

## Policy Paper “Enhancing Integrity and Efficiency: Transformation of Public Policy in the Implementation of National Health Insurance”

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### Abstract

National Health Insurance (JKN) is a major initiative of the Indonesian government to ensure that all citizens have access to decent health services. However, in practice, JKN is often hampered by maladministration issues, such as abuse of authority, non-transparent processes, and administrative inefficiencies. These issues have a negative impact on the quality of health services received by the community and reduce the level of public trust in the JKN program. Transforming public policy to improve integrity and efficiency in the implementation of JKN is a crucial step to ensure the achievement of program objectives. By strengthening supervision, adopting digital technology, providing appropriate training, and involving the community, it is hoped that JKN can provide fairer, more effective, and more transparent health services.

### Keywords:

National Health;  
Insurance;  
Integrity;  
Efficiency

## 1. Introduction

National Health Insurance (JKN) is one of the strategic programs of the Indonesian government in an effort to realize health insurance for all levels of society. Launched in 2014, JKN is managed by the Social Security Administering Agency (BPJS) Health and aims to provide access to equitable, quality, and sustainable health services. However, along with its implementation, various challenges have emerged, especially related to maladministration and corruption which have a negative impact on the effectiveness of this program. Maladministration in the implementation of JKN includes various issues such as abuse of authority, non-transparency of the administrative process, and operational inefficiency. This phenomenon not only harms JKN participants but also reduces the level of public trust in the program. In this context, public policy transformation is essential to improve the integrity and efficiency of JKN implementation.

Effective public policy transformation requires an evidence-based approach and best practices from other countries that have successfully managed similar health insurance programs. In addition, there needs to be a strong monitoring system, the application of digital technology to increase transparency and efficiency, and continuous training for administrative staff and health workers. Various studies have shown that strong and transparent policies, supported by an effective monitoring system, are key to overcoming maladministration and corruption. Therefore, this study focuses on developing evidence-based policy recommendations that can overcome these challenges and encourage improvements in the quality of JKN services.

## 2. Method

The method used in this research is the literature study method. The literature study method, also known as the bibliographic study, is a systematic technique for collecting and analyzing data from various written sources. This method involves gathering relevant information from scientific journals, reference books, encyclopedias, research reports, conference proceedings, and other credible written sources, both in printed and digital formats. In conducting a literature study, the researcher follows several key steps:

- a) Identifying Research Problems – Determining the scope of the study by defining research questions and objectives.
- b) Selecting Relevant Literature – Searching and selecting sources that are credible, peer-reviewed, and directly related to the research topic.
- c) Evaluating Sources – Assessing the reliability, validity, and relevance of each selected material.

- d) Synthesizing Information – Analyzing and integrating findings from different sources to construct a coherent framework for understanding the research topic.
- e) Drawing Conclusions – Summarizing key insights, identifying research gaps, and formulating new perspectives based on existing literature.

This method is essential in academic research as it provides a comprehensive theoretical foundation, helps in identifying trends and gaps in existing studies, and supports the development of new hypotheses. By employing a literature study method, researchers can ensure that their work is based on previously validated knowledge while contributing to the advancement of the field.

### 3. Results and Discussion

The implementation of the National Health Insurance (JKN) in Indonesia faces various challenges, especially maladministration and corruption. Maladministration in JKN often takes the form of abuse of authority, non-transparent procedures, and operational inefficiencies. This phenomenon not only harms JKN participants but also undermines public trust in this program. Research by Torgerson and Hall (2017) shows that an effective health insurance system requires high transparency and accountability to avoid misuse of resources. In Indonesia, the BPJS Kesehatan report (2021) revealed that identified corruption cases included falsification of claims, improper use of funds, and misuse of health facilities.

Some of the main factors that cause maladministration and corruption in the implementation of JKN are as follows:

1. Lack of Effective Supervisory System: Without a strong supervisory mechanism, maladministration and corruption are difficult to detect and prevent. According to Hirschi's (1969) theory of social control, effective supervision can suppress potential violations by increasing the risk of the perpetrator being caught.
2. Non-transparency of Administrative Processes: Non-transparency in administrative procedures and decisions creates opportunities for corruption. Transparency International (2020) emphasizes that transparency is key to preventing corruption as it allows for auditing and monitoring by third parties.
3. Low Human Resource Capacity: Limited skills and knowledge of administrative staff and medical personnel regarding correct procedures and professional ethics contribute to maladministration. According to the World Health Organization (WHO) report (2019), training and capacity building are essential in maintaining high operational standards in the health sector.
4. Deep-rooted Corruption Culture: The long-standing and difficult-to-change culture of corruption is a major challenge in improving the integrity of the JKN system. Schein's (2010) organizational culture theory states that cultural change requires time and consistent effort from all levels of the organization.

To overcome maladministration and corruption in the implementation of JKN, a comprehensive public policy transformation is needed. Some strategies that can be implemented include:

1. Strengthening the Supervision and Accountability System
  - Establishment of an Independent Supervisory Body: Establish an independent supervisory body to conduct periodic audits and inspections on the implementation of JKN. According to research by Bovens (2007), independent supervision can increase accountability and prevent abuse of authority.
  - Use of Technology for Monitoring: Implementation of information technology to monitor the claims process and use of funds in real-time. Technologies such as blockchain can increase transparency and reduce opportunities for corruption (Tapscott & Tapscott, 2016).
2. Digitalization and Automation of Administrative Processes
  - Integrated Information System Development: Developing and implementing an integrated health information system to speed up administrative processes and increase transparency. A study by Khoubati, Themistocleous, and Irani (2006) showed that an integrated information system can increase efficiency and reduce manual errors.
  - Mobile Application for JKN Participants: Creating a mobile application that allows JKN participants to easily access health information and services. According to Venkatesh et al.

(2003), the implementation of mobile-based technology can increase user participation and satisfaction.

### 3. Employee Training and Education

- **Regular Training Program:** Conduct regular training and certification programs for administrative and medical staff on work ethics, operational standards, and anti-corruption. The organizational learning theory by Argyris and Schön (1978) emphasizes the importance of continuous learning to improve employee capabilities and adaptability.
- **Incentives for Good Performance:** Providing incentives for employees who demonstrate integrity and good performance in carrying out their duties. According to Herzberg's (1968) motivation theory, incentives can increase intrinsic motivation and job satisfaction.

### 4. Public Participation and Feedback

- **Responsive Complaint Mechanism:** Provide an easily accessible and responsive complaint mechanism for JKN participants to report maladministration and corruption. A study by Fung (2006) shows that active public participation can improve accountability and quality of public services.
- **Stakeholder Communication Forum:** Establish a communication forum involving the government, health service providers, and the community to discuss issues and solutions related to JKN. According to the theory of deliberative democracy by Habermas (1996), open dialogue between stakeholders can produce more inclusive and effective policies.

The implementation of policy recommendations must be accompanied by a clear and continuous evaluation mechanism. Periodic evaluation is needed to ensure that the policies implemented provide the expected results and can be adjusted to field conditions. According to the theory of policy evaluation by Patton (2002), systematic and participatory evaluation can increase the effectiveness of policies and their adaptability to changing situations. The implementation of policy recommendations and their evaluation can be carried out with the following steps:

#### 1. Identify policy issues

The first step in policy implementation is to clearly identify the policy problem, in line with Bardach's (2012) theory of policy problem analysis which emphasizes the importance of a clear problem as a basis for an effective policy-making process. In the context of national health insurance, the problems identified may include inefficiencies in fund management, lack of transparency or misuse of insurance funds.

#### 2. Policy Formulation

After identifying the problem, it is continued with policy formulation. This includes developing alternative policy solutions, assessing the benefits and costs of each alternative and selecting the best solution. Therefore, the policy formulation process must be realistic and pragmatic.

#### 3. Policy implementation

Policy implementation involves putting policy decisions into practice, including resource allocation, inter-agency coordination, and regulatory and procedural adjustments. Policy implementation can employ both top-down and bottom-up implementation models, underlining that successful implementation depends on policy clarity, commitment from implementers, and supportive environmental conditions.

#### 4. Monitoring and evaluation

Patton's (2002) policy evaluation theory emphasizes the importance of using systematic and data-based evaluation methods to measure policy success. Monitoring and evaluation aims to assess policy effectiveness, identify obstacles in implementation and evaluate the impact of the policy.

#### 5. Policy adjustments

Policy adjustments are based on evaluation findings and feedback from various stakeholders, where Anderson's (2011) Cyclical policy-making model suggests that public policy is cyclical, where the evaluation and feedback process is used to make ongoing adjustments in policy. An example of the implementation of JKN in Indonesia, in the context of public policy transformation, involves the following steps:

- a) **Problem identification:** using data from BPJS Kesehatan to identify key problems such as budget deficits or administrative inefficiencies.

- b) Policy formulation: involving health policy experts to design Solutions such as improving risk management systems or implementing information technology to increase transparency.
- c) Implementation: conducting training for BPJS staff and strengthening cooperation with health facilities.
- d) Monitoring and evaluation: using performance indicators such as participant satisfaction levels or claims processing times to evaluate the effectiveness of policies.
- e) Adjustments: based on evaluation, make adjustments such as budget revisions or changes to operational procedures.

According to Plummer & Boyle (2017) The health care system in Indonesia continues to improve service delivery and outcomes by increasing the number of health services. Evaluation of policy options is a crucial step in ensuring that the policies adopted are the most optimal, efficient, and in accordance with the desired objectives. The following are procedures that can be used to evaluate and compare these options based on the established evaluation criteria:

1. Determining Evaluation Criteria; evaluation criteria are the standards used to assess each policy alternative. Some commonly used criteria include:
  - Effectiveness: How well the alternative achieves the stated objectives.
  - Efficiency: How well an alternative utilizes available resources.
  - Financial Feasibility: Availability and use of funds.
  - Political Feasibility: Acceptance by stakeholders and political sustainability.
  - Ease of Implementation: Simplicity and practicality in implementation.
  - Social Impact: Impact on community welfare.
  - Economic Impact: Impact on local and national economies.
  - Environmental Impact: Impact on the environment.
2. Collecting Data for Each Alternative; after determining the evaluation criteria, the next step is to collect relevant data for each alternative. This data can include case studies, statistical reports, cost-benefit analyses, and expert opinions.
3. Assess Each Alternative Based on the Criteria; each alternative is then assessed based on established criteria. This assessment can be done qualitatively or quantitatively.
  - Qualitative Methods: Detailed descriptive assessments of how well each alternative meets the criteria.
  - Quantitative Method: Numerical scores or ratings are assigned to each criterion.
4. Using Weighting Method

If using quantitative methods, weighting of each criterion based on its importance can be done. For example, if effectiveness is considered more important than efficiency, effectiveness can be given a higher weight.

Example of a weighting Table 1.

Alternatives / Criteria	Effectiveness (0.4)	Efficiency (0.3)	Financial Eligibility (0.2)	Political Eligibility (0.1)	Total Score
Alternative A	4 (1.6)	3 (0.9)	2 (0.4)	3 (0.3)	3.2
Alternative B	5 (2.0)	4 (1.2)	3 (0.6)	2 (0.2)	3.7
Alternative C	3 (1.2)	5 (1.5)	4 (0.8)	3 (0.3)	3.8

5. Comparing Assessment Results; compare the total score or assessment results for each alternative. The alternative with the highest score or the one that best meets the overall criteria is selected as the most appropriate policy.
6. Holding Discussions and Consultations; before a final decision is made, hold discussions with stakeholders and experts in the field to obtain additional input and ensure all aspects have been considered.
7. Making the Final Decision; based on the assessment results, data collected, and input from discussions, make a final decision regarding the policy options to be implemented.

Alternative Assessment Example

For illustration, here is a more detailed alternative assessment:

Alternative 1: Digitalization and Automation of administrative processes

- Effectiveness: Score 4 (Speeding up administrative processes and increasing transparency)
- Efficiency: Score 3 (High initial investment, but can reduce long-term costs)
- Financial Feasibility: Score 2 (Requires large funds)
- Political Feasibility: Score 3 (Strong support from society and government)
- Total Score: 3.2

Alternative 2: Employee training and education

- Effectiveness: Score 5 (Improving employee capability and stability)
- Efficiency: Score 4 (Optimization of administrative and medical staff regarding work ethics, operational standards and anti-corruption)
- Financial Feasibility: Score 3 (Needs funding for training, education and incentives for good performance)
- Political Feasibility: Score 2 (There may be resistance from certain groups to improving the culture of morality)
- Total Score: 3.6

Alternative 3: Strengthening the monitoring and accountability system

- Effectiveness: Score 5 (Increases accountability and prevents abuse of authority)
- Efficiency: Score 4 (Long-term efficiency improvement)
- Financial Feasibility: Score 3 (Needs investment in information technology to monitor claims process and use of funds in real-time)
- Political Feasibility: Score 3 (Support from the community)
- Total Score: 3.8

In synthesis, the assessment of alternatives in policy analysis involves the process of comparing alternatives based on established evaluation criteria. Based on these results, Alternative 3: strengthening the monitoring and accountability system has the highest score and can be selected as a priority in health policy reform. With the steps above, the assessment of policy alternatives can be carried out systematically and objectively, ensuring that the decisions taken are the best to achieve the desired goals.

#### 4. Conclusion

Based on the analysis that has been carried out, the following conclusions can be drawn:

- a) The current implementation of JKN is faced with various serious maladministration and corruption problems. These problems include abuse of authority, lack of transparency, and inefficiency in administrative procedures. These conditions contribute negatively to the quality of health services and reduce public trust in the JKN program.
- b) Some of the main causes of maladministration and corruption in JKN include the lack of an effective monitoring system, the lack of transparency in administrative processes, low human resource capacity, and a deep-rooted culture of corruption.
- c) Effective public policy transformation includes strengthening oversight and accountability systems, digitizing and automating administrative processes, increasing human resource capacity through training, and increasing public participation and feedback.
- d) The success of this policy transformation requires consistent implementation and regular evaluation. Systematic and participatory evaluation will ensure that the policies implemented are effective and adaptive to changing situations

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