



*A Dynamic of (Private) Health Sector
and Quality of Care: A Case Study
from Indonesia*

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Presented at International Workshop Public-Private Mix: A
Public Health Fix?, Phitsanulok 20-22 June 2007



Republic of Indonesia



Socio-economic Development in Indonesia

- The Republic of Indonesia consists of more than 17,000 islands and has a population of 220 million
- Indonesian economy has developed rapidly in recent years. Per capita income has grown rapidly from USD 50 in 1967 to USD 1000 in 2006

Health Service Delivery

- The Expanded Program on Immunization (EPI) has achieved at least 80 per cent coverage
- The immunization program is carried out primarily through the community health centers - located in every sub-districts, serves an average 31,000 persons

Health Service Delivery

- The Mother and Child Health program has rapidly expanded its network of services
- Antenatal care is available to all pregnant women at little cost, however, while 80 per cent of the target population had at least 1 visit, only 50 per cent had been examined 4 times

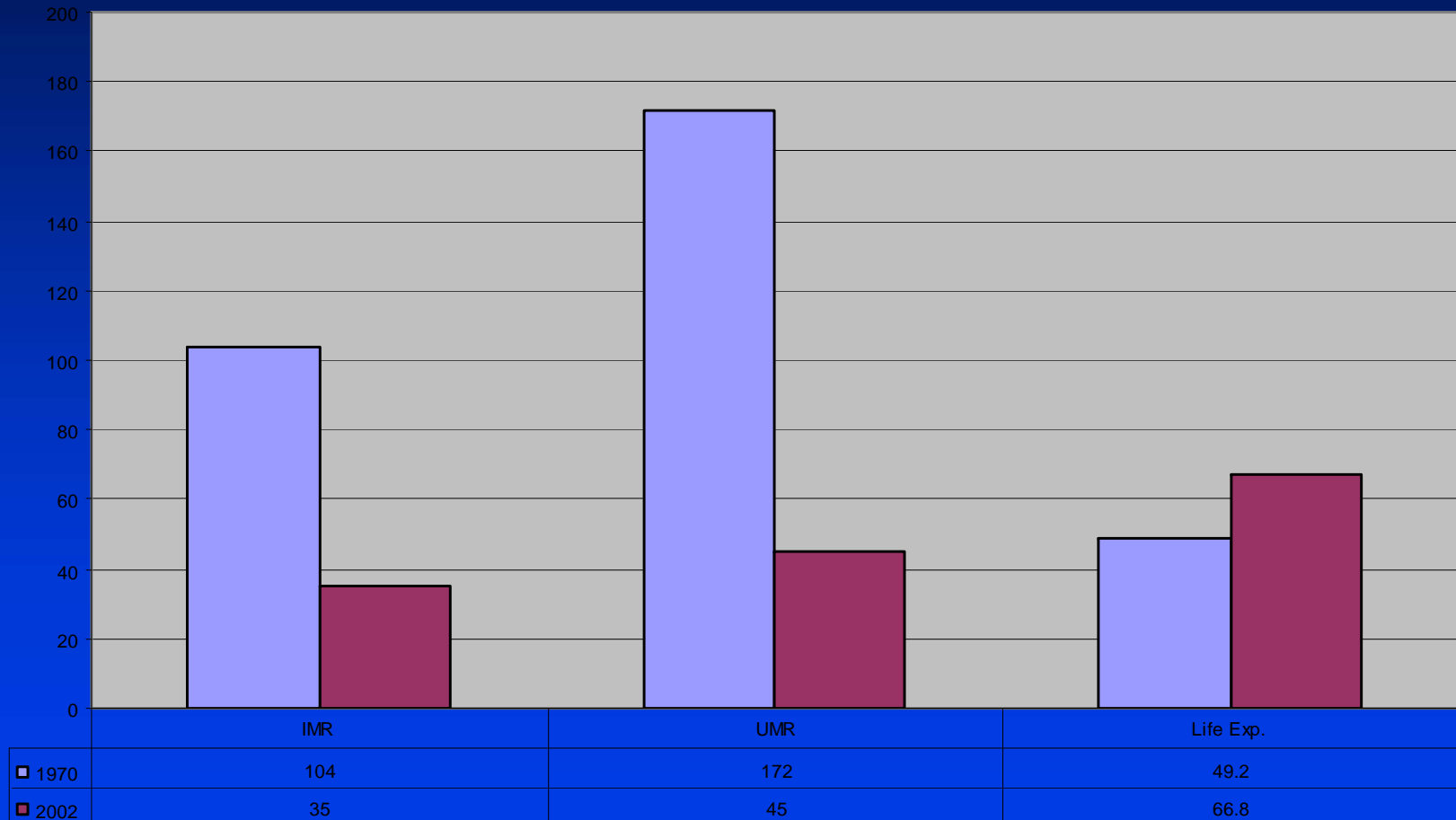
Health Status

- Impressive achievements have been made in improving health status and reducing fertility
- The main causes of death for all ages in 2001:
 - cardiovascular diseases
 - Infectious diseases and parasite infection
 - perinatal problems
 - injuries and neoplasms
 - pregnancy related-disorders

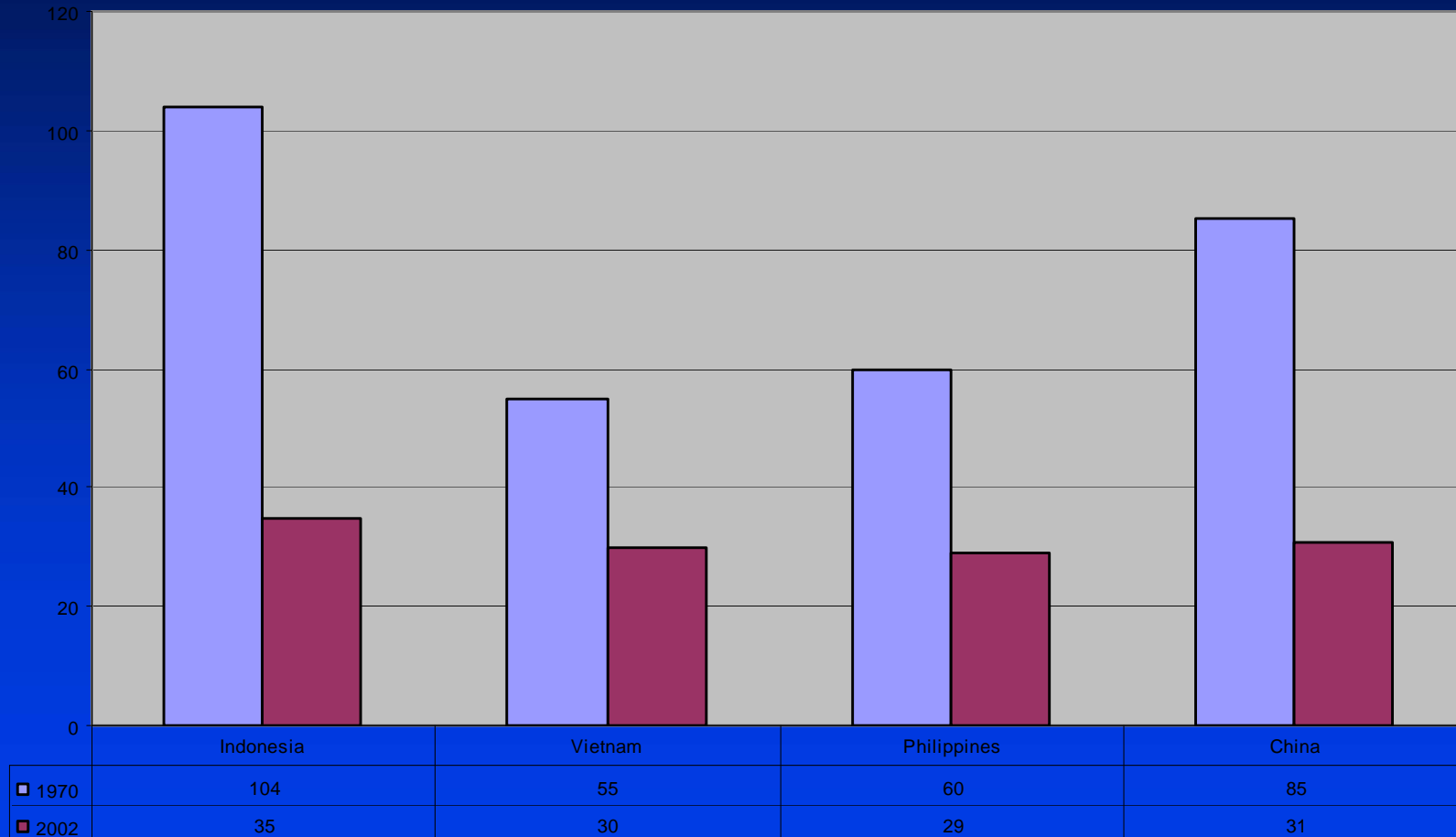
Health Status

- Mortality Rates: IMR (IDHS 2002/3: 35/1000 live births)– the lowest in Yogyakarta (19) the highest in Central Lombok (82); the trend of underfive mortality also showing rapid decrease. However, the trend of MMR is still not promising – without special effort the MDG target may not be fulfilled
- Life expectancy: increased dramatically from 49.2 in 1970s to 66.8 years in 2002

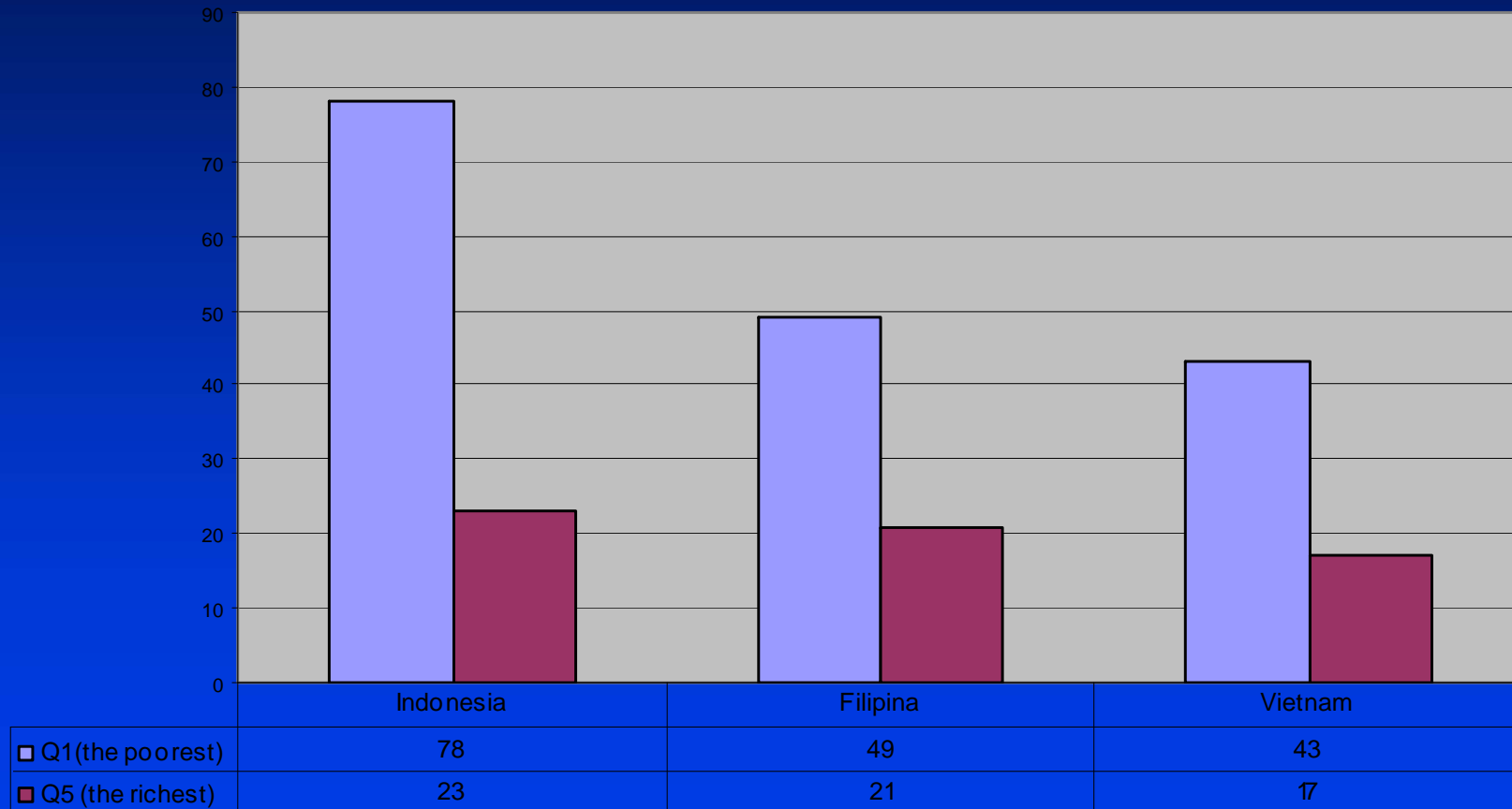
Trend of Health Status in Indonesia: 1970 - 2002



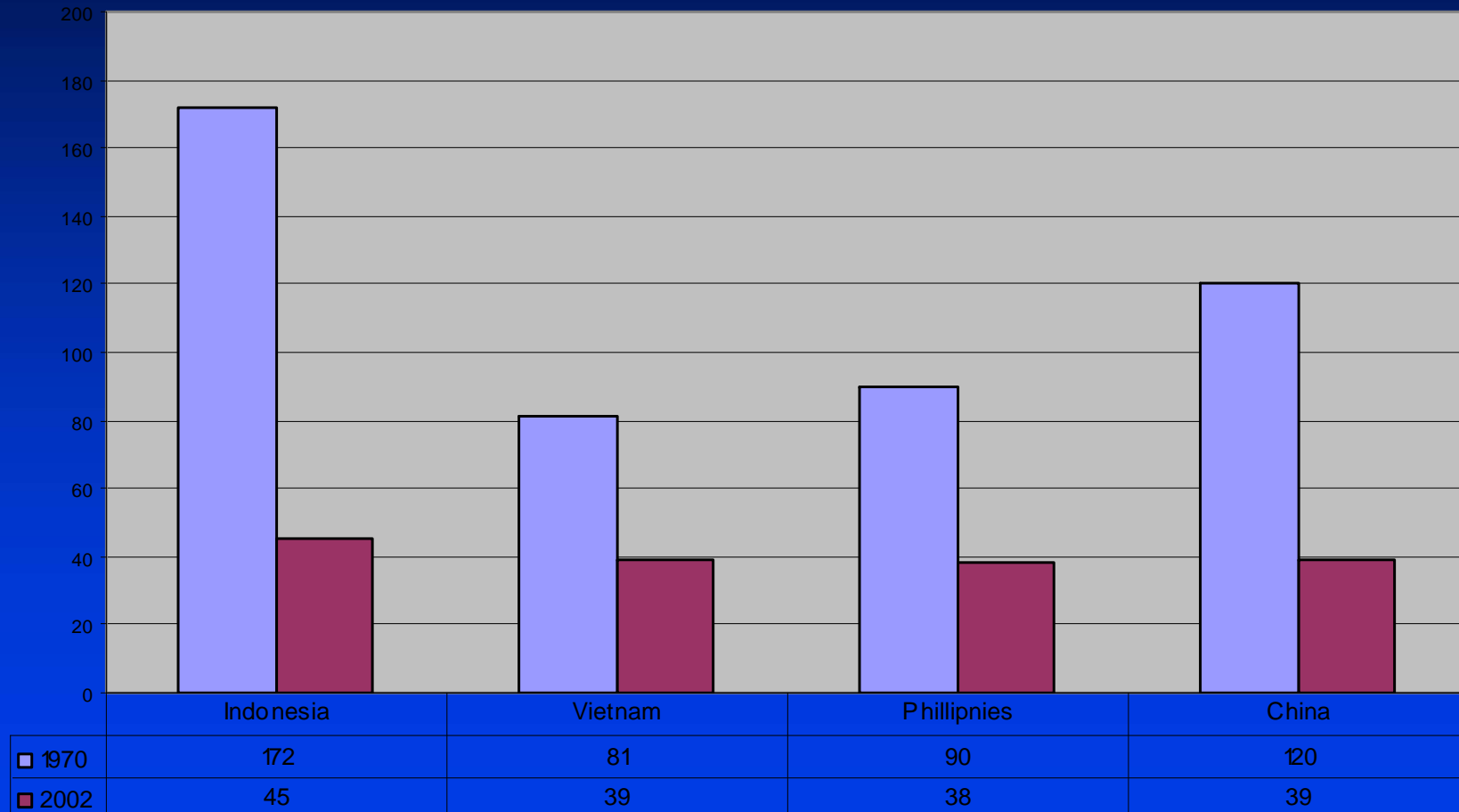
IMR: Indonesia compared to other Asian Countries



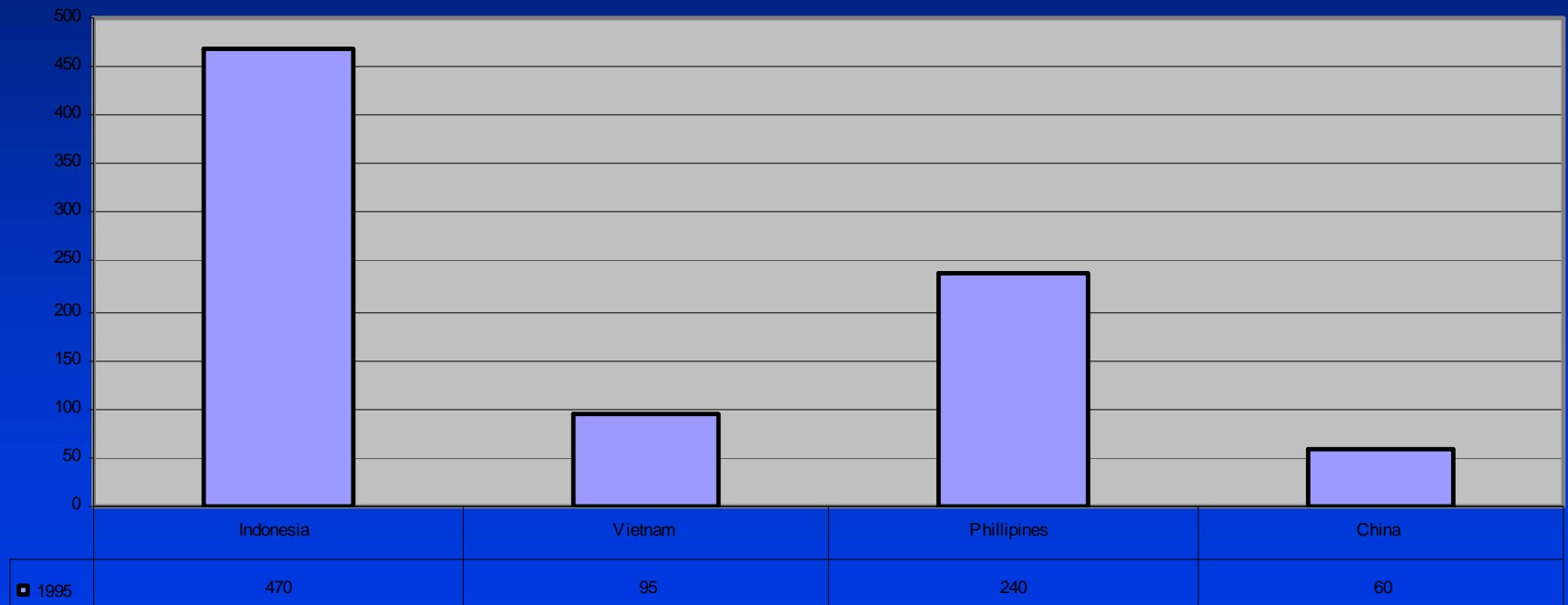
IMR (Q1 vs Q5): Indonesia, Philippines, and Vietnam



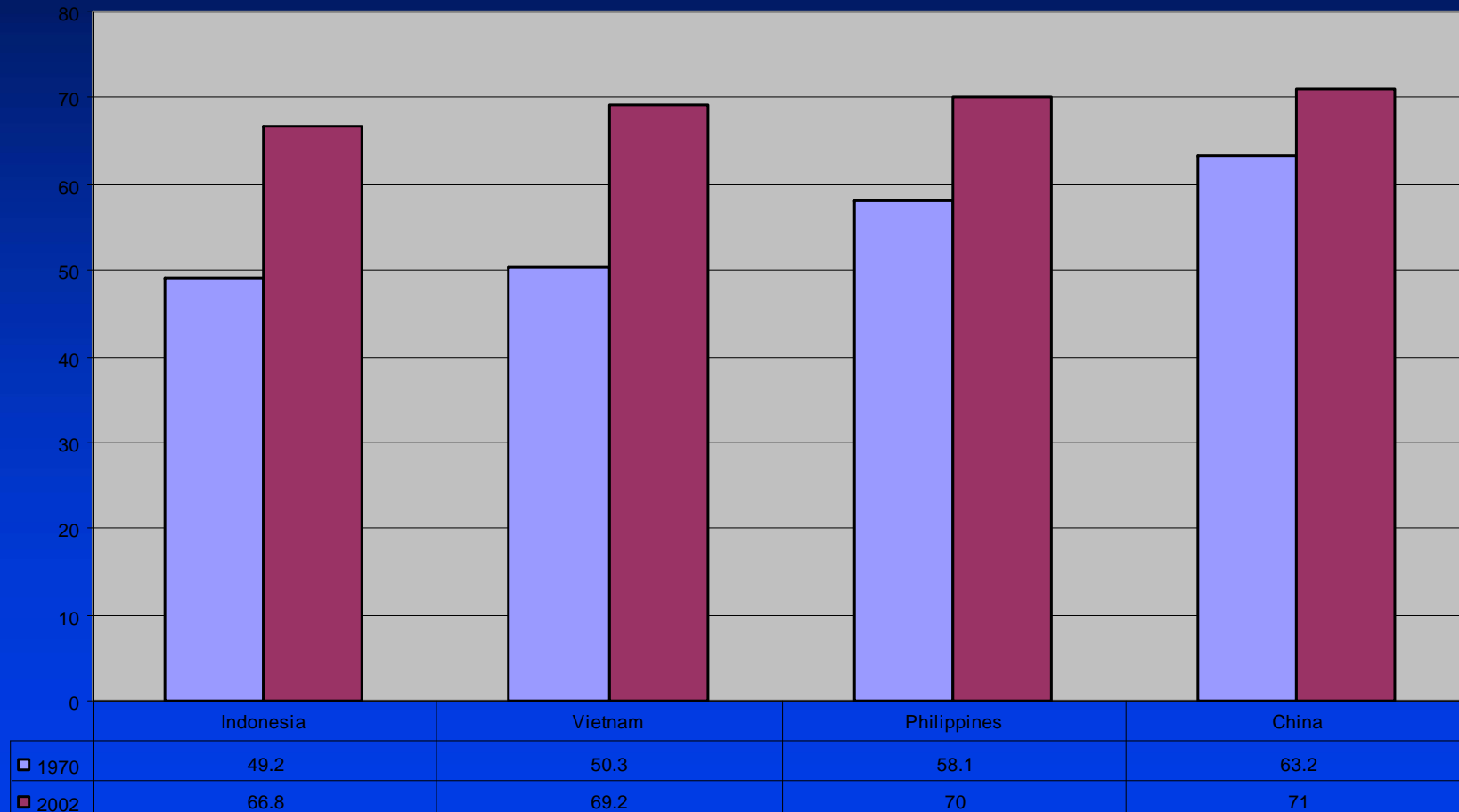
UMR: Indonesia compared with other Asian Countries



MM Ratio 1995: Indonesia compared with other Asian Countries



Life Expectancy: Indonesia compared with other Asian Countries

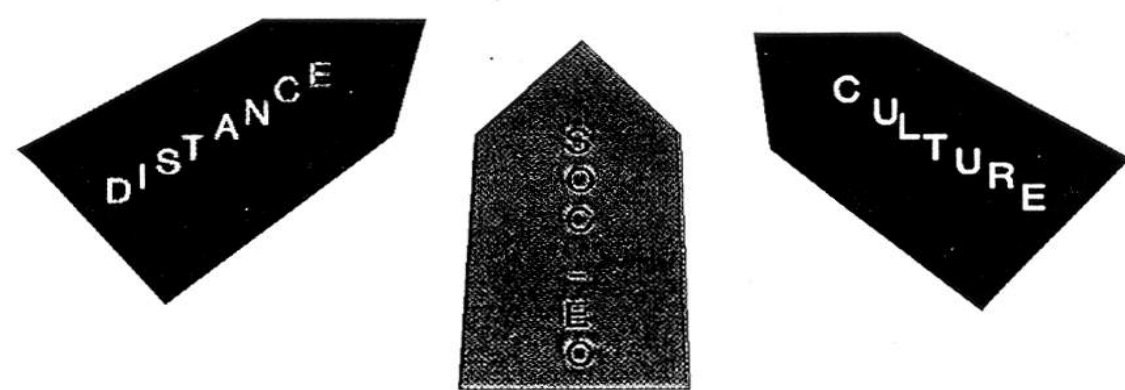


Health Care System

- Secondary and tertiary care, provided by
 - at district, provincial and central level: 835 general hospitals with 98,952 beds (51.5 beds per 100,000 population)
 - 156 special hospitals (tuberculosis, leprosy, eye hospitals) with 9,601 beds (5 beds per 100,000 population)
 - 48 psychiatric hospitals with 8,294 beds (94.3 beds per 100,000 population)
- 12,16 medical doctors per 100,000 population (1994)

LOW UTILIZATION OF HLTH FACILITIES BY THE POOR [1990]

HOSPITAL	⇒	2 %
HEALTH CENTER	⇒	14 %
SUB - HC	⇒	23 %



Health Care System

- HHS 2001 showed only 55% of the people with complaints and ailments seek for modern health care: 28% went to private practice, 24% went to health providers, 24% went to Health Center, and 10% went to auxiliary Health Centers (10%).
- The level of customer satisfaction is lower in the public service compared with the private

Health Care System

- The same data set showed that regarding the government's effort to protect the health of the poor by provision of healthy card, only 11% the poorest quintile have access to the HC, meanwhile the 20% of the richest Q4 and Q5 have access to the HC.

Health Care Financing

- Health Expenditure accounted for about 2.5% of the country GDP
- About 0.7% was incurred by the government
- Community spending was mainly “out-of-pocket” (75%), with only 25% paid for through health insurance. Most expenditures (76%) were for curative. The cost of drug consumption per capita was only USD 5.00
- Total health expenditures is estimated below USD 20 (WHO recommendation: USD 32)

Health Care Financing

- Since 2000 the local government has agreed to allocate 15% of their budget for health, however in 2002 most of the local government only allocated around 9% of their budget for health. In the mean time at the national level the allocation for health was only 3-4%
- The non-public health spending was dominated by the curative efforts (88%): hospitalization, ambulatory care, and drugs

Imbalance in present investments in health

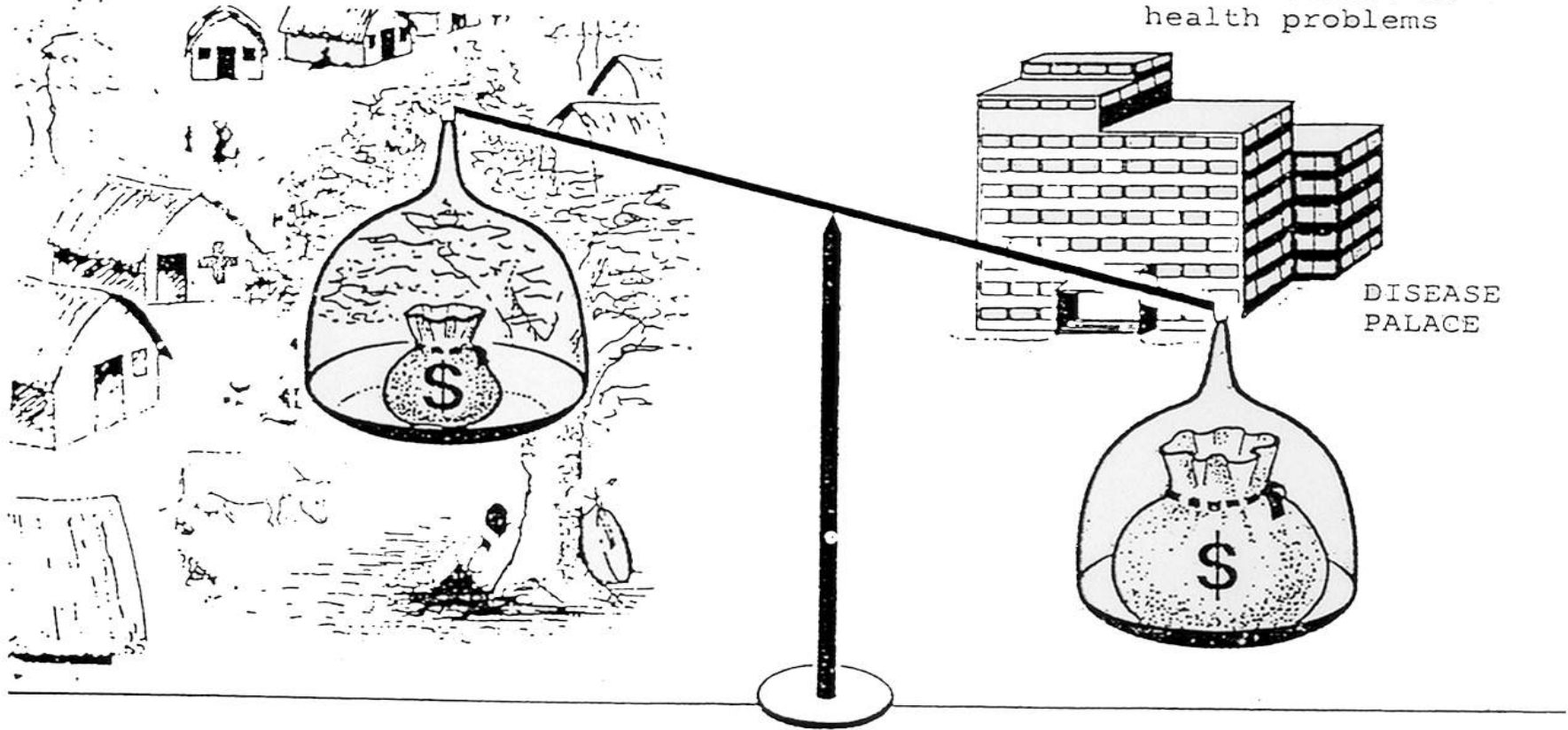
CONCEPT: Cost increases with specialisation

Primary health care

- Low cost
- Difficult to introduce
- Great effect on common health problems

Specialised health care

- Expensive
- Easy to introduce
- Prestigious
- Little effect on health problems



Health status

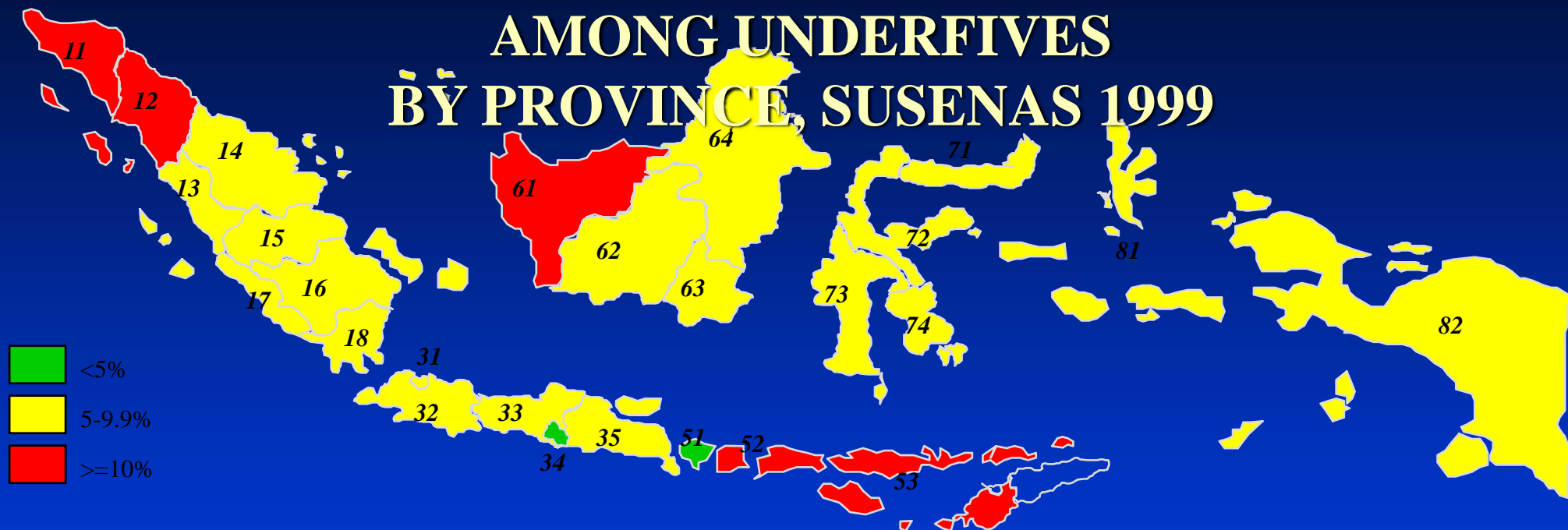
HEALTH

80 per cent of health budgets are used to cure the illnesses of a minority through the training and equipping of doctors who are usually men...

80 per cent of all illness in the Third World could be prevented by better nutrition, water supply, sanitation, immunisation and preventive health education – the responsibility for which is usually taken by women.

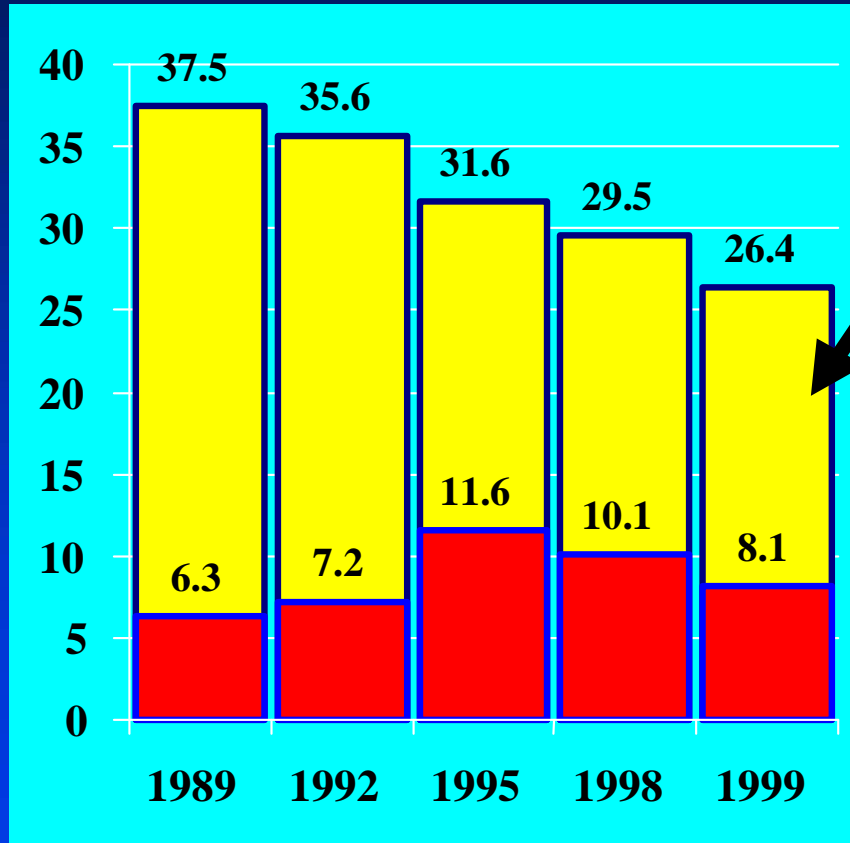


PREVALENCE OF MALNUTRITION AMONG UNDERFIVES BY PROVINCE, SUSENAS 1999



Kode	Provinsi	Prev	Kode	Provinsi	Prev	Kode	Provinsi	Prev	Kode	Provinsi	Prev
11	DI Aceh	10.95	31	DKI-Jkt	5.72	61	Kalbar	11.48	81	Maluku	7.34
12	Sumut	11.36	32	Jabar	6.16	62	Kalteng	7.56	82	Papua	9.67
13	Sumbar	7.55	33	Jateng	5.42	63	Kalsel	8.23			
14	Riau	8.40	34	DI Jogja	3.58	64	Kaltim	7.57			
15	Jambi	9.69	35	Jatim	7.78	71	Sulut	8.24			
16	Sumsel	5.93	51	Bali	3.98	72	Sulteng	7.23			
17	Bengkulu	9.82	52	NTB	10.64	73	Sulsel	9.01			
18	Lampung	8.46	53	NTT	10.13	74	Sultra	5.63			

TREND OF PEM AMONG UNDERFIVES (SUSENAS 1998-1999)



- Mild malnutrition (W/A)

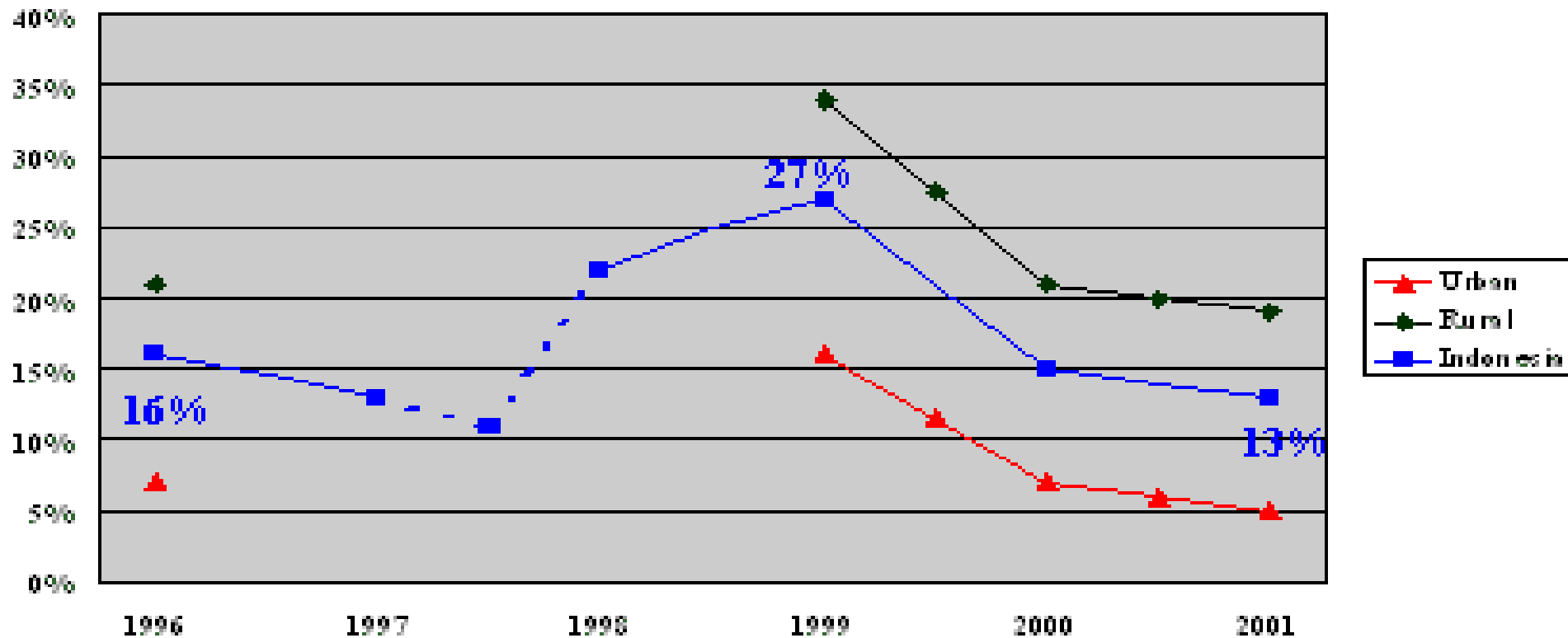
Decrease to 37.5 % (1989)
26.4 % (1999)

- Severe Malnutrition (W/A)

Increasing until 1995
Decreasing in 1998 & 9

Trend of poverty in Indonesia (1996-2001)

Poverty Rate Trends (February 1996-February 2001)



Trend of HDI: Indonesia, China, Vietnam

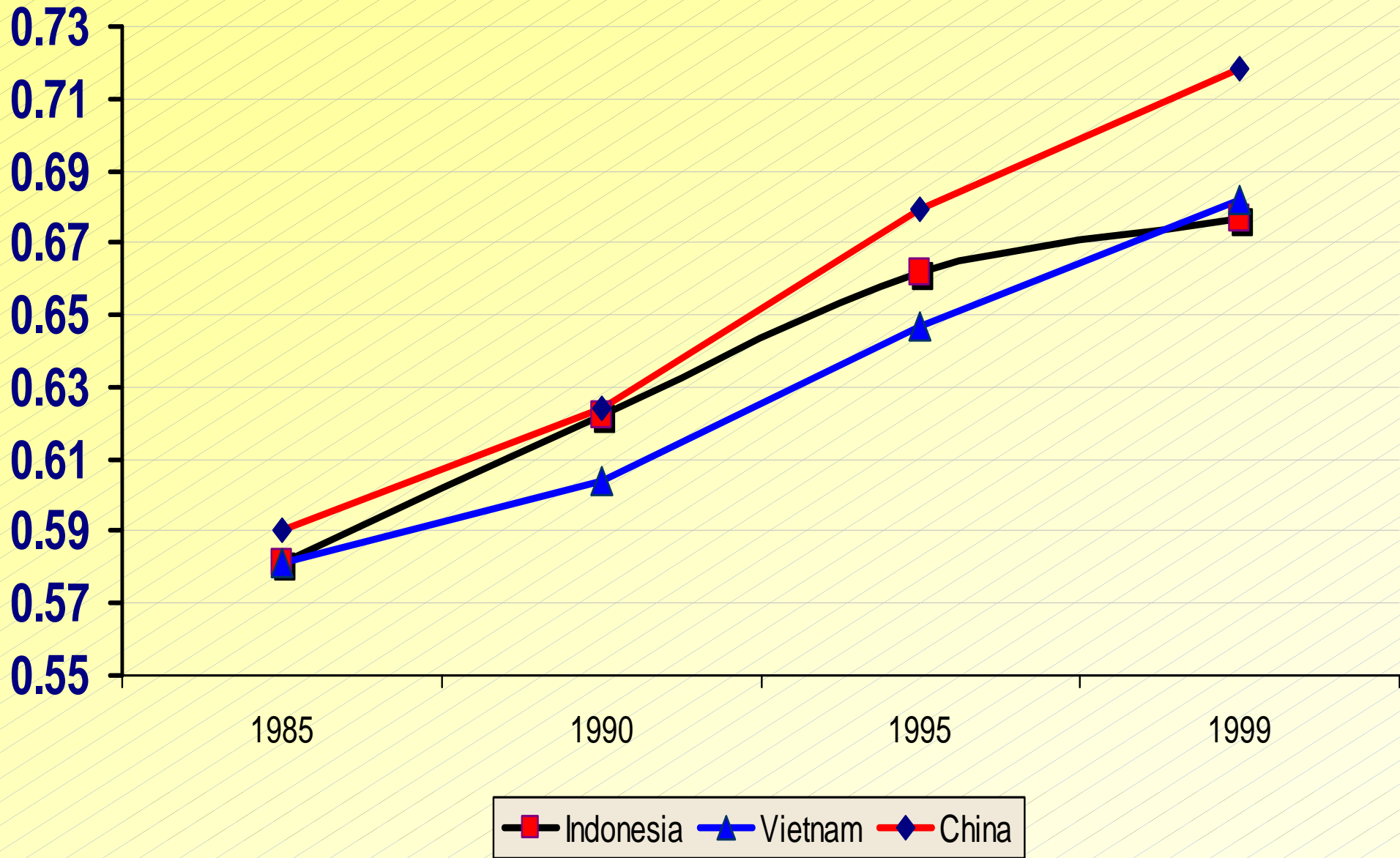
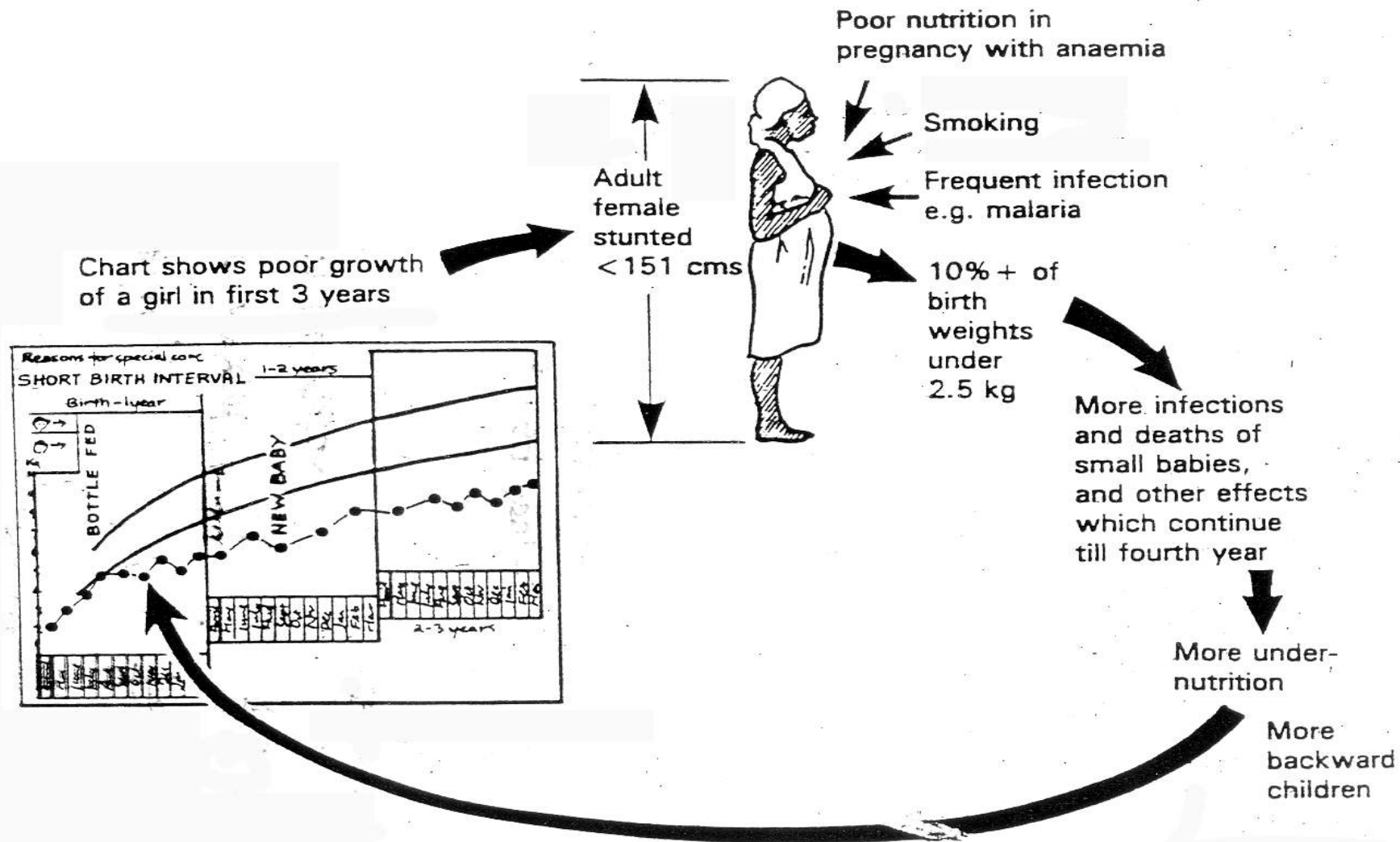
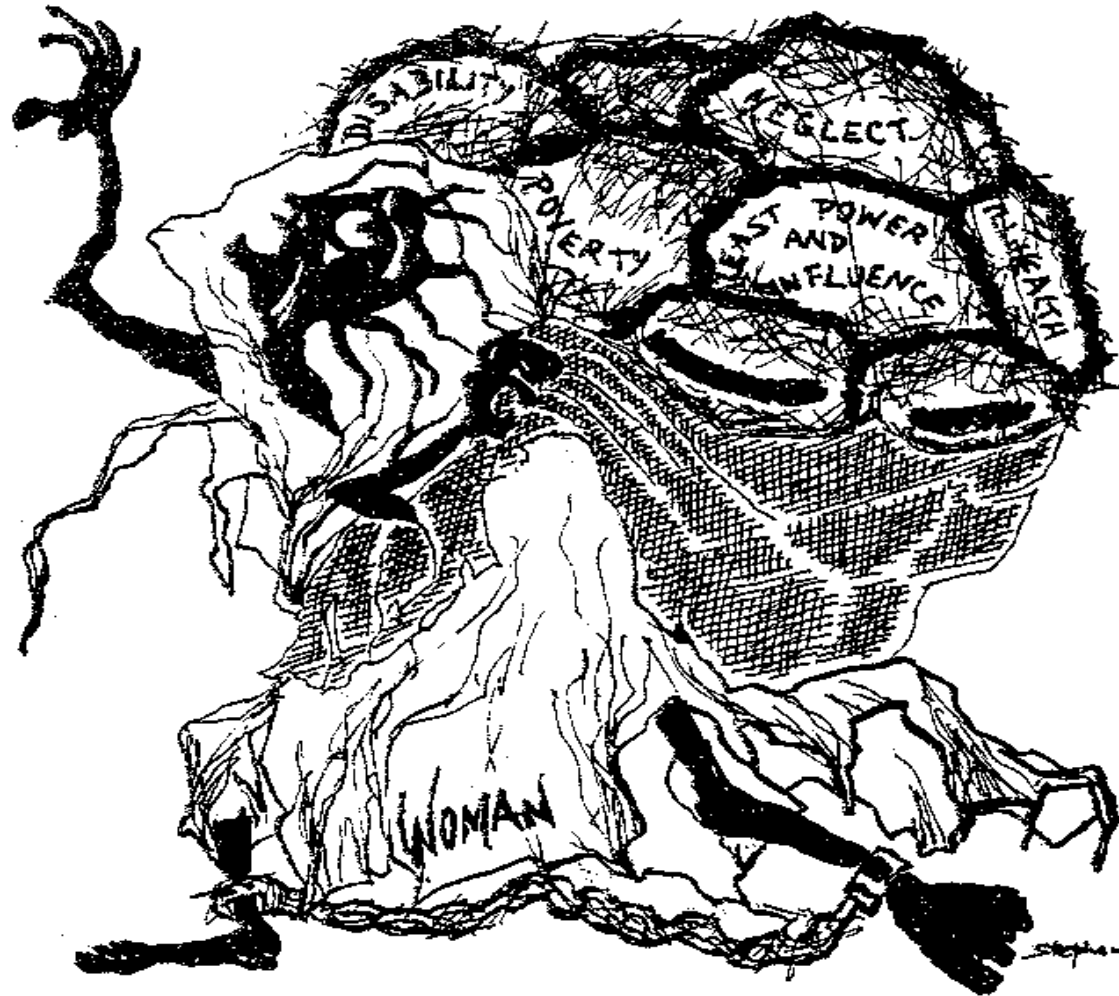


Fig. 46 The cycle of undernutrition



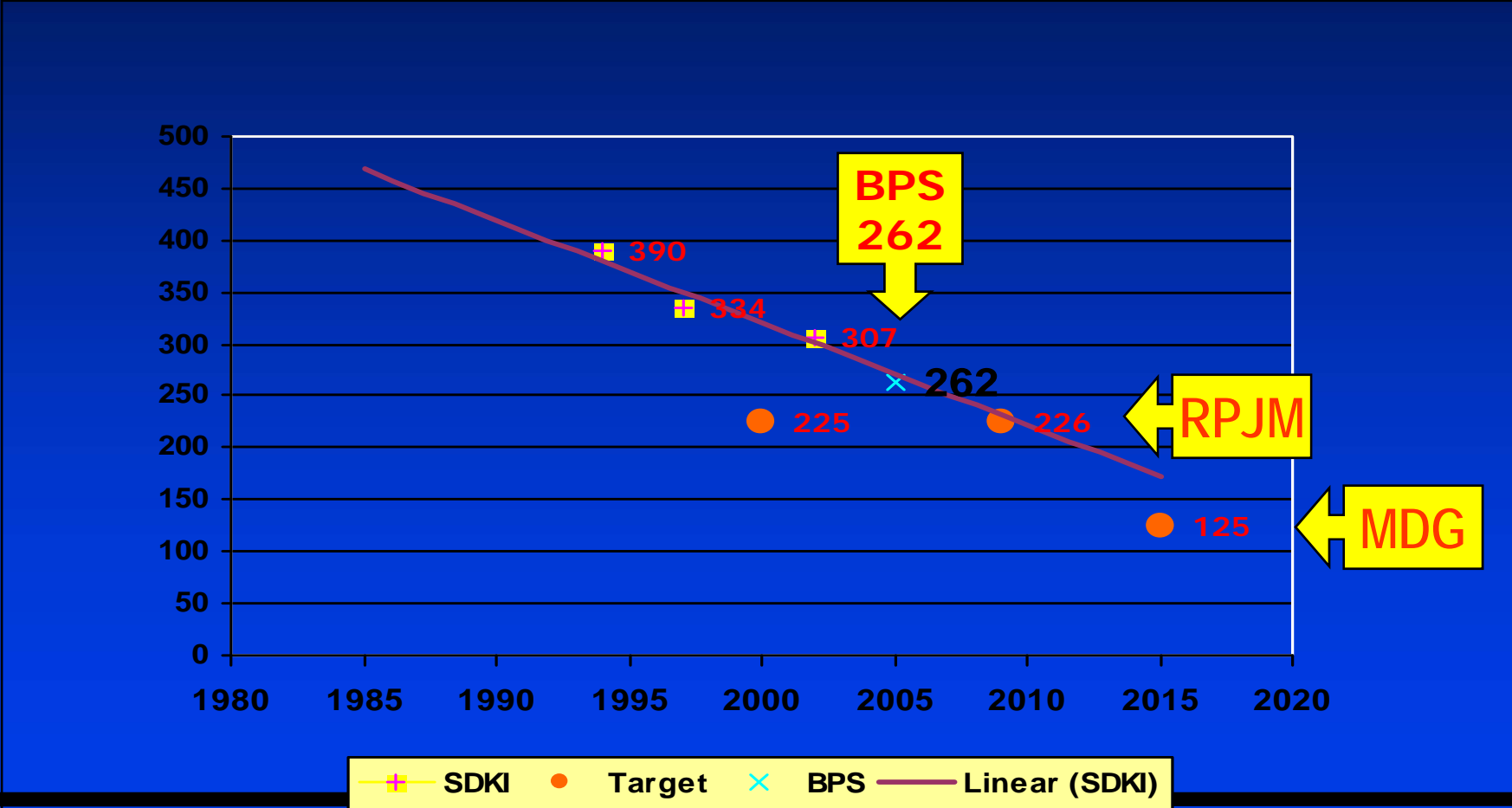


Women carry an undue burden of negative factors which makes their reproductive risks even greater.

Discussion

- The traditional health indicators as represented in HFA by the year 2000: life expectancy (> 60 years), IMR (< 50 per 1000 live births), UMR (< 70 live births) were not sensitive enough. Indonesia already met the target, does it mean HFA already achieved?
- HDI and MDGs indicators are more sensitive than HFA and the targets are more ambitious, for sure Indonesia is facing a big problem in fulfilling the target to reduce the MMR to 125 per 1000 live births by 2015.

MMR in Indonesia: projection vs MDG target



Discussion

- Indonesia is facing double burden (hypertension, cardiovascular diseases, and cataract blindness – the backlog already surpassed 2 million), and at the same time infectious diseases are still rampant (TBC, Malaria and other neglected diseases), new emerging diseases: HIV/ AIDS and Avian Influenza

Discussion

- Other form of double burden is demonstrated by the emerging cases of obesity and at the same under nutrition are still an issue. As a matter of fact micronutrient deficiency is more an issue compare to macronutrient deficiency (lost generation)
- The health care system in Indonesia are too liberal (health for those who can pay), the health status of the richest quintile of the population is comparable to the developed countries – market failure. The government effort to protect the poor is still not effectively targetted.

Discussion

- There are wide variations of health status between provinces, urban vs rural, and Q1 (the poorest) vs. Q5 (the richest)
- It is obvious the market will only serve those who can pay, and the government have not been successful in compensating the market failure (Indonesia is not a welfare state)
- Altruism among the health providers are pretty low (rare) since there is no incentives from the government (no tax exemption)