Improving and Supplementing the Public Healthcare Workforce with Public-Private Partnerships in Indonesia

HP+ POLICY *Brief*

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Introduction

The Government of Indonesia has prioritized private sector engagement and public-private partnerships (PPPs) as strategic initiatives in achieving goals outlined in the 2020–2024 *National Midterm Development Plan* (BAPPENAS, 2020). Private sector engagement initiatives focus on a government's capacity to engage with and provide stewardship for the private sector. A strong relationship between government and the private sector can generate greater market data for both sectors, establish accessible forums for communication, and create opportunities for collaboration and innovation. Public-private partnerships serve as a formalized relationship to distribute the risks and benefits of such collaboration between both parties. Through PPPs, each partner leverages the resources, expertise, and efficiencies of the other to achieve better health, societal, and economic outcomes.

Box 1. Non-Infrastructure PPP Technical Guidelines

The technical guidelines inform the development of PPPs by compiling and clarifying the legal basis through which various PPPs can be formed. Specifically, the guidelines provide a regulatory framework for the following features:

- Types of partnerships currently supported through government regulation
- Required PPP governance structures within the MOH and throughout the government, including a PPP Unit under ministerial authority to coordinate partnerships
- Procedures for procuring PPPs from opportunity/partner identification to bidding and contracting
- Sources to finance PPPs, including national and local government, private entities, and blended finance mechanisms
- A framework for monitoring and evaluating PPPs

Public-private partnerships are a well-established concept in Indonesia, though not yet present in all health areas. In the 2010–2014 *National Midterm Development Plan*, the government acknowledged the role of PPPs as necessary in managing health facilities more efficiently and reducing operational costs (BAPPENAS, 2010). Infrastructure PPPs, in which the private sector builds and/or operates capital projects such as toll roads and water pipes on behalf of the government, have grown in popularity (BAPPENAS, 2018). Health Ministerial Regulation No. 40/2018 supports the implementation of health infrastructure PPPs; non-infrastructure PPPs for human resources, service delivery, and commodities are also gaining momentum. The Ministry of Health (MOH) is developing technical guidelines to institutionalize and popularize such health non-infrastructure PPPs (Box 1).

Public-private partnerships present a unique opportunity for the health sector to better address health access, gaps in achieving quality targets, and system inefficiencies. To meet Minimum Service Standards—the most notable sector-wide government policy that drives district-level programming—Health Ministerial Regulation No. 4/2019 mandates that district health offices (DHOs) offer training to health workers, specifically in priority areas highlighted in the MOH's annual strategic plan. However, government implementation of such policies has not reflected this guidance. The MOH and district health offices' budget execution rates remained suboptimal in 2018,

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at 87.3 percent and 77.3 percent, respectively (MOF, 2018). Increases in government health budgets and policy mandates are not matched with capabilities in providing planned services.

Non-infrastructure PPP opportunities can introduce innovation to uncoordinated areas of the health system such as medical commodity procurement and sale; government health budget implementation gaps; licensing and accreditation services; human resources; and the provider-referral system.

Human Resources for Health Challenges and Private Sector Partnership Opportunities

Indonesian President Joko Widodo has stated that human resource development is a major focus of his 2019–2024 term in office (Holmemo, 2019). The country has seen an increase in demand for human resources for health (HRH) and training due to implementation of the national health insurance scheme and the resulting increase in demand for service provision. In 2019, the national government implemented requirements for local government entities to meet Minimum Service Standards. Aligned with the universal health coverage principles included within the national insurance scheme, these requirements mandated that local government entities demonstrate 100 percent compliance with the standards. This necessitates all 514 regencies and cities in Indonesia budget for and organize an increased number of HRH trainings. To source and train sufficient staff is an enormous endeavor; the estimated cost of meeting the HRH in-service training demand just for primary healthcare interventions (non-communicable diseases; nutrition; HIV; tuberculosis; immunization; and reproductive, maternal, and newborn health) at the national level was estimated to be 39 billion Indonesian rupiah (US$2.8 million) in 2019 (Lang, unpublished).

Several PPPs to address this challenge have already been tested in Indonesia, including:

- ***Deployment of private providers to fill staffing gaps.*** The Special Capital Region of Jakarta contracted private sector HRH—including nurses, doctors, and midwives—as supplemental staff to provide a special public health awareness program in the city. These providers were grouped into teams to provide preventive and promotional treatments, rehabilitative care, and data collection for priority programs in urban slums. By contracting-in this private sector service, the city was able to nimbly deploy staff for a pre-determined period of time based on campaign needs.
- ***Contracting-in of specialized clinical expertise.*** Gatot Soebroto Army Hospital in Jakarta, the Municipal General Hospital in Mataram, and other hospitals in West Java have contracted a private company to renovate, operate, lease, and maintain equipment and train staff to run a cardiac catheterization laboratory to diagnose and treat cardiovascular diseases. The private sector partner assumed these responsibilities for a fixed fee, saving public hospitals from spending time and resources conducting a service that they have little experience with. A similar model is being used by most public hospitals in contracting Kimia Farma to run their pharmacies. Several Type A hospitals have initiated partnerships with Biomedia or Prodia to run their clinical laboratories.
- ***Collaboration on quality assurance oversight.*** The MOH used contracting-out in 2005 to regulate the performance of private sector midwives in the Bidan Delima program. Rather than conducting all regulation and monitoring in-house, the MOH worked with the Indonesia Midwife Association to introduce a private franchise focused on providing certification and standardized training for maternal and child health services to private sector midwives. This franchise transferred the responsibility of training and regulating midwives from the public sector to an external, privately operated entity which could provide focused results.
- ***Contracting-out of HRH training.*** Several districts have started to work with private in-service training institutions to improve the clinical and management capacity of public HRH. There are only 23 MOH training centers and six city-level health training centers in Indonesia that offer priority training for the 331,103 public sector healthcare workers (NCSA, 2019). In collaboration with the MOH's Directorate of Training Center, Summit Healthcare has provided priority training to public sector providers across five districts (Box 2).

Box 2. Public-Private Partnership between Summit Healthcare and District Health Offices

Summit Healthcare is a private training institution that has successfully helped DHOs meet the MOH training mandate through a PPP. This institution provides three MOH-accredited courses to primary-, secondary-, and tertiary-level providers and has applied for institutional accreditation. Through its 10 training sites and 165 trainers, it offers 20 different training programs, nine of which are international certifications. Since its inception in 2015, staff have delivered over 460 training sessions in Indonesia and Myanmar, training almost 5,700 participants, many of whom are nurses. Some courses are short, classroom-based sessions using equipment and models; the institution also offers a long-term training program that includes "internships" at partnering hospitals to provide hands-on training opportunities to staff.

Summit Healthcare has worked with five DHOs across Indonesia over the last three years. Beyond initial course framework and MOH standards training, the institution was able to customize training based on available budget and resources. In addition to maximizing DHOs' readily available resources (e.g., equipment and facilities), Summit Healthcare used existing expertise, equipment, and facilities to cut costs and provide a tailored learning experience.

Private training institutions can offer courses for priority and mandated training on behalf of the MOH if they have received institutional and course accreditations. These accreditations ensure that privately hosted training is aligned with MOH standards. A private training institution that does not receive accreditation can still provide HRH training in two scenarios: 1) if the training is not on the priority list as stated in the MOH strategic plan, or 2) if priority training is done with MOH supervision and guidance to ensure standards are met. In these cases, the MOH awards certification directly to the trainee.

Summit Healthcare has worked to align private and public sector incentives to support and address the Minimum Service Standards, thereby strengthening healthcare quality across Indonesia. Both public and private sectors can adapt and apply the lessons learned from this PPP to other health system inefficiencies and gaps.

Considerations for Developing Public-Private Partnerships and Human Resources for Health at Scale

While partnerships between the Government of Indonesia and the private sector to address HRH challenges are rare, early experiences show their potential to bring about rapid improvements to quality of care. There are several considerations for public and private stakeholders to improve and scale up such partnerships to fully address the gaps in service provision and meet the MOH mandate.

Recommendations for policymakers:

- Refine and streamline the process for course and institutional accreditation. This will increase the number of private institutions across Indonesia offering in-service training and provide more options for training PPPs.
- Establish a regulatory framework to help catalyze the implementation of partnerships nationwide. The *Non-Infrastructure PPP Technical Guidelines* can be adopted to ensure clarity and transparency of the PPP process and strengthen government and private sector capacity in establishing PPPs.
- Consider regulatory changes to allow the National Public Procurement Agency to procure services to streamline the national procurement process.

Recommendations for district governments:

- Review district priorities and HRH opportunities that are not being met and seek private partners to help achieve these objectives using PPPs.

Recommendations for the private sector:

- Private training institutions should package priority training curriculums with a standardized contract, set of trainings, and price to allow scale-up of programs with multiple DHOs at once, rather than creating them individually and on an ad-hoc basis.
- Private hospitals with training centers (e.g., Siloam Hospital Group and Hermina Hospital Group) and private pre-service training institutions should consider how HRH in-service training PPPs could leverage their capabilities, strengthen their businesses, and best utilize their breadths of knowledge.

Conclusion

Public-private partnerships can align government objectives with private sector strengths to increase budget effectiveness and utilization. At the same time, PPPs can become viable business opportunities. For example, PPPs in HRH trainings in Indonesia are a growing business opportunity because of the large number and variety of health workers involved and the many in-service trainings needed. If new private partners participate in the provision of MOH trainings, this will create more vendor options, innovative training approaches, potential for increase in quality, and value for the government and society.

Many opportunities exist for the government to leverage private sector resources, whether it be through contracting-in or contracting-out services in human resources, capital infrastructure, or other needs, to meet its targets quickly and sustainably. Public and private sector stakeholders can collaboratively find PPP opportunities that improve the health and well-being of the Indonesian population.

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