Good Practices in Social Security

Good practice in operation since: 2016

Implementation of integrated risk management in line with the ISSA Guidelines to manage the National Health Social Security programme

Certificate of Merit with Special Mention, ISSA Good Practice Award – Asia and the Pacific competition 2018

Social Security Administering Body for the Health Sector
Indonesia

Summary

The vision of the Social Security Administering Body for the Health Sector (BPJS Kesehatan) is to achieve universal coverage within five years (2014–2019). Because of this, BPJS Kesehatan needs to prepare itself in minimizing all risks, which comes in many forms, that could delay the achievement of the target. Risk management in BPJS Kesehatan is based on the Director's Regulation No. 46 of 2017 on the BPJS Kesehatan Integrated Risk Management Guidelines to comply with the international risk management standard ISO 31000. The ISSA Guidelines are an important reference for BPJS Kesehatan because they are for social service organizations. Risk management focuses on four areas of governance in the implementation of social services, namely, financial sustainability; good investment; coverage, member contributions and services; and management of human resources and information technology.

For this, BPJS Kesehatan deems it necessary to align the BPJS Kesehatan Integrated Risk Management Guidelines with the factors set forth in the ISSA Guidelines.

The issue or challenge

What was the issue or challenge addressed by your good practice? Please provide a short description.

The primary issue is to align the BPJS Kesehatan Risk Management Guidelines with the ISSA Guidelines and in accordance with the ISO 31000 framework, to support the achievement of the organizational objectives and targets in order to create an effective, efficient health service that is of good quality for all members.

Addressing the challenge

What were the main objectives of the plan or strategy to resolve the issue or challenge? List and briefly describe the main elements of the plan or strategy, focusing especially on their innovative feature(s) and expected or intended effects.

The main goal is to align and to implement the BPJS Kesehatan Risk Management Guidelines and the ISSA Guidelines as one of the forms of continuous corrections based on the ISO 31000 framework.

The alignment is done by mapping out the guidelines/structures/mechanisms of the ISSA Guidelines with the ISO 310000 architecture such as:

- mandate and commitment;
- planning framework;
- risk assessment; and
- risk handling and observation.

ISSA Guidelines Mapping: Mandate and commitment

No.	ISSA	BPJS Kesehatan
1	Approval from the Supervisory Board of the plans, policies, reports and risk management	BPJS Kesehatan Risk Management Charter until 2018 is under review
2	Supervision from the Supervisory Board regarding the implementation of risk studies and implementation of risk management	Delegation from the Supervisory Body to the Risk Management Committee. Communication and ad hoc consultation
3	Integration of risk management in the organizational structure	Primary risk owners (Deputy Director, Regional Deputy Director, andHead of the Branch Office). Risk owners (Assistant Deputy Director and Head of HR) are assisted by the risk coordinator (RICO) and risk Admin (RIA)
4	Alignment and coordination of risk management strategies at the organizational level	The Director direct Risk Management unit, then Risk Management unit coordinate with Risk Management Committee, RICO and RIA.
5	Risk management coordination with strategic planning	Risk based Annual Activities and Budget Plan (RKAT) are conducted
6	Implementation of change management to monitor and coordinate the transition process	Implemented on risk management roadmap

ISSA Guidelines Mapping: Planning framework

No.	ISSA	BPJS Kesehatan
1	Risk management policies	First version in 2014. Revised at the end of 2015. Latest in 2017
2	Availability of resources for the implementation of risk management	Human resources are planned out. Application of MARKO (TI) is completed in 2018. Requires mandate and commitment of directors.
3	Certainty of role and responsibilities	Set out in the guidelines. Implementation not yet consistent
4	Capacity and competence to anticipate and evaluate risks	Set down in the guidelines. The number of personnel and empowerment of structure must be improved. Requires further training and certification
5	Ability of the staff to implement and observe risk handling	Awareness and ability of risks owners are still low and unequally distributed, Improvement of awareness through Macro application
6	Risk Assessment core team with the central role of an internal auditor that may be assisted by external specialists	A concept of three lines of defense exists: Risk owners-Risk Management unit-Internal Control unit. Internal Control unit starts to apply risk based audit (ABR)

ISSA Guidelines Mapping: Risk assessment

No.	ISSA	BPJS Kesehatan
1	Observation of environment and periodic risk scenario analysis	Observation of environment using PESTEL and SWOT in accordance with guideline. Risk programme is analysed such as with the Ichikawa and bow-tie diagram. Scenario analysis for specific risk studies
2	Creation and update of risk events and threats list	Not available. Risk records are planned to be created in 2018. Planned to be supported by IT
3	Periodic report and study of the risk management	An independent risk profile work unit and risk study made by the AMR
4	Short-term and long-term effects of risks towards areas of governance	Criteria and qualitative effects regarding governance is available
5	Potential risks from specific areas of social security management	Facilitated with the risk mapping towards three primary focuses
6	Utilization of the process model to identify and assess potential risks	Categorization of risks based on the Financial Services Authority (OJK) guideline, and based on the work procedure

ISSA Guidelines Mapping: Handling and monitoring

No.	ISSA	BPJS Kesehatan
1	Method of risk handling and management (transferred, accepted, stopped, handled)	Set out in guidelines. Conducted based on FMR-3 Form
2	Improvement of effectivity and cost efficiency of handling	Set out in guidelines. Conducted based on FMR-3 Form
3	Preparation of business sustainability plan	Set out in guidelines. Conducted based on FMR-3 Form
4	Development of risk indicators to provide an early warning system	Starting to use Key Risk Indicator tools
5	Effective supervision and communication system	Set out in guidelines, however effectivity is made to be the focus of in 2018

Risk management is an adequate guarantee that the organizational objectives and targets are done through a top-down approach. Related to this are:

- The implementation of a risk management strategic plan (RENSI MARKO) within five years, with the details of each programme per year to serve as basis for the implementation of organizational risk management as established by the Director's Decision. The following are the BPJS Kesehatan RENSI MARKO: awareness, commitment, infrastructure, quality, integration, and culture.

- Optimization of the delivery mechanism of the risk management policies and guidelines through best practice sharing, internal communication media, etc.

- Implementation of the automation process of risk management that facilitates all of the frameworks and risk management processes in the form of an application called *Aplikasi*

MARKO, an automated tool for risk management which also serves as an early warning system because it displays updates of the risk profile dashboard.

If the risks can be monitored and controlled, then a healthy, effective health service of good quality may be guaranteed. Continuous improvements are done by BPJS Kesehatan with respect to improving health service to members.

Targets to be achieved

What were the quantitative and/or qualitative targets or key performance indicators that were set for the plan or strategy? Please describe briefly.

Qualitative targets:

- Revision of the BPJS Kesehatan Risk Management Guidelines by accommodating matters related to risk management in the ISSA Guidelines, while considering the following factors:
    - BPJS Kesehatan Risk Management Guidelines (which are based on ISO 31000) may be aligned with the ISSA Guidelines (as *ISSA Guidelines on Good Governance*) in accordance with the principle of risk management in ISO 31000:
        o Principle 2. Integral part of the organizational process
        o Principle 7. Made in accordance with the needs
        o Principle 8. Considering human and cultural factors

- Management of risks is part of good governance, hence risk management in a certain department may be applied for good governance.

- Alignment of the BPJS Kesehatan Risk Management Guidelines with the ISSA Guidelines is applied as a form of continuous revision in compliance with the framework of ISO 31000.

Quantitative targets:

- Achievement of a certain level of maturity in risk management in accordance with the 2016–2020 risk management roadmap (hereinafter referred to as PJMR) created by the risk management unit as a strategic initiative.

The PJMR
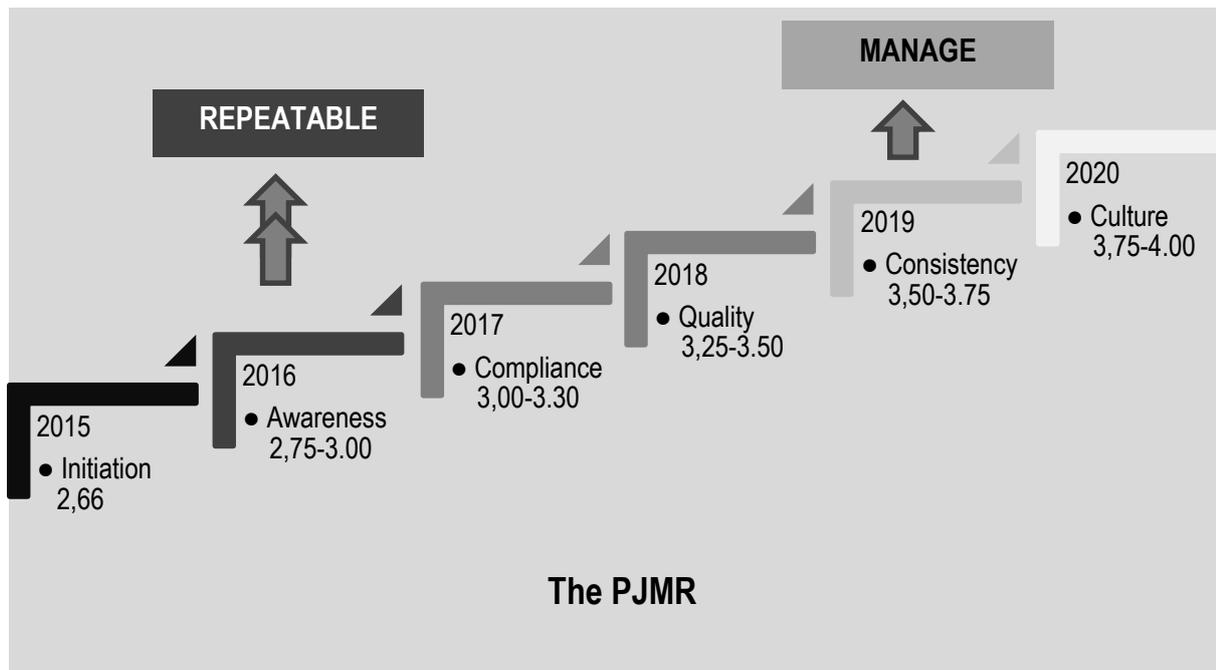
The diagram shows the initiation of the risk management application in 2015. Afterwards, the aim is that in the future, there will be higher awareness for the application of risk management (2016), compliance (2017), quality of the application of risk management (2018), consistent application (2019) until risk management becomes a culture in BPJS Kesehatan (2020).

Evaluating the results

Has there been an evaluation of the good practice? Please provide data on the impact and outcomes of the good practice by comparing targets vs actual performance, before-and-after indicators, and/or other types of statistics or measurements.

Evaluation results:

- Risk management process
  - Target: Organization of the top 10 risk profiles of BPJS Kesehatan.
  - Actual Performance: Revision of integrated risk management guidelines (previously based on Director Regulation No. 65 of 2015; currently based on Director Regulation No. 46 of 2017.
  - Before the good practice: The risk management process (Director Regulation No. 65 of 2015) used seven risk management forms to implement risk management.
  - After the good practice (with the revision of the guidelines based on Director Regulation No. 46 of 2017): The risk management process was simplified into five risk management forms, namely, the context establishment form; the risk identification form; the risk assessment, risk analysis and risk evaluation form, the risk management form, and the risk handling money form.
- Maturity level in Enterprise Risk Management (ERM), BPJS Kesehatan integrated risk management

- Target: Achievement of ERM maturity level.

- Actual performance: Maturity level in the implementation of ERM ISO 31000 Regional Division (DIVRE) and Organization (Corporate) are declared to be in the achievement score or maturity level described below.

- Before the good practice: At the end of 2016, assessment results in the form of achievement score and maturity level of the Regional Division (DIVRE) are as shown in the table below: the maturity level of the BPJS Kesehatan risk management is on the repeatable stage (III) with a score of 2.78. This means that the implementation of ERM ISO 31000:2009/SNI ISO 31000:2011 in BPJS Kesehatan shows a positive upward trend towards a better and higher level, which is Level IV (Managed).

MATURITY SCORE RECAPITULATION BPJS KESEHATAN of 2016					
		MATURITY LEVEL ACHIEVEMENT			
		SELF-ASSESSMENT		VERIFICATION CENTROIS	
No.	IMPLEMENTATION OF ISO 31000 ERM ELEMENT SCORE	SCORE	FULFILLMENT (%)	SCORE	FULFILLMENT (%)
1	ELEMENT I PRINCIPLE TO MANAGEMENT RISK	2.79	69.78%	2.85	71.25%
2	ELEMENT II (WORK FRAME TO MANAGE RISK)	2.69	67.26%	2.97	74.29%
3	ELEMENT III (RISK MANAGEMENT PROCESS)	2.84	70.95%	2.52	63.00%
	TOTAL	2.77	69.33%	2.78	69.51%
	Maturity score	2.77		2.78	
		LEVEL 3	REPEATABLE	LEVEL 3	REPEATABLE

- After the good practice: After the BPJS Kesehatan integrated risk management guidelines were adjusted to the ISSA Guidelines, the ERM maturity level is described in the next table: the maturity score achieved in 2017 by BPJS Kesehatan as a whole (organizational level) was 2.86. The achievement of this maturity score is an aggregate of the maturity score achieved by the 13 regional and the central office units. The achievement of this score is on Level 3 (out of 5) on the measurement/scale level, with the label "repeatable".

- The improvement in the ERM maturity level of BPJS Kesehatan from 2016 to 2017 shows the improvement of the management of risks by the BPJS Kesehatan.

No.	WORK UNIT	MATURITY SCORE	MATURITY LEVEL	NOTE
1	Regional I Sutac	2.93	III	REPEATABLE
2	Regional II Sumbagteng Jambi	2.80	III	REPEATABLE
3	Regional III Sumsel Babel Beng	2.80	III	REPEATABLE
4	Regional IV Jabodetabek	2.83	III	REPEATABLE
5	Regional V Jabar	2.88	III	REPEATABLE
6	Regional VI Jateng DIY	2.85	III	REPEATABLE
7	Regional VII Jatim	2.96	III	REPEATABLE
8	Regional VIII Kaltimtengseltara	2.86	III	REPEATABLE
9	Regional IX Sulselbartramal	2.84	III	REPEATABLE
10	Regional X Sulutenggomalut	2.80	III	REPEATABLE
11	Regional XI Bali Busra	2.95	III	REPEATABLE
12	Regional XII Papabar	2.84	III	REPEATABLE
13	Regional XIII Bakabalam	2.88	III	REPEATABLE
14	Central Office	2.78	III	REPEATABLE
15	Corporate (BPJS Kesehatan)	2.86	III	REPEATABLE

Lessons learned

Based on the organization's experience, name up to three factors which you consider as indispensable to replicate this good practice. Name up to three risks that arose/could arise in implementing this good practice. Please explain these factors and/or risks briefly.

Based on the implementation of integrated risk management in line with the ISSA Guidelines, the practice may be replicated by other public service bodies by considering the following supporting factors:

- Ensure that the Management is involved or participates in raising awareness on risk management.

- Ensure consistency of risk owners to carry out risk management in accordance with the provisions, along with carrying out the risk management plan.

- For the risk management unit to continuously be consistent in monitoring and evaluating the results of risk management done by the work units.

Some risks may be identified and must be considered in implementing integrated risk management in line with the ISSA Guidelines:

- Existence of differences in the risk management implementation standards (ISO, COSO, etc.).

- Low commitment levels of risk owners to carry out risk management plans.

- Lack of awareness of risk management units in updating strategic issues in risk management.