

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