



# iDRG Payment Policy and Sustainability Strategy Development

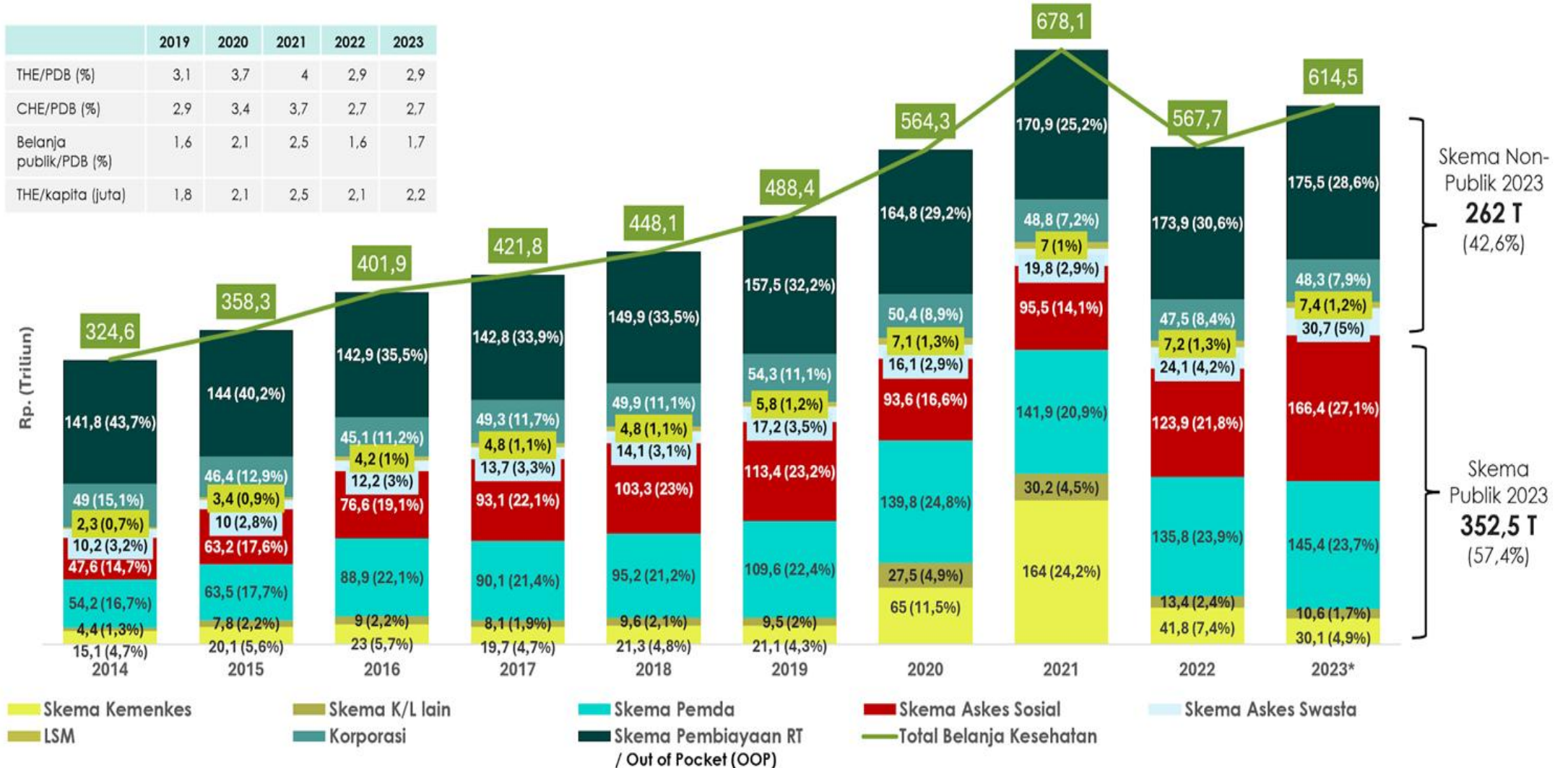
**Presented at IHEA on 20<sup>th</sup> July 2025**

**Center for Health Financing**

**Ministry of Health, Republic of Indonesia**

# The portion of JKN spending continues to grow, while OOP health spending declining

## National Health Accounts

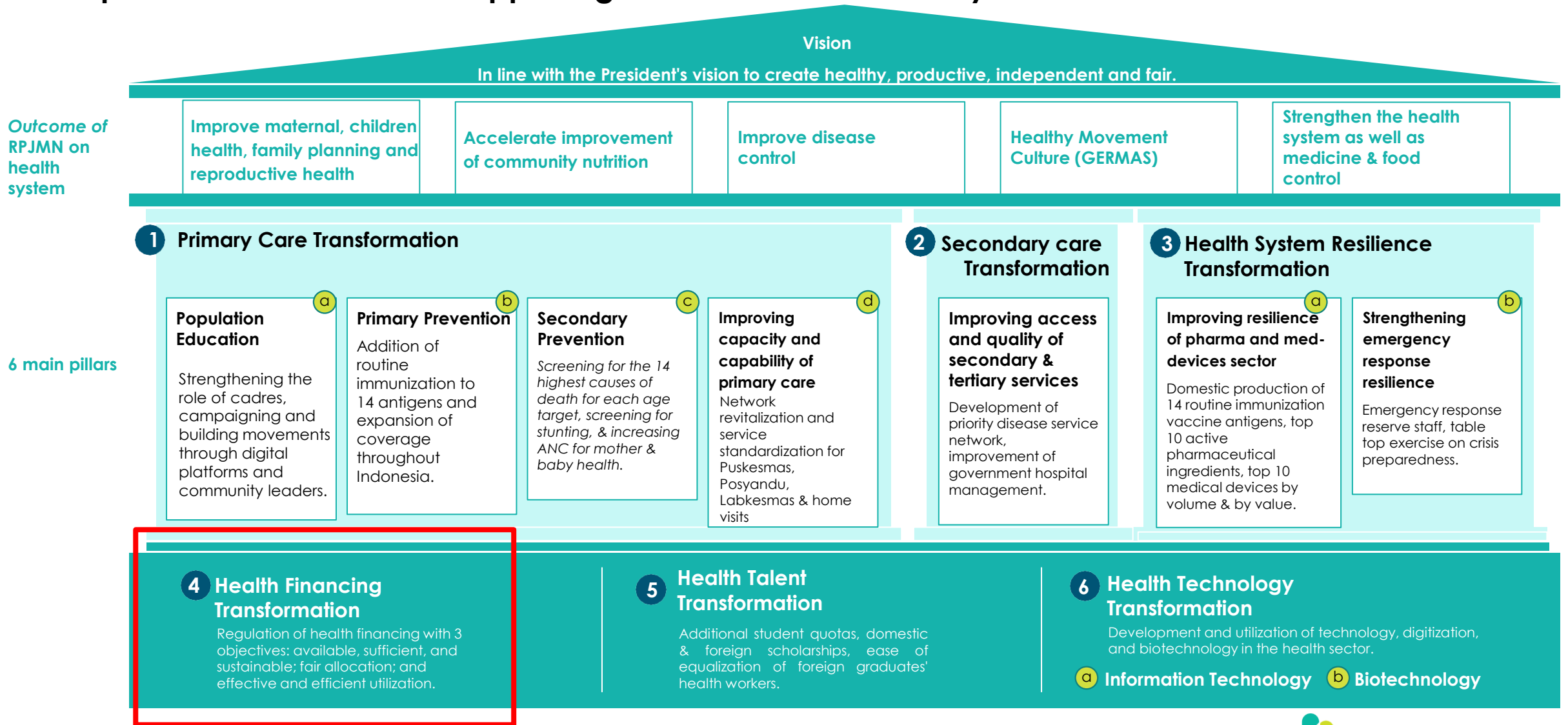


Sumber: National Health Accounts, 2023

PDB: Produk Domestik Bruto

# MoH Commitment in Implementing **The Health System Transformation**

The 6 pillars of transformation supporting the Indonesian health system:



# Indonesia Policy to Achieve UHC : Mandated on Law no. 17 Year 2023

> **Personal Health Service**



**Social Health Insurance with Contributory Scheme**

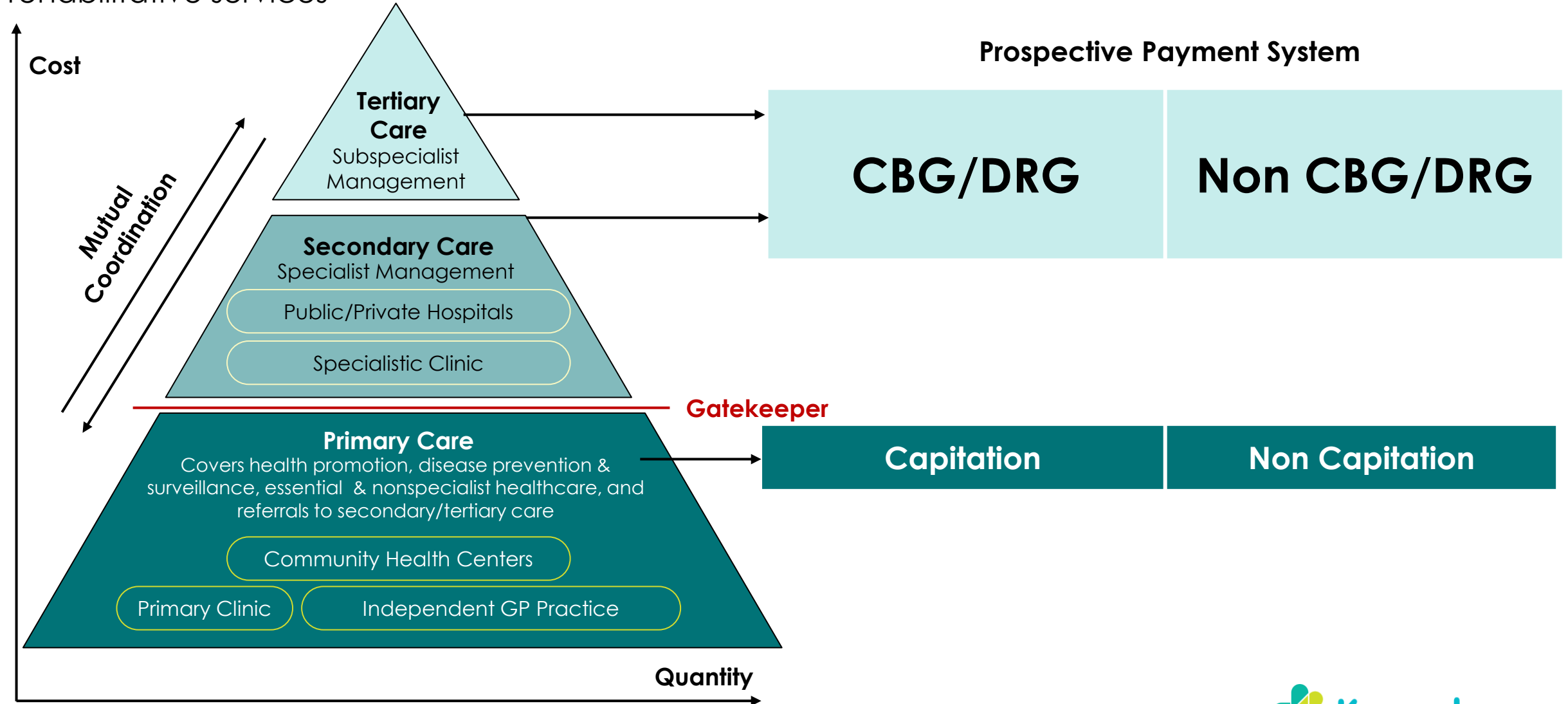
> **Population Based Health Service**



**Disease Control Program funded by Government/ Local**

# Health Benefits covered by JKN

JKN provides comprehensive healthcare benefits across promotive, preventive, curative, and rehabilitative services



## Justification for iDRG Reform



**Indonesian National Health Insurance (JKN) Program** has been implemented for **more than 10 years** since 2014.

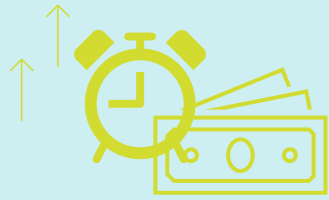


Indonesia already has its own **epidemiological data**.



**Restoring the basic principles of JKN as social insurance**

# The Goals of iDRG Reform



## Efficiency

iDRG incentivizes hospitals to provide care more efficiently, as payments are based on the **average cost of care** for each group rather than on individual services rendered.

This encourages hospitals to manage resources better and avoid unnecessary procedures or prolonged hospital stays.



## Fairness

iDRG is intended to establish standardized tariffs for hospital services, supporting the implementation of prospective payment mechanisms and promoting equity in hospital reimbursements



## Transparent

By classifying patients into standardized groups based on diagnoses, treatments, and other factors, iDRG makes hospital billing and resource allocation more transparent and easier to monitor

# The Benefits of iDRG Reform



## Reflected the disease characteristics in Indonesia

- ✓ Classification is developed using JKN claims data
- ✓ Adopted the Indonesian Modification (IM) codes for ICD-10 (2010) & ICD-9-CM (2010)



## Improved group homogeneity

- ✓ Improved costing methodology by using patient level costing
- ✓ Better homogeneity within iDRG, as indicated by improved Coefficient of Variation (COV) and Reduction in Variance (RIV) metrics
- ✓ Enables more accurate severity levels, both clinically and resource utilization complexity



## Governed by the Ministry of Health

- ✓ Enables continuous refinement which is adjusted to the development of cases policies in Indonesia
- ✓ Enables to integrate advanced medical technologies and incorporate up-to-date medical practices
- ✓ Enables to adjust fair financing for respected iDRG groups
- ✓ Enables to support future development of innovative care models including One Day Care (ODC), emergency care, as well as the introduction of new DRGs, such as Respiratory TB & Drug-Resistance Respiratory TB



## Inclusiveness support from various stakeholders and DRG experts

- ✓ Hospitals and Hospital Association in Indonesia
- ✓ Professional Association/Organisation
- ✓ BPJS Kesehatan

Note: also supported by NGOs

