



Definition, Importance, and Formulation of Health Policy and Financing

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Abstract. Health policy is the implementation of public policies, namely policies that are established to improve the health status of the community. Health finance refers to how financial resources are used to ensure that the health system can adequately meet the collective health needs of all a vast amount of knowledge and experience has been accumulated on how to raise medical funds concerning financing. Governments are the preferred choice for fairness, efficiency, and risk-sharing and should play a dominant role in funding or financing health care through tax revenues. Healthcare financing is more than mobilizing additional funding for healthcare. It requires a system view and uses financial resources to reform healthcare institutions and encourage providers to provide efficient and effective healthcare. Things that must be considered in the formulation of health policy include actors, content, context, and process. All policies must be supported by adequate resources, both human and financial. Human resources are the suitability of the quality and quantity of implementers to cover the entire target audience. Financial resources are the adequacy of investment capital for programs and policies.

Keywords: Health Policy · Governments · Formulation

1 Introduction

Health policy is the implementation of public policies, namely policies that are established to improve the health status of the community. The national health policy aims to improve the health and welfare of the country's population. Health policy includes all decisions that affect the health system and is carried out by stakeholders such as state agencies, organizations, and non-governmental organizations. Medical care can be characterized as an element of public policy.

The program has begun and justified the previously highly controversial role of the federal government in funding the health care of some of the population. It escaped the financial insecurity, preventable pain, and premature death of millions of vulnerable citizens. It has facilitated significant innovations in health policy [1]. Health finance refers to how financial resources are used to ensure that the health system can adequately meet the collective health needs of all. This is a fundamental component that impacts the

performance of the overall healthcare system, including the delivery and accessibility of primary healthcare.

Healthcare finance is a core function of the healthcare system that can enable progress toward universal health insurance by improving effective insurance and financial protection. Carefully designed and implemented health financing strategies can help address health-related issues. Contract and payment arrangements can, for example, encourage coordination of care and improvement of quality of care. Proper and timely payment of funds to healthcare providers helps ensure proper staffing and dosing to treat patients.

Health policy and financing are expected to provide and develop robust health financing systems, including income collection, pooling, and overall procurement core functions, as well as nationally coherent and realistic health laws and policies, strategies, and support for the powerful development of plans with the purpose to oversee the links between the national and operational levels, and their implementation. This health policy is an important thing to optimize in Indonesia, where Changes in population numbers and demographics are important because they indicate the changing requirements for various types of infrastructure even if there is little or no change in living standards. With a population of approximately 228 million (in 2008), Indonesia is the fourth most populous country in the world.

Although population growth is projected to decline significantly from 1.34 percent per year in 2005 to 0.11 percent in 2050, Indonesia's total population will still increase from 206.3 million in 2000 to 273.2 million by 2025 [2]. This certainly states that the demographic growth of Indonesian people has a high level. It is the main thing to guarantee the protection of the health system through various things, one of which is health financing for the community.

2 Discussion

2.1 Importance of Health Policy and Financing

Health policy is a form of decisions, plans, and actions taken to achieve certain health goals in society. The importance of health policies that are part of public policies is increasing and is a hallmark or characteristic of the health sector. These characteristics exist because they affect the lives of many people, the interests of society, and the uncertainty of medical conditions, thereby adding to the complexity of the health sector.

Health policy is public policy. The concept of public policy can be interpreted as the existence of a strong, authoritative, and legitimate state, representing the people who employ the government and are technically competent financially and implementing setting policies. The policy is a consensus on an issue in which goals and objectives are aligned with priority goals and provide important directions for achieving them. Without agreement or coordination, the expected results are in vain. Insurance is the answer to the uncertain nature of the incidence of illness and the need for health services. To ensure that health care needs can be adequately financed, a person or small group of people transfers risks to other parties called insurers/assurers, or guarantee organizing bodies [3].

Health policy is a policy that could be categorized as an important part of public policy. This categorization is because the health sector is an essential part of the economy.

The health sector requires a lot of resources so the state budget will certainly be allocated more there. Innovation and investment in the health sector have resulted in health policy being said to be the driver of the economy. Health policy is an issue in which human life and death are involved so it can be said that health policy is the goal and instrument as well as implementation and assessment. Communities at various levels, from local, national, and international levels are strongly influenced by health policies which are the strength of the political aspect.

All policies must be supported by adequate resources, both human and financial. Human resources are the suitability of the quality and quantity of implementers to cover the entire target audience. Financial resources are the adequacy of investment capital for programs and policies. Adequate calculations are required for both of these resources when implementing state programs/policies. Without the expertise of implementing the policy, energy is lost and runs slowly and quite well, but funding ensures the sustainability of the program/policy. Without sufficient financial support, the program cannot achieve its goals and objectives effectively and quickly [4].

Higher healthcare costs do not necessarily mean better health results. The funding path or financing chosen is very important as it determines the risk bundling and cost burden diversification. It also delegates financial decision-making authority to specific organizations, decides on the allocation and distribution of service resources, and chooses payment methods to incentivize providers. If the organization is a political organization such as a government agency, an independent social security fund, many private insurance companies operating in a competitive market, or thousands of individual patients who pay directly to a provider, it is big. It makes a difference.

Political decisions determine how to fund the national health system. Health finance methods also play an important role in cost control, which is a major concern in most countries. Most countries are under cost pressure for well-known reasons such as emerging infectious diseases, rising patient expectations, and new but expensive technologies and medicines.

New threats to healthcare finances are discovered currently. In recent years, two new threats have emerged that could further impede the ability of low and middle-income countries to turn money into efficient and effective health care. First, the enormous injection of international funding for specific diseases has created a vertical program that drains more capable staff and fragmented the basic health system. This means that less health care is available for basic prevention, maternal and child health, and treatment of common illnesses. The second new threat concerns the brain drain from many low and middle-income countries to high-income countries.

The increased outflow of talent will affect the ability of these countries to provide effective health care to their populations. In summary, a vast amount of knowledge and experience has been accumulated on how to raise medical funds concerning financing. Governments are the preferred choice for fairness, efficiency, and risk-sharing and should play a dominant role in funding or financing health care through tax revenues. By law, the contribution rate and the benefits are not easily adjustable by mere administrative action. Instead, they are specified in law or a difficult-to-change regulation. Social insurance is thus based on an implicit social contract: citizens agree to pay a certain amount with the

expectation that the funds will be used fairly and effectively to finance care for those entitled to benefit from the system [5].

Healthcare financing is more than mobilizing additional funding for healthcare. It requires a system view and uses financial resources to reform healthcare institutions and encourage providers to provide efficient and effective healthcare. National methods of health care financing are the key to achieving equitable and efficient health care. Ignoring the systematic aspects of healthcare, countries will repeat the costly mistakes of their predecessors [6].

2.2 Formulation of Health Policy

The World Health Organization (WHO) itself focuses on health financing strategies that contain the main issues, challenges, and main objectives of policies and action programs in general in the following areas: 1) Increase public investment and spending in health; 2) Strive for the achievement of universal participation and strengthening the health care of the poor; 3) Development of pre-employment financing schemes including social health insurance; 4) Excavation of national and international support; 5) Strengthening the regulatory framework and functional interventions; 6) Development of health financing policies based on scientific data and facts; 7) Monitoring and evaluation [7]. Things that must be considered in the formulation of health policy include actors, content, context, and process [8].

a. *Actor*

An actor is an individual, group, or organization that is influenced by the context, namely the environment in which the actor lives and carries out his work. Actors as stakeholders are at the heart of the health policy framework. An actor is a term used to refer to individuals, groups, or organizations that influence a policy. Actors fundamentally influence policy, but the extent to which they influence the policy depends on their power. Power is a mixture of personal wealth, knowledge, and authority. Actors who participate in the policy-making process can be divided into two groups, namely formal actors and informal actors. Formal actors or official participants include government officials (bureaucrats), the president (administrative), the legislative, and the judicial. They are called formal or official actors because they have powers recognized and legally binding by the Constitution. On the other hand, informal actor groups, or parties without legal authority, include stakeholder groups, political parties, and individual citizens.

b. *Content*

Content is the content of a policy that details the main parts of the policy.

c. *Context*

The context is influenced by a variety of factors, including political, ideological, historical, cultural, economic, and social at the national and international levels that influence health policy. The implementation of health services is very dependent on the strength, stability, and continuous availability of health financing. This is due to the importance of health services in health development [9].

d. *Process*

The policy-making process is influenced by actors as stakeholders: their positions, values, opinions, and personal expectations in the power structure. Policy content reflects these aspects.

Furthermore, this formulation has also been implemented well, especially in Indonesia with various coordinations from various parties. Indonesia has embarked upon major reforms of its social security and health systems. One of the key areas of this reform effort is the transition to universal health insurance coverage for all Indonesians. The Government has taken the first significant step by providing coverage to an estimated 76 million poor and near poor through the government-funded Jamkesmas program. Yet, over half the population still lacks coverage, and the full financial implications of both the Jamkesmas expansions and the costs of universal coverage need to be carefully assessed as part of the reform process. National Health System Reform (SKN) has given a new direction to health development in Indonesia. If you look at the new policies and systems resulting from the reforms, it seems that many changes will be made, two of which are the most important change in the health effort subsystem and changes in the health financing subsystem [10].

3 Conclusion

Health policy and financing are expected to provide and develop robust health financing systems. The health sector is an essential part of the economy and requires a lot of resources so the state budget will certainly be allocated more there. All policies must be supported by adequate resources, both human and financial. Without sufficient financial support, the program cannot achieve its goals and objectives effectively and quickly. Political decisions determine how to fund the national health system. Healthcare financing requires a system view and uses financial resources to reform healthcare institutions and encourage providers to provide efficient and effective healthcare. The formulation of health policy needs to consider these things: actors, content, context, and process.

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