THE PULSE

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SOCIAL PROTECTION

INDONESIA'S NATIONAL HEALTH INSURANCE PROGRAM: ANOTHER ROUND OF DEFICITS?

by:

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Source: CNN Indonesia

In recent years, BPJS Kesehatan as the operator of Indonesia's National Health Insurance Program (JKN, *Jaminan Kesehatan Nasional*) has reported another danger of deficits. BPJS Kesehatan reported a deficit in 2023, a spending of IDR 158 trillion with an income from contribution rate of members of IDR 151 trillion.[1]

While BPJS Kesehatan assured that its assets can cover for the gap and thus the financial report remains a surplus, but the ratio of claims is rising and the incidence of catastrophic illness such as cancer, kidney failure, thalassemia, stroke and heart diseases are also increasing.[2] Going into 2025, there is still no effective strategy in place to address these problems. Projections indicate that financial shortfalls will reach approximately IDR 19 trillion this year.[3] This situation has sparked discussions about potential hike in contribution rate for members of Indonesia's National Health Insurance program, the implications of the new policy of applying "a single standard class for in-patient service in health facilities" (KRIS, *Kelas Rawat Inap Standar*), and the limited quota of government subsidy for the poor.

The gap between problems and proposed solutions

To address the deficit of JKN, the following are getting some attention.

First, to adjust the contribution rate for JKN members. The Executive Director of BPJS Kesehatan, Ali Ghufron Mukti, mentioned that starting 30 June 2025 the contribution rate for patients in class 1 and 2 would potentially increase; a presidential regulation is needed to —

announce such price hike.[4] The justification is the rising claim for catastrophic illness.[5] Looking back, the latest adjustment of contribution rate was done in the year 2020 through Presidential Regulation No. 64 of 2020. Back then, the adjustment was almost 100 percent of the previous rate. This decision disproportionately affected low-to-middle-income participants, many of whom continue to struggle with payment obligations.[6] Despite the subsidy program for the poor, not all poor and near poor are covered in the subsidy program of JKN. Many of the low-income citizens work in the informal economy whose income rate is uncertain and low. This raises concerns about the equity of Indonesian health care insurance programs.

It is important to consider that there remains a systemic problem regarding access to JKN. The Ombudsman reported that patients with JKN membership have experienced discrimination in access to and quality of services at health facilities.[7] In 2022, complaints surged to 400 cases, up from around 300 the previous year, highlighting ongoing systemic issues in service delivery. This report is consistent with a study conducted by Raharja et.al. (2022) titled “The Impact of Informal Patient Navigation Initiatives on Patient Empowerment and National Health Insurance Responsiveness in Indonesia”, which discusses the emergence of informal patient navigators to assist JKN members who have fallen out of the JKN program.[8]

Second, the KRIS policy aims to establish standard in-patient services at health facilities. Currently, there are three classes of in-patient service at health facilities: Class 1, Class 2, and Class 3. Class 3 is the lowest tier, designated for subsidized members of JKN. The KRIS policy is implemented through Presidential Regulation No. 59 of 2024 and is set to take effect on June 30, 2025. KRIS intends to reduce the costs for health facilities within JKN. Member of parliament Irma Chaniago from Commission IX argued that the KRIS policy might impose a disproportionate burden on low-income members of the National Health Insurance system.[9] This disparity undermines the fairness of the national health insurance system.

The potential increase in contribution rate following the implementation of the KRIS policy on June 30, 2025, has become a topic of public discussion.[10] BPJS Kesehatan’s leadership defended the adjustments to the contribution rate adjustments as essential for maintaining financial health within the JKN program, and argued that contributions will not be unified into a single rate under KRIS implementation.[11] However, this defense overlooks immediate hardships faced by low-income members who may see their financial burdens increase despite assurances of equitable treatment.

Third, there is a limited quota of government subsidy for JKN. As of April 2024, the number of beneficiaries receiving health insurance contributions (PBI) from BPJS Kesehatan has reached 96,753,724 individuals.[12] While this represents an increase from 86.4 million quota in 2014, it falls short of the target 113 million set for 2024, as outlined in Presidential Regulation No. 36 of 2023 concerning the 2023-2024 Social Security Roadmap. By law, local governments are required to participate in subsidizing residents living in their areas; however, the varying fiscal capacities of different regions pose a challenge. For example, in Serang City, the PBI quota is limited to 43,000 due to budget constraints.[13] Achieving the target is essential for attaining Universal Health Coverage in Indonesia.

Furthermore, civil society organizations such as FITRA, BPJS Watch, and ICW have voiced concerns regarding BPJS Kesehatan's transparency and governance. They argue that the institution's lack of political will to reform its public information systems has fostered distrust among participants. The National Social Security Council (DJSN, *Dewan Jaminan Sosial Nasional*), the agency under the Coordinating Ministry of Human Development responsible for harmonizing social protection rules and regulation, has further criticized BPJS for resisting data openness, which they deem crucial for enhancing public trust and participant engagement.[14]

In short, since Indonesia's national health insurance system is the largest centralized system in the world, financial sustainability is key. The repeated deficits imply that the structural problem that underlies the relationship between health facilities, BPJS Kesehatan, patients who are members of Indonesia's National Health Insurance Program, and the government remains a challenge.

Highlights

- Heart disease accounted for the highest expenditure of diseases, totaling IDR 10.2 trillion in 2023, though this figure decreased compared to previous years. Cancer and stroke are second and third respectively, with expenditures of IDR 3.5 trillion and IDR 2.5 trillion.[3]
- Recognizing regional disparities in service access is crucial. Hospitals vary in readiness for implementing KRIS policy due to differing infrastructural requirements; thus, state budgets or regional allocations can assist healthcares in meeting these standards.
- President-elect Prabowo-Gibran has promised to strengthen the national health insurance system by adding the *Kartu Anak Sehat* (KAS) program, a health card program for children, to address Indonesia's stunting issues.[15] While the idea is appealing, without proper management, this program may lead to efficiency issues because it may collide with the PBI program.

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