



Indonesia's healthcare industry stands far below the global average of doctor to patient ratio

How the National Health Insurance is altering Indonesia's healthcare sector

Will the government sustain better access to healthcare amidst challenges?

Population growth amongst Indonesia's elderly is posing a new threat to the country's universal healthcare programme JKN (National Health Insurance), one of the biggest universal healthcare programmes in the world with its 195-million strong membership. Indonesians aged 60 and above are expected to grow in number by up to 19% from 21m in 2015 to 25m in 2019, pushing demand levels to new heights and posing the question of whether Indonesia's healthcare sector is ready to manage changes of this scope.

Despite the forecast of significant market growth, the details paint a less optimistic picture. With only three doctors per 10,000 people, Indonesia's healthcare industry stands far below the global average of 14 and way behind many of its Asian neighbours. In addition to this, the bed-to-population ratio is still

Huge deficits have also been plaguing the programme since its inception.



relatively low at 1.3 per 1,000 people. **Dr. Triharnoto**, head of business and development, Panti Rapih Hospital, said that Indonesia is coming into a new era alongside the exponential increase in patient numbers and the continued expansion of the private sector.

Huge deficits have also been plaguing the programme since its inception, from a little over IDR3m in 2014 to IDR9m in 2017, a huge increase within a span of just three years. In the midst of these deficits, BPJS Kesehatan (Healthcare and Social Security Agency), the primary body in charge of the JKN, remains optimistic that the programme will achieve its purpose of providing access to as many Indonesians as possible.

During the 2018 Healthcare Asia Forum held at the Ritz-Carlton Jakarta Mega Kuningan, **Dr. Ismail Dilanir**, Sp.BTKV, corporate chief

executive officer, Jakarta Heart Center, said that the optimism around JKN may be sustained if BPJS continues to rethink its model and ensure that the people's needs are accommodated with great efficiency.

Growth imbalance

Gervasius Samosir, associate partner, Soliadiance, said that in the past five years, the share of healthcare spending of the total government expenditure may soon reach its limit. The growth of the country's healthcare expenditure per capita from 2016 to 2017 has fast outpaced the country's GDP growth per capita. According to him, this shows that the country may not be prepared to meet future healthcare demand and rising costs.

"Growth rates of seniors in Indonesia are predicted to be much higher than OECD will surpass the growth rates of the working



Coming up with a logical benchmark

population (ages 15-64). This could aggravate healthcare challenges and put additional pressure on Indonesia as the elderly require more healthcare services over time,” he added.

To streamline growing costs, the government needs to come up with a reasonable benchmark for the overall public healthcare budget and the operation of healthcare institutions. An unsustainable 45% of the overall health spending has gone to personal costs, something that may be prevented with the efficient allocation of healthcare expenditures.

Efficiency is key

Dr. Ridwan Tjahjadi Lembong, hospital director, OMNI Hospital noted that for the JKN, there is a gap between what the government pays and the cost itself. According to him, most of the healthcare institutions are still in the adaptive phase, where healthcare is adapted with *Petunjuk teknis Sistem Indonesian Case Base Groups (INA-CBGs)* and the new tariff and where the current scheme is continuously adjusted to improve efficiency.

“BPJS will not pay you IDR5m, maybe IDR3m only or IDR2m depends on the diagnosis, how do you cover the gap? So, we’re going to boost the drugs, the pharmacy, the doctors. We ask them to help us, we go to the facilities. That’s what happens in Indonesia, find a better way to make the healthcare system more efficient,” he added.

Meanwhile, **Dr. Donald Pardede**, MPPM, special advisor, Ministry of Health Development and Financing, Ministry of Health, said that

Indonesia is still currently facing an ideological conflict. Health services have long been based on a free market while the introduction of a social health programme through the BPJS and universal healthcare coverage demands regulation.

“From the economic perspective, we cannot allow the increase in insurance premium. To some extent, the rich must help the poor. That seems easier said than done, but cigarette tax is one. But also, how to allow more premium by allowing to some extent differentiation in service? Those who are willing to pay may not choose to use BPJS in some cases, even though they can pay. If the patient can pay and the needs are not for terminal diseases, to some extent there must be a balance between the increase in premiums and the government adding more money,” said **Budi Raharjo Legowo**, chief finance officer, Siloam Hospitals Group.

Dr. Ridwan also noted the delay problem in terms of the payment, which he said kills small businesses. “Is it possible if BPJS can create a regulation saying the payment for medication will also delay along with the BPJS payment? The expense for pharmaceutical will cover 40-50% itself,” he said.

Prevention over cure

Samosir said that compared to other countries like Malaysia and Singapore, Indonesia has not focused its energies on prevention and early stage treatment. According to him, there is no prevention management being embedded in the country’s

Most of the healthcare institutions are still in the adaptive phase, where healthcare is adapted with *Petunjuk teknis Sistem Indonesian Case Base Groups*



healthcare system and poor health amongst Indonesians has been causing a ripple effect on the overall healthcare expenditure.

Dr. Tiara Kirana, chief executive officer, ADDAM Health, mentioned that Indonesian men are still extremely vulnerable to disease due to lifestyle habits that are largely preventable. Kirana said that Indonesia is losing a significant proportion of its working age men through premature mortality, affecting not only industry and commerce, but also fundamentally impacts social and financial positions of families.

Due to the high rate of mother and child deaths in Indonesia, 66.67% of 566 specialty hospitals have been dedicated for maternal and pediatric health. On top of the already underserved healthcare market, the segment serving the male population in Indonesia has been negligible. Kirana said that Indonesia has to recognise the issue of men’s health and make amendments to policy, following developments in other countries such as Ireland, Australia, Brazil, where there is a working national policy for men’s health.

Dr. Thomas Peter Budisusetija, MARS, chief executive officer, Pantai Indah Kapuk Hospital, noted that in the coming years, artificial intelligence (AI) will definitely take its place in the healthcare sector. The launch of Indonesia’s kata ai is a first step in developing AI for Indonesia’s various sectors. Dr. Budisusetija added that executives must prepare their institutions by educating the leadership team about digital innovations, asking technical partners if they are up to speed, and developing a roadmap for digital strategies.



Indonesia must focus its energies on prevention