

## **URGENCY OF REFORMING THE SOCIAL SECURITY ORGANIZING BODY IN THE WELFARE STATE FRAMEWORK**

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### **ABSTRAK**

Sebagai usaha mewujudkan jaminan sosial, terutama di bidang kesehatan, Indonesia membentuk Undang-Undang Nomor 40 Tahun 2004 tentang Sistem Jaminan Sosial Nasional (SJSN) dan Undang-Undang Nomor 24 Tahun 2011 tentang Badan Penyelenggara Jaminan Sosial (BPJS). Undang Nomor 24 Tahun 2011 menargetkan semua warga negara Indonesia sudah menjadi peserta BPJS pada 2019, bahkan termasuk warga negara asing yang tinggal lebih dari enam bulan. Namun demikian, BPJS sebagai badan hukum publik ternyata belum menunjukkan performa yang bagus, yang ditunjukkan dengan defisit setiap tahun. Penelitian ini menggunakan pendekatan kualitatif yang bersifat deskriptif normatif, dengan tujuan untuk menjelaskan konsep welfare state dalam SJSN di Bidang Kesehatan di Indonesia, implementasi welfare state dalam pengelolaan BPJS Kesehatan di Indonesia, serta reformasi yang diperlukan untuk BPJS. Penelitian ini menunjukkan bahwa Pemerintah Indonesia punya peran besar dalam menerapkan konsep welfare state dalam SJSN di bidang kesehatan dengan membentuk BPJS. Peran yang luas tersebut mulai dari perumusan, pengelolaan, hingga pertanggungjawaban BPJS Kesehatan. Namun demikian, implementasi welfare state tersebut belum dimanfaatkan dengan baik oleh BPJS Kesehatan Negara perlu mereformasi BPJS Kesehatan.

Kata kunci: BPJS, defisit, welfare state

### **ABSTRACT**

To realize social security, especially in the health sector, Indonesia established Law Number 40 of 2004 concerning the National Social Security System (SJSN) and Law Number 24 of 2011 concerning the Social Security Organizing Body (BPJS). Law Number 24 of 2011 targeted all Indonesian citizens to become BPJS participants in 2019, including even foreign nationals who have lived for more than six months. However, BPJS, as a public legal entity, has not yet shown excellent performance, as indicated by its deficit every year. This study uses a qualitative approach that is descriptive normative, to explain the concept of the welfare state in the National Social Security System in Indonesia, the implementation of the welfare state in the management of BPJS Healthcare in Indonesia, as well as the reforms needed for the BPJS. This study shows that the Indonesian government has an extensive role in implementing the welfare state concept in the Social Security System by forming BPJS. That significant role is starting from the formulation, management, to the accountability of the BPJS Healthcare. However, the implementation of the welfare state has not been put in proper way by the BPJS Healthcare, so that the government needs to reform the BPJS Healthcare.

Keywords: BPJS, deficit, welfare state.

## 1. INTRODUCTION

### 1.1 Background

At the beginning of 2020, the middle to lower classes are depressed because the Indonesian government, through Presidential Regulation (PR) Number 75 of 2019 concerning Amendment to Presidential Regulation Number 82 of 2018 concerning Health Insurance, has increased the cost of the BPJS Healthcare by 100 percent. The Indonesian Dialysis Patient Community (KPCDI) then asked that regulation to be judicially reviewed. The Supreme Court then partially annulled the regulation, which resulted in the cancellation of the increase in BPJS costs.<sup>1</sup>

The cancellation of the regulation made the Minister of Finance doubtful about the sustainability of the BPJS Healthcare. That is because the BPJS' deficit is already huge. In 2019, the deficit reached 28 trillion, and the Ministry of Finance can only bailout by 15 trillion.<sup>2</sup> Ironically, the Minister of Finance patched the deficit one of them from cigarette excise, a product that was touted as a health destroyer, and contrary to BPJS Healthcare's vision and mission.

According to the BPJS Healthcare, the deficit arises because they have to respond to unbalanced acceptance of participant contributions with the amount of health costs incurred. As a government monopoly program with the support of a set of regulations and funding, this deficit is cause for concern.<sup>3</sup>

The deficit at BPJS Healthcare is not a new story. Since its establishment, BPJS Healthcare has recorded a continuing deficit. In 2014, the deficit reached Rp3.3 trillion and continued to rise every year. Such a deficit, in the end, has become something that is understood by the community. Some people even consider the BPJS Healthcare deficit to be a natural thing amid efforts to guarantee the health of all Indonesians. With the continued deficit, BPJS Health does not seem to have changed from year to year. However, this deficit did not occur when the health insurance program was managed by PT Askes (Persero), in the form of a State-Owned Enterprise (BUMN), even PT Askes (Persero) can distribute dividends, even though the amount is not too large. Why, after the BPJS program, the deficit occurs? There are several analyzes of the causes submitted; some of them are the imbalance between the premiums received and the amount of health costs incurred and the existence of mismanaged management. That happened because of the welfare state concept is failed to be understood by BPJS.

Welfare State, which requires a significant role for the state in the welfare of the community in the National Social Security System (SJSN), is faced with the side of the finances state efficiency. The failure of the welfare state implementation on BPJS is a threat to the return of the implementation of social insurance to the market system by the

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<sup>1</sup> Kompas, Putusan MA soal BPJS Kesehatan: Batal Naik 100 Persen hingga Tak Atur Skema Refund (Supreme Court's Decision on BPJS Healthcare: Cancel 100 Percent Up to Not Regulating Refund Scheme) [https://nasional.kompas.com / read / 2020/03/13/10512481 / verdict-ma-matter-bpjs-health-cancel-up-100-percent-to-no-set-scheme](https://nasional.kompas.com/read/2020/03/13/10512481/verdict-ma-matter-bpjs-health-cancel-up-100-percent-to-no-set-scheme) accessed 17 April 2020.

<sup>2</sup> CNBC Indonesia, Lesu! Sri Mulyani Sebut Defisit BPJS Kesehatan 2019 Rp 13 T (Lacking! Sri Mulyani Called 2019 the BPJS Healthcare Deficit 13 Trillion Rupiahs) <https://www.cnbcindonesia.com/news/20200309170806-4-143532/lesu-sri-mulyani-sebut-defisit-bpjs-kesehatan-2019-rp-13-t>, accessed 17 April 2020.

<sup>3</sup> Roziqin (a). Menyoal Cacat Bawaan BPJS Kesehatan (Questioning of Congenital Disability of BPJS Healthcare), <http://www.hukumonline.com/berita/baca/lt5a164a01aea64/menyoal-bacat-bpjs-kesehatan-oleh-roziqin>, 23 November 2017, accessed 15 April 2020 .

private sector. Therefore, the BPJS Healthcare needs to reform its performance. This problem adds to the previous problems of BPJS Healthcare related to the speed of responding, quality assurance, and empathy from BPJS Healthcare to BPJS Healthcare service users.<sup>4</sup> Similarly, according to Widiastuti, there are problems in BPJS on their systems, procedures, and human resources (medical personnel). Also, according to her, BPJS Healthcare services have not met excellent public service standards, community access to benefit services is very limited, and the public has not been able to get services in all health facilities.<sup>5</sup>

## **1.2 Formulation of The Problem**

Based on the above description, this research will study on the following principal problems:

1. What is the concept of the welfare state in the National Social Security System in Indonesia?
2. How is the implementation of the welfare state in managing BPJS Healthcare in Indonesia?
3. How to reform the BPJS Healthcare?

## **1.3 Research Methods**

This study uses a qualitative descriptive approach to explain the implementation of the welfare state in the Social Security System in the Indonesian health sector, aspects of the welfare state in the management BPJS Healthcare in Indonesia, and the necessary reforms to the BPJS.

This study uses secondary data from various books, journals, regulatory regulations, institutional reports, research, and the internet. Existing data will be analyzed to show the extent of the implementation of the welfare state in the management of the BPJS Healthcare in Indonesia, and the causes of failure in the implementation of health insurance, to then be given an alternative solution.

Due to limited time and resources, researchers limit research on the management of health insurance in Indonesia, especially from the legal aspect, and only on the BPJS Healthcare, not the BPJS Employment, which is part of the BPJS in the framework of implementing the National Social Security System. The study uses the approach of welfare state theory and reform.

## **2. RESULT OF STUDY**

### **2.1 The concept of the Welfare state in the Social Security System in Health Sector**

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<sup>4</sup> Putri, Baby Silvia and Kartika, Lindawati. Pengaruh Kualitas Pelayanan BPJS Kesehatan Terhadap Kepuasan Pengguna Perspektif Dokter Rumah Sakit Hermina Bogor (The Influence of the Quality of BPJS Healthcare Services on the Satisfaction of the Perspective Users of the Bogor Hermina Hospital). *Jurnal Business and Management Research* Vol.2, No.1, February 2017: 1. - 12 . 2017, p. 35

<sup>5</sup> Widiastuti, Ika. Pelayanan Badan Penyelenggara Jaminan Sosial (BPJS) Kesehatan di Jawa Barat (Services of the Social Security Organizing Body (BPJS) in Health in West Java). *Widya Scientific Journal* , Volume 4 Number 1, 2017. P. 224.

Before the development of BPJS, the security protection in Indonesia experienced several problems. First, there was no certainty of social protection for every citizen of Indonesian citizens in order to be able to fulfill their living needs as mandated in the amendment to the 1945 Constitution (after this in this article is called Constitution 1945) Article 34 paragraph (2), which is "the State develops a Social Security System for all people." The social security at that time had not been able to cover all Indonesian citizens. For example, there is no social security for informal sector workers. The second problem is the absence of the legislation - an invitation that underlies the implementation of social security systems. At that time, many regulations rule many security systems. That causes the handling of existing social security schemes that were still fragmented and even overlapping.<sup>6</sup>

The state then intervenes in efforts to protect the health of its citizens. In order to provide health insurance for the people of Indonesia, the President explained the Development of the National Social Security System Concept at the 2000 annual MPR RI session. After that, the Ministry of Welfare issued Decree of the Ministry of Welfare and Poverty Alleviation No. 25KEP/MENKO/Welfare/VIII/2000 dated August 3, 2000, on the Establishment of Team Improvement of National Social Security System, which served to draft the concept of Social Security Law. In line with the President's statement, the Supreme Advisory Council (DPA) through DPA Consideration Number 30 / DPA /2000 dated 11 October 2000 stated that it was necessary to establish a National Social Security Organizing Body in order to create a prosperous society. In the Report on the Implementation of the Decree of the Republic of Indonesia by the High State Institution at the 2001 Annual Session of the MPR RI (Decree of the Republic of Indonesia Number X / MPR-RI Year 2001 point 5.E.2) resulted in the Decision of the Indonesian People's Consultative Assembly which assigned the President of Indonesia National to make national security system in order to provide more comprehensive and integrated social protection ". In 2001, the Vice President of Indonesia directed the Secretary of the Republic of Indonesia's Vice President to form a National Social Security System Working Group.<sup>7</sup>

Along with the development, Health Insurance in Indonesia is implemented with the following legal basis.<sup>8</sup>

### a. Constitution 1945

Article 28H and Article 34 of the 1945 Constitution which guarantees the constitutional rights of citizens to health services and presents the government to develop systems and governance for the administration of health services that are integrated with the implementation of social security programs;

### b. Law Number 40 of 2004 concerning the National Social Security System (SJSN Law)

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<sup>6</sup> BPK. LHP Kinerja atas Penyelenggaraan Program Jaminan Kesehatan Nasional Tahun 2015 s.d. Semester I Tahun 2016 pada Badan Penyelenggara Jaminan Sosial Kesehatan dan Instansi Terkait Lainnya di DKI Jakarta, Bali dan Jawa Timur (Performance Audit Report on the Implementation of the 2015 National Health Insurance Program until the First Semester of 2016 at the Health Social Security Organizing Body and Other Related Agencies in DKI Jakarta, Bali and East Java, Number 26 / LHP / XIX / 12/2016, December 27, 2016. P. 9

<sup>7</sup> Ibid.

<sup>8</sup> Ibid, P. 10-12

This law sets the principles, purposes, organization, and procedures for the implementation of the national health insurance program. The SJSN law stipulates social insurance and equity as a principle of the administration of National Health Security (JKN). Both principles held by setting mandatory membership and phasing in implementation, following the amount of revenue contribution, JKN benefits following medical needs, as well as the governance of the trust fund participants by the agency organizing the nonprofit to promote prudence, accountability, efficiency and effectiveness.

The SJSN law establishes two organs that are responsible for administering national social security programs, namely the National Social Security Board (DJSN) and BPJS). This law generally regulates the functions, duties, and authorities of the two organs. The SJSN law integrates social assistance programs with social security programs. The integration of the two social protection programs requiring the government to subsidize JKN contributions and the other four social security programs for the poor and disadvantaged. This obligation is carried out in stages and starts with the JKN program. The SJSN law establishes a legal basis for the transformation of PT Askes (Persero) and the other three Persero into BPJS.

c. Law Number 24 of 2011 concerning the Social Security Organizing Body (BPJS)

The BPJS Law is the implementing regulation for the SJS Law. The BPJS Law implements the SJSN law Article after the Constitutional Court ruling in case Number 007/PUU-III/2005. The BPJS Law stipulates the establishment of the BPJS Healthcare to administer the JKN program and the BPJS Employment to administer work accident insurance, old-age insurance, pension insurance, and death insurance programs. BPJS Law regulates the process of transformation of social security organizing body of state-owned enterprises (SOEs) to non-profit (BPJS) legal entity. Changes in institutional involve changing legal basis, legal forms, organ, work procedures, responsibilities, institutional relationships, as well as oversight and accountability mechanisms. The BPJS Law stipulates that the BPJS is directly related and responsible to the President;

d. Government Regulation Number 101 of 2012 concerning Recipients of Health Insurance Contribution Aid (GR PBIJK)

GR PBIJK is the implementing regulation for the SJSN law as mandated in Article 14 paragraph (3) and Article 17 paragraph (6). GR PBIJK regulates the procedure for managing subsidized health insurance contributions for Recipient Assistance (PBI). GR PBIJK contains provisions governing the establishment of criteria and procedures for collecting data on the poor and disadvantaged people, establishing PBIJK, PBIJK registration, funding, PBI data management, and community participation;

e. GR Number 86 Year 2013 concerning Procedures for Imposing Administrative Sanctions To Employers Other Than State Administrators and Individual Other Than Employers, Workers, and Recipients of Contribution Aid in Providing Social Security

GR Number 86 Year 2013 is the implementing regulation for Law No. 24 of 2011 concerning BPJS as mandated in Article 17 paragraph (5). This regulation regulates the scope of administrative sanctions, the procedures for their imposition on

employers and individuals, as well as the procedures for supervision and inspection of participant compliance in the implementation of social security programs;

This regulation is implementation of the SJSN Law and the BPJS Law as mandated in Article 13 paragraph (2), Article 21 paragraph (4), Article 22 paragraph (3), Article 23 paragraph (5), Article 26, Article 27 paragraph (5), and Article 28 paragraph (2) of the National Social Security System Law and Article 15 paragraph (3) and Article 19 paragraph (5) letter a of the BPJS Law. The Presidential Regulation on JK regulates participants and JKN membership, registration, fees and fee management, JKN benefits, benefit coordination, service delivery, health facilities, quality control and cost control, complaint handling, and dispute handling;

f. Presidential Regulation Number 111 Year 2013 concerning Amendment to Presidential Regulation Number 12 Year 2013 (Amendment to Perpres JK)

This regulation changes some provisions on PR Number 111 of 2013 to take into account the needs of JKN, include:

1) change the provisions regarding JKN participants and JKN beneficiaries; and

2) regulate the details of JKN mandatory membership;

These various arrangements indicate that Indonesia implements the concept of the welfare state in the National Social Security System in the healthcare field, where the state has a significant role in formulating, regulating, and managing the National Social Security System. The state hopes that every citizen gets social security, in this case, adequate health insurance. Amid the massive liberalization in various fields, the country's choice to realize the concept of the welfare state in the National Social Security System should be appreciated.

## **2.2 Implementation of Welfare state in the Management of BPJS Healthcare in Indonesia**

### **a. BPJS Healthcare Institutional**

As a characteristic of the welfare state concept, the role of the state in the management of the BPJS Healthcare in Indonesia is extensive. It starts from the formation of the BPJS Healthcare institution to its accountability. BPJS is established by the state by Law Number 24 of 2011 on BPJS, and set as a public legal entity which organizes health insurance program and responsible to the President. Based on Law Number 24 of 2011, BPJS domiciled and headquartered in the capital of Indonesia, and may have offices at the provincial and branch offices in the district/city. BPJS can only be dissolved by law, and cannot be bankrupt based on the provisions of the legislation regarding bankruptcy.

The good intention of the state to make BPJS Healthcare as a public legal entity raises legal uncertainty. Based on the theory, legal entities, among others, are divided into public and private legal entities. Public legal entities are formed based on statutory regulations. Meanwhile, private legal entities are formed by parties based on private law.

Based on writer's research, only BPJS is explicitly stated as a public legal entity, despite the wide variety of public legal entities, ranging from state institutions (central government, regional governments, ministries, non-ministerial government agencies), SOE, and Public Service Bodies (BLU).

SJSN law and BPJS Law, as the basis for the establishment of the BPJS, does not regulate the kind of public legal entities of BPJS Healthcare. Is the BPJS include state institutions, SOEs, or BLU? So far, BPJS is not subject to the laws and regulations regarding state institutions, SOEs and BLU.

On the one hand, the characteristics of the BPJS based on BPJS Law are similar to state institutions because they have the authority to make legislation that is binding public, is directly responsible to the president, and cannot be bankrupt and dissolved. On the other hand, it is also similar to SOE because it has directors and supervisors, salary and facilities SOE standard, provides services to the community by requiring payment of contributions, and is easy to get an injection of funds from the government in the form of State Capital Participation (PMN) or subsidies.

However, BPJS also has a similar nature to BLU because it is non-profit and does not need to pay dividends. The unclear form of the legal entity makes BPJS Healthcare have various privileges compared to state institutions, SEO, and BLU. Various privileges, especially the non-profit nature, no need to pay dividends, and the ease of getting an injection of funds, has the potential to make BPJS minimal on creativity, after previously being in the form of SOE.

As a public legal entity, BPJS has the authority to form laws and regulations. However, this authority is counterproductive to the management of the BPJS Healthcare. For health insurance technical arrangements, the BPJS Law only mandates the issued of GR and PR, and does not mandate the establishment of BPJS Regulations except for arrangements regarding quality control and handling of participant complaints. However, in practice, the PR re-delegates the special arrangements for health insurance to BPJS Regulations. Until now, there are dozens of BPJS Regulations regulating health insurance techniques. That is not following Law Number 12 of 2011 concerning the Formation of Regulations, which stipulates that the authority delegated to an instrument of state administration cannot be further delegated to the means of administering another country, except if a Law delegates the authority. With the authority of the BPJS to make BPJS Regulations, the BPJS becomes a regulator as well as an operator, an overlapping form that is prone to conflicts of interest.

#### b. Financial Management of BPJS Healthcare

With a passion for wanting to serve as many people as the implementation of the concept of the welfare state, the BPJS Law stipulates that BPJS management is non-profit in nature. This non-profit nature is only suitable for legal entities in the form of state institutions and BLU, and is not suitable for BPJS Healthcare that manages huge third party funds and has the authority to make investments.

With the non-profit nature, there is a gap to manage finances unprofessionally without profit-oriented. That is dangerous if it happens to BPJS Healthcare, which manages enormous public funds, even from premium contributions alone reaching Rp74 trillion for 2018 (audited). In Indonesia, there are many SOEs still suffer losses, even after the

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SOE Law mandates them to get benefits. How about if it is declared as non-profit, like BPJS?

Unclear financial management also makes confusion in the process of PMN and subsidies. Because BPJS Healthcare's position is not SOE and BLU, then the use of two terms are confusing. That is because PMN or subsidies are only appropriate for SOE or BLU.

With the recurring deficit, the government needs to be aware of BPJS Healthcare mismanagement and potential budget leakage. At present, social security fund (DJS) liquidity should not be a problem. BPJS Healthcare also has a system to prevent participants who are not active to get services, so it is not possible for arrears.

BPJS Healthcare should make good use of surplus contributions from poor people (Beneficiary Contribution -PBI) borne by the government. With 224,1 million JKN program participants per 2019, the PBI figure turns out to be 96,5 million. This figure is far above the poverty rate of the Central Statistics Agency (BPS), which as of September 2019, "only" amounted to 24.79 million people.<sup>9</sup>

BPJS Healthcare can get additional funds from investments, as well as from participants and employers who pay but do not utilize BPJS Healthcare facilities. Some people have used private insurance, which is faster in service. They join BPJS Healthcare just to implement the obligations of the BPJS Law.

### c. Financial accountability of BPJS Healthcare

Based on Law Number 24 of 2011, BPJS must submit responsibility for the implementation of its duties in the form of program management reports and annual financial reports. Those reports should be audited by public accountants to the President with a copy to DJSN no later than June 30 of the following year. All reports should be published in the form of executive summary through electronic mass media and through at least 2 (two) printed mass media, which have wide circulation nationally, no later than July 31 of the following year.

In the BPJS Law, only the Board of Directors must be jointly responsible for financial losses incurred due to mismanagement of the Social Security Fund. The Supervisory Board and Board of Director's accountability mechanism is also very lax because the BPJS Law gives the Supervisory Board and Board of Directors the authority to regulate their mechanism of work through the Supervisory Board Regulations and Directors' Regulations.

Such work mechanisms are prone to conflicts of interest. Moreover, the government cannot conduct a direct evaluation of BPJS operations because BPJS reports are submitted every six months. Furthermore, there is no mechanism for a General Meeting of Shareholders (GMS) like in SOEs.

The government should demand the creativity of the board of directors and the supervisory board of BPJS Healthcare, and not continue to spoil them with an injection of funds. So far, BPJS Healthcare has enjoyed a variety of luxuries. In essence, salary and SOE's facilities standard, but in the form of a non-profit public legal entity, having

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<sup>9</sup> BPJS, 2020



the authority to make laws and regulations that are binding on the public, do not need to pay dividends, report directly to the president, and cannot bankrupt and dissolved.

Even when the deficit occurred repeatedly, no one questioned the directors' responsibility for the mismanagement of DJS as regulated by law. In contrary to their performance, the BPJS Healthcare Board of Directors and Directors' wages are higher than at PT Askes. The income of the President Director of BPJS is the Basic Wage times the Inflation Adjustment Factor and Position Factor. Wages for members of the Board of Directors are set at 90% of the salary of the President Director. Then, the Chair of the Supervisory Board's wages are set at 60% of the President Director's wages, and the Supervisory Board members' wages are 54% of the President Director's wages. In addition to wages, members of the board of directors and BPJS supervisory board also receive benefits in the form of holiday allowances, post-retirement benefits, annual leave allowances, social insurance benefits, and housing allowances. Besides, they also receive facilities to support the implementation of tasks such as vehicles, health, legal assistance, sports, official clothing, representation fees, and development costs (Kontan, 2014). A variety of luxuries that are enjoyed but without a high level of responsibility, make BPJS Healthcare a barren of creativity, which results in a continuous deficit. That is the irony that BPJS as the holder of a dominant position in Indonesian health insurance, collapsed by causing a large deficit.

### **2.3 Reform of the BPJS**

Managing social programs must be done extra carefully. If not, it can open a gap of fraud—especially when taking refuge in the concept of welfare state. On behalf of the welfare state, various aid, donations, injection of funds, subsidies, and capital participation from the government are given without checking the correctness of its utilization.<sup>10</sup>

It is unfortunate if BPJS' management does not welcome the goodness of the with proper management. We also witness various SOEs that continue to suffer losses, even after receiving equity participation; social assistance that is used for personal or individual group interests, as well as subdistricts that are not on target.

If this continues, then the state budget will be wasted. Failure to manage the welfare state, according to Palmer,<sup>11</sup> causes a financial crisis in the world so that economic growth moves slowly, or even negatively, and causes a debt crisis as happened in Europe, the United States, and other countries. We should learn from the failure of these countries.

The failure of the welfare state implementation in BPJS operational has become a threat from those who do not like the interventionist state. They would like to return the implementation of social insurance to the market system. If that happens, there will be no protection for the poor in the health sector. The upper-middle-class also has to pay higher costs for health insurance because the price is only determined by the market.

BPJS reform needs to be done considering the implementation of the welfare state is prone to deviations from the original goal, namely, to realize the prosperity of the

<sup>10</sup> Roziqin (b). BPJS dan Gagal Paham Welfare State (BPJS and Welfare State Failure), (2017). <http://www.nu.or.id/post/read/83796/bpjs-dan-gagal-paham-welfare-state>, 1 December 2017, accessed 15 April 2020.

<sup>11</sup> Palmer, Tom G. *After the Welfare state*. Washington: Atlas Economic Research Foundation. 2012. P. 1

people. That is also the source of criticism of classical economists or liberal economic adherents who do not like state interference as during mercantilist times. Joined hands of the state at the time turned out to be used by officials mercantilists to gain personal benefit and benefit a specific group.

In managing BPJS Healthcare, the concept of the welfare state is misunderstood as if the state must continue to intervene every time there is a problem, by ignoring the optimal efforts of state organs to overcome the problem. Based on GR Number 87 Year 2013 jo GR Number 84 Year 2015, injection of funds is not the only way when the assets of the Social Security Fund from BPJS have a deficit. Other efforts that can be done include: adjusting the amount of contributions, adjusting benefits, and adjusting operational funds. The Board of Directors should also be able to make the best investment by utilizing the existing one so that it becomes a professional body. Of course, investment is carried out with due regard to prudence, liquidity, and profit aspects. If the state wants to control BPJS Healthcare, it should be changed to become one of the BLU under the Ministry of Health.

By citing Sedarmayanti's theory on bureaucratic reform, BPJS Healthcare needs to carry out the following reforms:<sup>12</sup>

- a. Changes in ways of thinking (mindset, attitude patterns, and patterns of action).

BPJS Healthcare must change the previous (wrong) mindset, that the Government will always assist the BPJS Healthcare through State Capital Inclusion, subsidies, and forms of assistance another from the Government in times of liquidity difficulties. Even BPJS is a non-profit based on Law Number 24 of 2011, BPJS should seek to realize a profit, or at least does not give the burden to the state's finances. Of course, everything should be done without sacrificing the interests of the community. The government also needs to hold the National Social Security Board accountable and bill their role in overcoming the BPJS Healthcare problem. With the various powers it has, and various facilities to the Board of Trustees and Directors, BPJS Healthcare should be managed professionally and creatively and not to burden the state finances anymore. Tight competition in the field of health insurance, should make BPJS Healthcare vigilant in the field of insurance business.

- b. The change of authority to be a steward.

BPJS Healthcare must change the attitude of those who serve modestly, to serve wholeheartedly by prioritizing service satisfaction to the community. Although it is a non-profit nature, BPJS Healthcare must give their best services. It is common knowledge that many people complain about BPJS Healthcare facilities, ranging from patients who are slow to be handled, different treatment between BPJS patients and patients with independent costs, as well as many complaints from hospitals and doctors whose payments are too small and sometimes not smooth. Therefore such things must be removed from the BPJS Healthcare.

- c. Prioritizing the role of authority

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<sup>12</sup> Sedarmayanti. Reformasi Administrasi Publik, Reformasi Birokrasi, dan Kepemimpinan Masa Depan: Mewujudkan Pelayanan Prima dan Kepemerintahan yang Baik (Public Administration Reform, Bureaucracy Reform, and Future Leadership: Realizing Excellent Service and Good Governance). Bandung: Refika Aditama. 2009. P. 11.

The BPJS Healthcare, must give priority to the contribution to the community, not just enlarge the authority without contribution. The position of BPJS Healthcare as a public legal entity with all the advantages, it is not fitting to make BPJS lose its motivation to continue to improve.

d. Do not think the results of production, but the final result

The BPJS Healthcare must realize the best social security services in the health sector in Indonesia. With all the strengths it has, BPJS Healthcare services should be able to be the highest standard and benchmarking social security services in the health sector. The management of BPJS Healthcare must manage the entity in such a way that it becomes a healthy public business entity. Even if necessary, the government can cut or postpone all facilities received by the Supervisory Board, Directors, and BPJS employees if the performance of the BPJS Healthcare is not optimal.

e. Changes in performance management

The BPJS must change its performance management to be more effective than before.

### **3. CONCLUSION**

1. The concept of the welfare state in the National Social Security System is carried out by expanding the role of the state by forming the BPJS. The State has regulated in full the provisions regarding the implementation of Health Insurance with all regulations.

2. Implementation of the welfare state in the management of BPJS Healthcare in Indonesia indicated by a significant role of the state in formulating, organizing, and managing healthcare for Indonesian people. It has ranged from the establishment of institutions, asset management, and accountability mechanism. However, the implementation of the welfare state has not been appropriately put by the BPJS Healthcare. It makes BPJS Healthcare continues to experience a deficit since its operation.

3. BPJS Healthcare needs to be reformed by changing the way of thinking, and the way they work to make BPJS as the best health insurance legal entity. Moreover, if the state wants to control BPJS Healthcare, it should be changed to become one of the BLU under the Ministry of Health.

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#### **Book**

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