

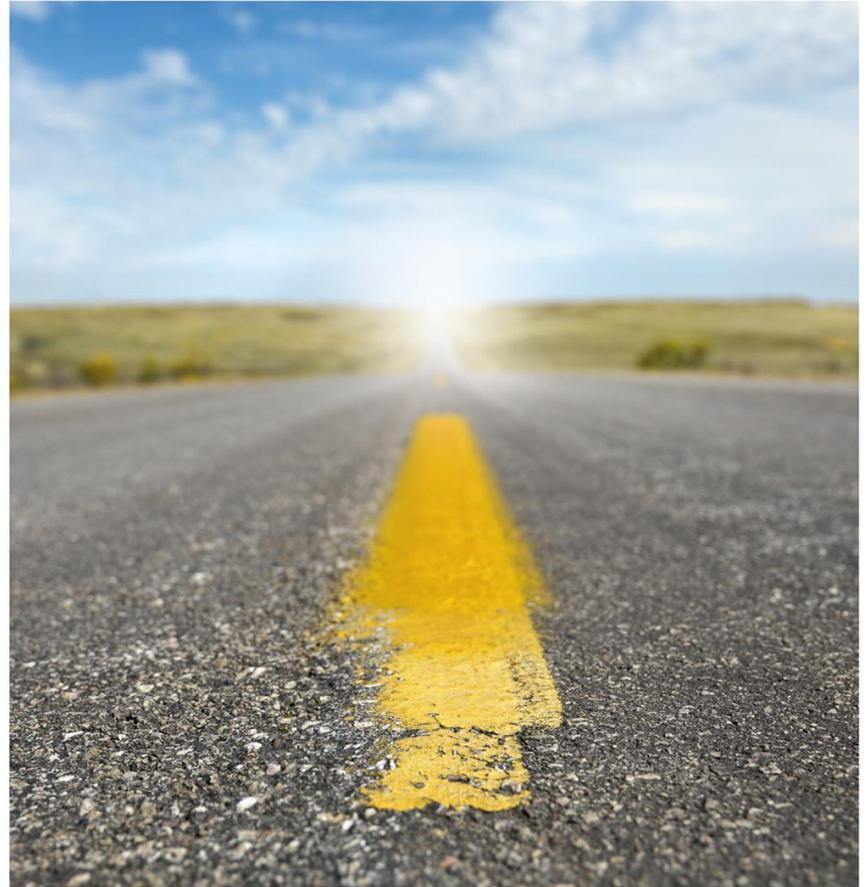
Injury Schemes Seminar

Road to Recovery



**Actuaries
Institute**

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Indonesia's New Journey

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Bracton Consulting Services Pty Ltd



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*This presentation has been prepared for the Actuaries Institute 2015
Injury Schemes Seminar.*

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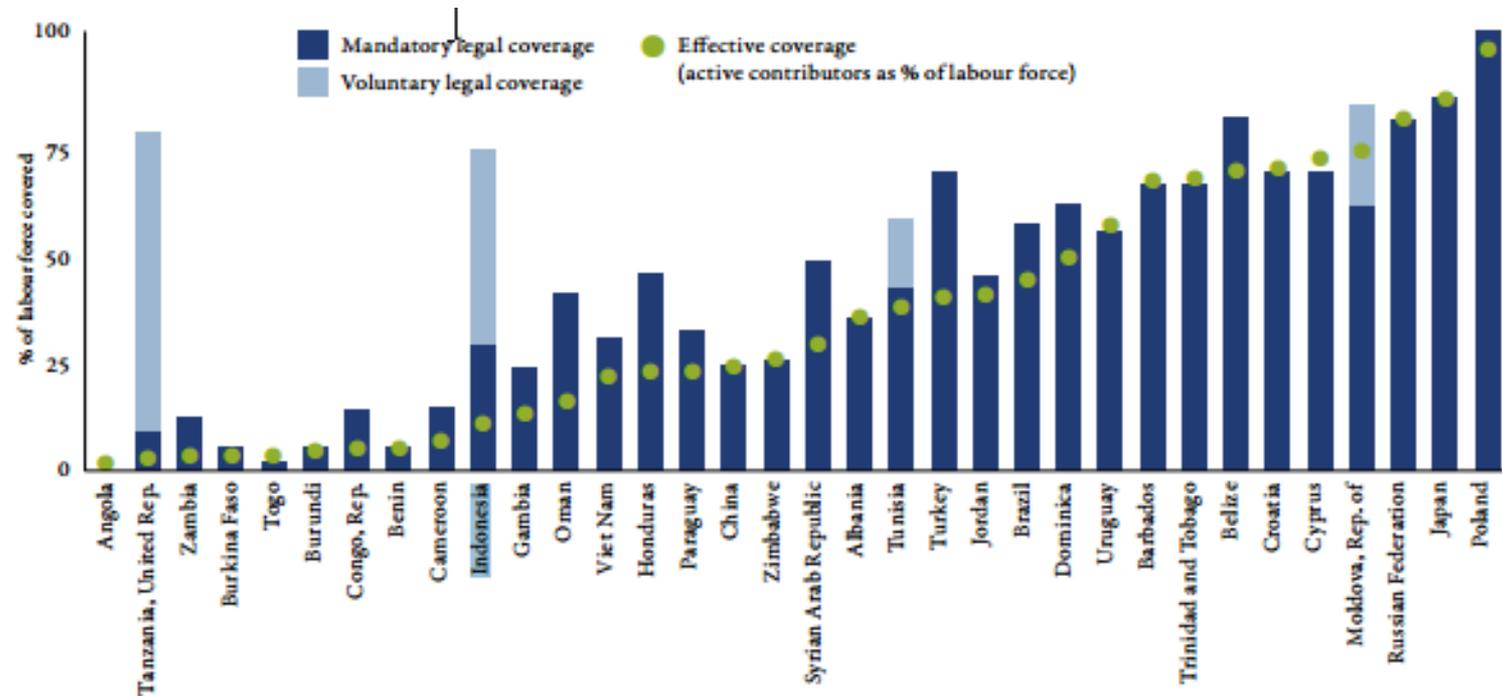
Indonesia – Today and in 2030



Challenges

- Dynamic poverty
 - 2009 14.7 m lifted out of poverty but 13.2 m fell back: net gain 1.5 m
- Coverage for work injury insurance very low
 - Population c 252m; working age pop c 125m (c 118 m in workforce and c 7m unemployed)
 - Large percentage of work force in informal sector
 - Actual coverage in work injury social insurance – c 19%
- Difference between formal coverage and actual coverage of work injuries and diseases
- Very high levels of under-reporting

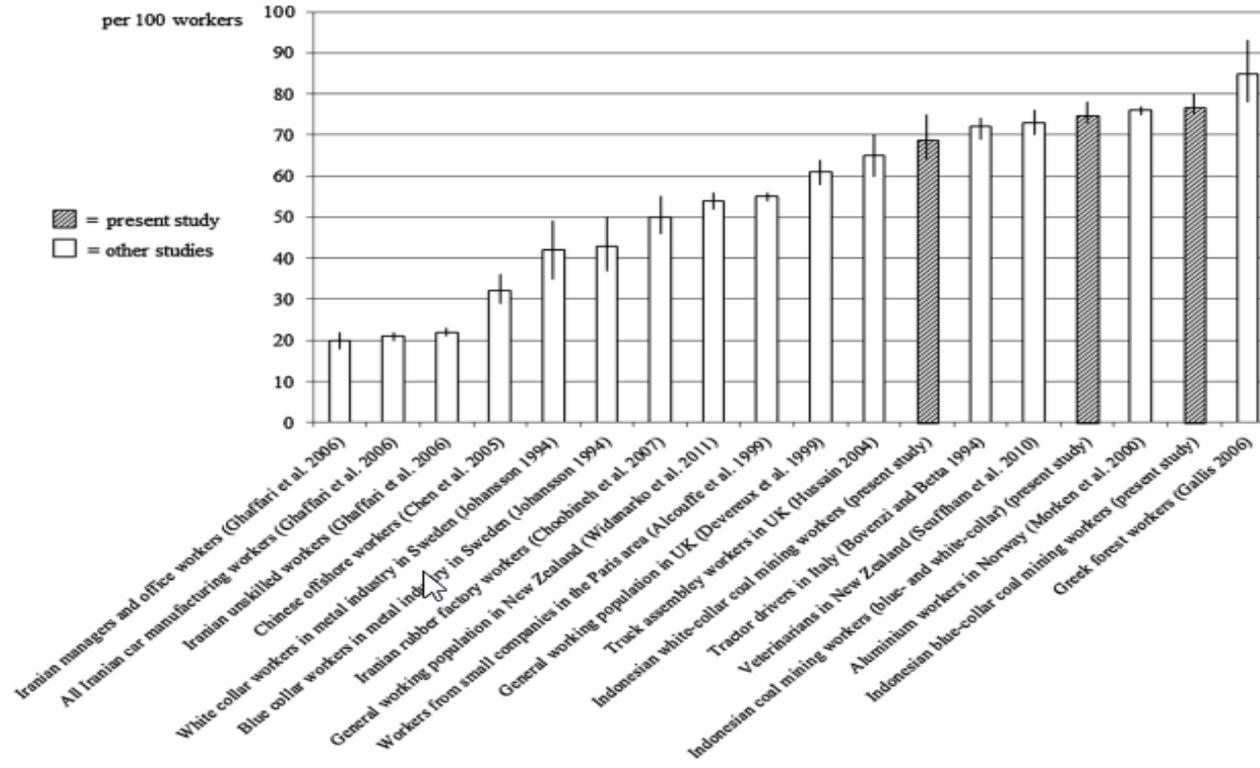
Level of Effective Coverage



Reported Claims

Period	Number of work injuries	Functional incapacity	Partial incapacity	Total incapacity	Death
2012	103,074	3,915	2,685	37	2,419
2013	103,285	3,985	2,693	44	2,438
6 mths to June 2014	53,319	1,817	1,298	23	1,122

Prevalence of Low Back Symptoms in International studies



Background to Social Insurance in Indonesia

- Article 34 of Indonesia's 1945 Constitution
 - “The state provides social security system for all citizens and empowers the people who are weak and incapable in accordance with human dignity”
- Law 3/1992 – Employee Social Security, Article 3
 - “Every worker has the right to have employee social security protection”
- Law 40/2004 – National Social Security System, Article 2
 - “National Security System is delivered based on principles of humanitarian, benefit and social justice for all the people of Indonesia”
- Law 24/2011 – Social Security Administering Body, Article 5
 - Establishes two major administering bodies
 - BPJS Kesehatan (BPJS Health)
 - BPJS Ketenagakerjaan (BPJS Employment)

Health Benefit Arrangements

- Pre 2014



- From 1 January 2014



- BPJS Health will progressively assume responsibility for the management of health insurance for all workers, including those currently covered under private health insurance plans.
- It is planned that this universal coverage under BPJS Health will be achieved by 1 January 2019

Work Injury

- Prior to 1 July 2015



- From 1 July 2015



- From 1 July 2015 a transfer from Jamsostek to BPJS (E)
- Transfer of Taspem and Asabri to BPJS (E) to occur in 2029

Benefits

- Death Benefit
 - Funeral Expenses – R 3 million
 - Lump sum payment of $60\% \times 80 \times$ monthly wage (R 16.2 m)
 - Period payment: $24 \times$ R 200,000 = R 4.8 m
 - Childrens' educational scholarship of R 12 m
- Transportation Benefit
 - Land (incl river and lake) – R 1 m
 - Sea – R 1.5 m
 - Air – R 2.5 m
- Costs of medical and hospital treatment
 - Formerly capped at R 20m, now potentially unlimited



Benefits (2)

- Rehabilitation costs
 - Formerly capped at R 2 million, now potentially unlimited
- Loss of earnings
 - First 6 months – 100% of wage
 - Next 6 months – 75% of wage
 - Thereafter – 50% of wage until RTW or exit through permanent impairment benefit or death benefit
- Lump sum permanent impairment benefit
 - Disability Tables set out in Reg 44 of 2015
 - % of impairment x 80 x monthly wage
 - Max of 70% x 80 x monthly wage

Benefits (3)

- Food Benefit
 - BPJS (E) partnered with retailers and banks to provide food to injured workers in necessitous circumstances
- Housing Benefit
 - BPJS (E) partnered with government agencies, banks and developers to develop affordable housing
 - With Ministry for Human Development – 1,000 houses in district of of Kibin Serang Banten (west of Jakarta)
 - 500 houses in Klari Karawang (south east of Jakarta)
 - 500 houses in near Palembang in South Sumatra

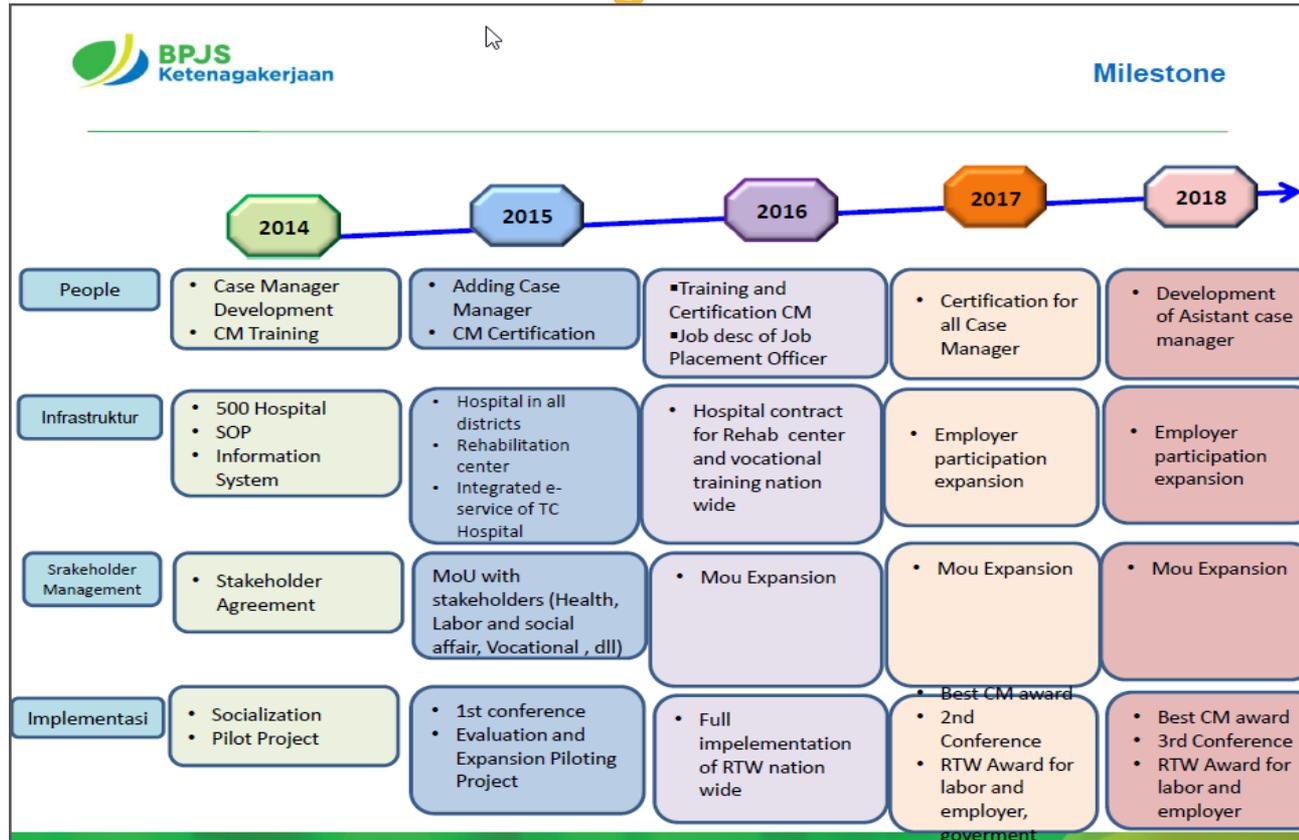
Premiums

Risk Level Category	Premium as % of monthly wage
Very Low	0.24
Low	0.54
Medium	0.89
High	1.27
Very High	1.74

Return to Work Model

- Origins
 - CRS in late 1980s in Indonesia, but particularly with SOCSO in Malaysia
 - DGUV and NIDMAR (IDMSC)
- Two pilot trials in 2013 in conjunction with Ministry of Manpower and Ministry of Health
- Pilot programs with 63 case managers and multidisciplinary teams in 2015
- Roll out on a national basis in 2016

RTW Program Rollout



SOCSO Rollout from 2005 -2011

2005	2007	2008	2009	2010	2011
Introduction of the RTW Programme	Introduction of 5 Disability Case Managers (Pilot) under the Medical and Rehab Department of SOCSO	Addition of another 5 Disability Case Managers	International Collaboration	Professional Certification (15 CDMPs)	Professional Certification (6 new CDMPs)
Appointed service providers with biopsychosocial rehabilitation approach	Covering 2 States	(10 Case Managers)	2 Case Managers were sent to Germany for 3 months	Ministerial KPI	Ministerial KPI for 2011 (Target increased from 1050 RTW to 1700) - Target Achieved
Focus on physical	1st RTW Conference	Establishment of a Job Placement Unit	Addition of 25 Case Managers (total 35)	Established as a RTW Dept	4th RTW Conference
		Covers 5 States	Covers all states	3rd RTW Conference	Pilot Co-operation with the orthopaedic department of Queen Elizabeth Hospital, Kota Kinabalu - Early Intervention Project - Possible role out nationwide
			2nd RTW Conference		Pilot of the "Let's Work" Job Matching Portal for disabled workers - Portal managed by Job Placement and the Support Unit of SOCSO's RTW Dept. - Under testing
					Job Carnivals (1 large scale and 1 small scale)

Elements of Roll Out

- Incremental development of the multi-disciplinary team
 - 68 case managers in pilots in 2015
 - Additional case managers in 2015 and national rollout in 2016
 - Job placement officers to be added in 2016
 - Assistant case managers to be added in 2018
- Decision making – from 2016
 - Case managers in major BPJS (E) offices – make general decisions
 - Decisions re common, suitable and appropriate equipment or devices will be made at BPJS-E state offices
 - Decisions re more complex or difficult issues may be referred to BPJS-E headquarters

Regional Administrative Network



72 local goverments (PTSP), 1130 service point office

11 regional offices, 326 branch offices

2015

206 new branch offices

2016

Elements of the Rollout (2)

- Return to Work Program has been included as a national social protection strategy under the National Master Plan for the Acceleration and Expansion of Poverty Reduction (MP3KI)
 - BPJS-E is expected to achieve the workforce reintegration of around 2,740 injured workers a year.

Pressure Points

- Uncapped nature of medical and rehabilitation costs
 - cf Health Jakarta Card in 2013 – popularity of the program overwhelming institutional capacity to deliver
 - 70% increase in utilisation in first few months
- Not just service utilisation but with prosthetics and other aids – demand for most technologically advanced
 - Cf ‘reasonable costs’ that are ‘reasonably incurred’
- Possible flow on effects of decision of the Constitutional Court
 - decision on import of Article 15(1) of Law 24/2011 that workers can enrol themselves in social security if their employer has failed to do so.
- Supply side issues
 - Very few occupational physicians and work injury specialists

Pressure Points

- Integration of the informal sector