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Business Resilience of The National Health Insurance Program in The Covid-19 Pandemic Era

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ABSTRACT

COVID-19 pandemic in early 2020 caused serious threats to Indonesia's economy, investment, and social sectors, including BPJS Kesehatan business. The challenge has been to manage Jaminan Kesehatan Nasional (JKN) effectively and efficiently throughout crises. This study verified some data from BPJS Kesehatan reported in handling pandemic crises to show the relationship between the development of business resilience capability and management performance of BPJS Kesehatan in legally duties to administrative participant registration, premium collection, managing health finance for all JKN participants. The study indicated that BPJS Kesehatan already developed business resilience capability in planning and preparedness, absorption, recovery, and adaptation to the COVID-19 pandemic, which maintains BPJS Kesehatan's performance in managing JKN. The link between organizational resilience capability and organizational performance is related to effective response, adaptation, and recovery when disruptions occur. Further quantitative studies are needed to prove the correlation between business resilience capability development and its relation to organizational performance

Keywords: COVID-19 pandemic, crises, business resilience capability, management performance

1. INTRODUCTION

BPJS Kesehatan is a public legal entity established under the act with the assignment to administer social security in the health sector. Some of BPJS Kesehatan's duties include receiving participants' registration, collecting premiums from participants and employers, managing social security funds, and financing health services by the provisions of the social security program. Considering the challenges faced in implementing the health insurance program for the next five years, as well as the vision-mission and strategic goals to be achieved, the policy directions and strategies of BPJS Kesehatan are summarized in a grand strategy. The two components in the grand strategy are related to improving service quality by being oriented to the needs of participants (customer focus) and financial sustainability with the support of strong agency capability.

According to the World Economic Situation report 2021, the COVID-19 pandemic has been identified as a once-in-a-century crisis, in which uncertainty is a constant and difficult choice must make to protect employment and productivity, exposing systemic vulnerabilities at an economic level. The COVID-19 case that hit the rest of the world was a case of a multidimensional pandemic, as it impacted many sectors of people's lives. One of them is the economic sector. The global pandemic has resulted in a slowdown in economic growth, because in preventing or reducing the transmission rate of COVID-19 in several affected countries, efforts have been made to lock down and quarantine areas, such as through large-scale social restrictions (PSBB) in Indonesia. These restrictions caused many services at the office could not be held, impacting the economy nationwide.

Throughout 2020, BPJS Kesehatan must survive the COVID-19 pandemic situation. The COVID-19 pandemic is a disruptive incident that impacts the implementation of the national health insurance program. These disturbances come from global economic pressures which have reduced the company's ability to finance the welfare of its employees in the form of health and social security, as well as the reallocation of government budgets which indirectly resulted in the suppression of government

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allocation for the national health insurance program. In addition, people who voluntarily registered as independent participants also have an impact on the JKN program. This happens because independent participants have decreased ability to pay premiums due to restrictions on economic activity. Some business entities have lost or even closed and laid off their employees. This impacts the achievement of membership and revenue collection from the PPU BU (wage-recipient workers and business entities) segment.

A framework would guide how to protect and enhance organizational sustainability and resilience to more frequent crises and disruptions. This paper focused on the relationship between organizational resilience capability that makes organizational performance in the pandemic era can be achieved based on dynamic business resilience characterized by the ability of the organizational system to perform 4 (four) functions in the face of the COVID-19 pandemic, including: (1) planning, (2) absorption, (3) recovery, and (4) adaptation and its impact on organizational performance.

2. LITERATURE REVIEW

Business resilience is a multidisciplinary concept that has been widely debated throughout literature. It is the ability to adapt successfully in adversity, stress, or disruption (Alonso et al., 2020). Resilience is also linked with a set of adaptive capacities to a positive trajectory of functioning and adaptation after a disruption (Norris et al., 2008). World Economic Forum (WEF) endorses a strategic view of resilience. It emphasizes the long-term ability of organizations and economies to create the capabilities needed to deal with disruptions, withstand the shock, and continuously adapt to disruptions and crises over time (Pachtod et al., 2022). The National Academy of Science characterized resilience as the ability of the organizational system to perform 4 (four) functions in the face of adverse events: planning and preparedness, absorption, recovery, and adaptation.

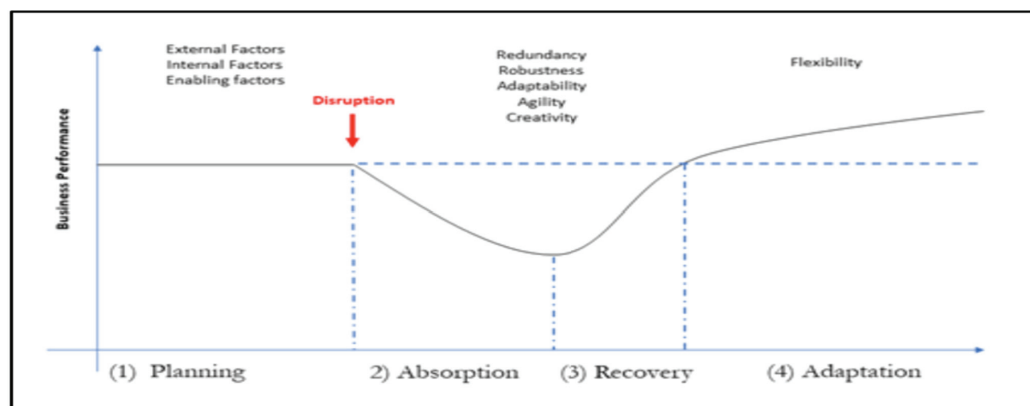


Figure 1. Dynamics of Business Resilience (Ajili W, 2021)

Business Continuity Management (BCM) is the holistic management process that identifies potential threats to an organization and the impact that those threats, if realized, can cause on business operations. It also provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of key interested parties, reputation, brand, and value-creating activities". The interaction of sustainability capabilities, resilience capabilities, and BCM results in an enhancement in organizational performance. (Corales-Estrada, et al, 2021).

3. RESEARCH METHODOLOGY

The method used in this study is a qualitative descriptive method with analytical techniques focused on understanding a problem, its context, complexity, and subjectivity. Qualitative research is aimed at knowing the causes, such as how and why a problem occurs in research. Qualitative research



includes interpretation techniques that explore a problem so that researchers can describe and interpret data to conclusions (Cooper, 2008, p. 162). Researchers use qualitative research with this research, so researchers can find out and explore the process that occurs by analyzing the internal and external environment of the organization. Sources of data used by researchers in this qualitative study are primary data and secondary data. The type of data collected is primary data obtained from organizational planning. Secondary data used is based on program management reports and work unit reports. This study intends to describe the sustainability of the JKN program based on planning for the receipt of contributions and payment of claim benefits during the COVID-19 pandemic.



Figure 2. Qualitative Data Analysis Technique

The data analysis technique used in the qualitative analysis has four stages, which are data collection, data reduction, data presentation, and the last step is drawing conclusions and verification. The following are some steps of qualitative analysis :

3.1 Data Collection

The first step in the qualitative data collection process is to collect the annual work plan. In this step, the identification of critical performance targets that can threaten the sustainability of the JKN program. Organizational targets that are critical points in the sustainability of the JKN program are the receipt of contributions and payment of benefits. The target data for revenue contribution and benefit expenditure is used as data reference in this study.

3.2 Data Reduction

Data sorting is a stage of qualitative data analysis techniques. This stage simplifies, classifies, and removes unnecessary data so that the data can produce meaningful information and make it easier to conclude. Data sorting is carried out based on receiving contributions affected by the pandemic. The JKN participant segment affected by the pandemic is the PBPU and PPU BU participants.

3.3 Data Presentation

Presentation of data is an activity when data collection is arranged systematically and easily understood, thus providing the possibility of generating a conclusion. The form of qualitative data on revenue collection for PBPU and PPU BU segment participants is presented in tables and graphs.

3.4 Drawing Conclusion and Verification

Drawing conclusions and verifying data is the final stage in qualitative data analysis techniques carried out by looking at the result of data reduction and referring to the analysis objective to be achieved. This stage aims to find the meaning of the data collected by looking for relationships, similarities, or

differences to conclude answers to existing problems. Verification is intended to assure precise and objective assessment of the suitability of the data, with the intent contained in the basic concept of the analysis.

4. RESULT AND DISCUSSION

To ensure that BPJS Kesehatan's task to administer social security in the health sector, also known as the National Health Insurance (JKN), meets the precautionary principle, several steps have been taken to ensure that JKN operations continue to run optimally despite disruptions caused by natural and man-made disasters. One of them is the COVID-19 pandemic.

Referring to the definition made by the National Academic of Science of dynamic business resilience, BPJS Kesehatan has built the ability to be able to survive and absorb the pressures given by the disruption of the COVID-19 pandemic:

4.1 *Planning and Preparedness*

A set of policies to develop plans have been drawn up through risk management policies, occupational health, and safety management system (SMK3) policies, information technology management policies covering disaster recovery plans (DRP) to business continuity management and crisis management to ensure well-developed planning and preparedness against disruptions, including the COVID-19 pandemic. The disaster preparedness program has been included as one of BPJS Kesehatan's strategic programs in the form of policy development, preparation of BCP, and simulations to ensure that disaster preparedness gets serious management attention. In dealing with COVID-19, several SMK3 steps have been taken, including ensuring that public spaces and workspaces are kept clean by regular disinfection and emptying for three days if there are employees who are positive for COVID-19. SMK3 has also prepared a strategy of working from a remote area (work from home) to minimize contact between employees in the workspace and as a recovery strategy if the office workspace must be vacated due to an employee infected with COVID-19. The contingency plan prepared for priority business processes is to provide online services. This includes an online queuing system through the JKN Mobile Application, and a service mechanism via WhatsApp called PANDAWA (Service Through WhatsApp) for participants who need membership administration services and other remote services. These remote services are provided through the website www.bpjs-kesehatan.go.id and a toll-free 24-hour Call Center at number 165.

4.2 *Absorption*

Risk management policies and SMK3 have carried out adequate anticipation of the threat of potential disturbances so that they can absorb and reduce the impacts that occur due to the COVID-19 pandemic. Crisis management carried out by the BPJS Kesehatan crisis management team formulates the strategic steps needed to reduce the impact that occurs due to the COVID-19 pandemic. BPJS Kesehatan activates the ad-hoc crisis management center team to handle the COVID-19 pandemic crisis comprehensively. The team formulates strategic and tactical steps to respond to the COVID-19 pandemic with several steps, including employee rescue, operational rescue, internal communication, and external, as well as measures to anticipate the financial impact caused by the COVID-19 pandemic. The impact of handling the pandemic can result in changes in budget allocations or refocusing the Government's budget due to declining economic conditions and the number of layoffs. BPJS Kesehatan has taken several advocacy steps so that the government budget for health insurance contributions, both at the central government and local governments, does not become the target of refocusing/reducing the handling of COVID-19.

4.3 *Recovery*

The BCM, DRP, and crisis management policies have helped BPJS Kesehatan to restore operational services to the maximum in the face of the COVID-19 pandemic. Government policies through large-



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scale social restrictions (PSBB) as well as the implementation of large-scale community activity restrictions (PPKM) in all parts of Indonesia as well as policies to disinfect office spaces if there are cases of employee COVID-19 infection, which are estimated to have an impact on employee productivity, can be overcome by providing solutions work from remote areas and develop supporting facilities to work through remote areas such as the implementation of Pandawa, geolocation-based digital presence, development of teleconsultation through communication devices between patients and participants. However, BPJS Kesehatan has developed several contingency procedures that can be carried out in disaster conditions to ensure that the interests of key stakeholders, such as participants, can be fulfilled. Optimization of online and long-distance services that minimize physical contact can maintain the operationalization of BPJS Kesehatan's business functions. BPJS Kesehatan's performance data shows that despite several disturbances, BPJS Kesehatan's performance achievements during 2020 still recorded good results.

BPJS Kesehatan financial performance data released in 2020 showed an increase in contribution income by 25.4% to 139.85 trillion rupiahs in 2020 compared to 111.75 trillion rupiahs in 2019. On the other hand, there was a decrease in the number of participants from 224 to 222 million in 2019. The number of health facilities serving JKN participants also decreased from 23,430 in 2019 to 23,043 in 2020, followed by a decrease in the cost of health services from 108.46 trillion rupiahs in 2019 to 95.51 trillion rupiahs in 2020.

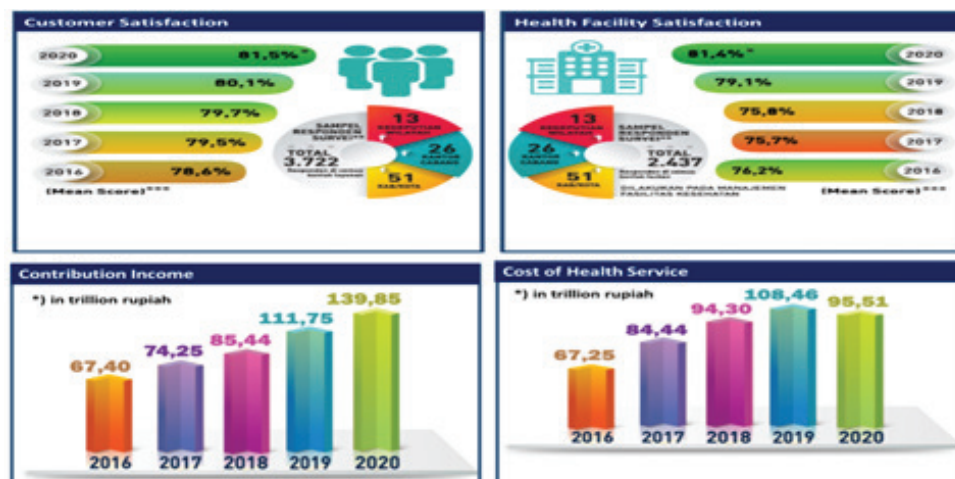


Figure 3. Organization Performance (LPP, 2020)

BPJS Kesehatan's performance in 2020 shows solid performance in the premium collection, managing social security fund, and financing health services, and a slight slowdown in participant registration and retention, as also the availability of health services providers. The success of BPJS Kesehatan in maintaining and even improving the performance of JKN management certainly cannot be separated from the management and maintenance of business resilience at BPJS Kesehatan through several frameworks and policies ranging from capability development to building planning and preparedness, absorption, recovery to adaptation, which are carried out in the form of management. Risk, occupational health, and safety management system, disaster recovery plan, business continuity management to crisis management.

The above performance of BPJS Kesehatan was achieved amid heavy economic pressure in 2020. The Indonesian economy during the pandemic slowed down to minus 5.3 percent in the second quarter of 2020, and aggregate growth was minus 2.19 percent in 2020 (Muhyiddin, 2021), while by 2021, economic growth recovered to 5.02 percent year on year. Other impacts of the COVID-19 pandemic is loss of income, bad loan performance, liquidity problem in banking, Rupiah currency depreciation, and workers being laid off in formal and informal sectors (E. Nadia, 2022). The impact sector by the COVID-19 pandemic is directly related to sectors that are participants in the National Health Insurance which covers the entire population of Indonesia, both in the informal and formal sectors. Refocusing and tightening government budgets for local governments in Indonesia can also impact BPJS Kesehatan.

Table 1. Macroeconomics Indicator (Assumption & Realization)

Makro Economic	Asumption (Planning)	31 Dec 2020
National Economic Growth	5,3%	-2,19% (yoy)
Inflation rate	3% ± 1%	1,68%
Exchange Rate (USD)	Rp 14.400	Rp 14.175
BI 7-days reverse repo	4,5%	3,75%

4.4 Adaptation

Learning from the COVID-19 pandemic, BPJS Kesehatan has also adapted a lot to the demands of maintaining productivity to ensure that JKN services remain optimal despite the new normal situation created by the COVID-19 pandemic. In addition to restoring JKN operations during a pandemic, BPJS Kesehatan is also actively contributing to the government's efforts to overcome the COVID-19 pandemic through information technology support to facilitate data collection on COVID-19 vaccinations through the P-Care Application, as well as developing incentive schemes for health facilities that provide services for patients. COVID-19 and the government also entrust the verification process and administration of health financing claims for COVID-19 patients under the control of BPJS Kesehatan.

5. CONCLUSION

BPJS Kesehatan set Business Resilience Strategy as part of risk management in overcoming disruption. BPJS Kesehatan has built the ability to survive and absorb the pressures given by the disruption of the COVID-19 pandemic. The policy framework implemented by BPJS Kesehatan in maintaining business resilience has proven to be able to maintain and improve the performance of BPJS Kesehatan during the COVID-19 pandemic which poses a multi-sectoral threat that if not handled properly is believed to have a very bad impact on BPJS Kesehatan. The link between organizational resilience capability and organizational performance is related to effective response, adaptation, and recovery when disruptions occur. BPJS Kesehatan, responsible for managing social security in the health sector in Indonesia, has implemented a good resilience framework with planning, absorption, recovery, and adoption approaches through policies in the fields of Business Continuity Management and Crisis Management. Business Continuity Management is focused on restoring priority business processes after disruption incidents, while Crisis management is on managing large-scale crisis incidents that threaten the reputation, strategic goals, and the existence of BPJS Kesehatan. Further quantitative studies are needed to prove the correlation between the maturity of BPJS Kesehatan's business resilience capability development and its relation to organizational performance.

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