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Hospital Readiness in Implementing Phase One Global Budget Trial in Sumedang District

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Abstract

BPJS Kesehatan initiated an operational study on the implementation of the INA-CBGs and Global Budget mixed-method hospital payment system. Since 2018, trials have been carried out in 5 districts and 30 hospitals. In contrast to the INA-CBGS system, the Global budget is a method of hospital funding paid in advance by BPJS Kesehatan for all services/activities for one year that in its calculation it will consider the number of services in the previous year, upcoming activities to be carried out, and hospital performance. The trial will carry out in three stages, namely the Non-Risk Global Budget, the Partial Risk Global Budget and the Full Risk Global Budget. In its implementation, although the global budget has been initiated since 2018, the model or formulation in implementing the global budget policy still requires further study. The purpose of this study is to see the process of implementing the trial and obstacles arises to find the most suitable implementation model. The research method used is a qualitative method with a case study approach. The research subjects were Sumedang District General Hospital, Pakuwon Hospital and Harapan Keluarga Hospital. Since September 2020 they begin to receive real quarterly payments with a non-risk stage to hospitals. The amount of withhold used in this study is 30%. The amount of the budget is calculated based on the calculation of the last three years from the hospital's financial records. Preliminary results, shows that this trial is still ongoing, and to continue the payment system for the second stage, the hospital withdrawn their participation is this program as there are discrepancies in the way of calculating finances in setting the budget, determining of the amount of risk that must be borne by both parties and the withhold policy, which is considered burdensome by the hospital, especially for regional general hospitals.

Keywords: DRG, Global Budget, National Health Insurance, Pilot Project, Sumedang District

1. Introduction

Health is the basic right of every person, and all citizens have the right to get health services. With the commencement of the National Health Insurance (JKN) as of 01 January 2014, all health insurance programs implemented by the Indonesian government integrated into one Social Security Administration Agency (BPJS). The organized social security program is based on social insurance principles and equity principles. The number of participants JKN program is 241,791,615 people 87.6% of the total population of Indonesia (Data of 30 June 2022 https://bpjs-kesehatan.go.id/bpjs/). Health facilities registered on the JKN BPJS program are 27,709 (data as of 01 July 2022) consist of 10,249 Puskesmas (Public Health Center), 4,833 individual doctor practices, 7,115 Primary Clinics, 1,165 dentists, 42 Class D Primary Hospitals, 2,551 Hospitals, 314 main clinics, 206 PRB and Chronic dispensaries, as well as 1,134 optics. In accordance with Law No. 40 of 2004, the National Social Security System (SJSN) social insurance mechanism participant is required to pay contributions to provide protection against socio-economic risks that befall participants and/or their family members.

Quoted from CNBC 2021 BPJS Kesehatan CEO dr. Ali Ghufron Mukti explained that in 2020 the institution he manages will still experience a cash flow deficit. As of 31 December 2020, the BPJS Health deficit reached IDR 6.36 trillion. In previous years, BPJS Kesehatan always experienced a financial deficit. However, in 2021, BPJS Kesehatan managed to escape a financial deficit for the first time and recorded a cash flow surplus of IDR 18.7 trillion. This situation is due to the increase in the monthly contributions (Nilamsari et al., 2023). The increase in premiums has

significantly increased the receipt of public funds from the BPJS Kesehatan treasury, so that the government is confident to implement global budget (GB) policies in hospitals.

To this day the Global Budget policy is still in a pilot phase which has only been implemented in 30 hospitals. This trial was conducted in Tanah Datar Regency, Gorontalo Regency, Sumedang Regency, Kulon Progo Regency and Bogor Regency. In West Java Pilot Project is located in Sumedang District. The three hospitals namely RSUD Sumedang (Sumedang General Hospital), Pakuwon Hospital and Harapan Keluarga Hospital.

In previous research, an operational study carried out from a hospital that had used as a pilot project. There are 3 (three) stages in the payment system trial, namely 1. Global Budget Without Risk; 2. Partial Risk Global Budget and 3. Full Risk Global Budget. The results of the study show that under normal conditions, the global budget calculation methodology that is applied is quite accurate in predicting funding needs in hospitals. However, the first phase of the global budget test which originally planned for 2 years of study was recommended to be extended because it was considered that it still had not answered the three Global Budget payment systems so that this policy could not be applied to all hospitals in Indonesia.

Global Budget (GB) program is a development program of payment method. The system is still using INA-CBGs. However, GB is the art of allocating funds based on the last three years that secure the payment one year in advance. Outputs is expected to be accurate and transparent between hospital and BPJS Kesehatan (BPJS). However, hospital readiness in implementing Global Budget policies must be carefully prepared so that new policies do not create new problems. Given the current conditions with the reimbursement system, there are still many obstacles at the hospital.

The specific objective is to find out the results of the readiness analysis for implementing global budget policies in an effort to control the financing activities of the INA-CBGs (Indonesia Case Base Groups) system for the JKN Program in Hospitals. The urgency of this research is to find the right model to implement global budget policy for all hospital in Indonesia.

2. Literature Review

As previously mentioned, the status of implementing the passive purchasing function by BPJS Health is suspected to be a determinant of the condition of JKN funding. Since the implementation of the JKN-KIS program in January 2014, the medical loss ratio has always been above 100%. This figure reflects that the accumulation of contributions received by BPJS Kesehatan is still insufficient to fund JKN benefits. If systemic therapy is not carried out for this condition, including changing the passive purchasing status to active, it will affect the sustainability of the funding for the JKN-KIS program (Darma et al., 2018).

An alternative payment mechanism for BPJS Health, as stipulated in Law Number 40, 2004, article 24 (Darma et al., 2018): The Social Security Administering Body (BPJS) develops a health service system, a service quality control system, and a health service payment system to increase the efficiency and effectiveness of health insurance. It is also stipulated in Presidential Decree No. 82 f 2008, article 71 stated that BPJS Health can develop a payment system in FKRTL (advance level health facility) that is more effective while still referring to the Indonesian Case Based Groups.

Definition of Global Budget as conveyed by dr. Ibnu Naser Arrohimi -a member of Supervisory Board of BPJS Health- in the research dissemination seminar organized by the MARS Study Program UMY Yogyakarta (Arrohimi, 2022), stated that payments to hospitals is paid in advance after negotiating the budget with BPJS Kesehatan. Payment includes all service such as clinical visits, laboratory examinations, diagnostic tests, medicines, etc.

With the Global Budget, hospitals have budget certainty for a certain period of time and have the flexibility to utilize the existing budget to improve health services. On the other hand, the implementing agency has certainty about hospital service costs and can focus on improving the quality of service for participants and strengthening the national health insurance system (Idris et al., 2021).

How is the calculation of the Global Budget in Indonesia. According to Ibnu, as shown in Figure 1, the currently known health payment system is the INA-CBGs grouping, which mixes INA-CBGs with the Global Budget because the law says it is authorized to provide alternative financing mechanisms while still referring to Indonesia Case Based Groups (INA-CBGs). Therefore, the Global Budget in Indonesia is a mix between the INA-CBGs and the real Global Budget Philosophy.

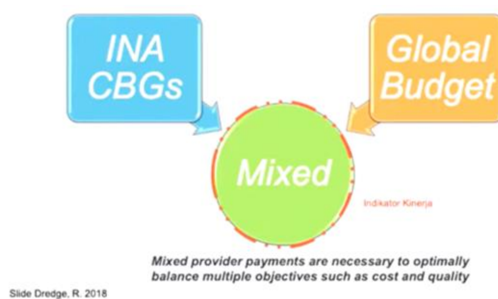

Figure 1: Global budget in Indonesia

Next, Dr. Ibnu also stated that the Global Budget in Indonesia cannot be equated with conditions in other countries, because in accordance with the mandate of existing laws in Indonesia, whatever the financing alternative must still refer to the calculations or basis of the INA-CBGs. In table 1, itcan be seen, Why Global Budget.

Nonetheless, the Global Budget opens up space for discussion on FKTRL and various formulas can be used, for example by looking at previous budget records, per capita figures with adjustments(age, gender, previous year's utility rate, etc.).

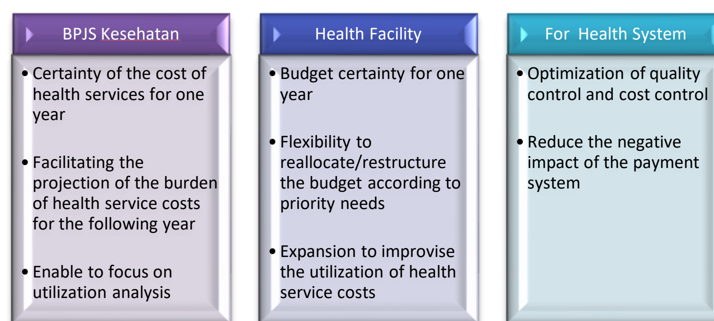

Figure 2: Why global budget

Whether the hospital is ready to implement the Global Budget we can see from the Hospital Readiness indicators, namely Hospital Organizational Readiness, Hospital Infrastructure Readiness, Hospital Clinical Readiness and Hospital Workforce Readiness (Nugroho et al., 2019).

The theory used in this study is the communication theory developed by Karl Weick which says that an organization as a system takes confusing or ambiguous information from its environment and makes that information make sense.

3. Materials and Methods

3.1. Materials

Object of this research is three *Global Budget Pilloting* hospitals in Sumedang Regency, West Java, namely Sumedang Regency Hospital, Pakuwon Hospital and Harapan Keluarga Hospital. The research was conducted in eight months. The reason for choosing this hospital was due to limited funds and time if research conducted in all the hospitals in the Pilloting Global Budget in Indonesa, however, these hospital can represents the global budget nationally.

This study high light the readiness of the hospital management in implementing the Global Budget Phase One. It is hoped that with information gathered from the hospitals that are the testing sites, the right model will be found in implementing the Global Budget.

The implementation stage of the research is to collect initial data through primary and secondary information about the Global Budget Policy that by BPJS Kesehatan socialization, either through journal searches, seminars or dissemination of previous research on the Global Budget.

3.2. Methods

The method in this research is qualitative with a case study approach (Denzin & Lincoln, 2011). According to Denzin and Lincoln in the book *"Handbook of Qualitative Research"* are: Qualitative research is the focus of attention with a variety of methods, which include interpretive and naturalistic approaches to the subject of study. This means that qualitative researchers study things in their natural context, seeking to understand, or interpret phenomena in terms of the meanings that humans (researchers) attach to them. Qualitative research includes the use of the subjects studied and the collection of various empirical data – case studies, personal experiences, introspection, life journeys,

interviews, observational, historical, interactional and visual texts – that describe the moments and meanings of everyday and problematic life in life. (Denzin & Lincoln, 2011)

Qualitative research emphasizes processes and meanings whose assessments are not carried out strictly or have not been measured in terms of quantity, amount, intensity, or frequency. Qualitative researchers emphasize the socially constructed nature of reality, the close relationship between the researcher and the subject being studied, and the pressures of the situation that shape the investigation. Researchers seek answers to questions that highlight the ways in which social experiences arise as well as the acquisition of meaning (Denzin & Lincoln, 2011)

The approach in this research is an *instrumental case study*. This type is used to examine a particular case or present a perspective on an issue or improvement of a theory. In this case it is not of primary interest; cases play a supportive role, facilitating our understanding of something else. Cases are often examined in depth, the context is thoroughly studied, and daily activities are detailed, and because of this, researchers are helped in uncovering the external motives of a case (Creswell & Poth, 2016).

Data collection techniques used various sources, namely observations, interviews, documents and audio-visual materials. Yin recommends six types of information to be collected: documents, archival records, interviews, direct observation, participant observation and physical equipment (Creswell & Poth, 2016).

The research methodology carried out through observation, in-depth interviews with the Case Manager of BPJS Kesehatan Kab. Sumedang, Director of the hospital, finance department and the case mix *section of Global Budget Pilloting* from RSUD Sumedang Hospital, Pakuwon Hospital and Harapan Keluarga Hospital. The collected data through observation, in-depth interviews, or documents are then classified into categories by considering the validity by taking into account the competence of the research subject, the level of authenticity and triangulation of various data sources to then be analyzed and compiled into a model regarding hospitals readiness in implementing the *Global Budget.*

4. Results and Discussion

4.1. Calculation if Global Budget

Sumedang District is chosen as Global Budget Piloting Project based on evaluation that the BPJS Kesehatan Office and three hospitals; RSUD Sumedang, RS Pakuwon and RS Harapan Keluarga has a good performance. As shown from the statement that both BPJS Kesehatan and hospitals has a clean claim status, which means all claims has been cleared and verified in the last one month.

In the first year from 2019 the three hospitals should make plan of health payment for a year with some indicators involved, such as patients estimation, the number visit projections for one year onward, INA-CBGs cost for next year, medicine claim, medical devices and top up INA-CBGs claim. For 2020 calculation is calculated from 2019 virtually or only calculations. The calculation then accumulated with the number of claims every month. GB planning for 2020 using regular claim system. The GB requirement must be clean with claims, i.e. no follow-up claims and revisions. All services use data for the past 3 years (2017, 2018 and 2019) and that year the calculations were also included. The calculation made based on the number of patients referred each month and calculated for one year compared with the amount of tariffs borne by BPJS. The calculation also includes additional service costs, additional infrastructure, which was not exist previously. Finally, a virtual figure agreed by hospitals and BPJS Kesehatan.

4.2. 30% Withold

On second year, for RSUD Sumedang in 2021 they started to implement non-virtual financing.The figure is used for calculating the 2021 budget. However, Corona virus 19 disease Pandemic hit severely that year, so miss calculation occurred. First, is planned in such way, and because of Corona virus 19, 50% limit for outpatient and outpatient care applied, as well as number of beds. Therefore, they failed to achieve the target and there are still claims that haven't been cleared because there are follow-ups and revision. It that case, at the beginning of the year the hospital still use virtual calculations and beginning on July 2021 they start to carry out non-virtually financing as in June claims were clean. A minutes-of-hand-over (Berita Acara) between the hospital and BPJS has settled, and there were no follow-up claims and revisions. In 2021, for one month agreed calculation, the hospital received around 11 or 12 billion. However, in GB is recognize a withholding system, where the down payment deducted to 30%. Thus, what the payment is deducted by 30%, and the fund is paid in advance for the first 3 months, and paid quarterly every 3 months. They payment started from August, September and October 2021. Each term gets 36 billion x 70%, around 8 billion/month. BPJS Kesehatan is holding the funds and will pay the remaining payment at the end of November 2021. During this three months period there was an underpayment from BPJS of around 2.5 billion for 3 months of service. The amount is small for 2021. Previously the calculation is larger. However, because of the pandemic the number of claims is small. Hence,in November 2020 the RSUD has started to make revision on the calculations.

By beginning of 2022 it between RSUD Sumedang and BPJS Kesehatan agreed to disburse 114 billion for an average claim in a year, or around 9 billion for a month, or around 18 billion paid to hospitals for three months of

service. The hospital was relieved at first, because there were shortage of fund since a lot of Corona virus 19 payments postponed from the Ministry of Health. The GB payment in advance can covered the cost from the Corona virus claims. However, in 2022 the number of Corona virus cases started to decrease, there were still a lot of cases in February and March, but April and May have started to subside. Apparently, the regular claims increased rapidly. Since the budget is only 9 billion per month, RSUD Sumedang submitting another revision for budget calculations. Initially asked for the fund held by BPJS Kesehatan to be released, but it couldn't. Hence, RSUD Sumedang had to recalculate the budget and accrued 133 billion for 1 year. Rising around 17 billion so that the average is around 11 billion per month. Still, the holding cannot be disbursed. BPJS Kesehatan stated that it is for the safety of the BPJS. It is probably seen from the point of view of claims that are usually postponed, so the average amount that is postponed in national figures is 30%. As the informant stated during our interview:

"... We have made a lot of efforts to disburse the holding, starting with letters, then at a meeting in Bandung with the central branch which at that time they even said the fund had to be disbursed, because then the BPJS would be tyrannical if payments were made at the end of the year. If the performance indicators met the requirements, just liquidate it. But until now still cannot be disbursed."

May 2020 is counted as the first half because it began in December 2021. In May, there is another calculation that there will be an increase, but the number of services is also increasing. Thus, from11 billion it rises again to 13 billion on average per month the number of claims and it lead to produce a Cooperation Agreement (PKS) addendum. Recapitulation also released stated how many bills have are still pending by BPJS Kesehatan. Global Budget program is calculated from December 2021 to November 2022. It turned out that it was around 44 billion from the beginning of December to November because the advance payment was calculated until August 2022. In fact, the claim for July had spent. Apart from the above, GB has the advantages:

"... For Global Budget, no verification needed. The hospital submits the claim and always agreed and paid 100% by BPJS Kesehatan, and then the verification system is carry out after the claim. For example, around 4 billion of corrections in 1 year..."

Similar statement is also stated by informant from Pakuwon Hospital:

"... Global Budget is somehow better because it has certainty is payment compare toregular program, but the burden is too heavy with 30% withold..."

Harapan Keluarga and Pakuwon Hospital is slightly have different situation from RSUD Sumedang. RSUD Sumedang is a general hospital whilst Harapan Keluarga and Pakuwon Hospital are private entity. All hospitals began to join GB Program virtualy from 2019. However, RSUD Sumedang begin the non-virtual GB program from August 2021, meanwhile Harapan Keluarga and Pakuwon started to join from January 2022. The amount of funds also different. The class level of hospitals also vary. RSUD Sumedang is class B, Pakuwon is class C and Harapan Keluarga is class C.

The most intriguing about Global Budget Program in Harapan Keluarga Hospital are the withhold policy and the sharing risk. With 30% withhold, the hospital feels it is too much. The margin of BPJS patients the most is 20% and with withhold soon enough they are running out of cash.

"... to cover operation cost we have to sell and pawn our assets. With regular system, once the minutes-of-hand-over received, we can lend the money from the bank and the minutes as the guarantee of the loan. However, with global budget such act is not allowed because BPJS Kesehatan always said that they have paid the money up front, but how should we covered the operational cost? Let alone margins, to cover the operation cost we don't have money..."

Pakuwon hospital is going through the same problem. They can accept the withhold, but not to hold it until the end of the year. They hope BPJS Kesehatan can disburse the remaining in every term. With that the hospital can breathe better because they knew that there will be payment coming sooner to cover the operation cost.

"... 30% wilhold really affected our cash flow. The only way we could do is asking our holding company to back us up. From what we heard, board of commissioners invested their own capital to hospital. But how long we can hold because to some extent the burden would be unbearable..."

4.3. Partial Risk Global Budget

Harapan Keluarga Hospital strongly disagree with partial risk global budget. Let alone the 30% withhold without risk is already too heavy to continue. With the addition of sharing risk the burden with be more difficult to handle. Whilst the hospitals still have discrepancies in calculating the budget with BPJS Kesehatan, they are afraid that by the end of year the loss will be too much. Particularly for Harapan Keluarga Hospital, there is question BPJS Kesehatan have not given the answer. Harapan Keluarga lies in the border of two districts but BPJS only calculate the patients project form Sumedang District only, while patients also coming from Bandung District.

"... how if the real budget exceed the planned budget, say 1 billion excess. How could we share risk when the money is not even enough? With the withhold we cannot expand our service and the situation will get worse with partial risk..."

Same wise with RSUD Sumedang. They hope that partial risk should be pending for now. At this time the hospital do not have unit cost so it is difficult to calculate the exact budget.

"... our weakness is that we do not have a unit cost. If we already have it, we can monitor and compare it with the Global Budget value for a year..."

4.4. Global Budget Process

The hospitals never thought that the global budget process would be complicated and time consuming, especially when the time come to the disbursement of remaining budget getting closer. Many audits sent by BPJS Kesehatan come so often, such as form SPI of BPJS Kesehatan, BPK and KPK. Those audits demanded hospitals to make revisions of claims. Harapan Keluarga Hospitals should reduce 1000 claims.

"... yes we can defend it, but to defend 1000 claims we need a lot of effort and time consuming. We have to check each and every documents..."

Apart for audits, BPJS Kesehatan gave lists of commitments to hospitals. To Harapan keluarga there are 72 commitments they should adhere.

"... it is indeed a lot of effort and we have to put our energy, time and effort for global budget. It is something that we never imagine before..."

4.5. Retreat from Global Budget

The three hospitals of Global Budget Pilot Project in Sumedang District finally decided to retreat from the Global Budget Program. They have sent letter to BPJS Kesehatan that they withdrawal their participation in this Program. They believe that the Global Budget Program is more reliable compare to regular program but they ask BPJS Kesehatan to consider the withhold policy. They also find it difficult to develop hospital and improve their service if the withhold persist. For the time being they would focus on developing and adding more services in the hospitals.

5. Conclussion

The Global Budget Payment Phase Trial is considered unfinished and a further phase trial with an expanded scope is still needed. Regardless the difference class of hospitals in Sumedang Districts, the situation in global budget is similar. First, they agreed that global budget is faster in settling claims because no verification needed. However, the system become difficult when withhold is applied. It made the process more complicated, more effort when dealing with audits and causing hospitals in financial difficulties.

Global budget is acceptable with withhold when hospital has strong reserve fund to cover the operational expenses and already have unit cost to make the precise calculation. Hospitals worried to continue the program because they can't bear the risk of lacking in fund and it can jeopardized the hospital operations. If BPJS Kesehatan wish to continue global budget program, some suggestions should be considered such as disburse the withhold after every term is finished and cancel the partial risk policy when both parties haven't meet the equal calculation.

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