



Health Financing System in Indonesia

Wintang Dayinta Permana^(✉)

Universitas Sebelas Maret, Surakarta, Indonesia
wintangdp03@student.uns.ac.id

Abstract. Increases in the ideal level of public health are the objective of health development, which is a component of national development. The truth is that public health is still in horrible shape, especially for the poor. Based on the infant mortality rate (IMR) of 35 per 1,000 live births and the maternal mortality rate (MMR) of 307 per 100,000 live births in Indonesia, it can be seen that the health situation of the poor is still quite low. One of the causes of the low access to health services is the high expense of medical care. One method of addressing the issue of accessibility is through the purchase of health insurance.

Keywords: health development · health financing system · health services

1 Introduction

Promotive and preventative health services are given priority by public health services in general. Promotive services aim to advance public health, while preventive ones work to keep people healthy by keeping them from getting sick. Therefore, efforts to prevent (preventive) and improve health are more crucial than simply treating those who are ill as part of public health services (promotive). As a result, in addition to community health centres, there are other forms of activity that either directly or indirectly contribute to health improvement and illness prevention.

The reform of health development policy has been completed as outlined in the new health development vision, mission, strategy, and paradigm commonly known as Health Indonesia. The National Health System Reform (SKN) has taken a new direction in Indonesia's health development. Looking at the new policies and systems that have resulted from these reforms, it seems that many changes have been made [1]. The two most important are changes in the healthcare effort subsystem and the healthcare finance subsystem. By mobilizing a combination of community, government and public and private sectors, funding research, allocation and spending in the health financing subsystem is being conducted to fund UKM and UKP for the poor [2]. For wealthy people, public health is largely self-funded by the community and has compulsory and voluntary health insurance mechanisms.

2 Discussion

2.1 Health Financing

The medical process is inseparable from medical finance. Health care costs are funds that must be allocated to organize and/or utilize the various health care activities needed by individuals, families, groups, and communities.

Fair distribution, access to health services (fair access to health care), and quality services are just a few of the essential health development goals that are covered by strong, secure, and sustainable health care funds (guaranteed quality). It plays a very important role in the implementation of medical services to achieve [3]. Therefore, a country's health policy reform should focus heavily on health and fiscal policy to ensure the implementation of the appropriateness, fairness, efficiency and effectiveness of health finance itself.

Planning and organizing appropriate health care funds will help governments mobilize sources of health care funds, allocate them reasonably, and use them efficiently and effectively. Health funding policies that prioritize equity and poor health policies (equity and poor health policies) will facilitate the realization of universal access. In a broader sense, healthcare finance is believed to contribute to social and economic development [4]. Healthcare itself has recently become very expensive in both developed and developing countries [5]. Abuse of high-tech medical services is one of the main causes. Another cause is the superiority of funding medical services through cash payment mechanisms (service fees) and weak management of resources and services themselves (poor management of resources and services).

2.2 Health Insurance

The following definitions of insurance can be found in article 246 of the Commercial Code (KUHD): A contract for insurance or covering is one in which the insurer cedes himself to the insured by receiving a premium to cover a loss or the failure to realise an anticipated profit that may be suffered as a result of an unforeseen catastrophe. The Law of the Republic of Indonesia Number 2 of 1992 defines insurance as follows: Insurance or insurance is an agreement between two or more parties where the insurer binds himself to the insured by accepting insurance premiums, to provide compensation to the insured due to loss, damage, or loss of expected profits that the insured may suffer, or legal liability to third parties that the insured may experience, arising from an uncertain event, or to provide a payment based on the death or life of the insured person [6].

2.3 Basic Principles of Insurance

In the world of insurance, there are 6 (six) basic principles that must be met, namely [7]:

1. The right to insure that results from a contractually established financial connection between the insured and the insured is known as an insurable interest.
2. Utmost good faith is the act of accurately and totally disclosing all relevant information about a subject of insurance, whether or not it is requested. The insurer is

required to accurately and completely explain all of the terms and conditions of the insurance, and the insured is likewise required to give accurate and clear information regarding the item or interest insured.

3. An effective, active cause known as the “proximate cause” starts a series of events that result in an effect without the help of an additional, independent source.
4. A technique known as indemnity allows the insurer to make payments in an effort to restore the insured’s financial situation to what it was shortly before the loss occurred (KUHD articles 252, 253 and emphasised in article 278).
5. After a claim has been paid, the insured transfers claim rights to the insurer through subrogation.
6. Contribution is the insurer’s ability to ask other insurers to join in on paying indemnity, even if they may not be under the same obligation to the insured.

3 Conclusion

Health insurance is the right choice for health financing as the onset of illness is out of control in anticipation that rising costs of health services will become increasingly out of control and the community will lose access to health services. Given the nation’s and society’s economic circumstances, as well as the limited resources at hand, it is imperative to create health insurance solutions that are efficient, effective, and of the highest calibre in order to be accessible to the entire public. That’s why it’s time to develop the managed care government’s health insurance business. Wider insurance coverage requires a wider service network (hospital). With the increasing demand for quality health insurance and healthcare services, continuous improvement efforts are not only the responsibility of the healthcare provider, but also the implementation of the insurance. We recommend that you take out health insurance from an early age. This is to prevent refusal to take out health insurance. Because, in contrast to younger age, the risks that you have to bear in old age are enormous.

References

1. Departemen Kesehatan RI, 2009, Sistem Kesehatan Nasional, Jakarta.
2. Kementerian Kesehatan RI, Buku Pegangan Sosialisasi: Jaminan Kesehatan Nasional (JKN) dalam Sistem Jaminan Sosial Nasional.
3. Salim, Deysi Liem Fat. “Aksesibilitas Pembiayaan Kesehatan Dalam Program Jaminan Kesehatan Nasional.” *Lex Et Societatis* 8, no. 4 (2020).
4. Setyawan, Febri Endra Budi. “Sistem pembiayaan kesehatan.” *Saintika Medika* 11, no. 2 (2015): 119-126.
5. Putri, Ririn Noviyanti. “Perbandingan sistem kesehatan di negara berkembang dan negara maju.” *Jurnal Ilmiah Universitas Batanghari Jambi* 19, no. 1 (2019): 139-146.
6. Dural, 2008, Health Insurance Changes Highly Irresponsible, Herald letter with Media Watch, (<http://www.heralddletters.com.au/?=97>) accessed on 2 July 2022.
7. Askes PT, 2009, Asuransi Kesehatan Indonesia, Jakarta, Indonesia (http://Id.Wikipedia.Org/WikiAsuransi_Kesehatan_Indonesia) accessed on 2 July 2022.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

