



# Ease of Health Financing in the National Health Insurance Program

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**Abstract.** Everyone has the right to live in bodily and spiritual prosperity, to have a good environment in which to live, and to receive health care, according to Article 28 H, paragraph 1, of the 1945 Constitution. The 1945 Constitution's Article 28 H paragraph (3) states that everyone has the right to social security that enables their complete development as respectable human beings. The 1945 Constitution's Article 34, paragraph 3 confirms that the State is in charge of providing suitable healthcare facilities and public service facilities. The government has responded to the mandate of the 1945 Constitution by enacting Law no. 36 of 2009 concerning Health and Law no. 40 of 2004 concerning the National Social Security System (SJSN), which includes health care insurance. In Law no. 36 of 2009, it is emphasized that everyone has the same rights in obtaining access to resources in the health sector and obtaining health services that are safe, quality, and affordable. By participating in cooperation, the community can get health services whenever they need them, without being constrained by costs. The services obtained will also not be limited to basic services. The community will get health services that are always increasing, along with the increase in the results of cooperation/financing contributions. The government's policies on health insurance and the insurance agency for both national and local/regional schemes need to be known and understood by the whole community. Given the current problems, namely the lack of understanding of participants in following the National Health Insurance (JKN) procedure, it is hoped that a comprehensive understanding of the existing health insurance will be able to improve the quality of services for health insurance participants so that in the end it will have implications for increasing understanding the community's rights and obligations and can take advantage of health insurance properly and correctly.

**Keywords:** health financing · guarantee national health

## 1 Introduction

Accessibility to health services is ensured by Law Number 40 of 2004 regarding the National Social Security System. It includes provisions for health insurance that are supported by the ideals of social insurance and equality. As required by the Law on the National Social Security System, the Social Security Administering Body (BPJS) for

Health was established on January 1, 2014, replacing PT Asuransi Kesehatan (ASKES), which had been designated as the Social Security provider in the health sector. The task of BPJS Health itself is how to gradually provide guarantees to the managers of public health programs, the Health Social Security Administering Body. This is confirmed by Law Number 24 of 2011 concerning Social Security Administering Bodies [1]. Local governments are expected to participate in enhancing the JKN program's quality in accordance with the requirements of Law No. 40 of 2004 regarding the National Social Security System. The Constitutional Court of the Republic of Indonesia granted a judicial review of Law No. 40 of 2004 about the National Social Security System (SJSN), which strengthened the role of local governments in administering the social security system.

Based on this legal basis, the local government took the initiative to develop the Regional Health Insurance (Jamkesda). Jamkesda has been running with a model that varies greatly between regions, according to the characteristics and financial capabilities of each region. BPJS Health participants are generally grouped into two, namely Contribution Assistance Recipients (PBI) and non-PBI recipients. PBI participants are residents whose contributions are paid using APBN or APBD funds. Along the way, along with existing developments by the JKN Roadmap, it is hoped that Jamkesda will be integrated into JKN. The National Health Insurance Program (JKN) is being implemented with the goal of providing health protection in the form of health maintenance benefits to everyone who has paid their dues or contributions paid by the government so that people can take advantage of health services offered by the Government [2]. This integration idea is based on the facts on the ground that not all poor and underprivileged people in the regions are covered by the JKN program and by Presidential Regulation No. 82/2018 concerning Health Insurance Article 12 Residents who have not been registered as participants in health insurance can be registered with BPJS Health by the provincial government or district/city government. The Social Security Organizing Agency is a public legal entity formed to administer social security programs. BPJS consists of BPJS Kesehatan and BPJS Employments [3].

## **2 Discussion**

### **2.1 Legal Arrangements Regarding Economic Accessibility in the National Health Insurance Program**

The right to health is outlined as one of the core (fundamental) rights that every person has in a number of international agreements and legal instruments, and it is required of the state regardless of racial origin, religion, political affiliation, or economic status and social circumstances. Based on this, the right to health has been recognized as a "fundamental right" by the international community since it was adopted from the WHO Constitution in 1946. The right to health is a fundamental human right that is necessary for the practise of all other human rights, as stated in the Committee on Economic, Social, and Cultural Rights' General Opinion on the subject. Based on these broad observations, health is positioned as a crucial and priceless human right for the realisation of other human rights.

Health maintenance is an endeavour to address and avoid health issues, such as pregnancy and childbirth, that call for inspection, treatment, and/or care. The WHO

defines Universal Health Coverage (UHC) as a health system in which every citizen in the population has equitable access to high-quality promotive, preventive, curative, and rehabilitative health care. Health insurance is a component of attempts to attain UHC necessary and reasonably priced. The scope of UHC itself contains 2 (two) core elements, namely:

- Every citizen has access to fair and high-quality healthcare services; and
- Protection from financial risk when people use healthcare services.

It is required to say that the state seeks to increase the welfare of the populace in the Preamble to the Republic of Indonesia's 1945 Constitution. This objective is further reinforced in the Fourth Amendment to the Republic of Indonesia's 1945 Constitution, namely by creating a Social Security System for the Welfare of All People. Article 28H of the Republic of Indonesia's 1945 Constitution states the following goals:

- Everyone has the right to live in physical and spiritual prosperity, to have a home, a suitable environment in which to live, and to get medical care;
- Everyone has a right to special accommodations and treatment so they can get the same opportunities and advantages to achieve equality and justice;
- Each individual has a right to social security that enables his or her complete growth as a respectable human being.

Law Number 36 of 2009 concerning Health emphasises that everyone has the equal right to access resources in the health sector and to acquire safe, high-quality, and reasonably priced health services, in addition to Article 28H. With the amendment of Article 34 paragraph (2) of the 1945 Constitution, which states that the state will create a social security system for every Indonesian, and the subsequent enactment of Law Number 40 of 2004, pertaining to the National Social Security System, awareness of the value of social protection insurance has continued to increase which will be referred to as the SJSN Law from now on is one of the clearest indications that the government and associated parties are deeply committed to achieving social welfare for all of its citizens and serves as a kind of social protection. Additionally, it essentially seeks to guarantee that everyone can satisfy the necessities of a decent existence.

In order to provide social protection for all Indonesian citizens in a comprehensive and integrated manner, the SJSN Law was enacted. As a result, the government is in charge of implementing public health insurance through the programme of the next National Health Insurance with JKN. The government has made efforts in that regard by setting up several social security programmes in the healthcare industry. The government offers assurances to the underprivileged and destitute through the Regional Health Insurance and Public Health Insurance programmes. These programmes are still separated and fragmented, making it challenging to regulate health care costs and service quality. Factors that will make the system viable for sustainability include the seriousness of government assistance in terms of technical management, financial assurances, knowledge about the expense of disease, transparency, and the provision of a clear package of benefits [4].

Law No. 40 of 2004 was passed on the National Social Security System in an effort to address this. This law makes participation in the social security programme, which includes the health insurance programme provided by a social security administering

agency, mandatory for all residents. Establishing an organising body in the form of a public legal entity based on the principles of cooperation, non-profit, openness, caution, accountability, portability, participation, mandatory, mandated funds, and the outcomes of the management of the Social Security Fund are entirely used for development is necessary in order to achieve the goals of the national social security system. Programme and as much as is practical for the Participants' benefit. Then, Law Number 24 of 2011 was created to establish a Law on Social Security Administering Bodies. After the Constitutional Court's ruling in Case Number 007/PUU/III/2005, this formation is the execution of the National Social Security System Law, providing legal certainty for the establishment of BPJS to carry out the Social Security programme throughout Indonesia.

The National Health Insurance, a component of the National Social Security System, is one of the steps taken by the state government to realise the fulfilment of the right to health. This is in addition to issuing Law Number 36 of 2009, Law Number 40 of 2004 concerning the National Social Security System, and Law Number 24 of 2011 regarding the Social Security Administering Body, and specifically by issuing Presidential Regulation Number 12 of 2013 concerning Health. Presidential Regulation Number 64 of 2020 Concerning the Second Amendment to Presidential Regulation Number 82 of 2018 Concerning Health Insurance is the result of many adjustments that were made.

In addition to the Presidential Regulation, which governs health insurance, other laws, such as Minister of Health Regulation Number 71 of 2013 concerning health services in national health insurance, as amended by Minister of Health Regulation Number 99 of 2015, and as most recently amended by Minister of Health Regulation Number 23 of 2017, as well as Minister of Health Regulation Number 28 of 2014 concerning guidelines for national health insurance, also govern health insurance in Indonesia. Standard Tariffs for Health Services in the Implementation of the Health Insurance Programme under Regulation of the Minister of Health Number 59 of 2014, as Amended by Regulation of the Minister of Health Number 12 of 2016, but to Address Development and this regulation has been improved by the Regulation of the Minister of Health Number 52 of 2016, which addresses the demands of health services in healthcare institutions. The laws controlling the referral system are then governed in Regulation of the Minister of Health Number 1 of 2012 about the Referral System for Individual Health Services, as well as Government Regulation Number 101 of 2012 for Recipients of Health Insurance Contribution Assistance.

## **2.2 Implementation of State Responsibility for Health Financing in the National Health Insurance Program**

The concept of upholding the public interest is one of the legal concepts of the dynamic legal system of Indonesia. Based on this idea, all public servants are obligated to engage in actions that advance the public interest and can safeguard the community from legal liability [5]. The national social security system is a state programme that strives to guarantee assurance of social protection and welfare for all individuals, as stated in the portion of the BPJS Law that is concerned with letter an. The idea of a welfare state has the result that the government is in charge of ensuring the welfare of its citizens by getting involved in their affairs from the moment they are born until they pass away. As a result, there is no aspect of their citizens' lives that is unaffected by the government.

To ensure that everyone has the best possible health, one area where the government may intervene in people's lives is the health sector [6].

Every person (citizen) needs health insurance, hence the state should be responsible for providing it without making any distinctions between different citizens. The idea behind the national health insurance programme is social health insurance, which provides coverage for the whole community and requires all Indonesians to sign up for it. Since the Social Security Administering Body and BPJS Health were established by Law Number 24 of 2011, which went into effect on January 1, 2014, BPJS has established national health insurance for all Indonesians, whether wealthy and impoverished. However, in order to implement the programme, BPJS has to work closely with the government to increase the community's access to high-quality healthcare at an affordable price and to ensure a fair allocation of healthcare funding.

One of the main criticisms of the government bureaucracy's delivery of community services is the poor quality of public services. The entire community hopes for better public services in the reform period, but the path hasn't changed all that much. Many public answers tend to indicate that different public service types are suffering setbacks. This is partially due to the numerous anomalies in public service delivery, which is also a feature of public service that has been emphasised. In order to achieve quick, inexpensive, and transparent public service standards, attempts have been undertaken to develop public service standards. This has to do with the bureaucracy's deployment of service methods and procedures that are less efficient, complicated, sluggish, and unresponsive to client interests, among other undesirable traits [7].

The JKN programme has not been implemented to the community's fullest potential and in a comprehensive manner due to a lack of community education regarding the significance of the government's programme. As a result, people assume that the services that will be provided will be slow and complicated, and some people even choose not to use health facilities at all due to government-related factors. Indonesia has embraced the idea of health insurance to lower the danger of the community incurring health expenditures from out-of-pocket money in order to maintain the implementation of national health insurance. For that, we require a safety net in the form of health insurance, in which participants pay a predetermined fee. The Social Security Administering Body (BPJS) was established as a result, and health finance is now shared by all participants, making it less onerous for individuals.

The goal of the National Health Insurance (JKN) is to provide universal health coverage for all residents, which has enhanced public access to public services. A system of tiers for health services is used by JKN. When the system comprises of First Level Health Facilities, also known as FKTP and Advanced Level Referral Health Facilities, also known as FKRTL, which includes Second (Secondary) Level and Third (Tertiary) Level Health Services [8]. Patients who seek medical care must become used to the tiered system. In all healthcare institutions, the referral system is used as a method of reciprocal delegation of tasks and obligations for health services to patients on both a vertical and horizontal level [9]. A tiered referral system can also indirectly enhance all levels of healthcare institutions. Making health services better and at their best is the aim for the whole FKTP.

It turns out that there are still a lot of issues with its implementation. Participation and financial support are still not at their best. Because there is a strong public demand for health services but a poor finance structure, JKN's funding is in deficit every year. One strategy being used by the government to reduce the current deficit is raising the contribution rate. As of the beginning of this year, the government formally increased the payments for the JKN programme run by BPJS Health to 100%, as is known in 2020. According to the publication of Presidential Regulation Number 75 of 2019 about Amendments to Presidential Regulation Number 82 of 2018 concerning Health Insurance, this increase is in accordance with that regulation. The National Social Security Council (DJSN) details the effects that the increase in BPJS Health premium rates will have, including a rise in the proportion of inactive members over time, a reduction in the participant population as a whole, and a reluctance on the part of potential members to enroll due to the high tariffs. With this rise in contribution rates, BPJS Kesehatan is expected to make sure there is no contribution theft and that health services are of higher quality, facilities are provided, health quality is improved, and there is transparency. Because of the improvement in cash flow at BPJS Health, the contribution rate will rise. More precisely, BPJS also makes accommodations for the protection of people who join the JKK-RTW programme as employees in addition to the establishment of BPJS Health and JKN. The JKK-RTW (Return To Work Job Guarantee) programme is an extension of the advantages of work accident insurance, providing help to participants who sustain work-related injuries that result in disability or the possibility for disability, ranging from accidents to be able to return to work [10]. The programme serves as a safety net for employment guarantees covered by Government Regulation Number 44 of 2015 on the Implementation of the Work Accident and Death Insurance Programme. According to this, the government has made accommodations for a variety of rights, including those related to personal health, employment, and access to high-quality medical care.

### 3 Conclusion

Articles 28 H and 34 of the 1945 Constitution as well as Law Number 11 of 2005 regarding the Ratification of the International Covenant on Economic, Social, and Cultural Rights explicitly state that everyone has the right to good health and that the government is responsible for providing facilities for that care. Based on this, Law Number 36 of 2009 Concerning Health, Law Number 40 of 2004 Concerning the National Social Security System, Law Number 24 of 2011 Concerning the Social Security Administering Body, and Presidential Regulation Number 82 of 2018 Concerning Health Insurance were formed to fulfil the right to health for the entire community. First Level Health Facilities (FKTP) and Advanced Referral Health Facilities (FKRTL) are the two levels of the National Health Insurance's tiered health service system. In terms of funding for health care, Article 171 of Law Number 36 of 2009 Concerning Health regulates that the government is the source of funding.

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