

# Preventing Fraud and Deficit Through The Optimization of Health Insurance In Indonesia

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## ABSTRACT

BPJS Kesehatan (Indonesian Health Insurance System) has been experiencing a severe problem for many years that BPJS Kesehatan has been suffering a huge deficit. That situation is getting worse and taking a negative impact on hospitals, medical practitioners, and patients itself. The more severe problem felt by a patient who needs special treatment and medication. Due to the deficit of the BPJS Kesehatan budget, some hospitals owe some money to the pharmaceutical company to buy some medicines. However, they cannot buy the medication because they have no budget. This study is to explain and compare with the National Health Insurance System in Taiwan to resolve the problems within BPJS Kesehatan in Indonesia, notably on the supervisory system between 2 (two) countries. The method used in this study is the Systematic Literature Review (SLR) method with qualitative approval from secondary data in approving, reviewing, evaluating, and research supporting all available research in 2015-2020. Then obtained the appropriate literature received seven literature. the factors that make BPJS Kesehatan deficit is because of the small premium, bad management, and fraud. A lot of fraud obtained within BPJS Kesehatan. The fundamental reason why fraud still exists is the weak of the supervisory system. The author will explain that problem of BPJS Kesehatan actually can be tackled by transplanting the healthcare system in Taiwan to the Indonesian healthcare system on the supervisory system.

**Keywords:** BPJS Kesehatan, Fraud and Deficit, Healthcare System, Supervisory System

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## INTRODUCTION

In 2018, Indonesia Health Insurance called BPJS Kesehatan (Badan Penyelenggara Jaminan Sosial Kesehatan) record deficit more than 16 trillion rupiahs (1,12 billion USD) (Health Policy Plus, 2018; Yuniarti *et al.*, 2019) and becoming the most significant overspend in its history. In the following years, one of the domino effects of this deficit is that a lot of hospitals failed to give medication to the patients due to the crisis of budget since BPJS Kesehatan was late in paying its obligation to the hospital. Consequently, a lot of patients they could not buy medication, and they could not give medicine to the patients as well (Health Policy Plus, 2018). Those are the hospital from the capital province, such as RSUD Tarakan, RSUD Pasar Rebo, RSUD Koja, RSUD Budiasih, RSUD Cengkareng, and so on.

Based on Indonesian Health Act 2009, Article 4 stated that everyone has the right to health, also in Article 5 Paragraph (2009) said everyone has an equal right to access health services/facilities, in Paragraph (2) that everyone has the right to get proper medicine and good quality. In fact, due to the deficit of the health insurance budget, the hospital cannot conduct the duty that has been mandated by the act. According to BPJS Watch, one of the reasons why BPJS Kesehatan record deficit besides the improper premium is because of the fraud or markup budget did by the hospital. Since the establishment of BPJS Kesehatan 2011, the supervisory for the hospital is not optimized, even though the Health Insurance Act 2011 has an internal organ that has the function to supervise the work of BPJS Kesehatan.

The problem arises because the supervising process is not working well and also legal consequences, law enforcement should be conducted, but in this matter, law enforcement is not running well. Hence, the supervision process is weak (checks and balances) for the hospital then tends to commit a crime (Faux *et al.*, 2018). His research will analyze how is the supervision function of BPJS Kesehatan towards its budget for the national health system and how to optimize its supervision system that can prevent fraud or abuse of budget and eventually can cover all the basic needs all the Indonesian citizens.

## METHOD

The method used in this study is the Systematic Literature Review (SLR) method with a qualitative approach from secondary data in identifying, studying, evaluating, and interpreting all available research.

For the short explanation about Prisma guidelines (Liberati *et al.*, 2009) uses as the methodology of writing a literature review using PICO, it is a framework used to develop literature search strategies as well as using qualitative research methods. The search strategy is as follows: Data is collected from 3 databases such as Web of Science, Google Scholar, and EBSCO host with the combination of word search is Implementing health assurance in Indonesia or BPJS Indonesia and Health assurance Taiwan or Implementing health assurance in Taiwan. Opening a Direct Science website contains paper-journals. The paper sought is from 2015 to 2020 in English and Bahasa, and only original articles were selected for

analysis. One hundred twenty documents were obtained in 5 years. Of the 120 papers, a more specific paper selection is made to obtain the relevant article. The articles selected are the paper that has the closest title with the aim of writing this literature review. The number of documents chosen is seven articles and second sources. Furthermore, the author read the abstracts and conclusions of the selected papers and analyzed the papers.

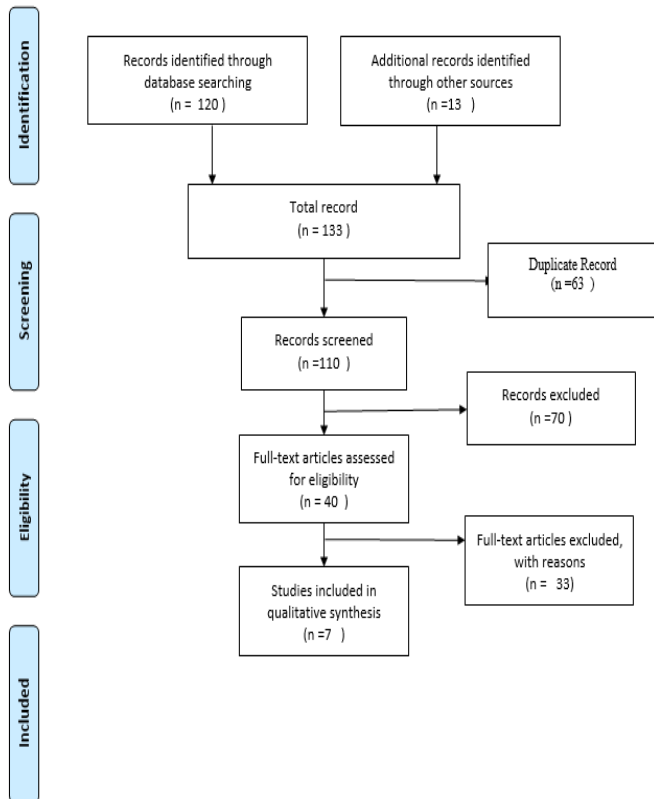


Figure 1. Prisma Flowchart

## RESULT AND DISCUSSION

### Impacts Due To The Deficit Budget of BPJS Kesehatan

In the deficit or BPJS Kesehatan fund, it consequently arises some legal impact, first is the lack and weak of health services, which is breaching the health law itself. This is a severe impact on the patient who has the right to get proper services in health. For the doctor, the legal will raise the violation of medical ethics because the doctor cannot give adequate medication and shall consider the budget of the hospital. They will think that if the budget is overspent, then the doctor will get a late salary. The main problem is the management of hospital funding. They cannot buy any medications, maintenance of medical tools, staff payment, etc. Consequently, to minimize the deficit, BPJS Kesehatan deleted some drugs, for example, cancer medication, etc. We can analyze a lot of medical ethics violations due to the deficit of the BPJS Kesehatan budget. The BPJS Kesehatan deficit also affects to similar companies. In the early 2019 Pharmaceutical Entrepreneurs Association complained that BPJS Kesehatan arrears to pharmaceutical companies reached 3.5 trillion (Tan, 2019). Besides that, the development of medical services in Indonesia will decrease the quality of health services, Both aspects of health workers or human resources, due to health facility is one thing important the

sustainability of the strength of human resources, The wane of the health system would impact to human resources. Besides that, the Deficit of BPJS Kesehatan's impact on a health management system, health equipment, and pharmacy medicine (Moeloek, 2017).

Not only on curative, but The deficit of BPJS Kesehatan is also very detrimental to preventive and promotive health services. Improving public health includes efforts to prevent infectious or non-communicable diseases by improving environmental health, nutrition, behavior, and early vigilance (Toseef, Jensen and Tarraf, 2019). It means that health development must be balanced with behavioral interventions that allow the community to be more aware, want and able to live a healthy life as a prerequisite for sustainable development, to make people want to live healthy, the public must be equipped with knowledge about healthy ways of being one of them by health promotion (Anand *et al.*, 2007). "Prioritizing promotive and preventive efforts in health development is mandated by Health Law 36 of 2009, Most infectious and non-communicable diseases can be prevented by counseling and prevention, Promotive and preventive should be a priority so that Indonesian people would be more healthy, But unfortunately the costs that should have been incurred for preventive instead are used by treatment, If we see the budget for preventive not enough. The implementation of the program is not maximal. The budget for the preventive and promotion program of BPJS Kesehatan in 2017 was only 417,96 billion rupiahs or 0,47% of the health service benefit budget in 2017, which is amounted to 87.22 trillion rupiahs. Likewise, in 2018, the estimation budget of program just 475,64 billion rupiahs or around 0,54% health service benefit budget in this year, which reached 87,8 trillion rupiahs (Agustina *et al.*, 2019).

### Factors Causing Deficit

#### Small premium

The premiums to be pay are different from classes. The first class is 80 thousand rupiahs, second class 51 thousand rupiahs, third class 25 thousand rupiahs, Inwhile Participants of BPJS Kesehatan reached 204,4 million people until middle September. Half of the participants, all-around 118 million, are getting incentives from the government of paying a premium. Hence the premium received is not proportional to the costs incurred. This would make income smaller than the expenditure.

BPJS Kesehatan found that cost incurred bigger every year if compared to income. The BPJS Kesehatan has decreased 1,5 trillion rupiahs every month. The deficit occurs because the premium is lower than the monthly costs incurred the BPJS Kesehatan gets 6 trillion rupiahs per month from Participants Receiving Donation Assistance, Not Wage Recipients, private employees. Then incurred per month are Rp7.5 trillion rupiahs.

If accumulated from 2014 to June 2019, the premium was incurred by BPJS Kesehatan related to health services amounted to 395 trillion rupiahs. And until the end of last year recorded 345, 75 trillion rupiahs. At the same time, the total premium paid by participants of BPJS Kesehatan is only Rp317.04 trillion rupiahs. It means that there is a difference between the premium paid and the costs incurred during 2014-2018, amounting to Rp. 28.71 trillion rupiahs.

The most significant funding issued by BPJS Kesehatan is the financing burden for catastrophic diseases. Catastrophe is a disease that requires high costs in treatment, such as cancer, heart disease, and kidney failure. Funds spent by BPJS Kesehatan for this disease

reached 20%. BPJS Kesehatan data record the category of catastrophic illness spend Rp. 11.07 trillion rupiahs in 2014, and it was increased every year to Rp14.88 trillion rupiahs in 2015 and Rp16.94 trillion rupiahs in 2016. A year later, to Rp. 18.44 trillion rupiahs, in 2018 it reached Rp. 20.42 trillion rupiahs (Retnaningsih, 2017). Hence there must be a fee every two years following Presidential Regulation (PP) Number 82 the Year 2018 regarding Health Insurance (Yuniarti *et al.*, 2019).

### Bad financial management

In other cases, there are hospitals falsify their accreditation to get more funding. This method is one of the causes of the BPJS Kesehatan deficit. Numerous research found a negative influence between the percentage of JKN patients and the hospital efficiency score. The higher number of JKN patients served by a hospital, the lower the level of efficiency. There are two main factors causing this problem. First, the amount of hospital service charge rates determined by the government that refers to a calculation system called the Indonesian Case Base Groups (INA-CBGs) system is currently not rational. There is still a difference in the number of real costs incurred by hospitals in some cases when compared to the amount of INA-CBG rates received by hospitals (Rokx, 2009). The second problem is not every Indonesian is willing to contribute to the national health coverage system, for instance, the number of participants from the independent or informal sector who only register when they are sick and then stop paying premium after receiving health services. Indeed, it must be anticipated by improving policies (Cole and Slade, 1988). Besides that, the BPJS Kesehatan payment method also impacts the payment of BPJS Kesehatan.

The payment method applied by BPJS so that people can pay every month only through Bank BRI ATMs, Bank BRI tellers, BNI, particular The payment method utilized by BPJS so that people can pay every month only through Bank BRI ATMs, Bank BRI tellers, BNI, specific Bank units, Indomaret and Alfamart, this causes difficulties for BPJS participants, especially those with disabilities, senior people or people who live in rural area do not understand the technology that makes participant being lazy in paying a premium, There are several reasons participants don't pay. Erratic income (23.6%), lazy to queue up (15.8%), other reasons (ATMs are often offline, a long process when paying) (16.5%), forgot (12.8%), disappointed with BPJS Health services or health facilities in collaboration with BPJS Kesehatan (6.8%) (Nurhasanah, Hidayat and Dartanto, 2018). according to participant's alternative ways of making secure payments, including electric, water telephone payment counters, post offices, mini-marts, and village administrative offices.

### Fraud

Health care fraud is a type of white-collar crime that involves the filing of untrustworthy social insurance guarantees to turn a benefit (Fawcett and Provost, 1997). False medicinal services plan comes in numerous structures. Expert plans include people acquiring financed or completely secured prescription pills that are really unneeded and afterward selling them on the underground market for a benefit; charging by professionals for consideration that they never rendered; documenting copy claims for a similar help provided; changing the dates, depiction of administrations, or personalities of individuals or suppliers; charging for a non-secured administration as a secured administration; adjusting

medicinal records; purposeful inaccurate announcing of analyses or methods to boost installment; utilization of unlicensed staff; tolerating or giving kickbacks for part referrals; forgoing part co-pays; and endorsing extra or superfluous treatment. Individuals can submit medicinal services extortion by providing false data when applying to projects or administrations, manufacturing or selling doctor prescribed medications, utilizing transportation benefits for non-medical related purposes, and advancing or utilizing another's insurance card (Yang *et al.*, 2020).

### Supervisory System of BPJS Kesehatan

Even though the BPJS Act 2011, Ministry of Health regulation and BPJS regulation have ruled on the supervision of BPJS, but the deficit of budget still happened year by year and much more significant and more prominent (Dartanto, 2017). It means there is something wrong with the current system. One of the reasons why the deficit has still happened is because of the omission of the regulation violation, or we can say weak of law enforcement. One of those violations is a fraud. According to the Association of Certified Fraud Examiners (ACFE), they classify the kind of fraud into some classifications with the terminology "Fraud Tree" (Fawcett and Provost, 1997).

Generally, fraud is an unlawful act by doing underhanded methods to get illicit income from someone else. Fraud in the health sector means someone took illegal benefits to the markup or getting something beneficial through manipulating the data of health that can be documented or other statistics documents (Wolfe and Hermanson, 2004). Third-party and socio-political sphere, sit together in making decisions.

### National Health Insurance in Taiwan

According to the Health Care Index, Taiwan's healthcare system has been positioned as the best country over 89 countries surveyed (O'donnell *et al.*, 2008). The index measures the overall quality of healthcare systems, including healthcare infrastructure, competencies of healthcare professionals, cost, and availability of quality medicine. It also takes into consideration other factors, including environmental factors, access to clean water, sanitation, government willingness to impose penalties on risks such as tobacco use and obesity (Chang *et al.*, 2016). Of the 89 countries surveyed, Taiwan's healthcare system scored 78.72 out of 100, the index shows. However, the index provided no information on how each category was weighted. Three other Asian nations, South Korea (second), Japan (third), and Thailand (sixth), were also in the top 10. National Health Insurance A Taiwan outranked South Korea because only 50 percent of South Korean doctors are part of its healthcare system. In comparison, 93 percent of doctors in Taiwan have joined, providing high-quality medical services (Chang *et al.*, 2016). The relationship between the authorities and doctors in South Korea is strained, adding that medical practitioners in the country often go on strike. One of the reason also Taiwan achieved the best quality country of Health Insurance provider is because Taiwan implements fee-for-service or the global budgeting mechanism (Bureau of NHI, 2009: 21) In the organization of National Health Insurant, there is a NHI Supervisory Committee. In supporting NHI Supervisory system, there is a National Health Insurance MediCloud System introduced by the government to increase the health quality and also make it easier to supervise the activity of Health Insurance based-technology. Because the cloud system needs one single

database, it is gonna be easy to be scrutinized by the government whoever the hospital cheated or marked up the health budget facility. This technological system has been implemented to all hospitals and clinics in Taiwan (NHI Handbook, 2020:110-112).

The Bureau keeps the public up-to-date on its financial situation with regular intensive reports through the website, and also through financial projections that forecast future trends. The Bureau generates statements with key indicators of the National Health Insurance program's finances and assigns different colored "lights" to these indicators as a simple measure of performance. A financial report is also submitted to the NHI Supervisory Committee on a quarterly basis. The system has successfully lowered transaction and administrative costs (Bureau of NHI, 2009: 29)

## CONCLUSION

The deficit of BPJS Kesehatan budget is not due to the investment management, but also due to the omission of criminal action or fraud that can cause the overspend budget that can give the legal impact to the patients, medical practitioners, and hospitals. The optimization show of supervisory function is very notable with checks and balances system also effective and efficient principle.

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## CONFLICT OF INTEREST

The authors state that there is no conflict of interest for this article.

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