

**Health Reform in Indonesia towards Sustainable Development Growth (Case Study on BPJS Kesehatan, Health Insurance in Indonesia)**

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### ABSTRACT

Since Millennium Development Goals have been terminated and changed towards Sustainable Development Goals, it is a new beginning for Indonesian's health reform, giving a service for all the people of Indonesia, through collaboration between patients, doctors, and other paramedics. This paper will analyze the co-operation with collaborative governance perspective. The focus of this paper is in the stage of identifying a series of factors that are crucial within the collaborative process itself, that includes shared understanding as stated by Ansel and Gash (2007), and it is one important role in the SDGs. This paper will illuminate the collaboration required to attain an excellent level of healthcare, like at the National Health Service in United Kingdom. Eventually it recommends that the BPJS Kesehatan (*Badan Penyelenggara Jaminan Sosial Kesehatan* or Health-Social Security Administrator) must be in line and relevant to the concept of Collaborative Governance.

Keywords: collaborative governance, administrative reform, SDGs.

### 1. INTRODUCTION

Indonesia's national development is founded upon Pancasila, as its base, goal, and guideline. Pancasila is seen as a mandate in developing sectors such as economic, political, social, cultural, and community mental health sectors in Indonesia (Kartasasmita, 1996). Kartasasmita states that National Development is a reflection of the will to constantly improve the welfare and prosperity of the Indonesian people fairly and equitably, and to develop public life; it is also an implementation of advanced and democratic state based on Pancasila. Indonesia's national development is also in harmony with the declaration of the Millennium Development Goals (MDGs); a declaration which was conceived and implemented by all members of the UN (United Nations).

MDGs are about international development and implemented throughout developing countries of the world who commit and strive to achieve the following goals:

- 1) Eradicate extreme poverty and hunger;

- 2) Achieve universal primary education;
- 3) Promote gender equality and empower women;
- 4) Reduce child mortality;
- 5) Improve maternal health;
- 6) Combat HIV / AIDS, malaria, and other infectious diseases;
- 7) Ensure environmental sustainability;
- 8) Develop a global partnership for development.

The MDG target is to achieve the welfare of the people and development of society. This target is a major challenge in the development around the world that was revealed in the Millennium Declaration adopted by 189 nations and ratified by 147 heads of government and heads of state at the time of the Millennium Summit in New York on September 2000.

However, with the expiry of the Millennium Development Goals (MDGs) by 2015, the UN (United Nations) gave rise to a new program called Sustainable Development Goals (SDGs). The targets were stipulated by the United Nations and promoted as a global goal of sustainable development. SDGs became active in 2015 until 2030. There are 17 objectives and 169 specific targets for these goals, including ending poverty and hunger, improving health and education, making the city more sustainable, fighting against climate change, and protecting the oceans and forests.

## **2. SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

Almost all the people of the world acknowledge that they aim for a combination of economic development, environmental sustainability, and social inclusion; nevertheless, the specific objectives differ globally, between and within different societies. Certainly, as yet, no consensus regarding the tradeoffs and synergies across the economic, environmental, and social objectives has been agreed. Still, a shared focus on economic, environmental, and social goals is a hallmark of sustainable development and represents a broad consensus upon which the world can build. The SDGs might have three bottom lines; the achievement of any of them, however, is likely to require concerted global efforts. Moreover, the three bottom lines will depend on a fourth condition: good governance at all levels: local, national, regional, and global.

SDG 1: by 2030, if not earlier, all the world's people will have access to safe and sustainable water and sanitation, adequate nutrition, primary health services, and basic infrastructure, including electricity, roads, and connectivity to the global information network. Sustainability requires the leadership and responsibility of the private sector as well as public sector and civil society. The private sector is the main productive sector of the world economy, and the holder of much of the advanced technologies and management systems that will be crucial for the success of SDGs. Private-sector companies should support the SDGs in practical and measurable ways, in their policies, production processes, and engagement with stakeholders. They should refrain from lobbying and political activities that might endanger the SDGs.

The private sector should be crucially engaged from the very start. Neither the MDGs nor the SDGs will be achieved without the leadership of private, large and small companies. Multinational companies bring unique strengths: a worldwide reach, cutting-edge technologies, and massive capacity to reach large-scale solutions, which are all essential to success. Yes, many large companies are also lobbyists for policies antagonistic to sustainable development, so engagement with business has to be done cautiously, but it should also be active, forward-looking, and intensive.

To promote physical and mental health and well-being, and to extend life expectancy for all, we must achieve universal health coverage and access to quality health care. No one must be left behind. We commit to accelerating the progress made to date in reducing newborn, child and maternal mortality by ending all such preventable deaths before 2030; ensuring healthy lives and promote well-being for all ages (SDGs); achieving universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

### 3. CONCEPTUAL GROUND

In the context of health, national development in Indonesia also considers health as an important part in building the society of Indonesia. This is reflected in health policy adopted by the government to improve raised awareness, willingness, and ability to live a healthy life for everyone, in order to raise the degree of public health to the highest standard. Thus, health services by both government and the public sector must be held as fair and equitable in providing special services to the poor, children, and elderly people who are displaced, both in urban areas and in the countryside. Health is a human right. Health is also an important thing for the success of the development of a nation. The 1945 Constitution drafted by the Founder of the Nation (founding fathers) have mandated obligation to provide protection for all the people of Indonesia, including in the field of health.

Article 28H paragraph (3) of the 1945 Constitution states that every person has the right to social security that allows development of oneself fully as a dignified human being. It is also stressed in Article 34 paragraph (2) of the 1945 Constitution that the state develops a social security system for all people and empowers the weak and incapable in accordance with human dignity. Social security for the community is also stated in Article 22, Universal Declaration of Human Rights, 1958, namely:

"Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each state of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."

In the post-reform in Indonesia, the national development strategy is not only based on economic and infrastructural development of the system, that simply follows the economic growth rate, but is also intended to take upon itself a social responsibility. One example of the social aspect is the guarantee of social security itself, essentially a guaranteed protection strategy (social protection strategy), which ultimately aims to support micro or macro-economic stability. However, to implement it all, the government needs to do the planning. Timbargen (1987) describes some of the functions of the planning as follows:

- 1) Perspective aim[ing] to provide background on the plans short and long term, so that the problems to be solved in the long term can be taken into account in the short-term planning;
- 2) Medium-term planning during the first year of the development plan itself.
- 3) Annual, aim[ing] to establish how the implementation of government policy will be implemented. The desires of the government realized in the form of the development of national projects.

The condition of national development in Indonesia has been in accordance with SDGs as affirmed in the Decree of President of the Republic of Indonesia No. 2 of 2015 on the National Medium Term Development Plan (RPJMN) 2015-2019, stating that all sectors in RPJMN, one of which is health, has been consistent with SDGs. The social, political, legal conditions and the stable security are prerequisite for quality development. The necessary conditions include:

- a. Certainty and law enforcement;
- b. Security and order;
- c. Politics and democracy; and
- d. Governance and bureaucratic reforms.

Efforts to improve the quality of Indonesian human life are implemented through four sub agenda of priority:

- (1) the development of population and family planning;
- (2) the development of education particularly the implementation of Indonesia Pintar program;
- (3) the development of health in particular the implementation of the Healthy Indonesia Program; and
- (4) the improvement of the welfare of marginalized people through the implementation of the Indonesia Work Program.

Within Health Development sub-agenda, i.e. the implementation of the Healthy Indonesia Program, the targets to be achieved in the Healthy Indonesia RPJMN Program 2015-2019 is to improve the health and nutritional status of the community through health and community empowerment efforts, supported with financial protection and health care. 2015-2019 RPJMN principal objectives are:

- (1) increasing the health and nutritional status of mothers and children;
- (2) increasing control of diseases;
- (3) increasing access to and quality of basic health services and referrals, especially in remote, underdeveloped, and border areas;
- (4) increasing universal health care coverage through the Healthy Indonesia Cards and quality management of the National Social Security Health,
- (5) improving the requirement for health personnel, drugs and vaccines; and
- (6) increasing the responsiveness of the health system.

#### **4. COLLABORATIVE GOVERNANCE**

Since the 1960s, almost all countries in the world have reformed their administration, and many countries have gained independence from former colonial powers. Noting the historical period, it is correct to say that in countries, where there are differences, the stage of development of political, social and economic and administrative reforms varies, forming different characteristics in terms of cause,

purpose, content, and approach. However, studies conducted by scientists, found that the administrative reform across the country, show common characteristics. The last few years have appeared a number of attempts to carry out a comparative study of administration, as a result of globalization and internationalization. The behavior of certain countries is gradually and clearly influenced by other countries. In advanced democratic countries in the West, there have been a lot of scientific efforts in the domain of administrative reform studies.

In the UK to strengthen the analysis of three-level policy rate, Bromley (1989), in the last two decades, has developed a new strategy of the government called 'collaborative governance' which replaces the form of decision-making along with the implementation of a policy that is managerial and conflicts between industry and government (Ansell and Gash, 2008). By nature, collaborative governance, as revealed by Ansell and Gash (2008), Bingham and O'Leary (2008), Cooper, Bryer, and Meek (2006), Fung (2006), Sirianni (2009) emerged from the collaboration of one or two public institutions directly with stakeholders in a non-public formal collective decision, that is consensus oriented, and deliberative. The goal is to create or implement public policy or manage a program or public assets.

Collaborative management is also understood as a combination of carrying capacity, leadership, and forum (medium) of cooperation. Three things in sequence will identify the problem to be corrected, the authority in directing the forum, as well as collectively will lead to the discovery of solutions to problems. This pattern is very different from the government, run conventionally, that rely on formal authority. Collaborative pattern emphasizes on finding problems and decision-making; This allows the process to engage conventional wisdoms, as well as enables the expansion of the policy on the basis of collaboration between the private and public sector organizations (Bradley, 2012).

Governance refers to all processes concerning governing whether undertaken by a government, market, or network (Pierre, 2000), interpreted by Hill and Hupe (2000) in Pollit and Bouckaert as hybrid governance. The purpose of governance here is to make government more efficient in carrying out their responsibilities in the provision of public goods. Osborne (2010) stated governance need to shift from traditional forms (hierarchy) and adopted the network. The implementation of governance can be seen through the results of its implementation, namely good governance, according to Pollit and Bouckaert. Good governance requires the involvement of the community through a network of partnerships between government, private, and public sector. Therefore, the form of governance is inclined to encourage the various stakeholders together with public institutions to be involved in decision-making or policy-oriented ideology and goals in common. The example of implementing network of partnerships between government, private and public health care social security in Indonesia, is the shift of collaboration from triple helix to quanto helix with regard to policy for social security and the need for cooperation between governments, companies, academia, the advisory board and the community (Fitriati, Rahmayanti, and Solomo 2012).

## **5. SOCIAL SECURITY IN INDONESIA**

Through PT Askes, the Indonesian government has been providing health insurance specifically for civil servants military employees (both civilian and non-

civilian) and their families, beginning on January 1, 2014, replaced by the Social Security Agency (*Badan Penyelenggara Jaminan Sosial/BPJS*) for Healthcare. The health function of BPJS is to organize health insurance program. Health Insurance is organized nationally by the social insurance principle and the principle of equity with the aim of ensuring that participants receive the benefits of health care and protection to meet basic health needs. The role of Healthcare BPJS is crucial in the National Health System, considering Healthcare BPJS will fundamentally reform today's health financing system that is still dominated by out-of-pocket (informal) payment (direct cash health payment), leading to more orderly financing system, based on social health insurance. In particular, BPJS Health is a public legal entity organized under the President and serves the health insurance for the entire population of Indonesia, including foreigners who work at least 6 months in Indonesia .

On July 1 2015 the government will inaugurate Worker BPJS replacing PT Jamsostek; together with Taspen and PT Asabri, the government attempts to achieve a prosperous society.

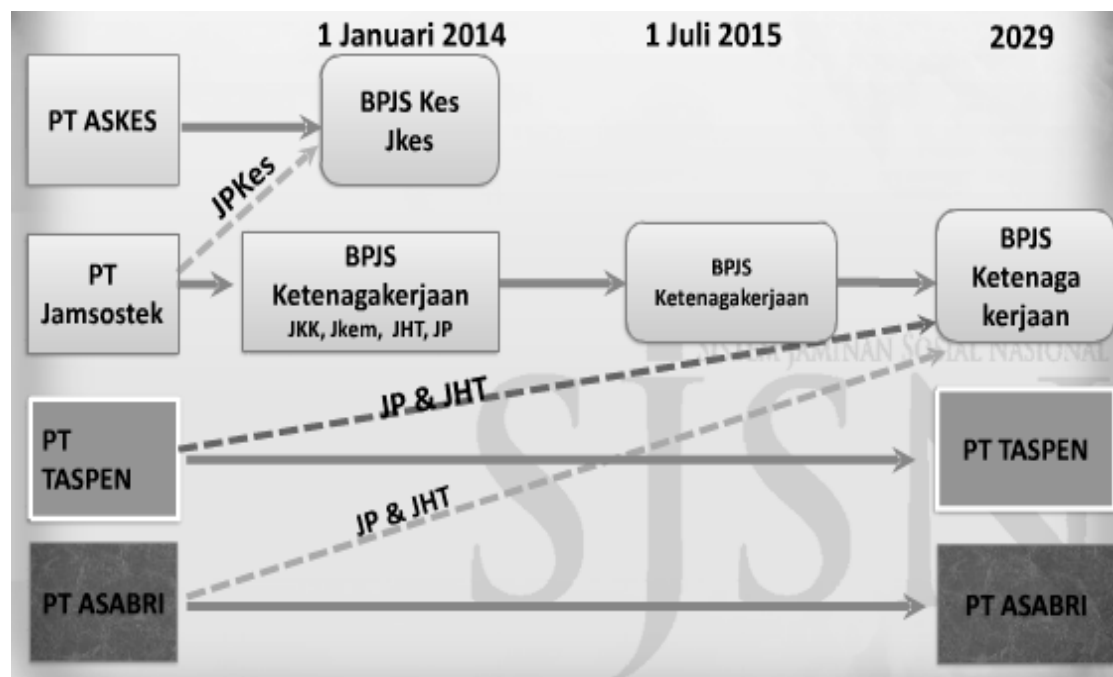


Figure 1. Stages of BPJS Transformation in accordance with the mandate of Law No. 24 of 2011

Unfortunately, there are many obstacles in the implementation of BPJS. Patients using the facilities who already get insurance from PT. Askes are then transferred to healthcare BPJS mechanism whose treatment-financing is notably different, especially for the in-patients and healthcare costs reimbursement. In some cases, Askes can provide a 100% reimbursement for healthcare, while Healthcare BPJS cannot.

Since it was implemented in January 1, 2012, there are loads of obstacles either in its administrations, provision of services, and management of the bulk of people in order to take benefit from the government services. In short Healthcare BPJS which is transformed from PT Askes encounters many difficulties in providing services to people.

## 6. THE IMPLEMENTATION SOCIAL SECURITY IN INDONESIA

The involvement of various parties in the Healthcare BPJS programs, such as the President and Vice President, the Ministry of Health, BPJS, Hospitals, health centers, and the active participation of the society, shows the importance of managing the JPINT program. The problem arising in BPJS cannot sufficiently be overcome through coordination and cooperation measures. More than that, the necessary actions are collaborations, with the active participation of various interests with the same purpose. Some facts collected lead to the effort of collaboration, based on the theory of collaborative governance.

## 7. SOCIAL SECURITY IN THE UNITED KINGDOM

Each of the four countries of the United Kingdom has a publicly funded health care referred to as the National Health Service (NHS). Following devolution in the United Kingdom from 1998 onward, the control over the non-English services (other than those reserved to the UK Parliament) was passed to the devolved national governments, with the UK Government retaining control over the English NHS. The English NHS underwent a major reorganization in the years after 2010 in the run-up to and passing of the Health and Social Care Act 2012.

In conducting the services for the people, NHS now manages their services through collaboration. Lawrence *et al.* (1999:481) define collaboration as: “a cooperative, inter-organizational relationship that relies on neither market nor hierarchical mechanisms of control but is instead negotiated in an ongoing communicative process”. This definition highlights the point that collaboration is not mediated through market mechanisms, so that cooperation depends on an alternative to price structure, and importantly, whereas hierarchies are associated with a willingness on behalf of members to submit to both direction and monitoring of their superiors, collaboration involves the negotiation of roles and responsibilities in a context where no legitimate authority, sufficient to manage the situation, is recognized.

The need to engage in collaborative behavior can be observed at both individual and organizational levels. The numerous driving forces and key motivations are generated from within individuals and organizations, and as a result of factors and influences in the external environment. Individual actors seek to promote forms of co-operative behavior for personal, professional or work-related reasons. For instance, many professionals are driven by an altruistic motivation believing that the public interest or individual needs should be at the center of public service organization, demanding integrated and coordinated frameworks of service planning and delivery. Some organizations consider exchanging and sharing resources to achieve jointly agreed purposes and benefits, to be more efficient in the use of resources and to promote learning and innovation. Other motivations can be traced to external factors. For instance in the UK, central government is particularly proactive in promoting a collaborative approach through a mixture of statutory regulation and general exhortation, and in Wales, the notion of ‘partnership’ is enshrined in the dominant policy paradigm underlying Welsh Assembly Government’s approach to the design and delivery of public services.

## 8. CONCLUSION

Collaboration is essential to attain direction of focus in providing excellent health care services in Indonesia, like at the National Health Service in United Kingdom. This paper suggest that the Healthcare BPJS (*Badan Penyelenggara Jaminan Sosial Kesehatan*) must work in accordance with the concept of broader Collaborative Governance in which BPJS correctly adjust and is adaptive with other institutions and factors.

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