

Exploring innovative approaches to universal health coverage: Lessons from Indonesia's healthcare financing reforms



Overview

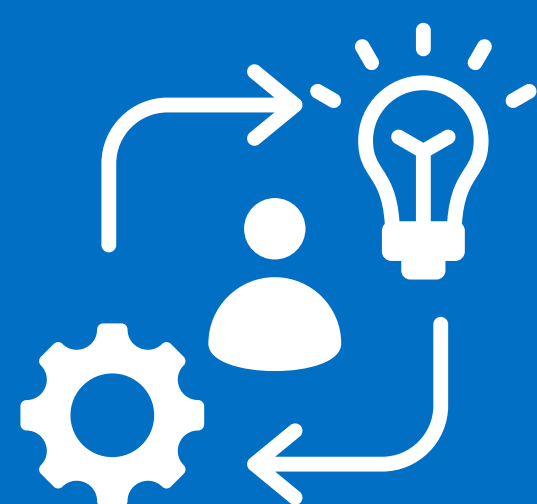
The Government of Indonesia (GOI) finances its health system through various sources, including social security contributions from employers, salaried workers and non-salaried workers, as well as from taxes. Public and private sources significantly contribute to health financing.



Key messages

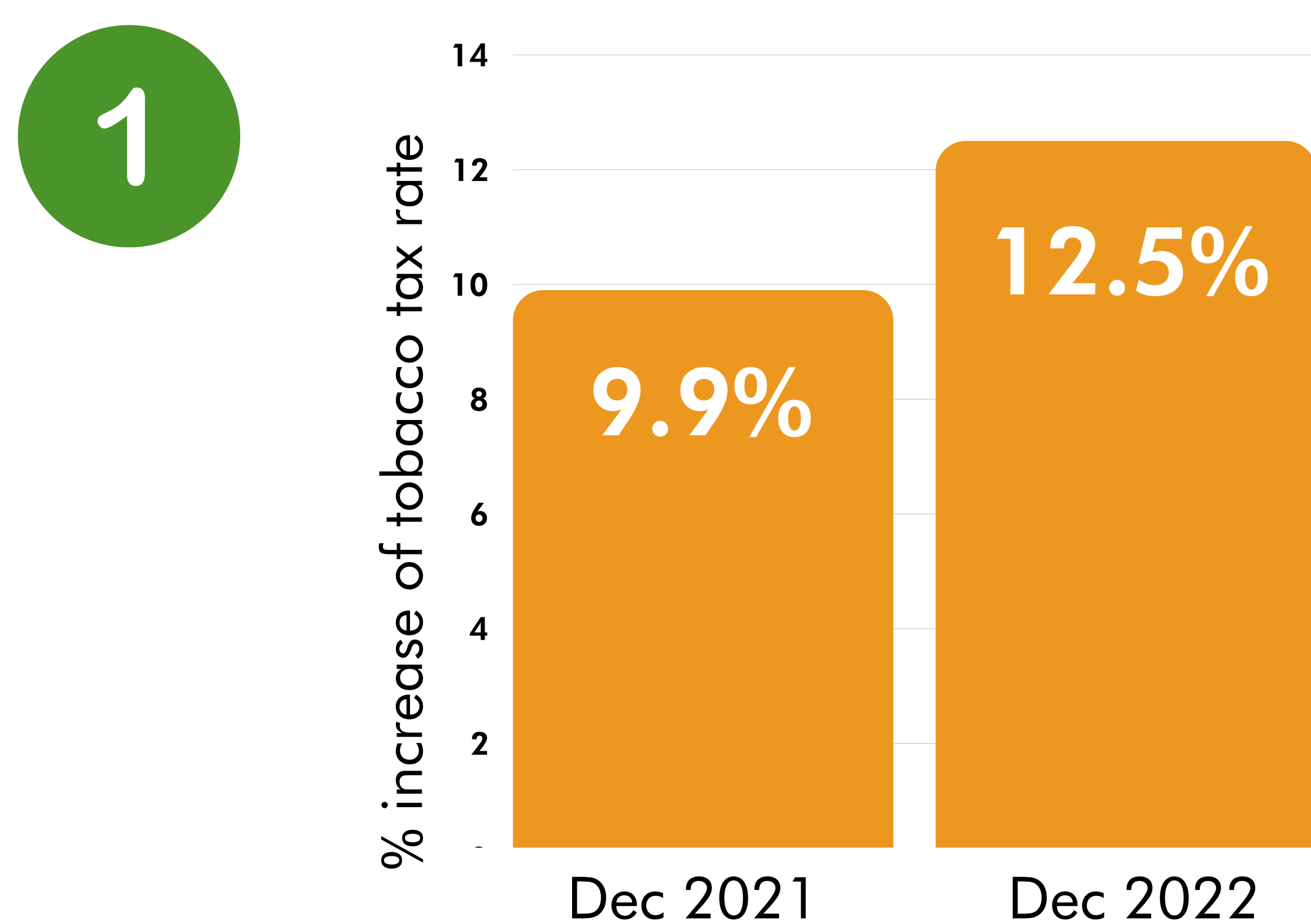
- Indonesia's single-payer systems can reduce fragmentation and enhance risk pooling.
- Addressing coverage gaps in the informal sector requires innovative strategies beyond voluntary contributions.
- Decentralisation enhances access to services and allows local prioritisation based on specific needs.
- Leveraging private sector participation can meet healthcare demand effectively.

Method



The study deployed an in-depth review of relevant data, including health financial reports, policy documents, and health survey reports.

Findings



The "sin tax" on tobacco offers the opportunity to expand revenue collections for the healthcare sector. In 2022, tobacco tax rates increased to 12.5% from 9.9%.

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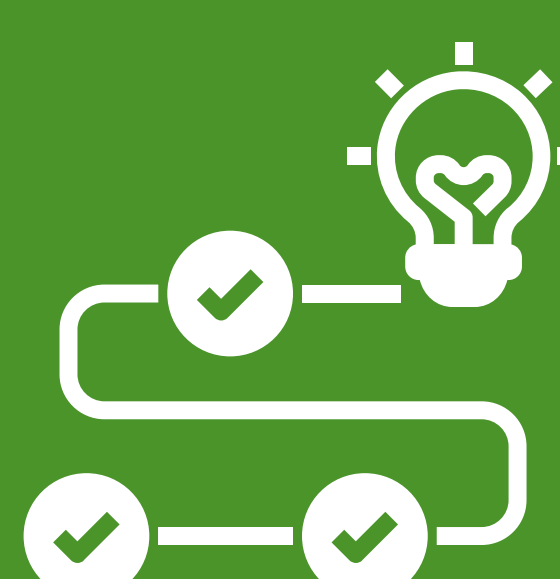
The healthcare system operates under a single purchaser model, where strategic purchasing responsibilities are shared between "Badan Penyelenggara Jaminan Sosial – Kesehatan" (BPJS-K) and the Ministry of Health (MoH) to avoid fragmentation.

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Healthcare coverage offered by the compulsory national health insurance scheme include preventative services, curative services, laboratory tests, supplies, and referral ambulance services.

Conclusion



Indonesia's health financing reforms have improved government health spending and reduced out-of-pocket expenditures. This highlights the potential for effective health financing strategies to drive progress toward universal health coverage and improve health outcomes.