



Literature Review: Health Financing Law and Policy in Indonesia

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Abstrak

The healthcare system in Indonesia faces various complex challenges that need to be addressed. This literature review examines scholarly articles highlighting crucial issues such as the implementation of the National Health Insurance (*JKN*), medical ethics and law, and healthcare access in correctional facilities. Several key findings indicate that challenges related to card activation, referral systems, and *JKN* service flow require evaluation and improvement. The application of patient autonomy, beneficence, non-maleficence, and justice principles is essential in medical decision-making. The health rights of prisoners must be guaranteed by providing adequate facilities and policies. The removal of mandatory spending raises concerns about healthcare access for vulnerable groups, while telemedicine requires clear regulations to ensure its safety and effectiveness. Collaborative efforts are needed to improve the healthcare system in Indonesia, including the evaluation of *JKN*, strengthening infrastructure, enforcing ethics and laws, and raising public awareness. The development of digital technology needs to be balanced with adequate regulations.

Keywords: Law, Policy, Health Financing.

INTRODUCTION

The healthcare system is one of the main pillars in the development of a nation (Hamzah, 2024). The quality of healthcare services not only contributes to improving public health but also impacts living standards, education, and socio-economic welfare (Ginting et al., 2023). In Indonesia, the healthcare system continues to evolve and faces various complex challenges. These range from financing, equitable access, service quality, to medical ethics and law, all of which are interconnected and require serious attention.

One of the key milestones in Indonesia's healthcare system is the implementation of the National Health Insurance (*JKN*) program, managed by BPJS Kesehatan. This program aims to provide equitable and affordable healthcare access to all Indonesians (Saputro & Fathiyah, 2022). However, in its implementation, *JKN* faces several challenges, including administrative issues (Rhamdani, 2023), limited healthcare facilities (Retnaningsih, 2018), and disparities in service quality between regions and types of access (Hendrawan et al., 2021).

Furthermore, the dynamics within the healthcare system are also influenced by technological advancements, regulations, and social norms. Digital technology, for instance, opens new opportunities in healthcare services, such as telemedicine, but also brings new challenges in terms of regulation and data protection (Indrayadi et al., 2023; Rahmayanti, Auliya, et al., 2024). On the other hand, ethical and medical legal issues have become more prominent as public awareness of patient rights and demands for quality, ethical healthcare services grow (Rahmayanti, Panjaitan, et al., 2024; T. B. Sembiring & Pangaribuan, 2024; Sidi, 2020).

In this context, the study of legal, ethical, and policy aspects in the healthcare system becomes crucial. Research examining various critical issues in Indonesia's healthcare system can provide a comprehensive overview of the challenges and opportunities that exist. The findings from such studies can serve as a basis for policy formulation and strategies to improve the quality and effectiveness of the healthcare system in Indonesia.

This paper reviews several scholarly articles addressing key issues in Indonesia's healthcare system. The main focus includes challenges in *JKN* implementation, the importance of ethics and law in healthcare, healthcare issues in correctional facilities, and the impact of budgetary policies and technological advancements on the healthcare system. Through this literature review, it is hoped that a deeper understanding of the complexities of Indonesia's healthcare system can be achieved, along with recommendations for future improvements.

METHOD

The research method used is a literature review. This study was conducted by faculty members from the Faculty of Law at Universitas Pembangunan Panca Budi, selected based on the title or topic discussed in this article. The researchers collected and analyzed various previous studies (scientific articles) relevant to law, ethics, and policy in the healthcare system in Indonesia, particularly those related to health financing. The literature sources were obtained from Google Scholar and Mendeley Tools References. The analysis was carried out by identifying, summarizing, and

evaluating the main findings from the literature, which were then discussed and synthesized to gain a comprehensive understanding of the challenges and opportunities in the healthcare service and financing system in Indonesia.

RESULTS AND DISCUSSION

Results

Based on the research conducted, various studies on the legal, ethical, and policy aspects of the healthcare system in Indonesia reveal several challenges and opportunities that need to be addressed to improve service quality. Some of the key findings from this research, such as the evaluation of the *JKN* implementation, the importance of ethical principles in medical services, and issues in medical waste management, provide valuable insights into how health policies and laws can work in tandem to create a more effective and equitable healthcare system. Below is a summary of the main findings from the reviewed literature.

Table: Literature Review on Law, Ethics, and Policy in the Healthcare and Financing System in Indonesia

No.	Research Title	Author(s)	Main Topic	Key Findings
1	Effectiveness and Legal Protection in Health Services in Public Hospitals for <i>BPJS</i> Health Participants Sembiring Deli Tua Public Hospital Study (2023), Journal of General Education Science	Alprindo Sembiring, Beni Satria, Redyanto Sidi	Health Law and Policy in Indonesia	<i>JKN</i> evaluation faces challenges such as complicated <i>BPJS</i> card activation, limited referral systems, and inflexible service flow. Ongoing evaluation and improvements are needed to make <i>JKN</i> more effective in achieving its goals.
2	Ethics and Law in Health Care (2024), Journal of International Islamic Law, Human Rights, and Public Policy	Rahmayanti, et al.	Ethics in Health Care	Application of ethical principles in healthcare services: patient autonomy, beneficence, non-maleficence, and justice. Ethics underpin medical decision-making for patient welfare.
3	Law and Morals in Health Services in Indonesia (2024), Formosa Journal of Science and Technology	Sembiring, Pangaribuan	Relationship between Law and Morality in Healthcare	Law provides practical rules, while morality provides an ethical foundation. Both must align to create a fair healthcare system.
4	Problematics of Prisoners' Health Services on Health Rights (2024), Journal of Law, Politics, and Humanities	Rafianti, Pintabar	Healthcare Services for Prisoners	Emphasizes the importance of prisoners' health rights and the challenges in providing adequate healthcare in correctional facilities. Policies that support the fulfillment of health rights without discrimination are essential.
5	Legal Aspects of Medical Waste Management in Health Care Facilities and Protection of Environmental Health (2024), Journal of Law, Politics, and Humanities	Nurhayati, Racha	Medical Waste Management and Environmental Health Protection	Proper medical waste management according to regulations is required to protect the environment and public health.
6	Indonesian National Health Policy: Legal Analysis of the Elimination of Mandatory Health Spending (2024), Proceeding of International Conference on Healthy Living	Rambe, et al.	National Health Policy and Elimination of Mandatory Spending	The removal of the policy allocating at least 5% of the state budget (<i>APBN</i>) and 10% of the regional budget (<i>APBD</i>) for health, replaced by performance-based budgeting, raises concerns about healthcare access for vulnerable groups.
7	Review of Legal Digitalization Aspects from Using Telemedicine for Health Management in Indonesia (2024), Formosa Journal of Multidisciplinary Research	Rahmayanti, et al.	Use of Telemedicine in Indonesia's Health System	Digital technology (telemedicine) brings both challenges and opportunities, but its success depends on clear regulations and adequate legal protection.
8	Legitimation of National Health Services Law: The Right to Health for All Citizens (2023), International Journal of Social Science, Education, Communication and Economics	Risdawati, Zarzani	Legal Legitimacy in National Health Services	Public recognition and acceptance of laws regulating healthcare services are crucial for the sustainability and fairness of Indonesia's healthcare system.

Source: Processed from Google Scholar and Mendeley Tools References.

These articles review various key issues in healthcare services in Indonesia. Sembiring et al. (2023) highlight challenges in *JKN* implementation, such as issues with card activation and inflexible service flows, which require evaluation and improvement. Rahmayanti et al. (2024) and Sembiring & Pangaribuan (2024) emphasize the importance of ethics and morality in medical decision-making to ensure fairness and the welfare of patients. Rafianti & Pintabar (2024) discuss prisoners' health rights and the need for policies that support the provision of proper healthcare in correctional facilities. Nurhayati & Racha (2024) stress the importance of proper medical waste management to protect health and the environment. Rambe et al. (2024) critique the elimination of mandatory health budget allocations, which raises concerns about access to services for vulnerable groups. Rahmayanti et al. (2024) also discuss the challenges and

opportunities of telemedicine, which requires clear regulations for its success. Finally, Risdawati & Zarzani (2023) emphasize the importance of legal legitimacy in the national healthcare system to ensure sustainability and fairness.

Discussion

The healthcare system in Indonesia is a complex and dynamic field, involving various aspects ranging from the implementation of health insurance programs, medical ethics and law, to the challenges in ensuring healthcare access for vulnerable groups such as prisoners. Various academic studies have delved into these issues and proposed solutions to enhance the effectiveness and equity of the system. This paper will discuss several scholarly articles that highlight various crucial dimensions of healthcare services in Indonesia, including the challenges in *JKN* implementation, the importance of ethics and law, healthcare issues in correctional facilities, as well as the influence of budget policies and technological developments.

1. Implementation of the National Health Insurance System (*JKN*) and Its Challenges

In the article *“Effectiveness and Legal Protection in Health Services in Public Hospitals For BPJS Health Participants Sembiring Deli Tua Public Hospital Study”* published in the *Journal of General Education Science*, Alprindo Sembiring, Beni Satria, and Redyanto Sidi (2024) examine the legal and policy aspects of health financing in Indonesia, aiming to achieve social welfare for all Indonesian citizens. This aligns with the mandate of Pancasila and the 1945 Constitution. As its implementation, the government established the National Social Security System (SJSN), which includes the National Health Insurance (*JKN*), managed by BPJS Kesehatan (A. Sembiring et al., 2023). However, *JKN* implementation faces several challenges that may hinder its primary objectives. Issues such as complicated BPJS card activation, limited referral systems, and inflexible service flows require special attention. Continuous evaluation and improvement are key to overcoming these challenges to make *JKN* more effective.

2. Ethics and Law in Healthcare Services

Apart from technical aspects, healthcare services also require a strong ethical foundation. In the article *“Ethics and Law in Health Care”* by Rahmayanti et al. (2024) published in the *Journal of International Islamic Law, Human Rights and Public Policy*, the importance of applying ethical principles such as patient autonomy, beneficence (doing good), non-maleficence (avoiding harm), and justice is emphasized. These ethics provide crucial guidance in medical decision-making to ensure that the welfare of patients remains the primary priority (Rahmayanti, Panjaitan, et al., 2024). In line with the importance of ethics, law plays a significant role in regulating the practical aspects of healthcare services. Through regulations such as informed consent, medical confidentiality, and patients' rights, the law provides a clear framework to protect patients' rights while ensuring that healthcare professionals carry out their duties professionally and transparently. The relationship between law and morality in healthcare is further emphasized by Sembiring and Pangaribuan (2024) in their article *“Law and Morals in Health Services in Indonesia”* published in the *Formosa Journal of Science and Technology*. The law provides rules that guide medical practices, while morality offers an ethical basis for the decisions made by healthcare providers. The combination of both is considered essential to creating a more equitable healthcare system (T. B. Sembiring & Pangaribuan, 2024). However, despite the strong relationship between law and morality, implementation on the ground is not always easy. One notable example is the implementation of informed consent in medical practice. Barriers arising from patient understanding and technical difficulties indicate the need for enhanced education and systemic support in this process.

3. Health Issues in Correctional Facilities and Related Policies

On the other hand, issues also arise in the context of healthcare services in correctional facilities. In the article *“Problematics of Prisoners' Health Services on Health Rights”* by Rafianti and Pintabar (2024), it is emphasized that prisoners have the same rights to receive adequate healthcare services. This becomes a major challenge in the correctional system, where resource limitations often hinder the fulfillment of prisoners' health rights (Rafianti & Pintabar, 2024). As part of the improvement efforts, attention to prisoners' health rights needs to be increased. The same article highlights the importance of providing adequate healthcare facilities and supportive policies that ensure prisoners' rights are met without discrimination. Additionally, attention to environmental aspects is also a focus in healthcare provision. In the article *“Legal Aspects of Medical Waste Management in Health Care Facilities and Protection of Environmental Health”* by Nurhayati and Racha (2024), the need for proper medical waste management in accordance with regulations is discussed. This is essential for protecting the environment and preventing the spread of diseases, which ultimately impacts public health (Nurhayati & Racha, 2024).

From a budget policy perspective, the article *“Indonesian National Health Policy: Legal Analysis of the Elimination of Mandatory Health Spending”* by Rambe et al. (2024) examines the impact of eliminating mandatory health spending under Law No. 17 of 2023 on Health. This policy, which previously required a

minimum allocation for health budgets, has now been replaced with a performance-based approach. This shift has raised concerns about how vulnerable groups will still be able to access healthcare services (Rambe et al., 2024b). In the digital era, technological advancements also bring new challenges in healthcare services. In the article “*Review of Legal Digitalization Aspects from Using Telemedicine for Health Management in Indonesia*” by Rahmayanti et al. (2024), the potential of telemedicine as an innovative solution in healthcare services is discussed (Rahmayanti, Auliya, et al., 2024). However, its successful implementation highly depends on clear regulations and adequate legal protection. Finally, the legal legitimacy of healthcare services also becomes an important issue. The article “*Legitimation of National Health Services Law: The Right to Health for All Citizens*” by Risdawati and Zarzani (2023) emphasizes the need for public recognition and acceptance of regulations governing the national healthcare system (Risdawati et al., 2023). This forms the basis for sustainability and fairness in healthcare services in Indonesia.

The implementation of Indonesia's health financing, particularly *JKN*, faces significant challenges in ensuring equitable access to healthcare services, especially in remote areas and for low-income communities. A study by Wenang et al. (2021) identified that poor populations and remote areas have more limited access to Primary Health Care (PHC) facilities (Wenang et al., 2021). Factors such as a shortage of healthcare professionals and unequal distribution are the main causes of this limitation. To improve the effectiveness of *JKN*, strengthening healthcare infrastructure in remote areas and adjusting the referral system to ensure equitable healthcare services for all social layers is necessary (Wenang et al., 2021). In addition to geographical challenges and resource availability, *JKN*'s financing system also has significant implications for the quality of healthcare services. The discrepancy between INA-CBG (Indonesian Case-Based Groups) rates and actual hospital costs undermines the quality of services provided to BPJS patients. Swandayana and Sastrawan (2021) show that the INA-CBG rates for inpatient and outpatient services are often lower than the actual costs, causing hospitals to incur losses of up to 36% for inpatient services (Swandayana & Sastrawan, 2021). This calls for a review of the INA-CBG tariff structure to ensure that services remain of high quality without overburdening healthcare providers.

The impact of this tariff discrepancy directly affects BPJS patients' experiences, especially those in class 3. Endradita et al. (2020) show that BPJS patients, particularly in class 3, often face difficulties in accessing healthcare due to a lack of available hospital beds and BPJS tariffs set below the breakeven point for hospitals (Endradita et al., 2020). On the other hand, Prastyanti et al. (2023) stress the importance of legal protection for BPJS patients, with research highlighting patients' rights such as access to clear and truthful information, as well as the right to have their opinions and complaints heard (Prastyanti et al., 2023). To address these issues and guarantee patients' rights, efforts to enhance legal protection within the *JKN* system are needed. From a legal perspective, a mediation approach to resolve BPJS service disputes is recommended as it reflects the Indonesian culture of harmony and mutual cooperation (Irayadi, 2024). However, its implementation in the field requires increased patient education about their rights and responsibilities to minimize potential disputes and build trust in the national healthcare system.

CONCLUSION

This literature review demonstrates that the healthcare system in Indonesia faces a variety of complex challenges that must be addressed comprehensively. The implementation of the National Health Insurance (*JKN*), despite its noble goals, still faces obstacles in terms of access, service quality, and financing. Other challenges arise from the ethical and legal aspects of medicine, particularly in relation to informed consent and patient rights protection. Issues regarding access and service quality also occur in correctional facilities, requiring special attention to ensure the fulfillment of prisoners' health rights. Collaborative efforts from various stakeholders are needed to improve the healthcare system in Indonesia. Continuous evaluation and improvement of the *JKN* program, strengthening healthcare infrastructure in remote areas, enforcement of medical ethics and law, as well as raising public awareness about rights and responsibilities within the healthcare system, are crucial steps that need to be prioritized. Additionally, the development of digital technologies, such as telemedicine, must be accompanied by adequate regulations to ensure its safety and effectiveness.

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