APPLYING HEALTH FINANCING DIAGNOSTICS

INDONESIA’S EXPERIENCE
Background

Health Status

- Indonesia’s health status has improved significantly: life expectancy has increased from 45 in 1960 to 71 years in 2013, and it is expected to achieve MDG target on infant mortality.
- The country is facing challenges in:
  - Demographic transition: population age 65+ is currently around 5% and is projected to double in 2030 and to reach 25% in 2070;
  - Epidemiologic transition: the cause of burden of disease has shifted to NCDs, and the emergence of overnutrition, while maternal mortality and stunting remain persistently high;
  - Inequality: The national average masks regional and income-related wide disparity.

Source: Institute of Health Metrics and Evaluation database
Health Financing

- Total health spending, and government health spending, remains one of the lowest, despite of its significant increase in the past year.

- Out of pocket spending continues to be the largest share of Total Health Expenditure, around 47% in 2014; about 43% of OOP spending also reported from the uninsured population group.

- Government spending is around one third of THE and with Government significant increase; more than 60% spending occurred at the sub national level with complex inter governmental transfer.

Source: Indonesia COFIS database
Note: Data in 2013 constant Rp

Source: World Development Indicators database & SUSENAS (various years)
Note: OOP spending is in 2013 constant IDR
Social Health Insurance Program (JKN) and Health Financing

- Started in 2014, JKN covers 160 million population and is the largest single payer health insurance system in the world
- JKN insurance spending per person is USD 27 per year (compare to OOP US$ 50/person/year; US$ 107/person/year in THE)

Challenges

- Coverage
  - Challenges in targeting non-contributory scheme, with leakage almost half of PBI non-poor
  - Challenges in covering non-salaried, non-poor workers, currently this group represents ~10% JKN member but much high per person costs due to adverse selection;

- Benefit Package
  - Comprehensive benefit package with limitations and exclusions
  - Limited service availability leads to implicit rationing

- Financial protection
  - Despite comprehensive BBP and no cost sharing preliminary results show that OOP remains high
Service availability has improved greatly but the capacity of health sector to respond to epidemiologic transition and JKN (the National Social Health Insurance) implementation are in questions;

An assessment using MOH’s 2011 national health facility census was conducted to inform policy dialogue specifically related to the implementation of JKN and health service delivery in general. The assessment was based on WHO’s SARA markers adjusted with the National standards.

The analysis results were used for the development of the National Strategic Plan 2015 – 2019, and also for the MOH strategic plan including to strengthen the quality of primary care.

The results show in general good results for basic amenity and basic equipment.
General service readiness of puskesmas remains weak across many dimensions and there are wide variations across provinces, with notably lower scores in some of the eastern provinces.

Maternal Health emergency services: missing some important element of services, and wide discrepancy of readiness between Papua (42%) and Yogyakarta (72%).

Diabetes: deficiency in the capacity of puskesmas to diagnose and monitor diabetes at puskesmas.
- Only 54% of all puskesmas reported the ability to test for blood glucose, and only 47% reported the ability to test urine.
- Large differences in the diagnostic capacity of urban versus rural puskesmas (urban capacity unsurprisingly was greater) and across provinces.
Limitations of Currently Available Information

- Heavy focus on **public sector providers**, while the use of private providers continues to be significant especially at primary level, and with JKN implementation private participation is increasing;
- Existing data sources do not provide answers to ‘**why?’’ questions; the findings raise questions on possible factors that explain the disparity of readiness
- **No linkages between supply side readiness and health expenditures** which could help explaining issues between funding and service delivery
- Limited information on **health care providers** – productivity, effort, provider ability, dual-practice
- Limited information on **patient-clients** – satisfaction, expenditure, access/equity
Addressing limitations through PER PETS QSDS

- **PER-HFSA**: Levels, trends, allocative, and technical efficiency of public expenditures for health
- **PETS**: Quantitative and qualitative deep exploration of health financing flows through district health offices
- **QSDS**: Supply-side readiness of public and private primary and maternity care including additional information on:
  - Health workers
  - Patient-client experiences
- Key added value: linking the issue of health financing with service delivery.
QSDS OBJECTIVE

- To conduct a comprehensive assessment of supply-side readiness across public and private primary care facilities using the WHO’s Service Readiness and Availability Assessment (SARA) conceptual framework, adjusted as per national guidelines.

- To assess provider ability and effort, and provider clinical competences using vignettes.

- To provide a baseline snapshot of financing and supply-side readiness across public and private primary care facilities to enable an assessment of the extent to which BPJS demand-side financing and changes in puskesmas autonomy impact availability and use of funds.

- To identify bottlenecks and inefficiencies related to supply-side gaps in service delivery, and assess provider.

- **Focus Areas**: MCH, Nutrition, NCDs, e.g. diabetes and hypertension, HIV, TB, Malaria, Immunization.
Questionnaires:

- **District Health Office**
- **Health Facilities:**
- **Healthcare Workers:**
  - Including vignettes
- **Patient Exit Survey:**
  - Including Discrete Choice Experiments (DCE)
  - Only for DKI Jakarta
- **Posyandu:**
  - Including kaders
- **Hospital (HIV and TB)**
Questionnaire Focus (District Health Office - DHO)

1. Service availability

2. Health financing
   • Local Government Revenue and Expenditure (2013 – 2015):
     • sources of revenue: estimates/allocation and actual revenue from own source revenue, balancing-fund and other transfers,
     • Expenditure: estimated and actual expenditures by economic and functional classification;
   • Health system inputs, activities, and coverage
   • PFM (OECD) →
   • District Health Office revenues (2013 – 2015)
     • Revenues by sources (own sources, SHI-BPJS, Central transfer, and Grants),
     • Expenditures Economic classification (operational – personnel and goods – and capital)
     • Expenditures by Program including specific programs
     • Expenditures by Providers: Puskesmas and other service units
   • Public and Private partnership

3. Management Capacity
<table>
<thead>
<tr>
<th>OECD</th>
<th>Question</th>
<th>A: For APBD fund</th>
<th>B: For APBN fund</th>
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</table>
| OECD01 | Can the dinas reallocate funds between line items within its responsibility? | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health |
| OECD02 | Can the dinas carry-over unused funds or allocations from one year to another? | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health |
| OECD03 | Is it possible for the dinas to borrow against future allocations?         | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health | 01. Yes, without restrictions  
02. Yes, with restrictions: _________________  
03. Not  
04. Yes, with approval of the Bupati  
05. Yes, with approval of the Provincial Health Office  
06. Yes, with approval of the Ministry/Minister of Health |
| OECD04 | How frequently does the dinas publish information on allocations and expenditures during a fiscal year? | 01. Weekly  
02. Monthly  
03. Quarterly  
04. Every 6 months  
05. Annually  
06. On ad hoc basis  
07. Not at all  
08. Others | 01. Weekly  
02. Monthly  
03. Quarterly  
04. Every 6 months  
05. Annually  
06. On ad hoc basis  
07. Not at all  
08. Others |
| OECD05 | Can the dinas spend more than what is allocated in a fiscal year?           | 01. Yes, there are no limits on overspending without approval  
02. Yes, but only up to a certain limit _________________  
03. No  
04. Yes, but only for mandatory spending  
05. Others | 01. Yes, there are no limits on overspending without approval  
02. Yes, but only up to a certain limit _________________  
03. No  
04. Yes, but only for mandatory spending  
05. Others |
Questionnaire
(Health Facility: Public and private)

1. Staffing
2. Catchment area (for Puskesmas only)
3. Utilization and outcome indicators
4. Service availability
5. Infrastructure readiness
6. Facility financing (mainly for Puskesmas)
   - Puskesmas Revenue 2013 – 2015: sources of revenue (including different health insurance schemes), revenue collection and management
7. Programmatic focus: MH, child nutrition, child immunization, child health, HIV/AIDS, STI, TB, Malaria, NCD
8. Medicines and commodities availability
9. Diagnostic capabilities
Thank You