

**Fifth Annual Asia Public Policy Forum:  
The Financing and Delivery of Public Health Services in Asia  
12-13 August 2015, Jakarta, Indonesia**

APPF Background and Objectives

The Asia Public Policy Forum (APPF) is an annual event that brings together senior central and subnational government officials, private sector and community-based leaders, as well as academics, researchers, and public intellectuals to discuss a complex policy challenge of great importance to both Indonesia and its Asian neighbors. APPF is convened by the Harvard Kennedy School Indonesia Program (HKSIP) at the HKS Ash Center for Democratic Governance and Innovation, with the venue alternating between Indonesia and another ASEAN country.

The primary long-term objective of APPFs is to integrate Indonesian public policy researchers and implementers into regional and global public policy communities to create informal public policy support networks for Indonesian public policy scholars and leaders. A secondary short-term objective is to improve the design, implementation, and evaluation of current public policies in Indonesia and abroad.

To date, there have been four APPFs:

- 2011: “Energy Policy” in Jakarta with the University of Indonesia Faculty of Economics (FE-UI) and Bimasena (Indonesian Mines and Energy Society)  
<http://www.ash.harvard.edu/Home/News-Events/Events/Past-Events/2011/Asia-Public-Policy-Forum>
- 2012: “Disaster Management” in Singapore with the Lee Kuan Yew School of Public Policy at the National University of Singapore (LKYSPP/NUS)  
<http://www.ash.harvard.edu/Home/Programs/Institute-for-Asia/Conferences/Asia-Public-Policy-Forum/Past-Conferences/2012>
- 2013: “Poverty, Inequality, and Social Protection in Asia” in Jakarta with the Harvard Asia Center, the National Team to Accelerate Poverty Reduction (TNP2K), the National Development Planning Board (Bappenas), and AusAid  
<http://www.ash.harvard.edu/Home/News-Events/News/2013/Ash-Center-Asia-Public-Policy-Forum-A-Look-Back>
- 2014: “Urban Transport and Land Use in Rapidly Growing Asian Cities” in Ho Chi Minh City with the Fulbright Economics Teaching Program (FETP)  
<http://www.ash.harvard.edu/Home/Programs/Institute-for-Asia/Conferences/Asia-Public-Policy-Forum>

## APPF 2015 Principal Findings and Lessons Learned

APPF returned to Indonesia in 2015, with a focus on “The Financing and Delivery of Public Health Services in Asia.” This topic was selected because it is both a high priority of President Joko Widodo’s administration and an urgent challenge throughout Asia. Many of Indonesia’s neighbors have introduced bold initiatives to improve the accessibility and effectiveness of health services, but have failed to anticipate and are ill equipped to deal with the unintended negative consequences of these policies.

The Forum convened 120 central and local government leaders, officials from health agencies, private sector healthcare providers, community-based health advocates, and health sector scholars from the United States and eight Southeast and East Asian countries to discuss trends and policy responses in healthcare financing and delivery, including alternative financing schemes for national health insurance, innovative provision of health services at the local level, particularly in rural areas, health challenges of epidemiologic transition, and emerging threats to global public health.

The Forum was divided into six sessions, each session consisting of presentations on specific health-related themes. APPF 2015 provided an opportunity for scholars and practitioners to share their experiences and insights on improving healthcare coverage and quality, as well as ensuring the financial sustainability of public health services. The unifying focus throughout APPF 2015 was how to balance promises of universal access to healthcare with the financially viable delivery of high quality health care services.

### *Opening Remarks*

APPF 2015 was quite timely, taking place in the context of a renewed global commitment to finance the Sustainable Development Goals, noted in USAID/Indonesia Mission Director Andrew Sisson’s opening remarks.

APPF 2015 also took place in light of transformation of the healthcare sector in Asia. Prof. Anthony Saich, in his opening remarks, summarized eight fundamental changes in the financing and delivery of healthcare: 1) re-definition of the respective roles and responsibilities of the state and the market in light of increasing private healthcare expenditure; 2) shifting distributional demographics characterized by higher medical expenditure on the elderly; 3) shifting epidemiology from infectious to chronic disease; 4) growing concern pertaining to equality of access and relative affordability of healthcare; 5) pervasive legal and regulatory frameworks that lead to healthcare quality and safety risks, as well as violation of intellectual property rights; 6) increasing level and decreasing transparency of healthcare pricing; 7) widespread perverse incentives to use high-cost technologies rather than low-cost interventions; and 8) increased use of mobile health technology for the delivery of health information and care.

Moreover, APPF 2015 was convened soon after two significant events in Indonesia:

- President Joko Widodo's commitment to improve public health as one of Indonesia's nine principles (*nawa cita*) for becoming a sovereign, strong, self-reliant, and mutual assistance society, described in the opening remarks of Prof. Tjandra Yoga Aditama on behalf of Health Minister Prof. Nila Moeloek.
- Completion of Indonesia's "Health Financing" study, undertaken by the Ministry of National Development Planning. This study evaluates financing sources, levels, coverage, and targeting; describes mixed health financing performance since 2008; and explores alternative future strategies for achieving a more robust, cost-effective, and sustainable health financing regime in Indonesia. It cites several significant challenges facing Indonesia in achieving its health objectives, including insufficient national and subnational public sector funding, poor health outcomes relative to even current low expenditure levels, inequities in the allocation and utilization of resources, and continued substantial vulnerabilities of low-income households to health catastrophes.

### *Session 1*

The first session of APPF 2015 was devoted to a comparative examination of national health insurance (NHI) schemes in Indonesia (Prof. Hasbullah Thabrany), India (Prof. Mukul Asher), and the Philippines (Dr. Ramon Paterno).

The three speakers described the evolution of NHI in their respective countries and discussed common characteristics, such as: funding by a combination of mandatory premium contributions and public budget allocations; single payer systems; and the ultimate objective of universal coverage. They also identified similar challenges, including: the chronic subsidization of NHI funds from general revenue due to limited capacity of low-income households to pay NHI premiums, coupled with government reluctance to prioritize inclusions and specify exclusions; continued high out-of-pocket expenditures to finance gaps in healthcare coverage, often caused by difficulties in supplying the necessary quantity and quality of healthcare services; and the complexities of multi-level governmental authority (decentralization in Indonesia and the Philippines and federalism in India).

### *Sessions 2 and 3*

Session 2 focused on the provision of public health services at the local level, with examples from Central Bangka District in Indonesia (Erzaldi Rosman) and Myanmar (Sid Naing), while Session 3 explored the provision of basic health care services in rural areas, with examples from Indonesia (Dr. Anuraj Shankar), Vietnam (Nguyen Thi Mai Huong), and Thailand (Dr. Udomsak Sangeow).

Each case study showcased both challenges and innovations in reaching poor and remote communities: Mr. Rosman talked about the promotion of behavioral change using social capital rather than budget resources in Indonesia to modify basic hygiene practices such as outdoor defecation; Mr. Naing described the tremendous challenges in Myanmar to make up for decades of neglect, and the recent initiative to decentralize its health delivery system; Dr. Shankar presented the maternal health initiative in Indonesia that emphasizes proper macro and micro nutrient intake, together with accurate measurement of progress; Ms. Huong explained how Vietnam has achieved good health indicators compared with other countries at a similar income level, but also noted the challenges Vietnam now faces in trying to adapt its current healthcare system to a more market-oriented economy; and Dr. Saengow described Thailand's district health system (DHS), noting how important DHS has been in promoting universal health coverage.

#### *Session 4*

Session 4 was devoted to health challenges of epidemiologic transition, as the panelists examined the implications for health care financing and delivery of populations that are getting richer and living longer, using examples from Japan (Prof. Kiyoshi Kurokawa), South Korea (Prof. Erin Hye-Won), and Indonesia (Prof. Byron Good).

Prof. Kurokawa provided an overview of the socio-economic, cultural, and medical anthropological aspects of mental health in Japan, stressing the financial burden and concomitant widening economic gaps and increasing social tensions. He used the growing prevalence of dementia as indicative of mental health exigencies that must be addressed in a nation characterized by high life expectancy, a low fertility rate, and a shrinking population size. Prof. Kurokawa was also hopeful that digital technology, big data, social robots, and artificial intelligence would contribute significantly to the improvement of dementia care, especially in developing a community-based model of intervention. Prof. Hye-Won discussed a natural experiment that quantified the relationship between work hours and obesity, both of which are growing global health problems with substantial social, economic, and financial costs. She was able to demonstrate a significant causal relationship between increased work hours and higher BMIs among male Korean workers. Prof. Good used mental health care in Indonesia as an example of the need in many countries for fundamental changes in primary health care services that were designed to provide care for infectious diseases and were not prepared to treat chronic diseases. He described two exciting community based mental health initiatives in Indonesia to deal with these obstacles: the use of trauma discourse in Aceh and the implementation of the *bebas pasung* program (the move from physical constraints to treatment in hospitals and homes) in Yogyakarta to destigmatize mental health illness and normalize mental health care.

### *Keynote Dinner Speech*

The first day of APPF 2015 concluded with a keynote dinner speech by H.E. Prof Bambang Brodjonegoro, the Indonesian Minister of Finance. The Minister provided a comprehensive overview of the evolution and current status of Indonesia's National Social Health Insurance (NSHI) and the NSHI implementing agency (BPJS). He noted that the key policy challenge is fulfilling the government's commitment to improved healthcare for all in a fiscally sustainable manner. He also underscored the importance of both interministerial coordination and public-private cooperation in achieving this objective, as well as the need for efficient pooling of risk across the entire population. The Minister also made many short-term suggestions for improving the current healthcare regime, such as introducing an eligibility waiting period and strengthening primary healthcare to prevent overutilization of specialist services.

### *Session 5*

The second day of APPF 2015 began with a panel on cross-cutting issues in the financing and delivery of public health services, using examples from Indonesia and Thailand.

Prof. Stephen Kosack addressed the potential impact of increased access to relevant healthcare information, for example a healthcare scorecard, and community engagement with health providers based on this information, to improve the quality of local healthcare services. The concept that community empowerment can significantly improve the accountability and effectiveness of healthcare providers is being tested in a five-year, two-country (Indonesia and Tanzania) randomized control trial called T4D (Transparency for Development). Dr. Sripen Tantivess discussed another way to improve the quality of healthcare services, namely Health Technology Assessment (HTA). This has been a valuable tool in Thailand to determine whether a proposed healthcare intervention should be covered by the country's Universal Health Care (UHC) program. Dr. Tantivess explained that HTA is the multidisciplinary analysis of the development, diffusion, and use of health technology, and includes but is not limited to analysis of cost-effectiveness. The panel concluded with a discussion of the politics of health insurance in Indonesia by Dr. Dinna Wisnu. Dr. Wisnu noted that many of the major policy decisions regarding social protection in Indonesia, including health insurance, were driven primarily by political considerations rather than economic factors, and that a key to improved healthcare services is a combination of strong political will and substantial bureaucratic reform.

### *Session 6*

APPF 2015 concluded with a panel on emerging threats to global public health, shifting focus from long-term healthcare concerns to immediate health emergencies and from a domestic perspective to a regional and global view.

Dr. Tham Chi Dung opened the session with a discussion of past experience in Vietnam in combatting pandemics such as SARS and H5N1 and the preparedness of Vietnam to deal with future pandemic crises. He summarized the importance of several factors in ensuring adequate pandemic preparedness, including a prompt response, strong leadership and widespread political support, a good public health infrastructure, public acknowledgement of outbreaks, and availability of appropriate tools to prevent and control outbreaks, especially a strong surveillance system. Prof. Wiku Adisasmito delivered the final panel presentation of APPF 2015, devoted to development of regional resilience in the face of pandemic threats, which he called diseases of tomorrow. He stressed the urgency of regional preparedness due to uncertainty regarding the timing and nature of the next health crisis, as well as the uneven capacity of healthcare systems throughout Asia to respond effectively to the next emergency. Dr. Adisasmito also suggested specific tools to enhance regional preparedness, for example the use of mathematical models for planning antiviral stockpiling.

#### APPF 2015 Action Items for Follow-Up

Every APPF not only provides a platform for policy engagement of senior public sector officials, private sector managers, community-based leaders, and top scholars, but also serves as a catalyst for future research and action.

The local, regional, and global health networks either created or renewed during APPF 2015 will continue to be facilitated by the wide dissemination of APPF 2015 materials: the APPF 2015 program, summary of proceedings, presentations, and photos will all be posted on the Harvard Kennedy School Ash Center's website, with links to the websites of all APPF 2015 partners. This will assist APPF participants to continue to learn from each other and to work collaboratively to address key common challenges in the financing and delivery of health services in Asia.

APPF 2015 also identified many issues requiring rigorous applied policy research that might be the focus of future collaboration. Foremost among these research issues is the need to develop more viable national health insurance models. Current schemes are financially unsustainable. They are also plagued by perverse incentives, adverse selection, and moral hazard. Thus they are chronically short of funds, while failing to deliver on the promise of universal access to high quality health services. The intentions of national health insurance schemes are noble, but their results often have been disappointing. Related research issues are striking appropriate balances between competing healthcare demands, for example preventative and curative medicine, physical and mental health, maternal/child and elder care, infectious and chronic diseases. A third area requiring considerably more research is preventing, identifying, and coping with emerging threats to global public health; in other words, how to be more proactive than reactive, how to spot pandemics earlier, and how to mobilize more effective local and global responses to pandemics. All of these research issues provide opportunities to build on the dialogue initiated at APPF 2015.