Financing Health in Indonesia: A Literature Review

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Abstract. The economic shock of the COVID-19 pandemic poses challenges to healthcare systems as they reduce public revenue while increasing the need for publicly funded healthcare. This increases when people are entitled to means-tested benefits, can no longer afford privately funded treatment, or need more care due to deteriorating health conditions. Using literature review, this paper aims is to review financing health during covid-19 pandemic and provide evidence for future health policies. This paper shows that some governments may hesitate to spend more on health in the medium term. Some may also be reluctant to address the cyclicality of hedging policies and revenue collection in the years to come.

Keywords: Covid-19 pandemic · financing health · policy

1 Introduction

One of the essential human rights and a core element of poverty alleviation and socio-economic development is health. Healthcare financing is emerging as an important issue that must be addressed and debated by global stakeholders as healthcare spending increases. Health financing is an important element of the health system's ability to maintain and improve human well-being. Health financing refers to the functioning of the health system, which involves the mobilization, accumulation and distribution of finances to meet the health requirements of individuals and groups within the health system. The point of healthcare financing is to provide finance that provides providers with the right financial impetus to ensure effective public and private health care for all. Health financing is a core function. Health systems and contribute to achieving universal health coverage, thereby effectively increasing service coverage and financial security [1]. In recent times, the healthcare industry has grown from a non-profit industry to a profitable business.

Now, the economic shock of the COVID- 19 pandemic poses challenges to healthcare systems as they reduce public income while increasing the need for publicly funded healthcare. This increases when people are entitled to means- tested benefits, can no longer afford intimately funded treatment, or need further care due to deteriorating health conditions.

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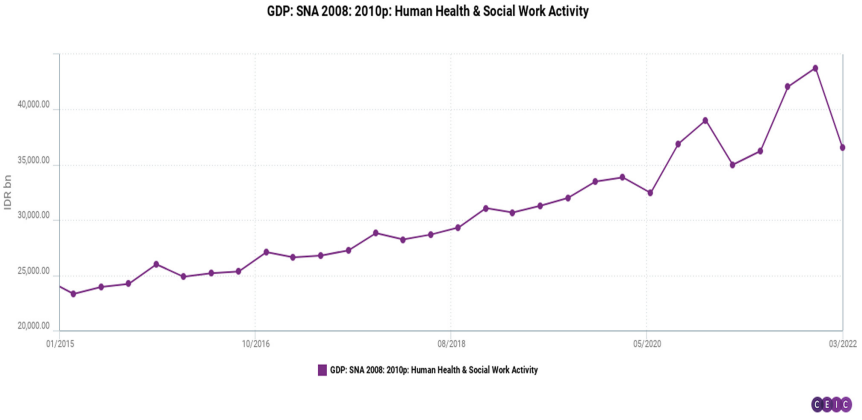
Transitioning to universal health coverage (UHC). Requires a sustainable and equitable health financing system. The purpose of health financing isn't only to raise sufficient funds and use them effectively, but also to do so in an equitable manner [2]. Policymakers and health financing experts agree that healthcare payments should be grounded on capability to pay (ATP) rather than healthcare consumption [3, 4]. The relationship between health services and ATP, or the progressivity of health financing, is a common measure of health system performance in terms of equity and financial protection [5, 6]. In an advanced healthcare system, the proportion of income that helps fund healthcare increases with income. The decline of the health care system is considered illegal because those with low incomes account for a higher percentage of income than those with high incomes [7]. Indonesia is a middle-income country with the largest economy in Southeast Asia. Indonesia is the fourth most populous country in the world because it has a population of more than 270 million. Over the past three decades, the overall health of Indonesians has improved significantly [8].

Morbidity and mortality from infectious, maternal, neonatal and diet-related causes also decreased significantly. However, health status and access to healthcare vary across countries [9, 10]. Indonesia is also moving towards UHC through a public health insurance system [11]. JKN with the goal of reaching 98% of the population by 2024 has been launched in Indonesia since 2014. This system collects benefits from formal/informal/non-employed workers and pays all or part of bonuses to low-income members. Around 84 Indonesians have been covered by JKN, the data is based on the end of 2019, [12].This graph shows Gross Domestic Product on Human Health and Social Work Activity with 2010 base year from Jan 2015–May 2022:



Source: CEIC data

From graph above, we can see that there is an increase on GDP during covid-19 pandemic on health. This paper aims to review financing health in Indonesia from 2020–2022 during pandemic and to provide evidence for future health policies.

2 Financing Health During Covid-19 Pandemic

The COVID-19 pandemic has caused various changes in delivery services in Surabaya and Mataram, Indonesia. Indonesian nursing has had an impact on quality maternity care during the pandemic and is a starting point for improving maternity care by removing barriers and intermediaries. Changes in maternal care not based on guidelines set out to be a major obstacle to maternal care during the pandemic [13]. Furthermore, we know that health financing reforms, such as the national social health insurance system, will improve health quality, especially during the Covid-19 pandemic. Community involvement is highly recommended [14].

3 Policy Measures on Covid-19 Pandemic

We tracked every decree issued during the epidemic in the provinces, cities, and districts we chose. The six general categories of restrictions/measures imposed by the governments are: (1) education, (2) the workplace, (3) religious activities, (4) public facility activities, (5) sociocultural activities, and (6) mobility of persons and things. Each agglomeration names its limits differently, but they are all widely referred to as PSBB. With the exception of the education sector, which is centralized under ministerial control, all policies are implemented by subnational administrations. Depending on available funds, each city or district imposes varying degrees of restrictions. A national budgeting policy that went into effect in March 2020 helped to control how money was distributed and managed to handle COVID-19. Due to the central government's meager assistance, this, however, had little impact. Each type of policy measure is explained in this table:

No	Policy Measure	Description
1	School from Home (StH)	All coaching and studying moved to online-primarily grounded completely platforms. All city agglomerations on this take a look at assessed regulations on instructional conditioning.
2	Work from Home (WAH)	Workplace Activity Limitations At low situations, up to 25 of workers may work in office surroundings, rising to 25–50 at intermediate situations and 75 at severe situations. Applied to all types of employment with the most flexible treatment possible for 11 strategic sectors Health; Eat Drink; Energy; information and communication technology; finance; Logistics; Hospitality; structure; strategic diligence; introductory services, public services and industries designated as vital national assets; others for essential daily necessaries.

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No	Policy Measure	Description
3	Limitations on Religious Activities	Restrictions on gathering in places of worship, except for calls to prayer, ringing of bells and the suchlike. Needed to practice religious conditioning outdoors rather than attend community gatherings.
4	Limitation on the Use of Public Places and Facilities	Restrictions in public places are carried out with the rule that a group cannot be more than five people. Then, such as traditional markets, supermarkets, public health facilities and service providers such as banks are still allowed because they are people's daily needs.
5	Limitation on Social and Cultural Activities	The prohibition of socio-cultural conditioning can be carried out except funeral ceremonies for deaths not caused by COVID-19, circumcisions, and marriages that observe health protocols. For activities such as political activities, sports, entertainment, academics, and cultural activities, social and cultural restrictions will stop completely.
6	Mobility Control and Travel Restriction	Applies to all areas of the city with varying degrees of restraint between cities/districts implementing PSBB. In terms of vehicle capacity, passenger capacity restrictions are imposed for all areas of the city to a maximum of 50% and must maintain a distance between passengers of at least 1m in public transportation, traditional markets, supermarkets, public health facilities and suppliers, services such as banks.

Source: [15].

The correlation between confirmed cases and deaths in Indonesia's seven largest metropolitan agglomerations and the consequences of policy interventions (ie, measures to prevent interactions between populations). No policy can limit cases and deaths until mid-October in general. This in no way implies that existing policies have no significant impact on slowing the spread of COVID-19. Consistent application of actions to have a significant effect has been established. While the implementation of mobility restriction regulations has yielded positive results, we have also shown that time and capacity can have a major impact. Similarly, to optimize the implementation of the measures imposed are ascribed to the larger parties involved with these measures and the limited ability of governments to persuade, implement, and implement a policy, it will be more difficult if the convergence of centralized power and decentralized policies. has made it more difficult [15].

To spend more on health in the medium term Some governments may be hesitant. Some may also be reluctant to tackle the cycle of hedging and revenue collection policies in the years to come. The political response to COVID-19 suggests that several countries have used the post-crisis period of 2008 to do so. However, particularly in countries where public health spending is relatively low, health systems are likely to suffer from current declines in performance and become less resilient to future shocks unless action is taken. Additional spending is more likely to help build resilience when targeted at underserved people and under-resourced parts of the health system and used to reduce fragmentation, duplication and other forms of waste, supported of course by prioritization processes and other tools [16].

4 Discussion

Financing Health, which is an important component of the health system's ability to maintain and improve human well-being as spending on health care increases, is an important issue for global stakeholders to discuss and debate. Although policy measures have been taken to deal with COVID-19, the economic shock due to.COVID-19 which poses a challenge.to the health care system by reducing public income and increasing people's need for publicly funded health care is unavoidable. The economic shock is even more intense. The goal of Financing Health is not only to raise funds and use them effectively, but also to do so fairly. However, the decline in the health care system shows that implementation is not in line with the objectives of Financing Health. This is because low-income people actually contribute a higher percentage of income compared to high-income people [7]. In addition, there has also been an increase in GDP in the health sector in Indonesia from 2020–2022. There is also a need for reform of health financing, such as in the national health insurance system, because this will improve the quality of public health supported by community involvement.

Related to policy measures in handling with covid-19, policies in place haven't had a significant impact on slowing the spread of COVID-19. The convergence of centralized power and decentralization policy has made it more difficult to optimize the application of the imposed measures is ascribed to the larger parties involved with these measures as well as the government's limited ability to persuade, implement, and apply a policy [15]. To spend more on health in the medium term some governments may be hesitant. Some may also be reluctant to tackle the cycle of hedging and revenue collection policies in the years to come. However, in countries with relatively low public health expenditures, health systems are likely to experience a decline in performance and become less resilient to the future if no action is taken. are more likely to help build resilience if targeted at underserved people and parts of the health system that are under-resourced and used to reduce fragmentation, duplication and other forms of waste [16].

5 Conclusion

Financing of the health system during COVID-19 has been hampered by paralyzed economic activity, declining incomes, and a lack of measures that have proven effective in containing the spread of COVID-19. did. The spread of COVID-19, which is difficult to

contain, has impacted the outcome of implementing budgetary policies for the COVID-19 pandemic. The more COVID-19 spreads, the less impact government policies have on healthcare funding. As a result, Indonesia's healthcare system is nearing collapse due to this funding failure.

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