



# Capitation Fund Management Reform

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# Puskesmas' Distribution



Total Puskesmas: **9.719 Puskesmas** (Pusdatin – MOH RI, 2015)

Puskesmas BLUD\* : ± 427 Puskesmas (**4.4%**) → flexible in management of capitation fund

Puskesmas NonBLUD\* : ± 9.292 Puskesmas (**95.6%**) → depend on local regulations

# Background and Aims

## Background

- The Government of Indonesia has regulated capitation fund disbursement and management for Puskesmas nonBLUD to help improve Puskesmas' roles under the Presidential Regulation (PerPres) No 32/2014, Ministry of Health Decree No 19 and 28 in 2014, and a letter borne by Ministry of Home Affairs.

## Aims

To identify perspectives and problems regarding regulations, encountered by the local governments on:

- Legal aspects,
- Human resources, and
- Financial aspects.

# NEW Regulations of Management and Disbursement of Capitation Fund in 2014

Clause 39 (1) Presidential Regulation No.12/2013 about Health Security and its amendment in Presidential Regulation No.111/2013

“BPJS-Health has to pay to primary healthcare services with the capitation mechanism based on the number of members enrolled in primary healthcare services”

**Presidential regulation (Perpres) 32/2014** about management and disbursement of capitation fund of JKN in primary healthcare services owned by Local Government

**Ministry of Health Decree (Permenkes) 19/2014** about The use of capitation fund of JKN in primary healthcare services owned by Local Government

**Ministry of Health Decree (Permenkes) 28/2014** about Guidelines of JKN Implementation

Letter by Ministry of Home Affairs (SE MDN) No900/2280/SJ 5 May 2014, about technical budgeting, implementation, administration, and responsibilities of capitation fund of JKN in primary healthcare services owned by Local Government

# Methodology

## Study design

- A descriptive qualitative assessment
- Held in August-November 2014
- 16 Puskesmas in 8 districts in 4 provinces:
  - North Sumatera
  - Centre Kalimantan
  - East Java
  - East Nusa Tenggara

## Data Collection

- In-depth interview
  - >> District health officers
- Focus group discussion
  - >> Puskesmas staff
- Budget planning for capitation spending from respective Puskesmas

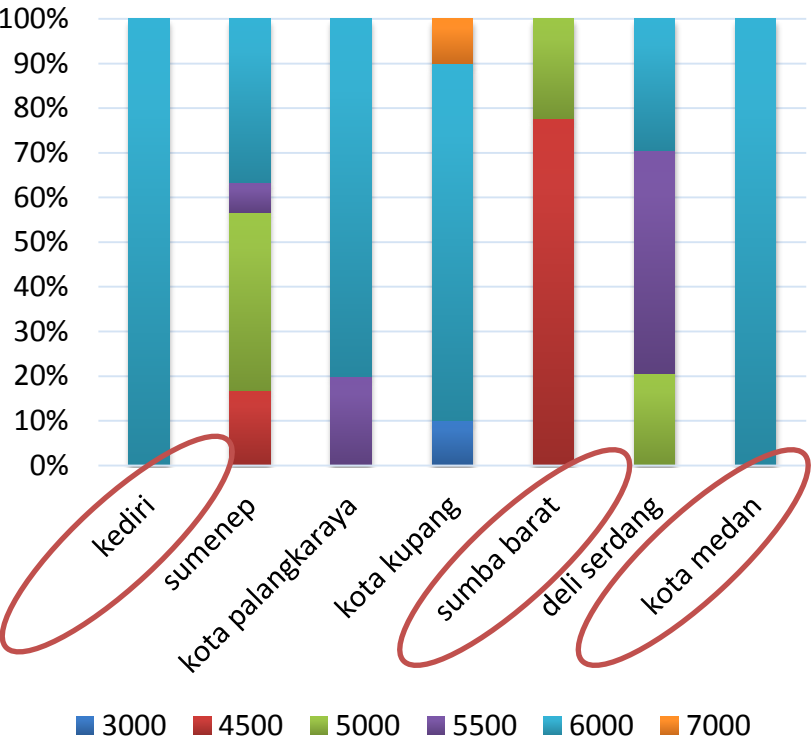
# Result and Discussion

# Before and After Capitation Management Reform

Variabel	Before	After
Total amount will be accepted by Puskesmas	Total amount is subject to change by Local Government	Puskesmas knows exactly how much capitation fund will be received each month
Medical Incentives	Depends on local regulations, some districts had functional incentives for medical staff but the others did not.	The amount is bigger than before, it can be estimated and is transparent to all Puskesmas' staff
Time of fund disbursement	Timing is opaque (Puskesmas is highly dependable to Local Government)	BPJS-Health guarantees that capitation fund will be disbursed to Puskesmas at the beginning of month.
Capitation fund management mechanism	Management and administration were done by District Health Office and/or Revenue and Local Assets Office (DPPKAD)	Puskesmas are expected to manage capitation fund by themselves
Indicators of amount of capitation fund that Puskesmas will received	Number of cases or utilization of healthcare services for each month	Number of member who registered in each Puskesmas, also number of GP, dentist, and Puskesmas facilities (laboratories, pharmacy, etc)

# Distribution of amount of capitation fund per capita and number of member in each Puskesmas in 8 districts

% Puskesmas by amount of capitation fund



	sumenep	kediri	kota kupang	West sumba	kota medan	deli serdang	kota palangkaraya
<b>Rp3.000/capita/month</b>							
Minimum member			9,020				
Maximum member			9,020				
<b>Rp4.500/capita/month</b>							
Minimum member	5,798			53			
Maximum member	24,501			16,367			
<b>Rp5.000/capita/month</b>							
Minimum member	3,985			10,974		8,294	
Maximum member	25,847			16,674		16,735	
<b>Rp5.500/capita/month</b>							
Minimum member	16,060					1,777	1,262
Maximum member	22,220					32,909	3,228
<b>Rp6.000/capita/month</b>							
Minimum member	9,779	3,709	6,447		4,080	3,978	988
Maximum member	37,090	12,291	23,393		56,825	40,219	22,430
<b>Rp7.000/capita/month</b>							
Minimum member			22,707				
Maximum member			22,707				

Poor distribution still exists in terms of amount of capitation fund per capita and number of member enrolled in each Puskesmas. Some Puskesmas have **larges members** but **lower capitation fund (Sumenep)**, while others Puskesmas have **very few members (West Sumba)**



# Finding of legal aspects on regulations of management and disbursement of capitation fund

- In districts surveyed, all local governments **have appointed** a financial manager and set up a separate bank account for each Puskesmas.
- Capitation fund should be **part of Local Budget Revenue and Expenditures (APBD)**, all Puskesmas are **not allowed to disburse capitation fund until they receive approval** from Local Government
- However, in Deli Serdang, the local government observed **contradiction between Presidential Regulation (Perpres) No.32/2014 and Government Regulation (PP) No.58/2005**. So **they use the local mechanism in managing capitation fund as before**.
- All districts felt that **the new regulations are not detail**, esp about the technical management and administration → **different perceptions** observed across districts.

# The arrangement of Planning of Activity and Budgeting in Puskesmas

- Regarding regulations, each Puskesmas has to make planning of activity and budgeting (RKA) (funded by capitation fund)
- **RKA should be submitted** to Local Budget Revenue and Expenditures (APBD) and **approved** by local government.
- Problems in making RKA in Puskesmas
  - Difficulties to understanding the new regulations
  - Difficulties to estimating number of member enrolled in their Puskesmas in a year
  - Possibility of double funding of Puskesmas activities
  - Limitation in skilled staff for management and administration
  - Absence of BPJS-Health' assistance
  - Slow RKA's approval process by local government

# Allocation of Capitation Fund

*“Minimum 60% of total revenue of capitation fund is used for staff incentives” (Perpres 32/2014)*

Districts	Incentives	Operational Cost	
		Drugs, Med. Equipment, etc	Other operational Activity
Sumba Barat, NTT	<b>60%</b>	40%	
Kota Kupang, NTT		40%	
Sumenep, Jatim		30%	10%
Kediri, Jatim		20%	20%
Kota Palangkaraya, Kalteng		25%	15%
Barito Selatan, Kalteng		25%	15%
Kota Medan, Sumut		35%	5%
Deli Serdang, Sumut		40%	

# Acceptance and Disbursement of Capitation Fund in Puskesmas (until September 2014)

Districts	Month of capitation fund received	Disbursement of Capitation Fund	
		Incentives	Operational cost
Sumba Barat, NTT	July	Not yet	Not yet
Kota Kupang, NTT	Not directly, funding are still in DHO	Not yet	Not yet
Sumenep, Jatim	July	Not yet	Not yet
Kediri, Jatim	July	Not yet	Not yet
Kota Palangkaraya, Kalteng	July	Not yet	Not yet
Barito Selatan, Kalteng	July	Not yet	Not yet
Kota Medan, Sumut	July	<b>YES</b>	Not yet
Deli Serdang, Sumut	July, but transferred to Local Treasure directly	Not yet	Not yet

# Simulation on incentives distribution of capitation fund in one Puskesmas in Sumba Barat, NTT

## 8 months simulation (May-Dec'14)

**Amount of capitation fund** : IDR 5,000

**Enrollees:** 16.703 people

**Human Resources:** 24 people

- 1 GP
- 1 Dentist
- 2 Bachelor of Health (1 Head of Puskesmas)
- 9 Diploma of Health (1 Head of Administration)
- 6 Other staff of health (1 Financial Manager in Puskesmas)
- 5 Regular Staff

Human Resources	Points per person	Incentives per person (IDR)
Physicians	176	5 million
Bachelor of Health (Head of Puskesmas)	116	3.3 million
Bachelor of Health	86	2.5 million
Diploma of Health (Head of Administration)	96	2.7 million
Diploma of Health	60-76	1.7-2.1 million
Health staff (financial manager)	81	2.3 million
Other health staff	51-61	1.4-1.7 million
Regular staff	41	1.2 million

This simulation does not apply to all Puskesmas, it is depends on amount of capitation fund, enrollees, and human resources

# Problems of indicators used to calculate incentives

## Workload

- GP and Dentist have same points, but GP treats more patient than dentist (Deli Serdang, Sumut)
- Midwife in Pustu (Assistance Puskesmas) has bigger workload than midwife in Puskesmas, but they have same points (Sumenep, Jatim)

## Education

- An older staff (who only has Diploma) got lower points than new staff (a Bachelor) (Palangkaraya, Kalteng)
- What education should be pursued? The functional education (nurse), or management (bachelor of administration) (Medan, Sumut)

## Absenteeism

- GP or Dentist do not come to Puskesmas everyday but they points are still higher than others (Kediri, Jatim)
- Sickness leave is not accounted (Sumba Barat, NTT)

# Problems in management and utilization of capitation fund for *supporting operational activities in Puskesmas*

No local regulations in Puskesmas, procurements of drugs/equipment/others are done by DHO

Deli Serdang

Medan

Puskesmas cannot do procurement of drugs (no pharmacist)

Puskesmas do not understand e-catalog. No drugs distributor in this district

Palangkaraya

Barito Selatan

No discussion for drugs procurement between DHO and Puskesmas

Puskesmas do not have certifications to do procurements

Sumenep

Kediri

Kota Kupang

It is difficult for Puskesmas to estimate drugs needed. DHO still supplies drugs/equipment/others

West Sumba

No local regulations, Puskesmas are not eligible to procure the drugs/equipment/others

No skilled Puskesmas' staff to do procurements

# Conclusions and Recommendations



# Conclusions

- All Puskesmas surveyed **response positively** on how capitation fund is being managed under new regulation in respect to **bureaucracy, independency, amount, and disbursement schedule.**
- 16 Puskesmas surveyed have been receiving capitation fund since June or July 2014. Unfortunately, the regulation on how to utilize the fund at district level is still lacking.
- Until October 2014, **only 1 out of 8 districts** (Medan) **has used the fund to incentivize Puskesmas staff**, as suggested by DHO
- Due to Puskesmas are still required to report of all funding sources as part of APBD, all **Puskesmas are not allowed to disburse capitation fund until they receive approval from Local Government.**
- Majority of Puskesmas still need skilled staff (in management and administration).
- Puskesmas also **do not have skills and competence to do independent drugs/equipment/others procurements.**

# Recommendations

- Distribution of enrollees in Puskesmas should be evaluated
- Urgency for strong Monitoring and Evaluation.
- Puskesmas' staff should be trained about the management and administration in capitation fund.
- Coordination between Central and Local Government to reduce misunderstanding
- If Puskesmas do not have skill and competence, Government should allow DHO to procure of drugs/equipment/other
- **Function of Puskesmas as the primary healthcare facility should be the most important. DHO must assist Puskesmas to manage the fund.**

# Thank you

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