

Healthcare Decisions, Human Behavior, and Economic Impact: A Case Study Framework

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Introduction

Healthcare systems across the world are increasingly influenced not only by medical advancements and institutional policies, but also by human behaviour and economic realities. The interaction between behavioural choices and healthcare expenditure has become an important area of research within Behavioral Economics and Health Economics. Individuals often make healthcare decisions under conditions of uncertainty, limited information, emotional stress, and financial constraints. These conditions affect treatment choices, preventive healthcare participation, medicine adherence, and healthcare utilization patterns [1].

Behavioural economics explains that individuals do not always make rational decisions concerning their health. Factors such as fear, social influence, habits, misinformation, income limitations, and cognitive bias shape decision-making processes. In healthcare settings, patients may delay medical consultations [2], avoid preventive screenings, or discontinue medication despite medical advice. Such decisions can worsen health outcomes and increase long-term healthcare costs.

Health economics focuses on the allocation of limited healthcare resources and examines how economic conditions influence health services and outcomes. Rising healthcare costs, unequal access to medical services, and increasing chronic diseases have made economic evaluation essential for sustainable healthcare systems. Governments and healthcare institutions are therefore paying greater attention to behavioural interventions that can improve health outcomes while reducing unnecessary expenditures [3].

This article presents a case study framework examining how behavioural factors and economic conditions influence healthcare decisions. The discussion highlights healthcare accessibility, patient behaviour, financial barriers, and policy implications within a practical analytical context.

Background of the Case Study

The case study focuses on healthcare decision-making among middle-income and low-income households in urban and semi-urban communities. These groups frequently face challenges related to healthcare affordability, insurance coverage, transportation costs, and limited health awareness. Despite the

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availability of healthcare facilities, many individuals postpone treatment until symptoms become severe [4,5].

The selected framework evaluates patient behaviour regarding three major healthcare areas:

- Preventive healthcare utilization
- Medication adherence
- Healthcare spending decisions

The study also considers external influences such as family income, educational background, employment status, social norms, and healthcare infrastructure.

In many developing and emerging economies, out-of-pocket healthcare expenditure remains high. Families often prioritize immediate household needs such as food, housing, and education over preventive healthcare services. As a result, healthcare utilization becomes reactive rather than preventive. This behavioural pattern contributes to higher hospitalization rates and increases economic burden on both households and public healthcare systems [6].

Behavioural Factors Affecting Healthcare Decisions

Risk Perception and Delayed Treatment

One major behavioural factor influencing healthcare decisions is risk perception. Individuals frequently underestimate health

risks, especially when symptoms appear minor. Patients may delay medical consultations because they believe the illness will resolve naturally. In several cases, fear of diagnosis also contributes to avoidance behaviour.

Delayed treatment can result in severe complications and increased treatment expenses. For example, untreated hypertension or diabetes may later require hospitalization, surgery, or long-term care. Early intervention is generally less expensive and more effective than late-stage treatment [7].

Influence of Financial Stress

Economic pressure strongly affects healthcare behaviour. Households with unstable income may avoid regular health check-ups due to consultation fees, transportation costs, and medicine expenses. Financial insecurity often forces patients to choose cheaper treatment alternatives or discontinue prescribed medication.

In low-income settings, patients may rely on self-medication or traditional remedies instead of professional healthcare services. Although such alternatives may reduce immediate expenses, they can increase long-term health risks and healthcare costs.

Social and Cultural Influences

Social networks and cultural beliefs also shape healthcare decisions. Family members, friends, and community opinions often influence whether individuals seek medical attention. In some communities, stigma associated with mental health or chronic illness discourages people from seeking timely treatment.

Cultural practices may additionally affect dietary habits, vaccination acceptance, reproductive healthcare decisions, and attitudes toward modern medicine. Behavioural economics recognizes that these social influences frequently override rational decision-making.

Information and Health Literacy

Health literacy plays an important role in healthcare utilization. Patients with limited understanding of diseases, treatment procedures, and insurance systems are more likely to make poor healthcare decisions. Misinformation spread through social media and informal networks can further increase confusion and mistrust [9,10].

Educational interventions and simplified healthcare communication can improve patient engagement and promote healthier behavioural choices.

Economic Impact of Healthcare Decisions

Household Financial Burden

Healthcare decisions have direct financial consequences for

households. Unexpected medical emergencies can significantly reduce household savings and increase debt. Families without adequate insurance coverage may face catastrophic healthcare expenditure.

Repeated hospital admissions, expensive medications, and chronic disease management place long-term pressure on family income [11]. In some cases, healthcare expenses contribute to poverty and reduced quality of life.

Productivity and Employment

Poor health decisions also affect economic productivity. Workers suffering from untreated illnesses may experience reduced efficiency, absenteeism, or job loss. Chronic diseases can limit labour participation and reduce household earnings.

At a national level, declining workforce productivity affects economic growth and increases dependency on public welfare systems. Therefore, improving preventive healthcare participation can generate economic benefits beyond the healthcare sector itself.

Public Healthcare Expenditure

Governments bear substantial economic costs associated with preventable diseases and delayed treatment. Public hospitals often experience overcrowding due to patients seeking emergency care for conditions that could have been managed earlier through primary healthcare services [12].

Behaviourally informed public health strategies can reduce healthcare expenditure by encouraging vaccination (Table 1), routine screening, healthy lifestyles, and medicine adherence.

Table 1: The framework identifies several important patterns in healthcare decision-making.

Behavioural Factor	Observed Impact
Fear of medical diagnosis	Delayed treatment seeking
Financial limitations	Reduced healthcare utilization
Low health literacy	Poor medication adherence
Social influence	Preference for informal treatment
Lack of insurance	Increased out-of-pocket expenditure

The analysis demonstrates that healthcare decisions are not purely medical choices. Economic conditions and psychological behaviour strongly influence how individuals respond to illness, prevention programs, and treatment recommendations.

The findings also indicate that preventive healthcare services remain underutilized despite being more cost-effective in the long term. Many patients prioritize short-term financial survival over future health outcomes [13].

Policy Implications

The case study highlights the importance of integrating behavioural insights into healthcare policy design. Traditional

healthcare policies focusing only on infrastructure and medical supply may not fully address patient behaviour.

- Several policy recommendations emerge from the analysis:
- Increasing public awareness regarding preventive healthcare
- Expanding affordable health insurance coverage
- Reducing transportation and consultation costs
- Promoting digital health education programs
- Strengthening primary healthcare services
- Using behavioural “nudges” to encourage routine check-ups and vaccination

Governments and healthcare organizations can also apply behavioural economics principles through reminder systems, simplified appointment scheduling, financial incentives, and personalized health communication.

Conclusion

Healthcare decision-making is shaped by a complex interaction of behavioural, social, and economic factors. Patients do not always act according to rational economic expectations, especially under financial pressure and limited health awareness. Delayed treatment, poor medication adherence, and avoidance of preventive healthcare contribute to worsening health outcomes and increased healthcare expenditure.

The case study framework demonstrates that understanding human behaviour is essential for improving healthcare systems and reducing economic burden. Policies that combine behavioural insights with accessible and affordable healthcare services can improve public health outcomes while supporting long-term economic sustainability. Future research should further explore the relationship between behavioural economics, healthcare technology, and patient engagement across different social and economic settings.

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