The Effect of Capitation Value of Healthcare and Social Security Agency on Service Quality at Primary Clinics

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Abstract

Indonesia started to apply the National Health Insurance System on January 1, 2014, and the legal entity formed to administer this program is the Healthcare and Social Security Agency. Funding for the Healthcare and Social Security Agency at primary clinic uses the capitation system where the funds are mostly used for services and operations. The use of capitation funds at the primary clinic is fully managed by itself based on the agreement. This actually creates the potential for fraud because of the lack of regulations on using the capitation funds. Fraud at the primary clinic does not really appear on the surface like a fraud in hospitals. It can be in the form of insufficient resources, facilities and service discrimination. Many studies have shown a link between capitation funds and health services. A primary clinic needs to have an audit team to evaluate whether the use of capitation funds is following the expected targets and needs.

Key Words: *Healthcare and Social Security Agency, Fraud, Capitation, Primary Clinic, Quality, Services.*

Introduction

Health development is integral and most important part of national development, as stated in the 1945 Constitution. Implementing health development aims to increase awareness, willingness, and ability to live a healthy life for everyone to achieve an optimal degree of public health. The success of health development plays an important role in improving service quality and competitiveness of Indonesian human resources.[1, 2]

The National Health Insurance System has been implemented in Indonesia since January 1, 2014, and is planned to achieve universal health coverage by 2019. Act No. 40 the Year 2004 on the National Social Security System defines as a procedure for administering social security programs by the social security administering agency. A legal entity established to administer the health social security program is the Healthcare and Social Security Agency. [3]

The Healthcare and Social Security Agency has the authority to make contracts with healthcare facilities that provide individual health services, both promotive, preventive, curative, and rehabilitative, carried out by the government, regional government, and/or the community. The agency also has the duty to pay the benefits and/or costs of health services based on the provisions. 4

Authorized Primary Care Facilities provide non-specialized personal health services. This includes the needs for observation, diagnosis, treatment, treatment and other health services. Health service facilities as a media to carry out health efforts for the community.[5]

One of the Authorized Primary Care Facilities provided by the government is community health centres, while private services such as clinics and independent practice doctors.[2]The Healthcare and Social Security Agency has 28,000 health service facilities tied in contracts, including 237 main clinics and 6,535 primary clinics.[6] The clinic receives funding from The Healthcare and Social Security Agency on a capitation basis

Capitation is the amount of payment per month paid in advance to the Authorized Primary Care Facilities based on the number of registered participants regardless of the type and number of health services provided.[7]The capitation rate is strongly influenced by the utilization rate of health services, and the types of health insurance packages (benefits) offered and unit costs service. The formula for calculating capitation is "the utilization rate multiplied by the unit cost".[8]

The utilization rate is the utilization of health service facilities owned by Authorized Primary Care Facilities , expressed in per cent. The utilization rate is influenced by the characteristics of the population, the service system's nature, the benefits offered and the insurance policy. Utilization is the number of visits per 100 people in a certain population or number of visits/ total population x 100%.[8]

Capitation is given to authorized primary care facility or Authorized Primary Care Facilities based on the number of participants served in an area. The capitation model allows the doctor or Authorized Primary Care Facilities management to clearly calculate the income, based on the number of dependent participants in the area.[9] Research shows that the use of capitation funds in clinics is mostly to pay for services and the rest for operations.[10]

Capitation funds for authorized primary care facilities are generally insufficient, especially for drugs and laboratory costs.[10] The use of capitation funds by Authorized Primary Care Facilities is to provide health services, both preventive and curative services. This article aims to review the effect of the BPJS capitation value on Primary Clinic services' quality.

Discussion

The Healthcare and Social Security Agency and Capitation Fund

Indonesia began to apply the The National Health Insurance System system in 2014 and is targeted to reach Universal Health Coverage by 2019. The legal entity established to implement this program is the Healthcare and Social Security Agency. The Healthcare and Social Security Agency has a task to pay for each benefit and/ or costs of health services based on the provisions. The development of the Healthcare and Social Security Agency services must have a service quality control system and payment system for the efficiency and effectiveness of health insurance.

National Health Insurance is one part of the National Social Security mandated by the Constitution. The 5th precept of Pancasila is the reason for the birth of the amendment to the 1945 constitution article 28H, which outlines special provisions regarding the social rights of citizens which the state must guarantee, including the right to health. [11]

The Healthcare and Social Security Agency is to collect contributions paid by participants, then distributed on a capitation basis to optimize services.[12] Capitation is one of the models used in payments to Authorized Primary Care Facilities in the The National Health Insurance System era.[13] Capitation funds are distributed to contracted Authorized Primary Care Facilities by the Healthcare and Social Security Agency. The use of capitation funds at the Primary Clinic is fully managed by itself. This actually creates the potential for fraud because of the lack of regulations on using the capitation funds.

The capitation system does not rule out the fraud, for example, the primary clinic, is not following statutory provisions, manipulates claims on non-capitally paid services, receives commissions for referrals to Authorized Primary Care Facilities, charges fees from participants that should have been guaranteed in capitation fees and/or non-capitation by the stipulated standard rates, making patient referrals only to obtain certain benefits; and/or other The National Health Insurance System fraudulent actions. [14]

The primary clinic's standard capitation rate is Rp. 8,000.00 (eight thousand rupiahs) to Rp. 10,000.00 (ten thousand rupiahs) per participant per month. The capitation rate calculation then considers the criteria for human resources, completeness of facilities and

infrastructure, service scope, and service commitment.

The average number of capitation received by the Primary Clinic in Siswoyo's study was 39.4 million rupiahs, increasing the number of capitation funds by 9%. This made the Primary Clinic the Authorized Primary Care Facilities with the highest increase in capitation value. The utilization of capitation funds in terms of services at Primary Clinics generally tends to be higher than doctor/ dentist practices. The ratio between operational costs and services at the Primary Clinic is 45%: 55%. [15]

Payment for health services obtained by health workers (doctors) is based on the number of capitation funds at the primary clinic. Primary Clinic, with large capitation funds, provides health services based on attendance and performance. Primary Clinic, with a small capitation fund, provides health services on a per-patient visit basis.[16]

Most non-health workers get paid for services below the Regional Minimum Wage. This is influenced by education, length of work, and the number of capitation funds the clinic receives. If the amount of capitation funds is large, health and non-health workers' salaries will also be large. The capitation funds received by Primary Clinic are also used to support health operational costs. 16

Primary clinics with no collaboration with pharmacies are generally required to have pharmaceutical services with the pharmacist as the person in charge and procure drugs. In contrast, clinics with pharmacies services can use capitation funds to purchase medical devices and other health services.

Ghana is one of the countries that first introduced the capitation payment method in 2012, but there is a lot of resistance due to people's perception of poor service quality. There are three regions have a good perception of health services, while one region has a poor perception. The regions with good perceptions are areas with large capitation funds, while one other, with poor perception, is small capitation fund area. [17]

Overview of the Quality of Health Services

Service quality is an approach to running a business to maximize organizational competitiveness through continuous improvement or its products, workforce, processes and environment. A customer-focused marketing work strategy, satisfaction assurance, teamwork and employee empowerment is required. 18

The influence of service attitudes on patient interest in using health care facilities. Measurement of service quality to obtain the best reliability response where Authorized Primary Care Facilities always provides the best physical appearance services (tangibles), responsiveness, assurance, and empathy through a dynamic attitude as an overall service evaluation. [19]

The availability of resources, patient cooperation, and collaboration among health workers can support health service quality improvement. Supportive leadership, proper planning, education and training and effective management of resources and processes also improve medical services quality. [20]

Patient satisfaction is closely related to the quality of health service providers.[21] Trust is an important factor for the service industry to maintain customer satisfaction. Medical service is a type of intangible product with more than one service to involve. Both medical care workers and general service workers must develop trust with patients to increase patient satisfaction. [22]

The four main factors contributing to the quality improvement process are leadership, including the leader's awareness and attitude towards quality improvement, the involvement of the leader in the quality improvement process, and decision-making in budget allocation for quality improvement. The second factor is staff enthusiasm and multidisciplinary collaboration, followed by organizational culture as the third factor. The last factor is the standardization process. [23]

The success of improving quality in Indonesia's existing decentralized system requires action at four levels. At the individual level, leadership tools can

create an internal quality environment and foster an organizational culture to change. Staff enthusiasm and collaboration can be sparked at the team level by involving and assigning everyone in the quality improvement process and having a shared vision of what quality should be. At the organizational level, the quality improvement must be integrated into planned activities, ensuring financial and human resources.[24]

Quality improvement is carried out by improving the medical and non-medical aspects. Some medical aspects have a significant role in improving quality services such as waiting time, communication, clear information, straightforward administration, additional services such as a comfortable room, and drinking water. Medical aspects include training and education for health workers.[25]

Overview of Service Quality Based on Capitation Funds at Primary Clinic

The capitation funding system used by the Healthcare and Social Security Agency for health financing at the Authorized Primary Care Facilities causes the number of funds received by the Primary Clinic to match the number of participants at the clinic. The more participants, the greater the capitation funds the Clinic will receive. [26]

The disparity in The National Health Insurance System membership occurs due to The National Health Insurance System participants (Contribution Assistance Recipients) according to the area where they live and the percentage of poor people as the The National Health Insurance System participants. This is consistent with the results of the Ministry of Health evaluation in 2015. it was said JKN participants registered at the Authorized Primary Care Facilities are not ideal.[26] Each Participant is entitled to receive Health Insurance Benefits in health services, such as medical benefits, accommodation and ambulance.

The capitation fee for the Primary Clinic is Rp. 8,000 (eight thousand rupiahs) to Rp. 10,000 (ten thousand rupiahs). This calculation is not influenced by how many patients go to Primary Clinic, so capitation may not be sufficient if the Primary Clinic serves patients repeatedly within a month.

The Primary Clinic's various obligations as above are as if the Primary Clinic was being forced to carry out heavy obligations with low capitation. Doctors do have a clear legal basis in determining their service definition, but according to article 53 of Act No. 29 the Year 2004 on Medical Practice, patients who have received medical practice services have an obligation to provide compensation for the services they receive.[29]

For example, fees can be completely waived or reduced if medical expenses are too heavy for patients with economic difficulties. This condition is not a problem for private practising doctors. Still, it is certainly different for Primary Clinic because its status is a business entity with many employees and operational needs; of course, capitation funds are vital for the survival of the Primary Clinic.

The ratio of doctors to The National Health Insurance System participants is 1: 6,765, still higher than the national standard of 1: 5,000 participants, even higher than the national average of 1: 6,708 participants. The high ratio of participants results in a decrease in the quality of service time. The number 1: 5,000 is obtained if 1 doctor serves the patient for 10 minutes per patient, with examinations for 5 hours and 25 working days, then if the length of time the doctor checks each patient who visits, ideally 15-20 minutes or 18-20.9 minutes.[26]

Ideally, doctors' ratio to participants is a maximum of 1: 2,500 participants if it is taken for just 20 minutes, with 15% participant visits. Clinics or Authorized Primary Care Facilities with large capitation funds have more flexibility in managing them, whereas those with small capitation funds have limitations in allocating their capitation funds. This will lead to neglect of service to some people.[26]

Opportunities for fraud that could harm The National Health Insurance System participants in terms of the limitation of health services and access, including

discrimination to health services for participants and non-participants of JKN, limited basic service facilities, an improper work system leading to detrimental toThe National Health Insurance System participants and very complicated procedures for participants to get health services.[27]

Weak internal controls facilitate fraud to grow and develop rapidly beside an inadequate external monitoring system. It makes fraud detection is not optimal. There are two mechanisms to prevent fraud. The first is to implement pre-employment screening, and the second is to implement mechanisms (internal controls) during the service time. An internal control system is clearly necessary for business success. A business needs to have some control to eliminate the element of opportunity.[27]

Discrimination is an unfair and unbalanced treatment to distinguish between individuals or groups, based on criteria, usually categorized or differentiating attributes. Theoretically, discrimination sometimes occurs through policies to reduce, destroy, conquer, move, protect legally, create cultural pluralism and assimilate other groups. In this regard, the differentiation of services and types of time for The National Health Insurance System participants is one example of discrimination.[27]

The service sharing system is considered valuable to employees, and it gives a positive perception of the service sharing system. Employees with the perception that the benefits they receive are not sufficient generally will try to find a better-rewarded place to work. Incentives can also affect the performance and presence of health workers at a primary clinic.

Research in Banda Aceh showed that the distribution of capitation funds affects health workers' performance in providing services. As the researchers suggest, Authorized Primary Care Facilities management can increase the distribution of capitation funds to each health worker to achieve better performance and provide health services as well as possible.[28] This can be a form of service discrimination and fraud at the Primary Clinic.

Human resources are the potential to realize their role as adaptive and transformative social beings who can manage themselves and all the potentials around them to achieve balanced and sustainable life welfare. An effort to support productivity and activities needs competent and quality human resources to achieve the goals of a country or organization successfully.

Human resource skills play an important role in managing community service. The quality of human resources is one of the important factors for the continuity and progress of an organization since it can directly affect the organization's performance. The main focus of human resource management is to contribute to organizational success. In clinics, unreliable human resources become a form of fraud.

The key to improving public and private health organizations' performance is ensuring human resource activities support organizational efforts on productivity, service, and quality. Human Resource performance appraisal plays an important role in improving organizational performance. It is essential, especially for the services provided by human resources which support holistic health services.

Table 1. Difference capitation funds use by Hasan (2017)

Big Capitation Funds	Small Capitation Funds
Quantity is met, quality is in process.	Quantity and quality are not met.
High utilization by the community	Low utilization by the community
Low quality of record reporting	Better reporting quality
Overall performance increases	No performance increase
The provision of training is still low.	No training provision

Cont... **Table 1. Difference capitation funds use by Hasan (2017)**

The quality of the doctor's examination had to be lowered; the quantity was great.	The quality of the doctor's examination can be maintained; the quantity is small.
Medical equipment is sufficient.	Limited use of medical equipment, unable to hold a laboratory
Office/household supporting items are fulfilled.	Office/household supporting items are limited.

Most of the primary clinics have constraints in infrastructure development. It is because infrastructure development costs a lot. Funds for supporting health operational costs are mostly used for infrastructure development. It is known that the unit cost of health services and medicines is a major component in calculating the amount of capitation.

The use of too-high operational costs can reduce the share of other costs utilization. For example, the use of operational costs taken from drug costs can cause the primary clinic to experience a stock out of the drug, disrupting the health service process for BPJS participants. Some small capitation fund primary clinics without pharmacies may experience losses and require bailouts to meet drug needs.

Inadequate facilities and infrastructure led to fraud; for example, The National Health Insurance System participants were sent to private laboratories for examining process. Public health facilities must provide minimum health services in a standard way. Facilities must include a general examination room, a treatment room, family planning and immunization, a dental and oral health room, a nursing room, a health promotion room, a pharmacy room, a birthing centre, a laboratory, and others. Other supporting facilities include waiting/ registration rooms, consultation rooms, administration rooms, treatment rooms, action rooms, breastfeeding rooms, bathrooms, etc.

Activating internal controls can prevent the occurrence of fraud in the primary clinic. Active internal control is the most widely applied internal control applied. It is like a fence preventing thieves from entering people's yards; however, a strong fence can still be penetrated by clever and brave thieves. Internal audit is beneficial to prevent the occurrence of greater fraud so that health services can run effectively, efficiently and integrated. The primary clinic must make clear policies and funds in conducting audits based on positive actions.[29]

Conclusion

The Healthcare and Social Security Agency has tasks to collect contributions paid by the participants, and then distribute it on a capitation basis to optimize services. Capitation is one of the models used in payments to Authorized Primary Care Facilities in The National Health Insurance System. Capitation funds are distributed to Authorized Primary Care Facilities which have collaborated with The National Health Insurance. The capitation system does not rule out the fraud, for example, the primary clinic, is not following statutory provisions, manipulates claims on non-capitally paid services, receives commissions for referrals to Authorized Primary Care Facilities, charges fees from participants that should have been guaranteed in capitation fees and/or non-capitation following the stipulated standard rates, making patient referrals only to obtain certain benefits; and/or other The National

Health Insurance System fraudulent actions. An internal audit team needs to be formed to oversee the use of capitation funds at the primary clinic. The capitation fund currently given to the primary clinic is considered insufficient to run the primary clinic's operations and infrastructure, especially clinics with limited facilities, such as pharmacies and laboratories.

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Conflict of Interest: Nil

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