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## Analysis of Financial Services and Performance at Al-Islamic Hospital At-Turots Yogyakarta in the Era of National Health Insurance

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### **Abstract:**

*Hospital must have a component of hospital service quality and healthy financial, so that hospital will be able to become of good service and financial performance will not get losses. This study was a case study to analyze service performance and financial performance at At-Turots Al-Islamy Hospital in Yogyakarta in the era of National Health Insurance. The informants in the study were the head of the finance department, health workers and BPJS patients. Data collection techniques used interview guidelines, questionnaires and documentation. Research shows that 1) service performance in the era of National Health Insurance as many as 5 (50.0%) respondents stated in good category. Services that need to be improved are the duration of waiting time and timeliness in implementing the schedule, as well as the readiness of doctors to serve patients. 2) Financial performance in the era of National Health Insurance was quite good in 2016, but in 2017 had a decrease in financial ratios. This condition is due to claims/payments of BPJS patients being disbursed in the following month so that financial performance becomes disrupted, the hospital's tariff is sometimes not in accordance with the tariffs determined by BPJS.*

**Keywords:** Service performance, financial performance, era of national health insurance

### **1. Introduction**

A hospital is one of the institutions engaged in the health sector that must be able to keep up with the increasingly fast times, both in terms of technology, science and information. The hospital is a part of health resources that are compulsory in supporting health efforts (Suyatno, et al, 2018).

As an effort to protect the right to health, the Government implements public health insurance through National Health Insurance (JKN) for individual health. In the JKN era, all Indonesians registered through the National Health Insurance Management Agency (BPJS) had the right to get health services. National Health Insurance (JKN) has multiple benefits, including plenary services provided from preventive, promotion, curative and rehabilitative services (Ministry of Health, RI, 2014).

At-Turots Al-Islamy Hospital is one of the general hospitals in Sleman that must show resistance to competitors. The hospital was established as a public hospital on April 1, 2008 by the Sleman District Office. Data on the number of outpatients based on the annual report of At-Turots Al-Islamy Hospital in Yogyakarta has increased. From year to year, the increase in the number of patients is good for hospitals but also needs to improve the performance of hospital services.

Health service organizations, namely hospital as a public servant needs to have excellent service quality characteristics. The quality improvement approach now tends to be associated with the assessment of the results of service performance. Health institutions are expected to show quality service performance. Service performance of health institutions is increasingly increasing as expected by patients so that patient desires and satisfaction can be fulfilled (Wahyuni, 2015)

Research conducted by Hadiyati (2017) found that patients felt discriminated in various aspects among users of National Health Insurance and non-users of National Health Insurance, and hoped that this should not happen. So far, sometimes an agency does not pay attention to the patient's response to agency services. So many patients complained about the lack of maximum service, inadequate facilities and infrastructure, even up to the comfort of the place. Research by Chaeroniza (2014) also found that service performance is increasing, so financial performance is also increasing

Hospitals are health agencies that are required to be able to provide financial or non-financial accountability. This requires a performance measurement that not only looks at the financial aspects, but also the non-financial aspects (Utama, 2013). Financial aspects can also be used to provide an assessment of an advanced and growing hospital.

Previous research by Buluc et al (2017) shows that hospital burden is very high, hospitals have experienced problems in paying short-term debt. This can be a hospital evaluation material for using resources more efficiently and making decisions with full consideration, especially in financial matters.

Financial aspects are used to view financial statements in hospitals. The hospital financial statements describe the financial condition and results of operations for a certain period of time. Therefore, each hospital has a financial report that aims to provide information regarding financial position, performance and changes in financial position. Financial reports are useful in making economic decisions (Suyatno, et al, 2018).

As noted whether there is a balance between the level of service and financial performance, so that the finance will be able to become a carrying capacity in the process of good and fast service. Research is desired to do related service performance and financial performance of At-Turots Al-Islamy Hospital in Yogyakarta.

## 2. Materials and Methods

This research was a case study. The informants in the study were 1 head of the finance department, three health workers and 10 BPJS patients. Service performance in this study was measured based on indicators of assurance, empathy, reliability, responsiveness, and physical appearance (tangible). While financial performance was analyzed based on financial statements with liquidity ratio method, profitability ratio and solvency ratio. Data collection techniques used interview guidelines, questionnaires and documentation. Data analysis used was quantitative descriptive analysis and qualitative analysis.

## 3. Results

### 3.1. Description of Respondents

The description of the respondent is presented in table 1.

Characteristic Respondents	f	%
1. Gender		
Male	7	70,0
Female	3	30,0
2. Age		
< 20 Years old	3	30,0
20 – 40 Years old	5	50,0
> 40 Years old	2	20,0
3. Education		
SD	0	00,0
SLTP	3	30,0
SLTA	7	70,0
PT	0	00,0
4. Job		
Entrepreneur	4	40,0
Labor	3	30,0
Unemployeed	3	30,0
5. Respondents' status		
Aid Receptient	10	100,0
Tariffs Payer		
Total	10	100

Table 1: Characteristics of Quantitative Respondents

Based on the table above, it shows that the characteristics of respondents quantitatively, as many as 7 (70.0%) respondents are male, while respondents are female (3%). The majority of respondents aged around 20-40 years are 5 (50.0%) people and 2 (20.0%) respondents are > 40 years old. A total of 7 (70.0%) respondents have high school education and 3 (30.0%) respondents had junior high school education. Four respondents (40.0%) work as entrepreneurs and 3 (30.0%) respondents work as laborers and unemployed. All respondents (100.0%) use the BPJS with the status of receipt of contribution assistance.

Characteristic Respondents	f	%
1. Gender		
Male	1	25,0
Female	3	75,0
2. Age		
< 20 Years old	0	0,0
20 – 40 Years old	2	50,0
> 40 Years old	2	50,0
3. Education		
SD	0	00,0
SLTP	0	00,0
SLTA	0	00,0
PT	4	100,0
Total	4	100

Table 2: Characteristics of Qualitative Respondents

Table 2 shows that the characteristics of qualitative respondents, as many as 3 (75.0%) respondents are female, while male respondent is 1 (25.0%) people. As many as 2 (50.0%) respondents aged between 20-40 years and > 40 years. And all (100.0%) respondents have a college education.

### 3.2. Research Variables

#### 3.2.1. Service Performance

The results of service performance research can be seen in table 3.

Interval	Category	f	%
3,5 - 4,0	Very Good	3	30,0
2,9 - 3,4	Good	5	50,0
2,3 - 2,8	Quite Good	2	20,0
1,7 - 2,2	Low	0	0,0
1,0 - 1,6	Very Low	0	0,0
	Total	10	100

Table 3: Frequency Distribution of Service Performance

The table shows that service performance is in a good category with an interval score of 2.9-3.4 as many as 5 respondents (50.0%), then the very good category 3.5-4.0 score interval as many as 3 respondents (3.0 %), and the quite good category interval score of 2.3-2.8 as many as 2 respondents (20.0%).

Trend analysis shows that service performance obtained the lowest trend value of 2.70 found in questions number 9 and 10 namely "Short waiting time duration" and "Timely in carrying out the schedule" and "Quick action and readiness of doctors to serve patients", while assessment the highest with a trend value of 3.70 is found in questions number 17, 18, 19, 21 and 24, namely "The attitude and behavior of doctors are very good", "Acceptance of patients is easy and fast", "Health workers provide encouragement and motivation to patients", "Hospital staff are sensitive to patient complaints", and "The appearance of all health workers is clean and well-ordered".

### 3.3. Financial Performance

#### 3.3.1. Liquidity Ratio

Liquidity Ratio	Value	
	2016	2017
Current ratio	36.24	2.74
Cash ratio	34.81	0.94
Quick ratio	36.24	2.74

Table 4: Calculation of Liquidity Ratio

Based on the table above, in 2016 shows that every Rp. 1.00 short-term liabilities were guaranteed by current assets of Rp. 36.24 and 2017 it is known that every Rp. 1.00 short-term liabilities could only be guaranteed by current assets of Rp. 2.74. The cash ratio in 2016 shows that every Rp. 1.00 short-term liabilities were guaranteed with cash of Rp. 34.81 and 2017 it is known that every Rp. 1.00 short-term liabilities could only be guaranteed cash of Rp. 0.94. The fast ratio in 2017 shows every Rp. 1.00 short-term liabilities were guaranteed by current assets of Rp. 2.74.

### 3.3.2. Profitability Ratio

Profitability Ratio	Value	
	2016	2017
Gross profit margin	0.43	0.36
Net profit margin	0.00	-0.04
Rate of Return on Investment	0.13	-0.16
Rate of Return on Net Worth	0.01	-0.28

Table 5: Calculation of Profitability Ratios

The table above shows in 2016 the gross profit margin value is 0.36, which means that every Rp. 1.00 sales made, the hospital will get a business profit (gross profit) of Rp. 0.36. The ratio in 2017 is 0.43 which means that every Rp. 1.00 sales made, the hospital will get a business profit (gross profit) of Rp. 0.43.

The net profit margin value for 2016 was 0.00 which means that every Rp. 1.00 sales made, the hospital will get a business profit (net profit) of Rp. 0.00. The ratio of the 2017 ratio of -0.04 means that every Rp. 1.00 sales made, the hospital will experience a business loss (net loss) of Rp. -0.04.

The Rate of Return on Investment in 2016 was 0.13 which means that every Rp. 1.00 invested in assets can generate a profit of Rp. 0.13. The ratio value in 2017 was -0.16 which means that every Rp. 1.00 invested in assets can experience a loss of Rp. 0.16.

The value of the Rate of Return on Net Worth in 2016 was 0.01 which means that every Rp.1.00 capital invested will generate a profit of Rp. 0.01. The value in 2017 was -0.28, which means that every Rp.1.00 capital invested will experience a loss of Rp. 0.28.

### 3.3.3. Solvability Ratio

Solvability Ratio	Value	
	2016	2017
Debt Ratio	0.12	0.40
Total Debt to Equity Ratio	0.16	0.67

Table 6: Solvability Ratio Calculation

The table above shows the Debt Ratio value in 2016 was 0.12 which means that the amount of assets financed by debt is 12 percent. The ratio value in 2017 was 0.40 which means that the amount of assets financed by debt is 40 percent. The Total Debt to Equity Ratio in 2016 was 0.16 which means that every Rp. 1.00 company capital can be used to guarantee all debts of Rp. 0.16. The ratio value in 2017 was 0.67 which means that every Rp. 1.00 company capital can be used to guarantee all debts of Rp. 0.67.

## 4. Discussion

### 4.1. Service Performance at At-Turots Al-Islamy Hospital Yogyakarta in the Era of National Health Insurance

Quality health services are services oriented to patient satisfaction. Health workers who have good service performance will make patients satisfied with the services provided. Likewise the opposite, poor service performance will make patients dissatisfied and feel disappointed with the service received. The results showed that 5 (50.0%) respondents had a good service performance with a score interval of 2.9-3.4. This means that the service performance at the At-Turots Al-Islamy Hospital in Yogyakarta inclines to be good.

According to Tjiptono (2016) there are five dimensions of service quality that can be used to find out the quality or quality of service, namely assurance, empathy, reliability, responsiveness and physical appearance. Service performance obtained the highest trend value of 3.70 in the dimensions of empathy and physical evidence. As many as 7 (70.0%) respondents stated strongly agree that doctors' attitudes and behavior are very good, health workers provide encouragement and motivation to patients, hospital staff are sensitive to complaints and patient needs, completeness, readiness and cleanliness of medical devices, and the appearance of all health workers is clean and well-ordered. This is from the results of interviews showing that the performance of human resources in hospitals is good in terms of professional, non-convoluted patient service, health workers' attitudes and behavior are also good. The services provided to BPJS and Non BPJS patients are also the same, not discriminating. Health workers attend training and workshops to improve quality and service performance.

While service performance obtained the lowest trend value of 2.70 in the responsiveness dimension. A total of 5 (50.0%) respondents said they did not agree if the duration of waiting time is short and timely service in carrying out the schedule. It means most of the patients feel that the service performance provided by At-Turots Al-Islamy Hospital in Yogyakarta regarding the waiting time is still wicked, where patients have to wait long enough to get service.

The results of the interview stated that the length of waiting time for patients was the impact of inadequate facilities, the lack number of nurses and the schedule of doctors which were often delayed because doctors had to deal with patients in several other poles first. The dimensions of responsiveness are the most dynamic dimensions. One form of responsiveness

in service is the swiftness of service. In line with the expression of Hadijah (2016) that every hospital must be able to measure how responsive it is and determine how to improve its ability to create patient satisfaction.

According to Collum (2013), attention to the use of more effective and efficient resources that are devoted to the health care sector makes hospitals as important vehicles in looking for superior economic performance, especially when considering an increase in time deficits. Therefore, responsiveness at At-Turots Al-Islamy Hospital in Yogyakarta needs to be improved because it can cause negative perceptions in the quality of services provided.

In addition, efforts to improve service performance can be done by repairing and providing infrastructure at the At-Turots Al-Islamy Hospital in Yogyakarta first, providing adequate medicines, adding health workers and increasing poly space. Thus service performance is expected to increase. In line with the expression of Abdurahman, et al (2016) that one of the factors that must be considered in the service is the completeness that covers services and the availability of supporting facilities and other complementary services.

#### *4.2. Financial Performance at At-Turots Al-Islamy Hospital Yogyakarta in the Era of National Health Insurance*

The results of the study revealed that the financial condition of Yogyakarta's At-Turots Al-Islamy Hospital in 2016 inclined to be good, however experienced a decrease in the ratio in 2017. Based on the financial report the ratio of the hospital's fast moving down in 2017 with a ratio of 2: 1, this means the House Sakit At-Turots Al-Islamy Yogyakarta has a good fast ratio, because it can cover short-term liabilities with current assets without taking into account inventory. The hospital's liquidity ratio was good enough in 2016 because the hospital was able to fulfill its short-term obligations with its current assets. But compared to 2017 the liquidity ratio experienced a significant decline. This is due to the increasingly large debt. In quick ratios, it is known that the hospital agency still has the ability to pay the current obligations in a short period of time despite experiencing a financial decline.

The current ratio is a ratio that measures whether the performance capacity of short-term liabilities is sufficient; calculated by dividing current assets with current liabilities. Short-term health level may seem adequate if the current ratio is high. However, it is important to note that if there are excessive current assets, funds will change idle, and thus cause erosion in profitability (Lee, 2015).

These results are in line with the research of Sugiono and Wahono (2017) which shows a decrease in financial ratios in 2015 and 2016. The decrease in the ratio indicates that the ratio of the company is less efficient, it is due to the lack of planning and strategy of the company in increasing company profits. The company has not been able to evaluate to maintain the success of financial performance in the past, thus making the current financial condition decline.

Profitability ratios are still somewhat unfavorable because in 2017 had decreased compared to in 2016. It can be seen from the lower profits so that 2016 is more profitable than 2017. In 2017 also experienced business losses based on income, assets and own capital. This means that the hospital has not optimized the resources owned to generate profits and not optimal in minimizing the burden (cost) in order to increase company profits.

The solvability ratio is not good, although the obligations that must be met by the hospital can be covered by assets and capital owned. In terms of assets owned, they experienced an increase in 2016, while their own capital in 2017 decreased. The amount of debt in the year also increased in 2017. The result of hospital solvability analysis with two ratios namely Debt to Assets and Debt to Equality, in 2016-2017 there was an increase for both of these ratios. The ratio is said to be better when the ratio is smaller.

Debt analysis is shown based on the ratio of debt (liabilities to total assets), showing an upward trend of the value analyzed. The average value of the debt ratio is known that the value is not too high so it is not dangerous for this sector. The ratio value > 50% shows a high level of debt and an increase in financial risk for the health sector. If the value of the ratio is too high, it is necessary to consider the average value of profitability and liquidity ratios, the level of debt analyzed provides a financially stable and efficient health sector function (Jaroszewicz, 2016).

Based on financial data analysis using liquidity ratio analysis, profitability ratios and solvability ratios, it is known that the financial condition in 2016 is better than in 2017. In the current JKN era, BPJS patients were disbursed in the following month or not according to time. Thus, resulting in financial performance being disrupted. Although the patient volume increased during the JKN era, the income did not increase significantly because the BPJS has its own rules in payment/claims to the hospital. This causes faster financial turnover, and existing cash funds must be able to cover the hospital's current debt.

The matter that makes financial performance less good is that for the outpatient package tariffs in poly sometimes not in accordance with the tariff determined by the BPJS so that sometimes it exceeds the package determined by the BPJS. This has an impact on financial conditions that must be covered with cash funds. In terms of internal administration of drugs given to patients must be adjusted to the maximum tariffs according to JKN tariffs. There is no agreement from the doctor which causes doctors not to give drugs that are in accordance with the JKN tariff and the amount of drugs given also exceeds the ceiling. The doctor must also understand the fees or tariffs determined by JKN.

Financial management at At-Turots Hospital generally works well because the hospital has a reserve/cash fund, but starting in 2017-now sometimes the reserve funds are used continuously. The hospital is worried that in the future if the liquidity ratio is lower it will have an impact on the services provided. Hospitals need bailouts because of the adequacy and timeliness of BPJS payments, problems often occur. But from the foundation and partners it is very difficult to get bailouts. In its implementation there are several constraints in financial management both from internal and external factors, including: difficulty in obtaining funds, lack of integrity of health workers, bad bailouts, BPJS claims are often late, difficulty in cooperation with insurance, difficulty in bureaucracy, and cooperation with other insurance because must go through the chairman of the foundation.

Collum (2013) research results show that to improve the financial performance of the hospital leader (the board of directors) must choose a strategy that is easier to control. In particular, having BOD members who are independent from management are positively related to financial performance. In addition, adopting electronic health records (EHR) can improve financial performance for hospitals, but only through receiving incentive payments to use them meaningfully. The results of the interview stated that financial management activities at At-Turots Al-Islamy Hospital in Yogyakarta were known to work well because of the support of reserve/cash funds. However, the continuous use of cash reserves will have an impact on future financial conditions so that bailouts are needed. So far, the Hospital has several ways to meet receivables, including seeking income from general patients, increasing patient income, seeking funding opportunities from the foundation through cooperation, using cheaper generic drugs, providing drugs according to the JKN tariff ceiling and making agreements with doctors to be able to understand the costs determined by JKN.

Today's business environment, hospitals face various difficulties both internally and externally. Therefore it is very important to determine the financial condition and performance of the business. The study by Lee (2015) shows that there is a general decline in total assets, increased liabilities, and a decrease in total medical income, with a continuous deficit in many hospitals. In addition, because hospitals have low debt dependence, management conditions generally look satisfying. However, some hospitals suffer from severe financial difficulties and thus rely on short-term debt, which generally worsens the structure of profit and loss. There is a large gap in the total liability turnover and net wealth between hospitals and the activity is low.

## 5. Conclusion

Based on the results of the research and discussion, the following conclusions can be drawn:

- Service performance at At-Turots Al-Islamy Hospital Yogyakarta in the era of National Health Insurance as many as 5 (50.0%) respondents stated in good category. Service performance obtained the highest trend value of 3.70 on the dimensions of empathy and physical evidence along with the acquisition of the lowest trend value of 2.70 in the responsiveness dimension. Services that need to be improved are the duration of waiting time and timeliness in implementing the schedule, as well as the readiness of doctors to serve patients. The attitude and behavior of good officers need to be maintained.
- Financial Performance at At-Turots Al-Islamy Hospital Yogyakarta in the era of National Health Insurance has a difference in the era before JKN. The liquidity ratio is quite good, but in 2017 the financial ratio decreased. This condition is caused because in the era of JKN for claims/payments of BPJS patients disbursed in the following month resulting in disrupted financial performance, the hospital's tariffs are sometimes not in accordance with the tariffs determined by BPJS such as giving drugs to patients not adjusted to the maximum tariff according to JKN tariffs. The hospital also has difficulty to get bailouts from the foundation.

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