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# Strategies for Private Sector Engagement and PPPs in Health

From Research to Policy  
How Indonesia PHSA results influenced policy

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# Outline

- Background
- What we did
- Results

# Indonesia PHSA

In 2009 we examined the recent growth of private hospital services in Indonesia, in collaboration with the Nossal Institute for Global Health, funded by AusAID.

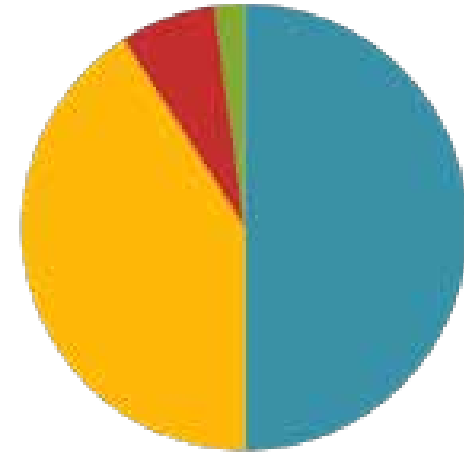
## – Objectives:

- to identify factors contributing to and impacting the growth of private hospitals
- to explore potential regulatory and policy responses

# Indonesia PHSA Results

1. There is a long tradition of *charitable and religious based service provision* in Indonesia even before the public system was established.
2. During the last 10 years, NFP hospitals *growth* has stagnated (some converted to for-profit hospitals), while the *growth of for-profit hospitals has doubled*.
3. For-profit hospitals and NFP hospitals face the same *tax and levies burden*.
4. There are some *disincentive regulations* that restrict the growth of for-profit hospitals.

## Hospital Providers

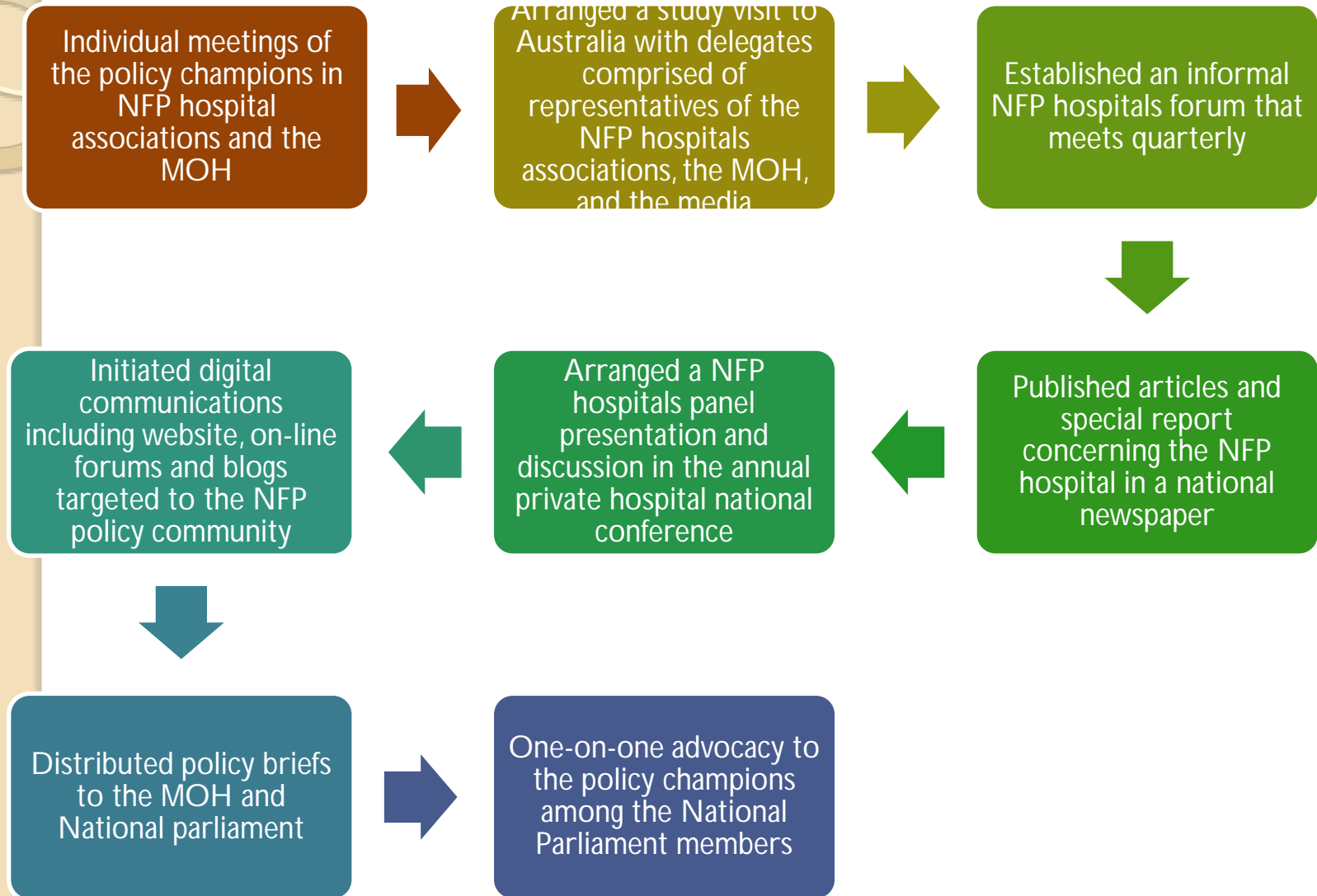


- Public
- Private Nonprofit
- Private for Profit Limited Company
- Private Nonprofit Community Association

# What we did:

- Premise: there should be a *policy change* to support NFP hospitals to ensure their sustainability
- Strategy: Stakeholder engagement
  - First, we *identified* the immediate stakeholders, namely the NFP hospital associations, to *engage* them in the policy community dialogue.
  - Then, we *identified policy champions* in the National parliament and the Ministry of Health (MOH).

# How we did it:



# The results, so far

## — The Hospital Act (2009)

- distinguished for-profit and NFP hospitals for the first time
- acknowledged the rights to tax incentives for the NFP hospitals

## — Challenges: need to develop regulations to give effect to this provision.

- MOH should define specific criteria of NFP hospital
- Ministry of Finance should regulate the tax incentives

# The results, so far cont'd

## – The MOH Task Force

- The task force consists of an academic representative, representatives of the NFP hospital associations (six people), and representatives of MOH (three people)
- At the end of 2010 the task force developed a Brief to the Minister of Health
  - Challenge 1: turning the Brief into a legal operational regulation
  - Challenge 2: advocating the case to the MOF