OVERDUE ANTIDOTE

Indonesia hopes to heal its ailing health system by providing universal coverage

By Tom McCawley

Asia's mixed record on health care is nearing a milestone, as Indonesia launches one of the world's biggest universal health coverage systems covering its entire population.

Starting next year, the national scheme will replace a patchwork of local initiatives to deliver free or subsidized coverage by 2019 to the entire Indonesian population, currently totaling more than 240 million. The initial phases will extend coverage to people from all walks of life, including nearly 90 million poor and so-called "near poor" Indonesians as well as public and private sector employees.

Success could spur bolder approaches by a host of other Asian countries also making the transition to universal health coverage. "Achieving universal health care would have a big impact on health in Indonesia and a big demonstration effect across Asia," says Anna Marriott, health policy advisor at Oxfam.

UNIVERSAL HEALTH COVERAGE—which aims to provide access to health services for all members of society without causing financial hardship—has become a cornerstone of poverty reduction efforts. High medical bills push more than 100 million people into poverty each year, according to the World Health Organization (WHO).

Asia lags other regions on many health measures, according to a recent report by ADB and the National University of Singapore. About 5% of Asia's children die before age 5, compared to 2.3% in Latin America and the Caribbean. The report estimates that it will take South Asia 79 years to reach the same life expectancy rates as industrialized countries, while East Asia and the Pacific will have to wait an extra 30 years.

Faced with such stark disparities, WHO Director Margaret Chan has described universal health coverage as "the single most powerful concept that public health has to offer."

In late 2012 the United Nations adopted a landmark resolution calling on member states to develop health systems that reduced the burden on the poor.

Many Asian governments are already trying to implement universal health coverage.

Oxfam's Marriott says that Asia has made the most progress of any region on universal health.

The focus of most of these efforts is health insurance funded either publicly through tax revenues and other mechanisms, or through voluntary premiums.

The first option, says Marriott, has generally been more effective in Asia.

India's Rashtriya Swasthya Bima Yojana insurance program has provided free care for more than 142 million poor people since 2008.

In the People's Republic of China (PRC), insurance coverage climbed from 30% to 96% between 2003 and 2011.

Thailand became the region's success story by extending coverage to almost all eligible citizens under a universal system launched in 2002.

More than 76 million Indonesians are covered by the government-funded health insurance scheme, Jamkesmas. While the program has cut medical bills for the needy and boosted insurance coverage rates, more than half of the population remains uncovered, according to the World Bank.

Kusnadi, 45, a motorcycle taxi driver, has lived in fear of not being able to pay his family's medical bills if he has a debilitating accident. His job is a dangerous one, and his $15 daily income leaves little for health expenses.

Now, he says, the combination of Jakarta's free health care system and the national plan give him peace of

mind. "At least I can get basic care if I need it. The city plan takes a load off my mind. The national plan takes off another load."

The national plan aims to cover all citizens by merging the three largest insurance programs, including Jamkesmas, and a host of smaller regional schemes. The goal is to boost efficiency, while more funding for health services will add 100,000 beds and hundreds of hospitals over the next 8 years.

The reforms are expected to spur demand for thousands of new doctors, nurses, and technicians. Millions of dollars will be spent on pharmaceuticals, medical devices, and other hospital equipment. All of which are scarce in a country where some remote hospitals have less than half their bed needs, and where less than two-thirds of public hospitals offer 24-hour blood services.

"Providing universal health coverage will ensure that all people have access to comprehensive health services without reference to their financial status," Indonesian Health Minister Nafsiah Mboi told the 66th World Health Assembly in Geneva in May this year. "This approach will contribute to improvements in the overall health status and the quality of life of the Indonesian people."

A PILOT PROGRAM in Jakarta spearheaded by the capital's charismatic mayor Joko "Jokowi" Widodo offers clues to the challenges that the national system might face.

Jokowi's plan to deliver free health care for the capital's 10 million residents has had serious teething problems. Its centerpiece, the Healthy Jakarta Card, or Kartu Jakarta Sehat (KJS), simplified previous arrangements by requiring that residents simply present their KJS to receive free care at community health centers or selected hospitals.

PHOTO: CORBIS

Universal health care is a crucial component of inclusive growth.

"This approach will contribute to improvements in the overall health status and the quality of life of the Indonesian people."

—Indonesian Health Minister Nafsiah Mboi

Launched in 2012 and administered by the state insurance company PT Askes, the program aims to cover 4.7 million residents by the end of 2013.

But KJS quickly hit problems. Demand for health services surged by 70% in the first few months. A child died from complications after her parents were rejected by 10 hospitals overwhelmed by soaring demand. City officials angrily threatened to summon and interrogate Jokowi. Jokowi has defended KJS and counseled patience as its kinks are ironed out. But the resourcing issues that have plagued his program might resurface to frustrate the national plan.

Indonesia is well-endowed with health insurance schemes. A regional autonomy program has boosted the number of regions to more than 400, spurring hundreds of new city, province, and district elections.

Candidates have been eager to curry favor by promising free health care services. The World Bank has put at 300 the number of district insurance schemes providing subsidized care in 2010, a five-fold increase from 2008.

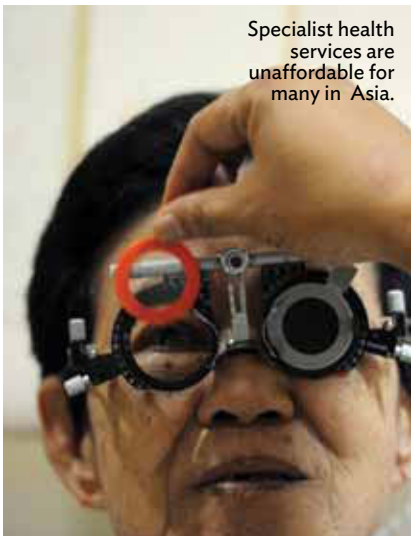
Framers of the new national scheme must find a way to deal with the legacies of hundreds of such small schemes, many of which have different benefits and target different segments of the population.

One of these schemes, in the westernmost province of Aceh, shows how high-benefits programs can create as many problems as they resolve.

Aceh's program covers all ailments. Patients with complicated conditions can be flown to Jakarta for treatment. Some people travel from other provinces to receive Aceh identity cards giving them free health care.

Hospitals have been overwhelmed by demand. "Now people come to the hospital even if they have a headache," complained an Acehnese doctor to Elizabeth Pisani, an epidemiologist and London-based public health consultant.

BUMPS IN THE road to universal health care were not entirely



Specialist health services are unaffordable for many in Asia.

Free medical care led to more people using more services, but the poor and very sick had a higher chance of dying as high demand sapped resources.

unforeseen. One classic study conducted 30 years ago by the Rand Corporation compared free systems against those with varying degrees of coinsurance, ranging from 25% to 50%.

It found that free medical care delivered more users and more services, but the poor and very sick had more chance of dying as high demand sapped resources.

The findings could apply to parts of Indonesia, where a 2008 report by WHO found that decentralization had undermined the quality of disease surveillance and public health programs.

Plugging holes in Jamkesmas is key to achieving universal health coverage in Indonesia, according to a recent World Bank paper. It calls for better beneficiary targeting mechanisms and financial sustainability to ensure the program helps those most in need.

Oxfam's Marriott says the national plan appears underfinanced as it hinges on "non-poor" people in the informal sector paying health insurance contributions. "Evidence from around the world...shows that they will not do this and so a large proportion of the population will remain unfunded."

Marriott says public health funding needs to double in Indonesia for universal health care to be properly delivered. Its bid to extract contributions from the informal workforce could be problematic, however, as this population has proven difficult to reach across much of Asia.

Asia's diversity means different countries often face a variety of localized challenges on affordable health care.

New laws in the Philippines provide universal coverage to the very poor and bring most of its citizens under the coverage of PhilHealth, the national health insurance scheme.

Benefits have also been expanded, but the World Bank notes persistent disparities in health outcomes between the rich and the poor.

The PRC has achieved 100% coverage of targeted populations under its Medical Assistance Program, which pays leftover medical bills from two insurance schemes for rural and urban residents. But an aging population will stretch resources in coming years, according to the International Social Security Association.

In India, a new generation of government health insurance programs has brought care to many millions in just a few years. Programs have focused on services purchased from the private sector on a massive scale, using a bottom-up approach that targets poor recipients first.

Still, household out-of-pocket spending on medical bills is high in India at more than half of total health expenditure—more than double the amount that WHO says can send households below the poverty line.

LESSONS CAN BE learned from success stories like Thailand, where political commitment and long-term investment in health infrastructure have reaped dividends. Marriott says Thailand's success shows countries that subsidize their informal populations, rather than try to extract contributions from them, are more likely to end up with workable health care systems.

Making this happen takes political will and, of course, money. "Ensuring access to quality health care for all demands policy-level commitment and resources," says Shin Young-soo, WHO regional director for the Western Pacific.

He identifies essential medicines, medical technologies, and strong management as other essential ingredients of success.

Meanwhile, many Indonesians like Kusnadi await the New Year, hoping it will signal better health for his family. "I moved to Jakarta hoping for a better life. I couldn't really afford it, until now." ■

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