

Is Public Healthcare Financing Equitable?

*The Impact of Government Healthcare Financing on Health Equity in Indonesia
by Regions*

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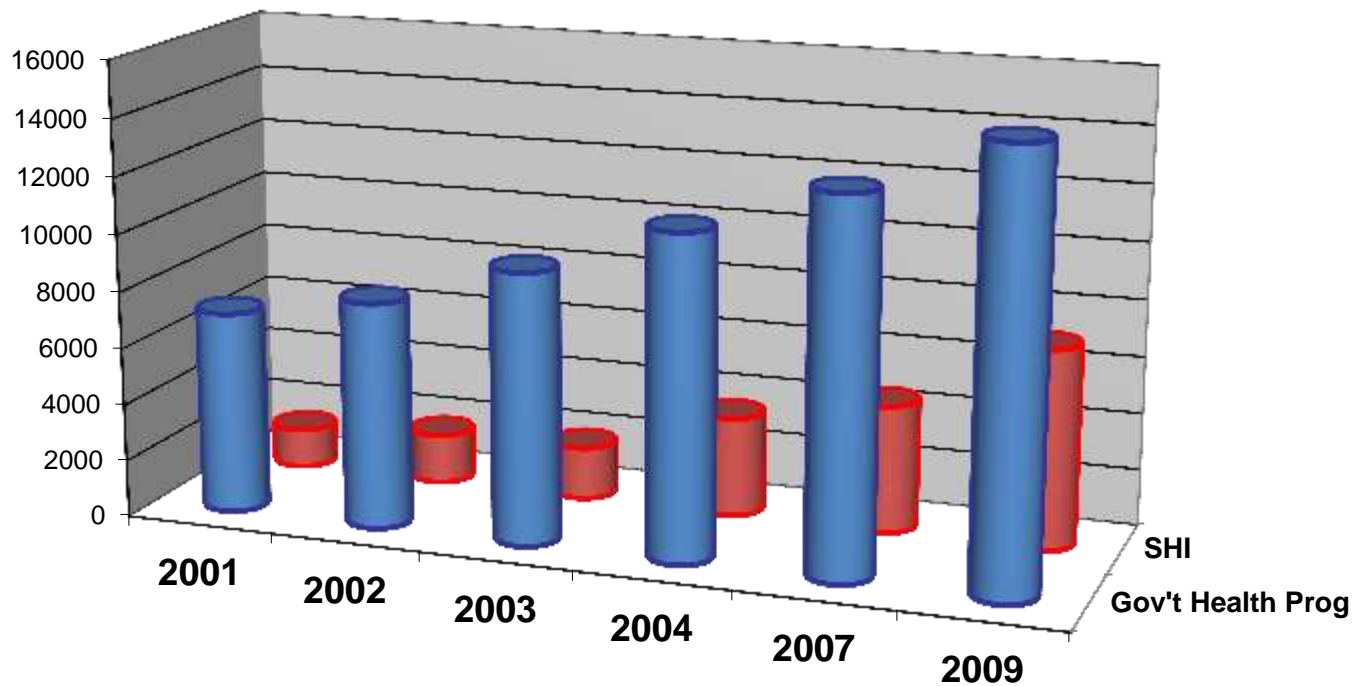
Jogjakarta, Indonesia

Background

- Achieving universal health coverage has become one important health system objective of many nations
- The Government of Indonesia has also started addressing the important issues and now put forward a clear and realistic sequencing of steps supported by evidence including fiscal analysis and also supply-side analysis

- Government of Indonesia aims to expand Health Insurance coverage to bigger population by 2014 and all population by 2019, as stated in the National Strategic Plan.
- The objective of the national health insurance scheme is to reduce financial barrier and improving access to health care provider.
- Based on those plan, Government of Indonesia has increased significantly the budget for health and social insurance over time.

Indonesian National Health Financing Trend Public Sector in 2001 – 2009 (in Billion IDR)



Research Questions and Objectives

- Who benefits from this government healthcare financing?
- This question has two directions, horizontally and vertically.
- Vertically is comparison between socio-economic and Horizontally is comparison between region/provinces.

Methods

- The study compares incidence of public healthcare data across 30 provinces grouped into 7 regions (by main islands; Java, Sumatera, Kalimantan, Sulawesi, Nusa Tenggara and Papua) with utilizations health care and social economic indicators from cross-sectional national socio-economic surveys
- The study is using Concentration Index (CI) to describe the trends.

Results

- Vertical equity: Generally, the beneficiaries upon the financing of government healthcare in change significantly, from the rich to the poor.
- Before 2004, Government healthcare provider is utilized more by the rich.
- After 2004, The government healthcare facilities is utilized more by the poor.
- This situation is pushed by the increasing government financing to poor through social health insurance scheme. Health insurance scheme for the poor was improved on that year.
- During last 8 year, vertical equity has improved due to the implementation of social health insurance and increasing government spending on health

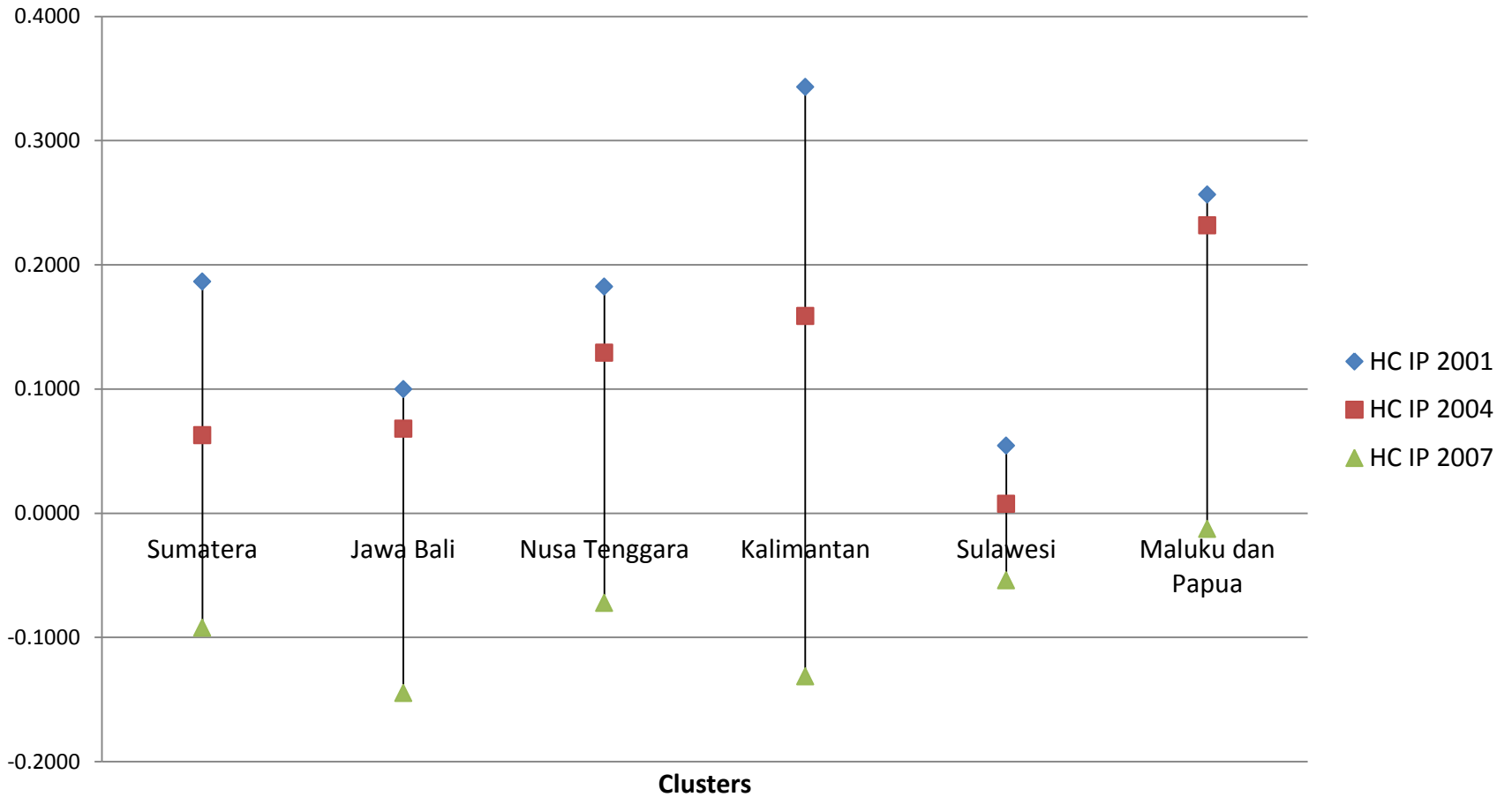
Indexes of public health care utilization - Indonesia

	Year	Hospital Inpatient care	Hospital Outpatient care	Hospital Health care	Non Hospital Health care	Total Health care
Index	2001	0.1420	0.0552	0.0361	(0.3318)	0.0650
<i>Robust SE</i>		<i>0.0263</i>	<i>0.0187</i>	<i>0.0593</i>	<i>0.0043</i>	<i>0.0242</i>
Index	2004	0.0099	(0.0856)	(0.1066)	(0.3738)	(0.0376)
<i>Robust SE</i>		<i>0.0239</i>	<i>0.0162</i>	<i>0.0641</i>	<i>0.0045</i>	<i>0.0246</i>
Index	2007	(0.1631)	(0.1748)	(0.1722)	(0.2097)	(0.1983)
<i>Robust SE</i>		<i>0.0154</i>	<i>0.0144</i>	<i>0.0123</i>	<i>0.0070</i>	<i>0.0063</i>

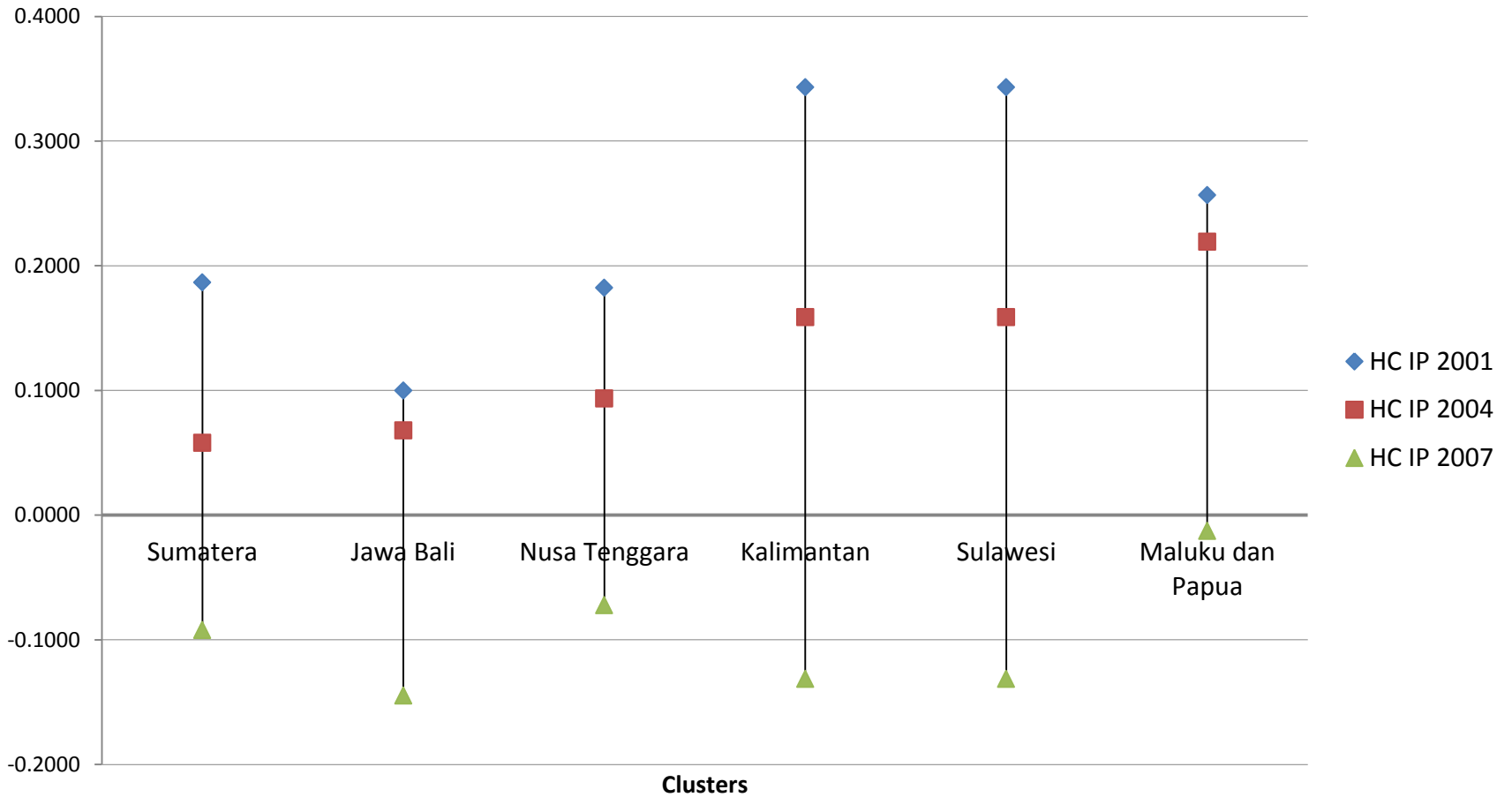
Results

- Horizontal equity: In-equality appears by the geographical aspect, with the bigger disparities between the regions.
- Java-Bali region has better region, received most funds compare with the-eastern region, such as
- Java, Bali and Sumatera Islands has significantly improved from from 2001 to 2007.
- Otherwise on the eastern regions such as Kalimantan, Sulawesi, Maluku, Nusa Tenggara, West Papua and Papua, the index has still not significantly change.

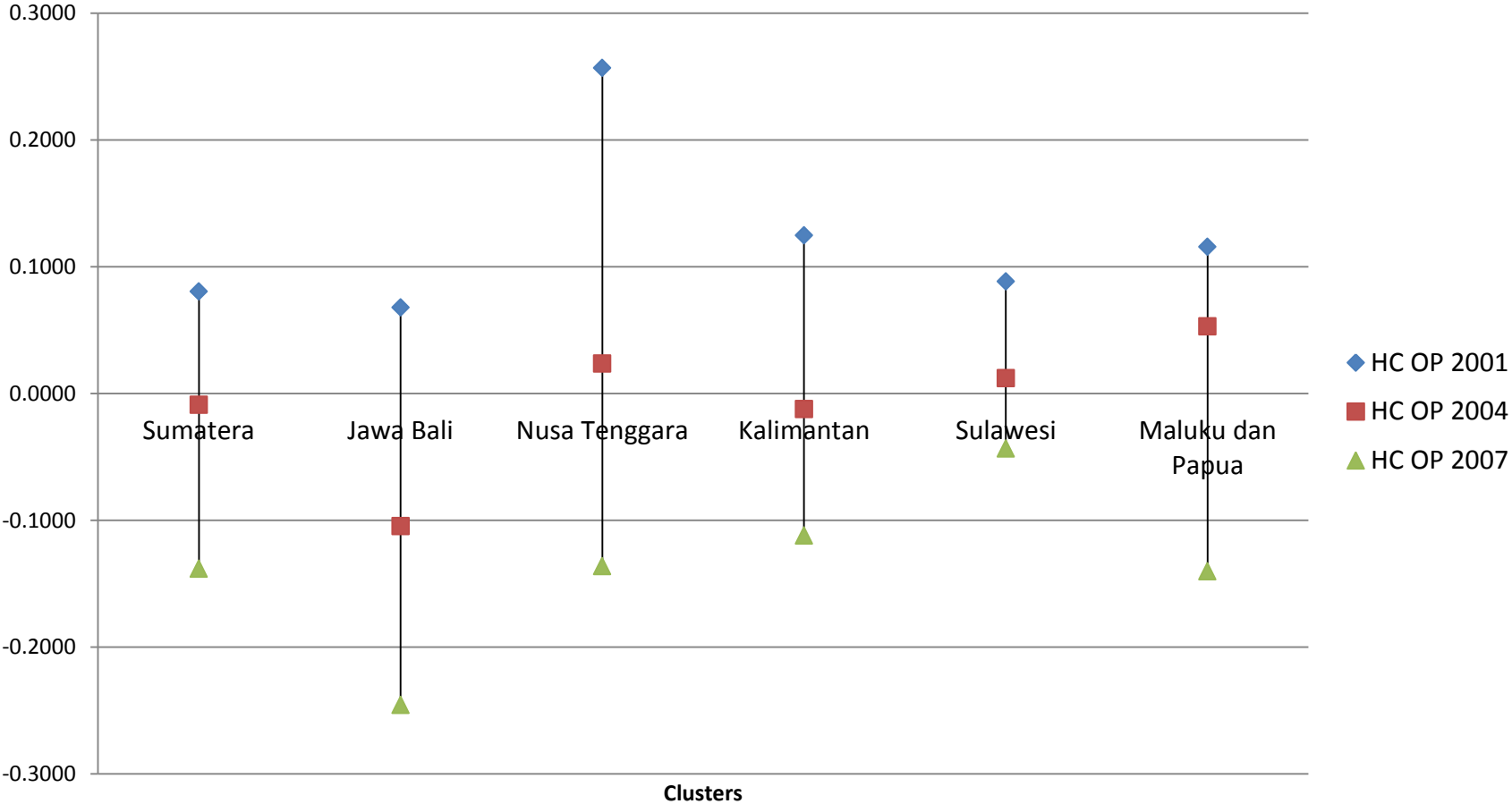
Indexes of Public Healthcare Utilizations; In Patient Care



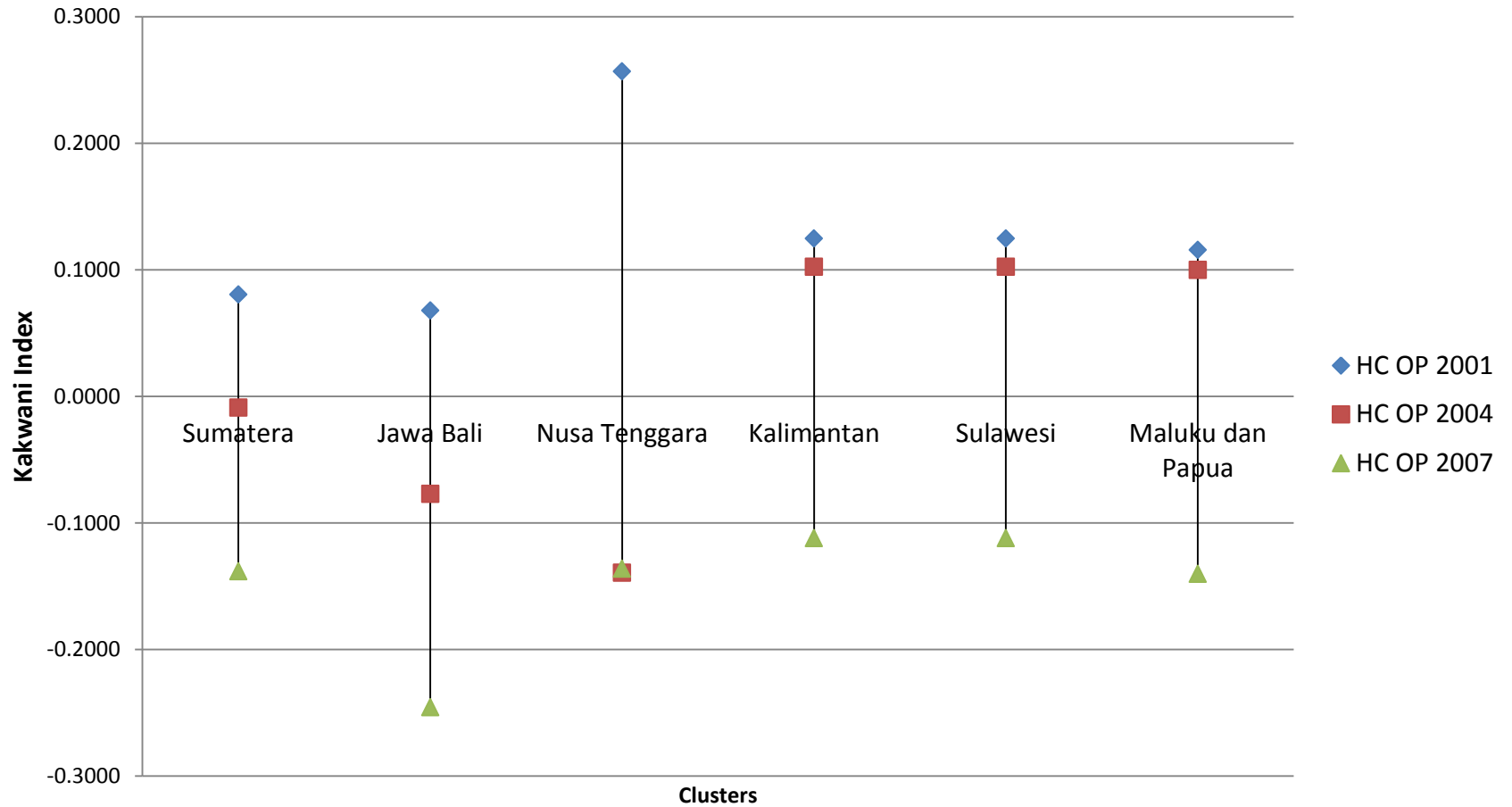
Indexes of Public Healthcare Subsidy; In Patient Care



Indexes of Public Healthcare Utilizations; Out Patient Care



Indexes of Public Healthcare Subsidy; Out Patient Care



Conclusion

- Vertically, index show smaller gaps, it means that poor has tends to more utilized on public health care but government should be well prepared on supply side and improve the quality services.
- Horizontally, there are still big gaps on not-developed region, such as Papua, West Papua, Maluku, and North Maluku.
- Higher utilizations of public healthcare provider on western region have an impact on distributing the health insurance budget.

Policy Recommendation:

- The main concern on public healthcare financing is to allocate more funds not only for health care services but emphasize on improving quality of services.
- Better financing allocation on east region of Indonesia (which is worse-off region) and has to differentiate the policy on financing scheme between better-off and the worse-off region.

THANK YOU VERY MUCH