

JKN and Human Capital

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- Brief introduction of the National Health Security program (JKN)
- The impact of JKN to human capital
- Imagine: Improving the impact of JKN to human capital

What is JKN?

One of five social security programs



Health



Work accident



Old-age saving



Pension



Life



Organized by BPJS Kesehatan



Membership enrollment

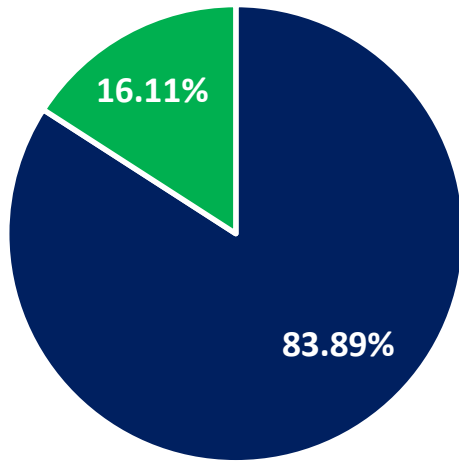


Contribution collection



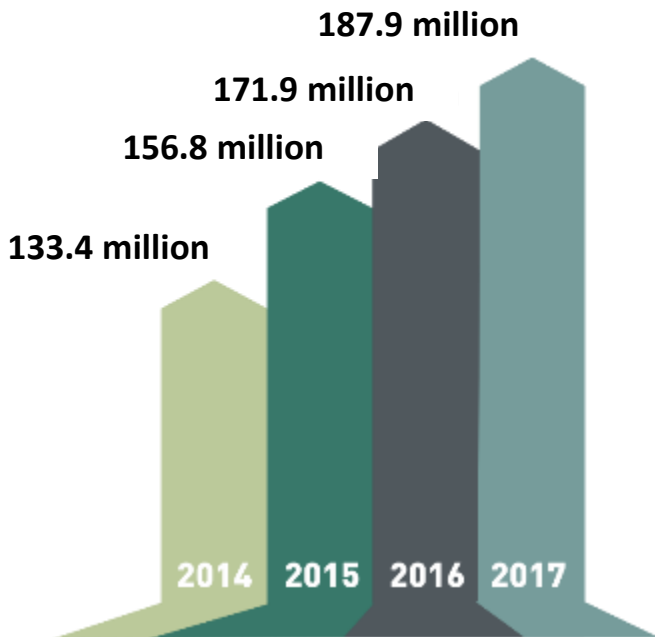
Healthcare purchasing

JKN membership per July 1st 2019

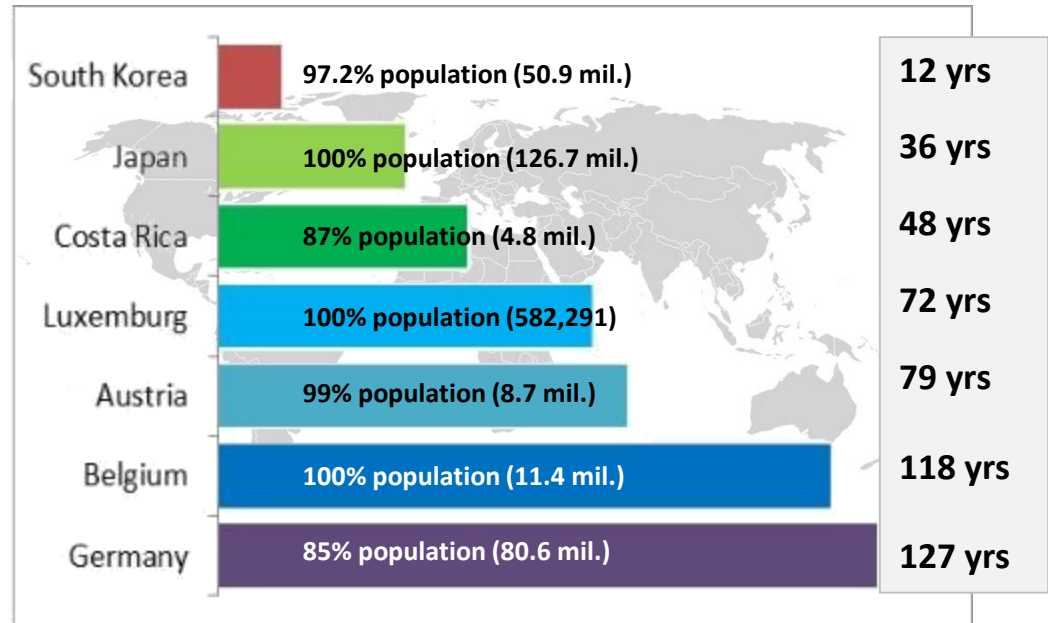






222.463.022 members

*Indonesia population per 2nd semester 2018 is 265.184.852
Source: Ministry of Home Affairs



Membership comparison with other nations

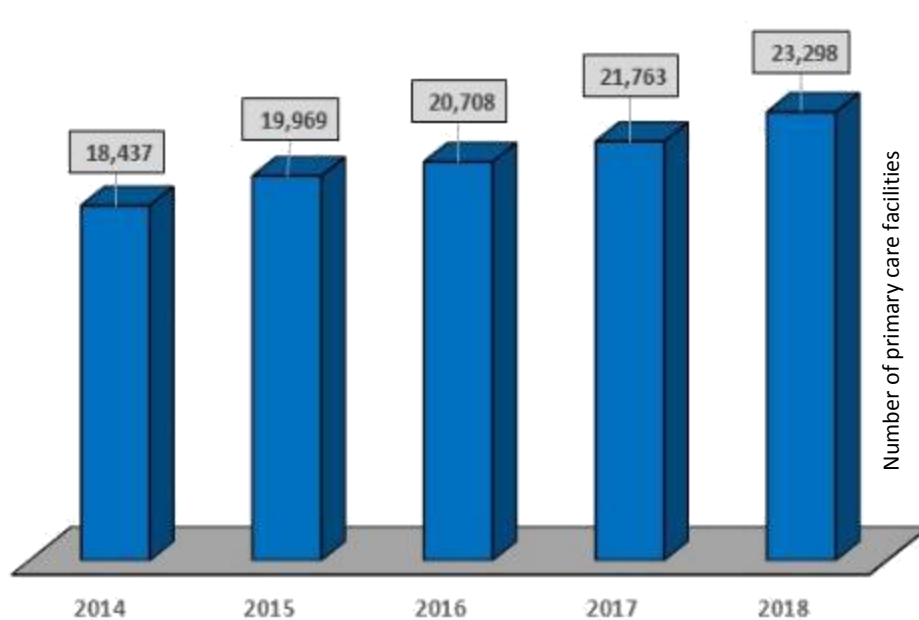


Type of membership	Contribution	Source
 The poor	23,000 IDR (1.62 USD) per member per month (pmpm)	Central & local government
 Soldiers, police, civil servants, retirees	% of salary: 3% employer 2% employee	Employer & Employee
 Private workers	% of salary: 4% employer 1% employee	Employer & Employee
 Informal workers	3 rd class: 25,500 IDR (1.8 USD) pmpm 2 nd class: 51,000 IDR (3.59 USD) pmpm 1 st class: 80,000 IDR (5.64 USD) pmpm	Out-of-pocket

Primary care facilities

23,084

Source: BPJS Kesehatan per July 1st 2019

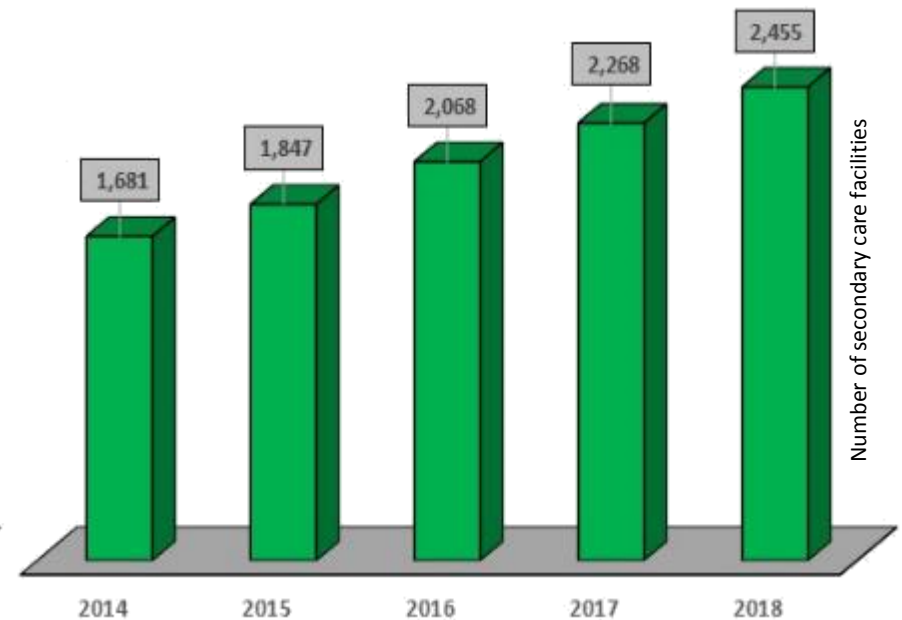


Source: Deputy of Planning & Evaluation, BPJS Kesehatan

Secondary care facilities

2,494

Source: BPJS Kesehatan per July 1st 2019



Notes:

- Primary care facilities include public health centers (*Puskesmas*), general practitioner, clinics, type D primary hospital and dentists
- 2018 figure unaudited

(in million)	2014	2015	2016	2017	2018*
Primary care facilities	66.8	100.6	120.9	150.3	147.4
Hospital outpatient	21.3	39.8	49.3	64.4	76.8
Hospital inpatient	4.2	6.3	7.6	8.7	9.7
Total	92.3	146.7	177.8	223.4	233.9
Average daily utilization	252,877	401,918	487,123	612,055	640,821

Total 5 year healthcare utilization **874,1** million

Avg. 2018
utilization

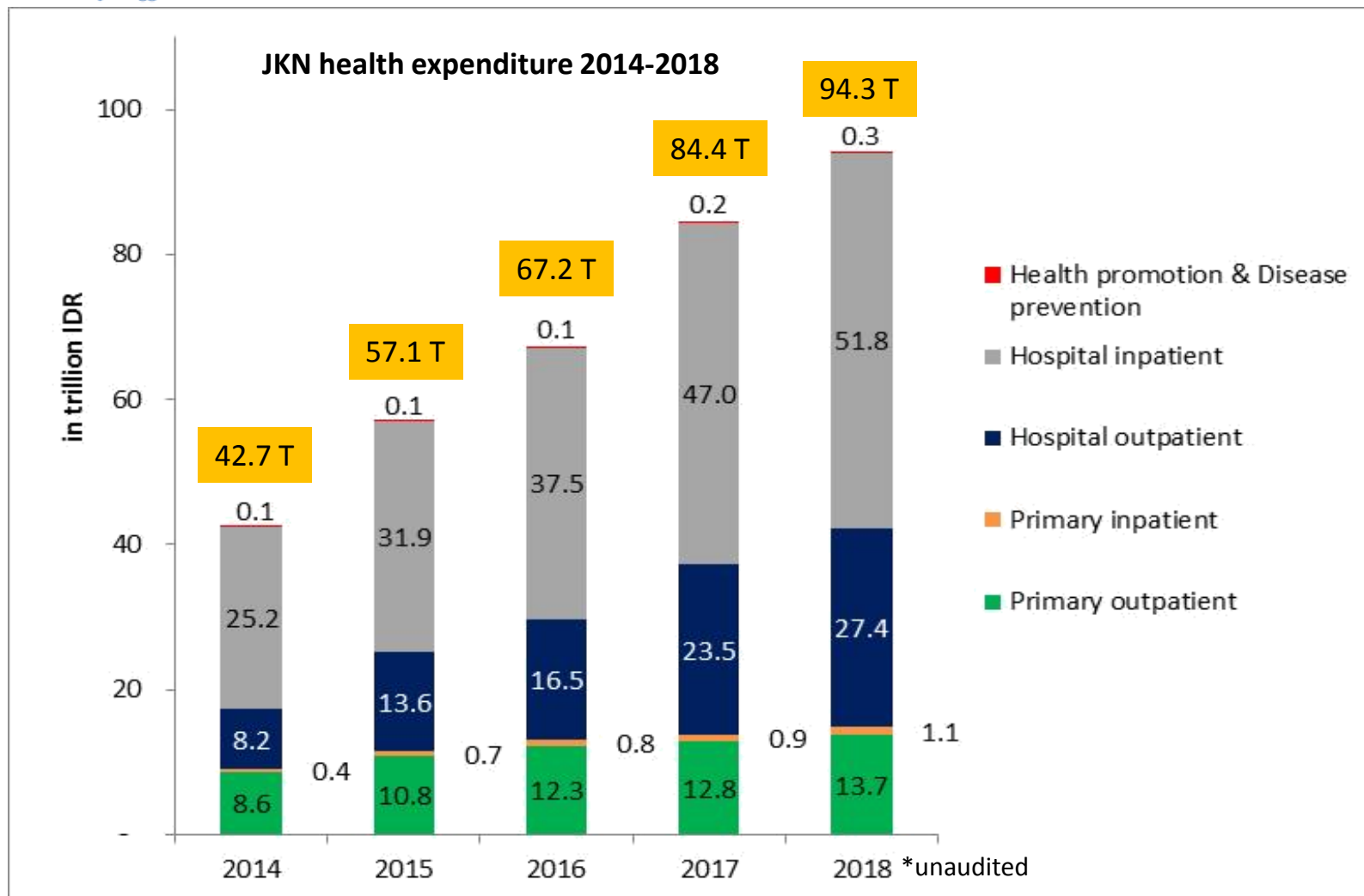
640.821

Per Day

Source: Deputy of Planning and Evaluation

*Unaudited























JKN expenditure & income 2014-2018



Income	40.7 T	52.7 T	67.4 T	74.2 T	82.0 T
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Source: BPJS Kesehatan Financial Report

BPJS Kesehatan as healthcare purchaser

What to buy						Whom to buy	How to buy
						Primary care facilities	Capitation
Health promotion	Disease prevention	Medical consultation	Drugs	Lab tests			Fee-for-service
						Hospitals	INA-CBGs
Ambulance	Chronic drugs	Screening	Inpatient care	Midwifery & neonatal	Family planning		Top Up (fee-for-service)
						Hospitals	Top Up (fee-for-service)
Emergency	Specialists	Drugs	Med. Device	Med. Rehab	Blood transf. forensic		Top Up (fee-for-service)
SPECIAL						Hospitals	Top Up (fee-for-service)
	Drugs	Procedure	Prosthesis	Acute case	Chronic case Investigation		Top Up (fee-for-service)

The indicators of human capital



Infant survival rate
(under 5 mortality rate)



Expected-years of learning-
adjusted school



Rate of stunting for
children under 5



Key questions:

1. Can JKN impact human capital?
2. Can the impact be improved?

What factors affect infant survival rate?

Can JKN improve it?

Capitation
ANC: 200k
Midwife: 700k
GP: 800k
Puskesmas: 950k
PNC: 25k
Post delivery: 175k



Availability of
General
Practitioners



Rate of
attended birth



Number of
health post
(Posyandu)



Average school
year



DPT vaccines



Availability of
hospitals



BCG vaccines



Family income



Length of
district road

INA-CBGs
Normal: 2.5-15 mill.
C-section: 4.6-19 mill.

JKN protects
household from
poverty &
catastrophic health
expenditure
(Dartanto, 2017)


Source: Bappenas, 2009

Direct/indirect JKN contribution

What factors affect education quality?

Can JKN improve it?

JKN creates job opportunities
(Dartanto, 2016)




Parents' occupation



Gender



Child's motivation



Parents' education level




Number of household member




Teacher's attitude



Education spending



Assets ownership



Child's health



Family income



Geography



Parents' support

Direct/indirect JKN contribution

Source:
Brigmand, 2007
Mukhlis, 2011
Khoirunnisa, 2013
Setiadi et al., 2014
Yuzarion, 2017
Rahayu, 2018

What factors affect stunting?

Can JKN improve it?



Mother's education level



History of infection



Mother's height



Family income



Genetic



Mother's knowledge on nutrition



Birth weight



Diet

Zn

Zinc and iron intake



Breastfeed



Birth length



Parents' occupation

Medical consultation
Ante natal care
Postnatal care

Direct/indirect JKN contribution

Source:
Anisa, 2012
Ardiyah et al., 2015
Ni'mah, 2015
Rochmah, 2017
Setiawan et al., 2018
Mugianti et al., 2018
Mentari & Hermansyah, 2018

JKN program have proven to impact the national economy and quality of life:

1. **UHC achievement** (100% coverage) will increase **life expectancy** as much as **2.9 years**.
2. A 1% **JKN membership increase** led to increases in **GDP per capita** of **1 million IDR**.
3. **UHC** improves **job opportunities** for **2.4 million people** and **output** of **294 trillion IDR**.
4. **Protects 1.18 million** (2015) and **1,16 million** (2016) members from **poverty**
5. **Protects 15,9 million** (2015) and **14,5 million** (2016) poor people from **becoming poorer**

Source:

1. The Impact of JKN on Indonesia's Economy, Faculty of Economics and Business, The Univeristy of Indonesia (2016)
2. The Impact of JKN on Poverty, Faculty of Economics and Business, The Univeristy of Indonesia (2017)

Imagine if JKN includes the following benefits

Infant survival rate

Capitation
ANC: 200k
Midwife: 700k
GP: 800k
Puskesmas: 950k
PNC: 25k
Post delivery: 175k



Pay-for-Performance?

	Availability of General Practitioners
	Rate of attended birth
	Number of health post (Posyandu)
	Average school year
	DPT vaccines

	Availability of hospitals
	BCG vaccines
	Family income
	Length of district road

INA-CBGs
Normal: 2.5-15 mill.
C-section: 4.6-19 mill.



Pay-for-Performance?

JKN protects household from poverty & catastrophic health expenditure (Dartanto, 2017)

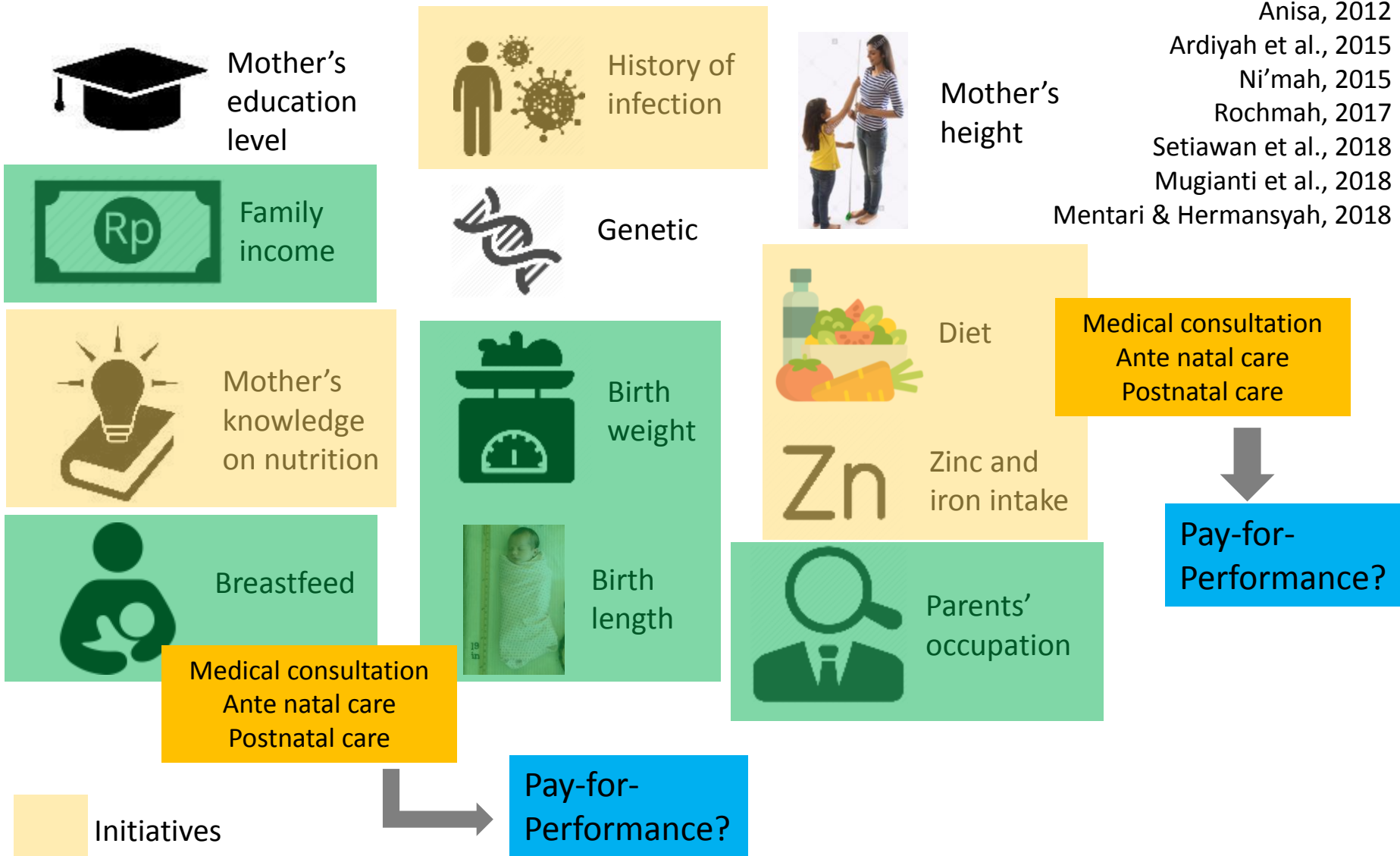
Source: Bappenas, 2009

Initiatives

Imagine if JKN includes the following benefits

Stunting

Source:
Anisa, 2012
Ardiyah et al., 2015
Ni'mah, 2015
Rochmah, 2017
Setiawan et al., 2018
Mugianti et al., 2018
Mentari & Hermansyah, 2018



It's easy to stack up new benefits to JKN, but a balance between contribution and benefit is a must to ensure sustainability



- Government's ability to pay
- People's ability to pay

- Basic needs
- From all the listed programs that improves human capital, select only those that are considered basic and essential

IMPORTANT!!

Also, consider a simple and effective administrative arrangements for BPJS Kesehatan

- Simple and effective benefit structure
- Simple and effective contracting arrangements
- Simple and effective payment system

IMPORTANT!!



Maximize fund to finance JKN

1. JKN benefits can directly or indirectly improve human capital
2. The relationship between JKN and human capital is reciprocal: JKN can improve human capital, and an improved human capital will improve the sustainability of JKN
3. Modificating JKN benefits and payment system can further increase its impact on human capital
4. Such modification must consider:
 - a. The balance between JKN contribution and JKN benefit
 - b. Simple administrative arrangements for BPJS Kesehatan

Thank you



Now, JKN is in your hands!



 BPJS Kesehatan

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