Enrolling Informal Sector Workers in National Health Insurance in Indonesia

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Sector(s): Health, Political Economy and Governance

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Fieldwork: SurveyMETER

Location: Medan and Bandung

Sample: about 7,500 households

Target group: Urban population

Intervention type: Incentives Information Insurance Preventive health

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Partner organization(s): Australian Government, Indonesian National Planning Agency (BAPPENAS), Indonesian Social Security Agency (BPJS Kesehatan), Indonesian National Team for the Acceleration of Poverty Reduction (TNP2K)

Since the early 2000s, there has been an increase in government-run health insurance schemes in developing countries that aim to achieve universal health coverage. One key challenge in countries where the informal sector is a large part of the economy is that non-poor informal workers are difficult to enroll and retain in government health insurance programs. Researchers are conducting a randomized evaluation to test the impact of various incentives and information campaigns on the enrollment and retention of non-poor informal workers in Indonesia’s national health insurance program.

Policy issue

Since the early 2000s, there has been an increasing trend towards government-run health insurance schemes and universal health coverage in developing countries. Countries as diverse as Ghana, the Philippines, Rwanda, and Thailand have public health insurance systems that aim to achieve universal health coverage for their people. Universal health coverage could be a way to increase access to key health services and prevent people without insurance from falling into or deeper into poverty when they get sick due to the cost of health care.

However, there are many challenges in implementing a sustainable health insurance scheme. For example, non-poor informal workers—who make up a large portion of the workforce in many developing countries—are typically difficult to enroll and retain in insurance programs. Governments can enroll formally-employed individuals through their employers, and enroll low-income individuals by providing them with subsidized insurance, but these methods do not reach non-poor informal workers.
Additionally, if only the least healthy individuals opt in to the insurance program, adverse selection may be a significant obstacle to the financial sustainability of these programs. To achieve universal health coverage and ensure the viability of the health insurance schemes, governments must take steps to encourage healthy individuals and informal sector workers to sign up for coverage.

**Context of the evaluation**

The Government of Indonesia aims to reach universal health care coverage for all citizens by 2019. To achieve this goal, they launched a national health insurance scheme, Jaminan Kesehatan Nasional (JKN), in 2014. The government covers the insurance premiums for those who fall within the bottom 40 percent of Indonesia's income distribution, and formal workers' premiums are covered jointly by the employee and their employer. However, as part of the program, non-poor informal workers are required to individually register for JKN and make monthly premium payments. Informal workers make up around 60 percent of Indonesia's workforce, and about 60 percent of those workers lack health insurance.

Despite significant information campaigns, non-poor informal workers often have little understanding about the program and how to enroll. They often cite high premium and the hassle to enroll as reasons for not signing up. Families may enroll in the JKN program either in person at an office in the district capital or online through the program website. To register households must fill in a form and present an updated Family Identity Card (Kartu Keluarga), the ID card of the family member that is doing the registration, and color photographs of each family member.

The financial stability of the JKN program requires near universal enrollment and as a result, signing up non-poor informal workers is essential to JKN's success. Researchers collaborated with the Indonesian Social Security Agency (BPJS) and National Planning Agency (BAPPENAS) to develop and test policy interventions to address these challenges.
Registering for insurance at BPJS Kesehatan

Details of the intervention

Working in close partnership with the Government of Indonesia, researchers conducted randomized evaluations in Bandung and Medan to test the impact of several different incentives and information campaigns on the enrollment and retention of non-poor informal workers in the JKN health insurance program. Bandung, West Java, is one of Indonesia’s largest cities where 43 percent of the population works in the informal sector. Medan is the capital of North Sumatra and its most populous city, which has a significant concentration of non-poor informal households.

Across the two cities, about 7,500 households were randomly assigned to receive a combination of the following interventions or to serve as part of the comparison group.

- **Subsidies for health insurance premiums:** To test the influence of price on insurance purchases, researchers randomly assigned households to different subsidy offers for health care premiums.
- **No inpatient claim bonus:** In Bandung only, randomly selected households received an offer of a cash rebate of half of their total insurance premium if they paid their monthly premiums in full and had no inpatient claims over the year.
- **Information about JKN:** Some households were randomly selected to receive basic information on JKN. Others also received information on health care costs for certain medical conditions or information about the waiting period between registering for JKN and the activation of health care coverage.
• On-the-spot registration: Households were randomly assigned to either register for JKN at the local BPJS office or offered the opportunity to register from home with the assistance of a surveyor through an online registration portal on a laptop computer.

Researchers collected household survey data and administrative data from BPJS to measure the interventions’ effects on enrollment, payment, and claims over time.

Results and policy lessons

Results forthcoming