



# Implementation of Medical Financing in Hospitals

Oktavia Lusiana Putri<sup>1(✉)</sup> and M. Herzegovin Laxamana<sup>2</sup>

<sup>1</sup> Faculty of Education, Universitas Sebelas Maret, Surakarta, Indonesia  
oktvputri21@student.uns.ac.id

<sup>2</sup> Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia

**Abstract.** Health funding is one of the factors that affects the health quality of individual countries in a meaningful way. Medical finance problems are: Lack of funds and additional funds. This writing method uses review literature. The purpose of this academic study is to increase knowledge about medical financial planning in several hospitals. It is hoped that this letter will help you create a funding plan to optimize health services. The importance of the funding plan is deduced from various health research articles that are the basis for achieving goals through hospital activities at the right time. What's to come? The need for synchronization between one policy and another begins with a close relationship between institutional status from planning to hospital budgeting and health financing patterns.

**Keywords:** financing system · hospital management · health insurance

## 1 Introduction

Indonesian citizens can also receive appropriate medical services in addition to educational opportunities and legal protection. Health is an important issue in relation to the impact of environmental changes due to current global developments. What industry grows also affects your health. Indonesia itself is included even in countries with developing industries. The rapid industrial development affects the local environment. Various diseases spread easily, making people more susceptible to disease. To do this, a quality health care community in accordance with the basic rights of Indonesian citizens. The government, of course, must participate as government officials in responding to problems that exist in the community by providing published services for the community.

According to Law no. 44 of 2009, a hospital is a service facility. Medical services that provide a full range of personal medical services providing inpatient, outpatient and emergency medical care. General Hospital has a mission to provide quality and affordable health services to the community. To improve public health conditions. The medical service process cannot do this if there is no medical funding. Health care costs are funds that must be allocated to organize and use the various necessary medical interventions. Needed by individuals, families, groups and communities.

Health problems cannot be solved properly without proper financial support. Health financing is one of the factors that affects the quality of a country's health in a meaningful way. Medical finance problems are: Lack of funds and additional funds. Lack of funds occurs due to inefficiency in money management and misallocation of money. The meaning of increased costs, namely the tendency to strengthen medical skills as diagnostic implementers (evidence bases). In addition, there are funding advantages by pricing the service mechanism and the lack of resource allocation for the service itself (inadequate management of resources and services). For this reason, it is necessary to study the literature on the hospital medical financial system. As is known, how medical finance is applied in hospitals in Indonesia.

## 2 Method

The design of this study uses a literature review, which is to analyze and study freely with magazines, ebooks, textbooks on the hospital's medical financial system. Journals or articles used in the literature This review is from Google Scholar, Google Books, Libraries, Over the last 10 years. Keywords used in the search Include medical finance, medical finance systems and hospital financing Health in health.

## 3 Results and Discussion

**Planning Concept.** Planning which is part of management is a process of systematic arrangement of activities that will be carried out to overcome problems to achieve the goals set. The plan can also be interpreted as a way to achieve our goal of doing the best with existing resources to be more efficient by taking into account the socio-cultural, physical and biological environment [1] The WHO plan is a comprehensive and careful interpretation heart for efforts to develop regular medical services on the basis of the use of all modern science and experience.

**Health Finance Concept.** Medical financing is the amount and distribution of funds that must be provided by individuals, groups and communities [2]. Based on this understanding, medical costs can be calculated. Viewed from two angles, namely based on:

- Health care providers are the amount of funds needed as long as they are able to carry out health efforts, so look at this understanding from the service provider's point of view, medical costs are the main problem for the government and/or the private sector, namely the organizers of health initiatives. The level of funding for health care providers shows more all investment costs and all operating costs (Operating costs).
- Service users (health consumers) are the amount of money they have to provide to make the service available. In this case, medical expenses are a major issue for service users, but to some extent, states are also involved. In other words, to ensure health compliance for those in need. The measure of funding for service users refers to the

amount required to be removed (from the pocket) to benefit from health measures [3].

Strong, stable and sustainable health financing plays an important role in this. It is important to implement medical services to reach a wide range of people. One of the most important goals of national health development is equity, with quality (quality guaranteed) medical services and access (equal access to health care). Therefore, a country's health policy reform must be focused on health fiscal policy to ensure the implementation of validity (conformity), fairness, and efficiency of the effectiveness of health financing itself.

According to the Ministry of Health of the Republic of Indonesia in 2004, medical services have several characteristics that do not allow all individuals to bear the cost of health services according to their needs:

- a. The need for medical services is sporadic and unpredictable. Therefore, it is not easy to ensure that each individual has enough money in case of need for medical care.
- b. The cost of medical services is also very high, for example under certain conditions. In hospitals and advanced medical services (surgery and other special measures) these unbearable emergencies and long-term illnesses are funded by the general public.
- c. Poor people not only have less access to medical services, but also have more services available because medical services are needed because they are vulnerable to various problems of malnutrition, health from housing. So when a person is in pain, it can affect his function including manpower reducing funding capacity.

The medical financial system based on the characteristics must have the following objectives:

- a. Risk diversification, health financing must be able to offset the level of risk costs always allow all households to reach that amount
- b. Accumulation of risk, can be very expensive for some types of special surgery medical services that cannot be covered by hemodialysis or personal savings. The funding system must be able to cover risks. The high cost of pain between individuals in low-needs communities can subsidize groups of people who need medical services. So follow the principle in solidarity, you will not be charged for expensive medical services personal savings, but shared by the community.
- c. The relationship between the poor and poverty, because it is related to poverty and health, the funding system must also be able to secure the poor people can also provide medical services that are in accordance with standards and needs, do not need to spend money that is disproportionate to income.
- d. The importance of basic health, health is a basic need. Without health, one cannot enjoy life.

The World Health Organization (WHO) itself provides a focus that contains the main issues, challenges, main objectives of policies and programs of action. Development of health financing policies based on data and facts Implementation of a health financing strategy in a country is directed at several different sources of funding for health costs in the community; Cost assistance from within and outside the country; and Combined government and community budgets.

The high cost of treatment is due to several causes, some of which are the most important including:

1. Inflation rate.
2. Demand factor.
3. Advances in science and technology.
4. Changes in disease patterns.
5. Changes in the pattern of medical services.
6. Changes in the pattern of the doctor-patient relationship.
7. Abuse of health insurance Health insurance.

**Health Financing System.** There are several models of healthcare funding systems operating in many countries, depending on the source of funding [4]:

1. Payment directly from the patient

The main feature of the direct payment model is that each individual contributes. The cost of medical services according to the level of utilization. In general, this system leads to a more prudent use of health services and competition among health care providers in recruiting health services, consumers or the free market.

2. User payments

In this model, patients pay for medical services directly, both public and private health services. The difference from the informal model is the amount and mechanism of payment and the group receiving it. Exceptions are formally set by the government and providers.

3. Saving base

This model has the individual characteristic of “risk expenditure”, but no risk pooling is carried out between individuals. This means that the direct medical costs will be borne by the individual, depending on how much they are used. Get help in raising funds (savings) and managing their use when you need health care.

4. Informal

The main feature of this model is that payments are made by individuals not only formal health care providers such as doctors and midwives, but also other health care providers, for example: Mantri and traditional medicine. Not officially made or the amount, type and mechanism of payment is not regulated. The amount of the regular fee from the contract, or often set by the provider, can also be in the form of payment with the product. This model usually occurs in developing countries that do not have health care systems and funds that can cover all people, community groups and types of services.

5. Insurance basis

There is a big difference in the financing system with the insurance approach, thus, the individual does not bear the cost of his own treatment. The concept of insurance has two special characteristics that transfer the risk of pain to a person: Fair distribution of

losers in the group. A group of people has been shown to be at high risk of contracting the disease. Type of price, frequency and amount are taken into account.

## 4 Health Insurance

Insurance is designed to provide sick people with the services they need regardless of their financial situation. There are parties who guarantee or bear the costs of treatment and care. The party who guarantees this in English is called the insurer or in the Insurance Law is called the insurer.

Insurance is an answer to the nature of the uncertainty (uncertain) of the event of illness and disease health service needs. To ensure that health care needs can be adequately financed, then a person or small group of people do transfer of risk to other parties called insurers/insurers, or guarantee provider [5].

According to article 246 of the Commercial Code (KUHD), insurance has: the following meanings: Insurance or coverage is an agreement whereby: insurer of personal loss to the insured, by getting a premium to replace loss due to loss of loss or not obtaining an advantage expected, which can be suffered due to an event that is not known beforehand [6].

### Implementation of Medical Financing in Hospitals

1. Aroska Hospital Business Strategy Plan Survey conducted by Yeni Busdin (2018) [7], La Sierra. This research method is carried out by policy research using descriptive research design and qualitative methods. The results of this study indicate that there is a strong relationship between marketing spending and revenue growth, with competitors' market share decreasing, but industry-wide revenues increasing, and existing markets being the company's products and services. This means that hospitals need to plan and budget carefully for these promotional activities. Therefore, the results of this study are the first step in the Aroska Hospital's strategic business plan.
2. A study conducted by Agusalam et al. (2013) [8]. Using a descriptive survey approach this survey method was used to explain the theory by collecting data from hospital leaders through interviews. Outcome: To plan Anutapra General Hospital budget, Hammer must accept bottom-up proposals, consider results and outcomes, and of course involve stakeholders in the budget plan Hospital last year. Budgeting, on the other hand, should be done by staff with excellent skills and support from the budgeting team to make it easier for hospital managers/directors to coordinate and manage. The determination and determination of the hospital budget requires coordination and commitment between the legislature and the government.
3. Survey conducted by Olivia and Ayuningtyas (2009) [9]. This research method is a qualitative review by analyzing actors, content, context, and process. As a result, there is a close relationship between the institutional status of hospitals and the pattern of funding for health services, and the level and accuracy of reducing APBD subsidies remains a problem for public hospitals. Gakin funding that interferes with hospital operations. As for the social functions of public hospitals, the amount of benefit is not determined based on the actual unit price, so the applicable costs are lower

- than the unit price. The most influential parties in policy making are members of the legislature, but there are still many legislative members who do not yet have adequate skills to determine government hospital funding policies. The increase in the DKI Jakarta APBD is not accompanied by an increase in the allocation of health problems, but the allocation of funds for hospitals tends to increase from year to year.
4. Based on research on planning and budgeting policies in the District Solok Selatan stated that there is still no synchronization between one policy with other policies ranging from planning documents to budgeting, some programs and activities that appear suddenly in the document budget and vice versa as well as the quality of activities that are still low and non-measurable activity targets [10].
  5. Research conducted by Subirman et al., (2011) [11] The type of research is research Descriptive Survey that provides an overview of how much the unit cost, ability and willingness to pay the community in health service facilities in the city Samarinda. So it can be concluded that most of the respondents stated that the registration fee for medicines at the Puskesmas is still affordable for them. This fact shows that people are actually able to pay at their own expense for the health services they receive. The purpose of this research is to analyze the unit costs of health services at the Puskesmas, and the size of the ability to pay (Ability To Pay / ATP) and the community's willingness to pay (Willingness To Pay / WTP) people are still able to pay independently without the need for subsidies, the Samarinda City Government needs to reconsider JAMKESDA financing budget, by gradually reducing subsidies towards independent health financing.

## 5 Conclusion

Health care costs are increasingly uncontrollable and predictable because people do not have access to medical financial services. Health is the right choice if the disease is not under control Health insurance.

Given the economic conditions and restrictions on the existing state and community resources, the development of health insurance options requires an efficient, effective and high-quality approach to reach the wider community.

For this reason, it is time to develop a national health insurance with managed care as its operational form. With wider insurance coverage, a wider service network (hospital) is needed. The demand for good quality services for the implementation of health insurance and the provision of health services will increase, continuous improvement efforts are not only the responsibility of health service providers but also for the implementation of insurance. We recommend that you follow the health insurance program from an early age. This is to anticipate the rejection of health insurance participation. Because the risks that must be borne in old age are enormous, different from when you are young.

From various studies, it can be concluded that the importance of health financing plans as a reference for targets that must be achieved by hospital activities in the future. The need for synchronization between one policy and another, starting from planning documents to budgeting. There is a close relationship between the institutional status of a hospital and the pattern of health financing where the determination and determination of the Hospital Budget requires coordination and commitment between the Legislative and executive bodies. If a place is able to finance independently, then it is necessary

to consider the financing budget by reducing subsidies gradually towards independent health financing or by opening a business for hospitals.

## References

1. Research and Development of Health Ministry of Indonesia. Health Program Action Plan. Ministry of Health of Republic Indonesia. (2002).
2. Setyawan, F. E. B.: Sistem pembiayaan kesehatan. *Saintika Medika* 11(2), 119-126 (2015).
3. Azwar, A.: *Pengantar Administrasi Kesehatan*, Edisi Ketiga, Binarupa Aksara, Jakarta (1999).
4. Trisnantoro, L.: *Trend Pembiayaan Kesehatan di Berbagai Negara*, Modul Magister Manajemen RS UGM Yogyakarta (2014).
5. Thabrany, H.: *Asuransi Kesehatan di Indonesia*. Pusat Kajian Ekonomi Kesehatan FKMUI, Depok, Indonesia (2001).
6. Andreas. Defisi Asuransi, Jakarta (2009), <http://jurnalsdm.blogspot.com/2009/08/asuransi-insurance-assurance-definisi.html>, last accessed 2022/7/9.
7. Lasyera, E., Yeni, Y. H., Busuddin, H.: Analisis Rencana Strategi Rumah Sakit Umum Daerah Arosuka, Kabupaten Solok. *Jurnal Kesehatan Andalas* 7(2), 170-175 (2018).
8. Agusalam, Indar, Alimin. Analisis Mekanisme Penganggaran sebagai Alat Pengendalian Keuangan Studi Kasus Rumah Sakit Umum Anutapura. (2013).
9. Olivia, S., Ayuningtyas, D.: Analisis Politik dan Kebijakan Pembiayaan Rumah Sakit DKI Jakarta. *Jurnal Fakultas Kesehatan Masyarakat* (2009).
10. Hanida, R. P., Irawan, B., Syamsurizaldi, S. The Analysis of Planning and Budgeting Policy for Making More Significant Local Government Planning Policy in Indonesia, *IJASOS International E-Journal of Advances in Social Sciences* 1(2), 287 (2015).
11. Subirman, Indar, Masni. Pembiayaan Jaminan Kesehatan Daerah Berdasarkan Biaya Satuan Kemampuan, Pembayaran Masyarakat Samarinda. *Post graduate Universitas Hasanudin Journal*. (2011).

**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.

