





#### 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:

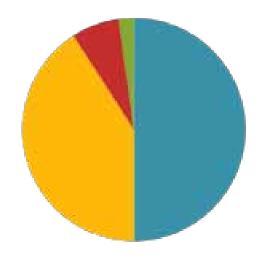
- to identify factors contributing to and impacting the growth of private hospitals
- to explore potential regulatory and policy responses

### Indonesia PHSA Results

There is a long tradition of charitable and religious based service provision in Indonesia even before the public system was established.

- 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.
- For-profit hospitals and NFP hospitals face the same *tax and levies burden*.
- 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:

Individual meetings of the policy champions in NFP hospital associations and the MOH



Arranged a study visit to Australia with delegates comprised of representatives of the NFP hospitals associations, the MOH, and the media



Established an informal NFP hospitals forum that meets quarterly



Initiated digital communications including website, on-line forums and blogs targeted to the NFP policy community



Arranged a NFP
hospitals panel
presentation and
discussion in the annual
private hospital national
conference



Published articles and special report concerning the NFP hospital in a national newspaper



Distributed policy briefs to the MOH and National parliament



One-on-one advocacy to the policy champions among the National Parliament members

# 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