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USAID BUREAU FOR DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

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Resource Mobilization and Alliance Building: Supporting Barru's Journey toward Universal Health Coverage

OVERVIEW

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Activity name: USAID ERAT (Effective, Efficient, & Strong Governance)

Country: Indonesia

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SUMMARY

Since 2014, the Government of Indonesia has implemented a National Health Insurance scheme across the country to achieve universal health coverage (UHC) for the population. In Barru, a district in Indonesia's South Sulawesi province, with strong political support from the regent and local government leaders, the local government laid out a goal of achieving UHC by the end of its

medium-term development plan in 2026. While significant funding for insurance premium subsidies has been included in both central and local government budgets, the needs were greater. Local government officials in Barru recognized the need to use the limited public resources effectively.

To that end, they asked USAID through the ERAT (Effective, Efficient, and Strong Governance) activity to improve beneficiary targeting of health insurance premium subsidies in the district. The result of this process went beyond increasing effectiveness. The local government uses data to mobilize public and private resources, and build alliances to improve National Health Insurance coverage. USAID ERAT's support has helped Barru district increase the coverage of the National Health Insurance scheme from 88% in mid-2022 to 94% in September 2023. Here's how:

USAID ERAT worked with local government authorities to map issues relating to health insurance coverage, identify key actors, analyze their interests and incentives, and build networks and communication channels to discuss and resolve challenges to UHC. As a lack of district-level population data made it difficult for local governments to target subsidies for health insurance premiums for the poor, USAID ERAT identified village governments as partners of local government for collecting the data that would inform the health insurance targeting. Subsequently, when the analysis of this data collected by village governments revealed that the approach of providing subsidies for the poor would be insufficient for reaching UHC in Barru, local governments engaged the local private sector and philanthropic institutions to cover health insurance premiums for formal and informal workers.

USAID ERAT'S THINKING AND WORKING POLITICALLY (TWP) APPROACH

USAID ERAT's political economy analyses (PEAs) in 2021 identified that achieving UHC is an attractive political promise for political leaders at all levels. This is also the case for the Regent of Barru, who included this objective in his campaign promises. However, the activity observed that these political incentives for prioritizing UHC had not led to a holistic, comprehensive plan to address coverage gaps. Instead, the local government was mainly focused on increasing coverage through subsidies for the National Health Insurance scheme premium, without verifying the accuracy with which recipients for the subsidy were targeted or engaging with other stakeholders. USAID ERAT's analysis revealed two challenges which could be addressed through TWP approaches:

- Limited access to databases providing insurance coverage data, and
- Lack of insurance coverage among a significant number of non-poor and non-subsidy eligible individuals.

In addressing both challenges, USAID ERAT recognized that understanding the roles and influence of government and private actors within the district and developing alliances among them would be essential for developing sustainable and impactful universal health care in Barru. To do so, the activity identified key stakeholders, and USAID ERAT's District Facilitator was tasked with continuously engaging with them to improve understanding of their incentives and align them towards the common goal of achieving universal health coverage. The Regional Secretary (Sekda) and the Head of the Local Development Planning Board, two officials that USAID ERAT identified as having a strong interest in expanding universal health coverage, became the main drivers of change in mobilizing

these key actors.



ADDRESSING DATA LIMITATIONS THROUGH NEW AND EXISTING ALLIANCES

In assessing the challenges to UHC in Barru, USAID ERAT discovered limitations in the data being used for targeting National Health Insurance premium subsidies. While the local government had thought this data was continuously updated through population verification, this was

not the case. Instead, efforts to initiate data sharing with the local social security agency charged with administering the National Health Insurance and the Population Administration offices were unsuccessful. While relationship-building with the headquarters and local office of the social security agency resulted in local government officials gaining access to the data on National Health Insurance system enrollment, the detailed population data held by the Population Administration remained inaccessible for the local government.

As a result, USAID ERAT turned to another key stakeholder with an interest in expanding health coverage: village governments. Following a successful pilot in which a village government collected and provided population-level data to the local social security office to be cross-referenced with National Health Insurance enrollment, the local government expanded this request to all village governments, resulting in population-level data being available for 76% of villages by the end of 2023. In addition to increasing the available data for the targeting of insurance premium subsidies, the collaboration with village governments also led to increased awareness at the village level of the National Health Insurance and other government services required to access health insurance.

NEW PARTNERSHIP FOR INCREASING INSURANCE COVERAGE FOR FORMAL AND INFORMAL WORKERS

The population data provided by village governments, combined with additional data on poverty provided by the local government, allowed the local social security office to analyze inclusion (ineligible people receiving subsidies) and exclusion (eligible poor people excluded) errors in the health insurance premium subsidy program. The data showed significant gaps in National Health Insurance coverage among the district's non-poor residents. In particular, one of the most important findings of this analysis was that two thirds of individuals who signed up for the National Health Insurance scheme, but did not pay regular premiums, were employed in both the formal and informal sectors. Since many of these individuals were formal sector workers, the local government saw opportunities to work with another stakeholder interested in the National Health Insurance for these individuals: the private sector companies that employ them.

As a result, for workers in the formal sector, the local government requested that companies operating with Barru pay the insurance premiums for their employees. Additionally, the local

government turned towards zakat (philanthropic) institutions to cover the insurance premium arrears of informal workers who fall ill. Finally, the analysis also highlighted gaps in coverage among Barru's low-income population. In particular, the discovery that over 25% of the poorest residents did not have an active national insurance membership led to a decision to increase the allocations for insurance premium subsidies in the 2023 and 2024 budgets.



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RESULTS

The main result of USAID ERAT's work is the alignment of interests and incentives of local actors towards improving the coverage of the National Health Insurance through improved data quality, analysis, and utilization for decision-making. Accurate and updated insurance membership data became a shared priority among the stakeholders and the social security agency office tasked with administering the insurance scheme, initially only concerned with billing claims for the insurance premium subsidy regardless of the accuracy of the data, is now a key player in the data overlaying process. The village governments and the Population Administration office are also increasingly aware of the importance of verifying and updating population data. In addition to building alliances to further UHC in Barru, the following results have been recorded over the past two years:

- Local subsidy recipients are better targeted, reaching 1,170 previously excluded poor.
- The local government has increased its allocation for premium subsidies by 7% and 10% respectively in the revised 2023 and 2024 budgets.
- The private sector companies that paid National Health Insurance premiums for their employees have increased from 42 to 55.
- Barru's National Health Insurance coverage has increased from 88% in 2022 to 94% in September 2023.

Changes in mindset, work approaches, and improved trust among stakeholders have also spilled over to other sectors. The local government plans to improve the provision of legal identity for its

citizens, including through collaboration with village governments and health service providers. The local government also started developing a new performance-based fiscal incentive scheme for the village governments showing good performance in data verification and public service provision. The data overlay for the National Health Insurance has been replicated to improve the budgeting and targeting of the poverty reduction program in the district. This case exemplifies how USAID ERAT is achieving its goal of benefitting Indonesian citizens by increasing the quality of policy implementation and service delivery at the subnational level.

WHO AND WHAT ENABLED SUCCESS

Expanding health insurance coverage is a simple, tangible issue and, importantly, aligned with popular demand and key actors' incentive structure. The strong political motives and passion of the Regent and his late wife were translated into incentives for local government leaders to achieve the UHC target. These motives were powerful in mobilizing the local and village government offices and these actors' willingness to learn, adapt, and take immediate action is a crucial driver of change. In addition to these motives and incentives, the following factors contributed to USAID ERAT's success:

- USAID ERAT role as a facilitator in linking actors, stimulating communication and discussion, and encouraging institutionalization of mechanisms providing incentives for stakeholders to build sustainable relationships.
- The presence of a highly skilled District Facilitator for obtaining trust from key actors.
- The activity continuously updated its understanding of actors and incentive structures. This was done not through formal studies but rather through the District Facilitator's observations and intensive technical support from the provincial and national teams.
- Flexible implementation to quickly adapt to changing situations.

Overall, by using TWP approaches to address the challenges identified throughout the processes, the local government gained a profound understanding of the underlying political economy factors and technical challenges underpinning the rollout of the health coverage. This understanding has enabled them to collaborate more effectively, build alliances with other actors, and consolidate efforts to mobilize a broader impact.

To learn more about the USAID ERAT (Effective, Efficient, and Strong Governance) activity, check out:

<https://www.usaid.gov/indonesia/fact-sheets/usaaid-erat-strengthening-local-government-effectiveness>

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