



IMPACT OF INDONESIA UNIVERSAL COVERAGE IN SELF CARE



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OUTLINE

IMPACT OF INDONESIA UNIVERSAL COVERAGE IN SELF CARE

INTRODUCTION

INDONESIA HEALTH INSURANCE BEFORE 2014

POLICY & DESIGN OF NHI

IMPACT OF NHI TO SELF CARE

CONCLUSION

The background of the slide features a traditional Chinese calligraphy theme. At the top, there is a horizontal banner with a light beige background. On the left side of this banner, a red and black calligraphy brush is shown with a small puddle of black ink. On the right side, two brushes with light-colored wooden handles and dark tips are laid out. The main background is a light-colored, textured surface, possibly paper, with faint, ghostly outlines of Chinese characters. Centered on this background is a dark blue, rounded rectangular button containing the word "INTRODUCTION" in white, bold, uppercase letters.

INTRODUCTION

INDONESIA



Population: 252,124,458 (2014)

**World's largest archipelagoes :
17,508 islands, about 6,000 of
which are inhabited, 33 Province**

**World's 4th most populated nation
Strong cultural and religious
values**

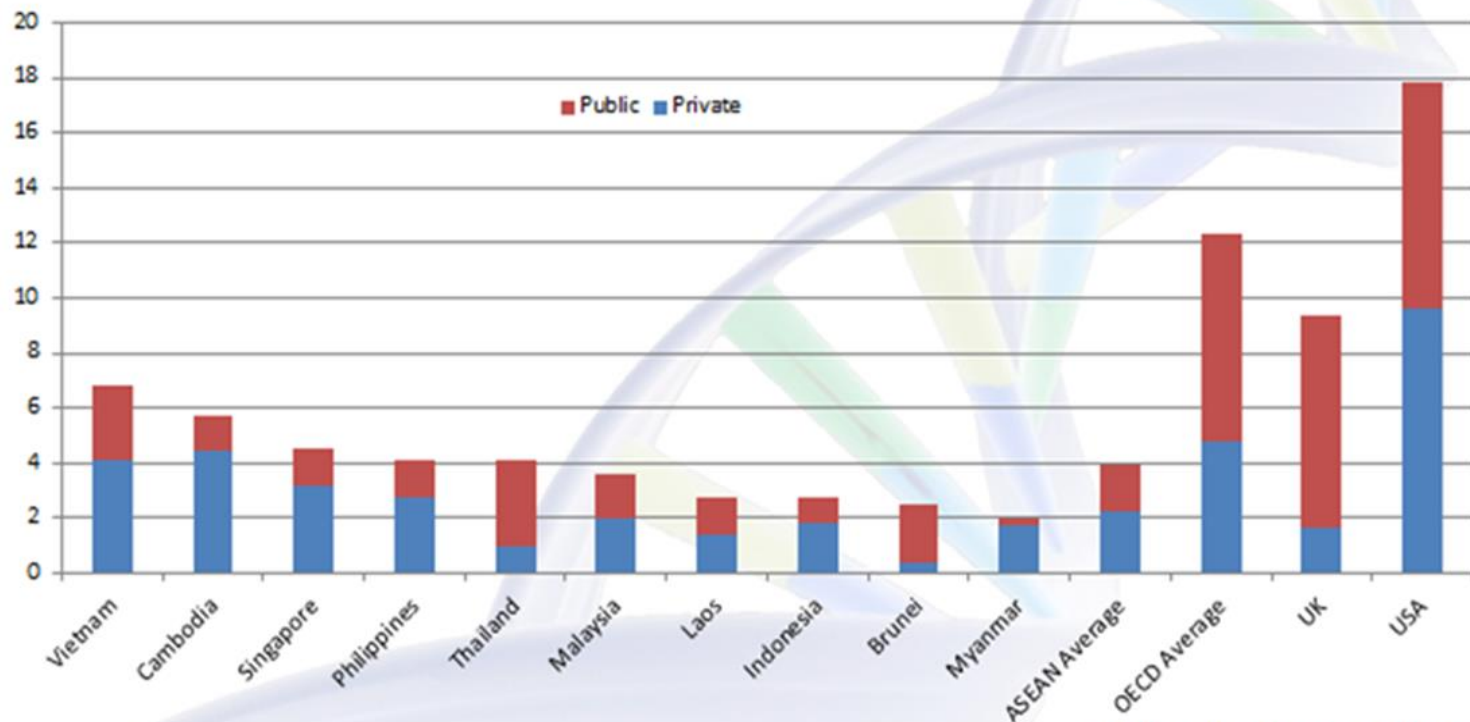
**37.5% from public spending,
61.4% from private spending**

**72% of population now covered
by insurance (various schemes)**

28% of population uninsured

COMPARISON

ASEAN TOTAL HEALTHCARE SPEND AS % GDP = Public + Private



Data from World Bank 2011 (latest available)
(Total health expenditure is the sum of public and private health expenditure)

INDONESIAN HEALTH FINANCING 2011

- GDP per capita US\$ 3,494
- Total Health Expenditure → Rp 214,9 Trillion,
→ 2.9% of GDP
- Per Capita Health Expenditure → US\$ 101.10
- 37.5% from **public** spending,
61.4% from **private** spending
- 72% of population → now **covered** by
insurance (various schemes)
28% of population → **uninsured**

NATIONAL SOCIAL SECURITY SYSTEM (SJSN)



LAW NO 40 /2004

The essence:
To synchronize
implementation
of social security
in Indonesia

The purpose:
To guarantee
protection and
social welfare
for all people



COMPONENTS OF SOCIAL SECURITY SYSTEMS

Health Insurance

Accident Insurance

Old Age Pension Plan

Public Pension

Life Insurance



SOCIAL SECURITY CONCEPT

- All employed citizens (*formal or informal sectors*) who have income shall contribute to the program
- Guaranteed basic benefits.
- Those who wish for upgraded facilities, are free to purchase additional premium on commercial basis
- Planned, phased implementation
- Government is regulator

The background of the slide is a light-colored, textured surface, possibly paper or fabric, with faint, large characters in the background. At the top, there is a horizontal band with a dark brown background. On the left side of this band, a pen with a red and black body is visible. On the right side, two brushes with light-colored handles and dark tips are lying horizontally. The main title is centered in a dark blue rounded rectangle.

HEALTH INSURANCE IN INDONESIA BEFORE 2014



SOME SHORTCOMINGS IN HEALTH INSURANCE SCHEMES



A. Lack of integration in implementation and coverage.




B. Fragmented fund-pooling & management



C. Different benefit packages and limits among schemes



D. Variations in management systems of different providers



E. Limited and uneven monitoring, evaluation and coordination among schemes



POLICY & DESIGN OF BPJS AS NEW NATIONAL HEALTH INSURANCE

ROADMAP TO UNIVERSAL HEALTH COVERAGE (UHC)

86.4 Million
PBI

Coverage of various existing
schemes 148,2mio

Uninsured people 90,4
mio

121,6 mio covered
by BPJS Kesehatan

50,07 mio covered
by other schemes

73,8 mio uninsured
people

ACTIVITIES:
Of ShiftTing, integration, expansion

Company controller	2014	2015	2016	2017	2018	2019
BIG	20%	50%	75%	100%		
MIDDLE	20%	50%	75%	100%		
SMALL	10%	30%	50%	70%	100%	
MICRO	10%	25%	40%	60%	80%	100%

257,5 mio (all
Indonesian
people) covered
by BPJS
Kesehatan

Level of
satisfaction 85%

2012

2013

2014

2015

2016

2017

2018

2019

Transformation from 4 existing schemes to
BPJS Kesehatan (JPK Jamsostek, Jamkesmas,
Askes PNS, TNI Polri)

Integration of Jamkesda into BPJS Kesehatan
and regulation of commercial insurance industry

Presidential decree
on operational
support for
Army/Police

Membership
Transfer of
TNI/Police to BPJS
Health

Procedure
setting on
membership
and
contribution

Company
Mapping
and
socialization

Membership expansion to big, middle, small and micro enterprises

B	20%	50%	75%	100%		
S	20%	50%	75%	100%		
K	10%	30%	50%	70%	100%	100%

Synchronization membership data:
JPK Jamsostek, Jamkesmas dan Askes
PNS/Sosial – single identity number

Consumer satisfaction measurement every 6 month

Benefit package and services review annually

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MEMBERSHIP

Members :

All people who have paid premium **or** for whom it has been paid

Two categories of members:

1. People with **incomes below the stipulated poverty line** → premium paid by government
2. All others pay the premium - workers in formal sector, independent members, **including** foreigners who work in Indonesia for 6 months or longer



BENEFIT PACKAGES

➤ **Benefit package :**

Personal health care covering promotive, preventive, curative and rehabilitative services

➤ **Benefit package :**

Includes both medical and non medical, such as hospital accommodation, ambulance, etc

➤ **Regulation stipulates services covered**



HEALTHCARE PROVIDER & PAYMENT METHODS

Healthcare providers

- **Primary health care providers:** Public Health Service, Private clinics, Primary Care Doctors
- **Secondary & tertiary health care providers:** Hospitals both public hospitals and private hospitals

Payment methods

- **Primary health care providers:** capitation & non capitation
- **Secondary and tertiary health care providers:** Ina-CBG's (Case-Based Group)

A decorative header featuring a dark red and white calligraphy brush on the left, and two traditional Chinese brushes (one with a dark tip, one with a light tip) on the right, resting on a brown surface. The background of the slide is a light beige paper with faint, ghosted Chinese calligraphy.

IMPACT OF NHI TO INDUSTRY AND SELF CARE BUSINESS



NATIONAL HEALTH INSURANCE

- **NHI is one of five elements of UHC.**
- **NHI covers health insurance for all people who live in Indonesia**

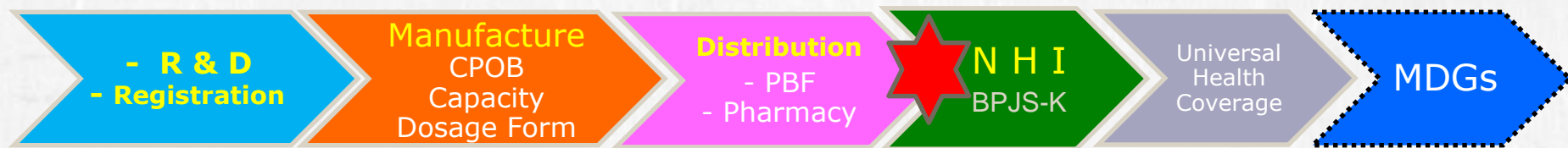
GENERAL SITUATION

- 1 January 2014 marks the beginning of UHC in Indonesia.
- NHI implementation as of May 2014
- Some improvements should be made by all stakeholders (government, hospitals, primary health care, medical professionals, industry and its distribution channels).

VALUE CHAIN OF HEALTH CARE and SUPPLY CHAIN of PHARMACEUTICAL INDUSTRY



Availability of Health Services & Drugs Infrastructures Accordance to
PROGRAM: System, Procedure, Management & Fund Management



Pharmaceutical Industry

Drugs Available , Accessable and
Affordable in Type and Number



CHALLENGES OF UHC IMPLEMENTATION



What is the gap ??

➤ **Dual system in procurement by UHC**

UHC dictates e-procurement, however there is still carry over from the old system. This causes difficulties in the supply chain.

➤ **Dual system in purchase order by NHI**

Instead of using on-line, many hospitals / local government still use manual system. This causes difficulties in controlling and monitoring the order for industry.

➤ **Price for purchasing**

Price validity is fixed for 1 year



CHALLENGES OF UHC IMPLEMENTATION

- **Misinterpretation by industry.**
Between potential requirements and actual requirements.
- **Procurement of NHI is not well planned**
Uncertainty in time and quantity of order by BPJS



IMPACT OF NHI TO SELF CARE

- In the first semester of 2014, only limited implication has been noted for the total sales of OTC although there is a tendency for people using NHI facilities to go to hospitals for minor ailments.
- Sales of OTC in Pharmacy dropped 2.2% in unit and dropped 10% in value from Q1 -2013 compare to Q1 – 2014.

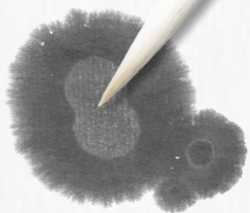


IMPACT OF NHI TO SELF CARE

- Sales of OTC in hospital dropped 8.0% in units although there is 8.8% increase in value from Q-1 2013 to Q1 - 2014.
- Growth of OTC value only 7.4% is smaller than Ethical growth (8.3%) in Q2 – 2014
- Growth of unbranded generics in Q2 – 2014 is 16.2% and bigger than branded (7.1%)

CONCLUSION

- Although data is not yet enough to make conclusion, but some decrease of OTC sales has been noted in pharmacy sector.
- Together with the implementation of new GDP regulation in distribution of OTC for certain products, sales of OTC for self care will be more complicated.
- Competition from health supplement and herbal medicines to OTC Manufacturer will be stronger.
- OTC for self medication in retail outlets will be competing with OTC through NHI.



Thank You!
TERIMA KASIH