

CHAPTER I

INTRODUCTION

1.1. Research Background

Well-structured health system significantly impacts a country's population's health, especially in a big country like Indonesia. Indonesia is a highly populated and developing country with 275 million people (BPS 2023) and ranked fourth globally. Most people reside on Java Island, and the remaining people are dispersed unevenly across 17,000 islands spanning 5,200 km from east to west along the equator (Mboi et al., 2018), making it challenging to provide equal healthcare services and a sound health system for all populations.

With a significant challenge in the healthcare sector, the Indonesian government is trying to provide a sound health system for all populations by establishing BPJS and forming JKN. Badan Penyelenggara Jaminan Sosial (BPJS), or Social Security Administrator for Health, is a public legal entity created to manage the health insurance program which is called Jaminan Kesehatan Nasional (JKN) or National Health Insurance. BPJS also introduced the tiered referral system, which implements health services that regulate the delegation of duties and responsibilities of health services reciprocally, both vertically and horizontally (BPJS, 2015).

A referral system is a system that is commonly used in healthcare services. A referral is a process of seeking assistance which is usually originated from the lower level of the healthcare system (like primary healthcare, private practice, midwife practice, or private clinic), which does not have enough skills, facilities, or

both to manage a specific clinical condition to the higher level of assistants which are better equipped or trained (like a hospital, private or public) to work or take over the responsibility of patients (Hensher & Price, n.d.; Seyed-Nezhad et al., 2021). In the tiered referral system in Indonesia, there are three tiers of health services. First-level health service (the lowest level healthcare facility) is a primary health service provided by the first health facility, like primary health care or clinic. The second level of health services is specialist health services performed by a specialist (or dentist specialist). The third health service level (the highest-level healthcare facility) is sub-specialty health services performed by sub-specialist doctors or dentists. These healthcare facilities must implement a referral system per applicable laws and regulations to get covered by JKN (BPJS, 2015).

The tiered referral system in Indonesia is implemented horizontally, in which referrals are carried out between same-level health services if the referrer cannot provide health services due to some limitations like facilities or human resources, and vertically which referrals made between different-level health services, which can be done from the lower level to higher level or vice versa (BPJS, 2015). For vertical referral from the lower level to the higher-level healthcare facility is done usually if patients need specialty or subspecialty medical services or the referrer cannot provide medical services according to patient needs due to limited facilities, equipment, and/or resources. While vertical referral from the higher-level to the lower-level healthcare facility is done if patient health problems can be handled by lower-level healthcare facility according to the competence and authority or the competence and authority of lower-level healthcare facility are better to handle the patient. The last later situation is known as refer back. Given

that it is now in its ninth year and has touched 226 million people—roughly 84% of the country’s population—this BPJS referral system is considered effective (BPJS, 2022). However, there are also some problems accompanying this referral system.

Even though the tiered referral system seems effective, there is a related phenomenon in Indonesia. With the rapid growth of population but limited growth of the resources, there is an overwhelm of patients in healthcare facilities, especially in rural areas, which are harder to reach by people. There is also poor implementation of the referral system due to community ignorance (Eskawati et al., 2017), and many non-specialist referrals make healthcare less effective (Permatasari & Ernawaty, 2019). Therefore, a sound and effective referral system is needed.

The referral system in Indonesia is usually carried out in healthcare facilities. As mentioned above, the referral system can be implemented horizontally or vertically. Patients can be referred from first-level medical facilities (lower-level healthcare facility) to hospital type C (higher level of healthcare facility) for vertical referral or referred from type B hospital to another type B hospital for horizontal referral. There are four types of general hospital classification: type A, B, C, and D, based on the Regulation of the Minister of Health of the Republic of Indonesia number 340/Menkes/Per/III/2010. This type of hospital is determined based on services, human resources, equipment, facilities, infrastructure, administration, and management. All the classes are accredited and supervised by the Ministry of Health.

Type C hospitals with at least minimal four basic specialist medical services with four medical support specialists are considered second-level medical facilities. These requirements make type C hospitals receive more referrals from first-level medical facilities as they provide four basic specialists who are usually needed the most in the community. With more referrals from first-level medical facilities, it is more favorable to learn about the referral system in type C hospitals, especially in private hospitals, as it has more resources for adapting to changing customer needs.

While government hospitals receive all the referral patients from other facilities using JKN from BPJS, private hospitals receive all referrals with or without JKN. This condition makes private hospitals need to be more active in improving their referral system, as more referral patients mean more revenues for the hospital. Among many types C private hospitals, XYZ hospital chosen to be researched in this study. Located in a densely populated area with a few numbers of hospitals, XYZ Hospital received many referrals from healthcare facilities around it. Since working with the national insurance company (BPJS) and accepting national healthcare security insurance (JKN), the number of patients has risen steadily. XYZ hospital also received many referrals from surrounding midwives' practices, as this hospital started as a women's and children's hospital.

XYZ Hospital is a private hospital founded in 2009 by PT CKM and was started as a women's and children's hospital. On November 29th, 2018, XYZ Hospital expanded its services into a type C general hospital standard, which can serve not only women and children but all types of patients. Located on Jalan Raya Curug, XYZ Hospital provides healthcare services for people around Tangerang Regency. XYZ Hospital has a land area of 7,000 m² with a building area of 6,000 m². With a

total bed capacity 100, XYZ Hospital accepts referrals from healthcare facilities around it. This hospital provides many healthcare services like emergency services, outpatient clinics, inpatient clinics, and supporting facilities.

As the first phenomenon, the number of patients who came to XYZ hospital has decreased slowly since 2019 despite the COVID-19 pandemic (Figure 1.1). From the yearly report, the number of patients who went to the outpatient clinic and emergency department of XYZ Hospital in 2019 was 23.242 patients and 9.959 patients. In 2020, 22.360 patients went to outpatient clinics, and 9.376 patients went to the emergency department. The number of patients decreased again in 2021, with 21.328 patients going to the outpatient clinic and 8.954 to the emergency department.

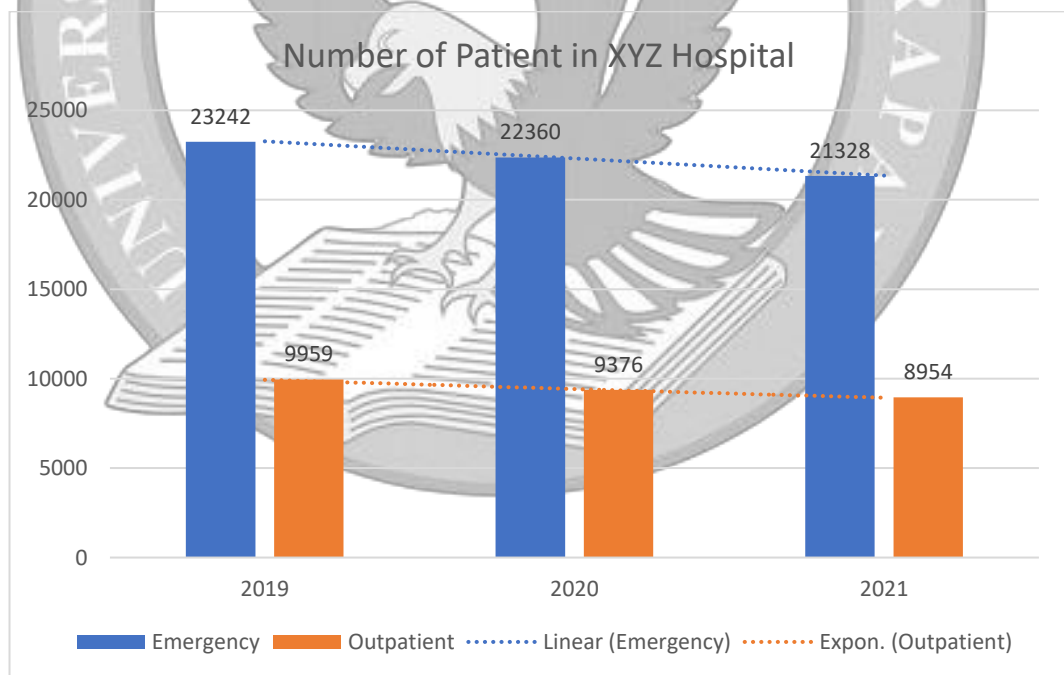


Figure 1.1 Number of patients in XYZ Hospital

Source: (XYZ Hospital, 2022)

There is also a second phenomenon which is a decline in referral patients (Figure 1.2). There were around 11.902 patients referred from healthcare facilities in 2019 and 9.084 patients referred in 2021. The number of referral patients further dropped to 6.301 patients for outpatient clinics in 2022.

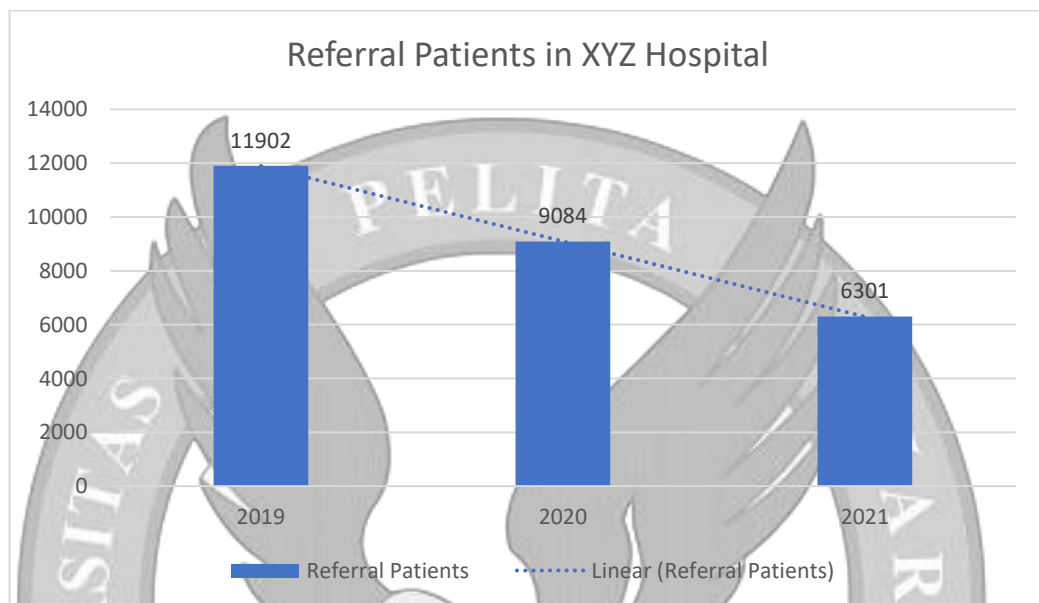


Figure 1.2 Number of referral patients in XYZ Hospital

Source: (XYZ Hospital, 2022)

From the two previously mentioned events, it may be inferred that a significant decrease in patients visiting and being referred to XYZ Hospital has occurred over the past three years. In 2019 and 2020, despite the COVID-19 pandemic that should have sent many patients to the hospital, the number of patients who came to XYZ hospital kept decreasing. This incident might have happened because many new hospitals near XYZ Hospital give people more options for medical facilities. To ensure healthcare providers refer their patients to the hospital, the hospital management must learn what makes them choose this hospital as their referral destination. Healthcare providers are more likely to refer their patients to a hospital

if they have had a satisfying experience before and trust the hospital (Johnson et al., 2003a). While healthcare providers' willingness to re-refer patients to hospitals increases, many patients will be referred to XYZ Hospital. Therefore, this study investigates the willingness to re-refer to the hospital and uses it as the dependent variable.

Referral processes between healthcare services like primary health care and a hospital happen continuously. Given the continuous functions, it is essential to create a good long-term relationship and engagement between healthcare providers who refer their patients and the hospital. In this case, healthcare providers who refer their patients to hospital usually include general practitioners or midwives who work at first level of healthcare facilities. Healthcare providers could develop commitment and trust from the relationship (Morgan & Hunt, 1994). In the health care sector, engagement has gained widespread application and popularity. Engagement is a unique and distinct construct linked to individual role performance that consists of cognitive, emotional, and behavioral components (Saks, 2006). It is influenced by many factors, such as the expectations and motivation of all parties involved (Ignatowicz et al., 2014). However, this engagement is essential, especially between healthcare providers and hospitals, as it can enhance patient care, lower costs, increase efficiency, and improve patient safety.

Securing engagement between healthcare providers and hospital management is a complex process involving working together across organizational and professional boundaries. Different beliefs and values between two parties become significant obstacles to establishing a good relationship. However, to achieve the common goal of giving the best healthcare to patients, it is important to understand

the elements that motivate and impact healthcare providers' engagement in providing quality enhancements and better health care outcomes (Ignatowicz et al., 2014).

The referral process involves healthcare provider and patient involvement; therefore, measuring the willingness to consider a recommendation to others is essential. As healthcare provider engagement is affected by their experience and can impact the willingness to recommend, the hospital should observe every element or antecedent influencing this experience of referring patients (Graffigna et al., 2020). This study adopted antecedents of healthcare provider engagement from previous studies, which are specialists' characteristics, previous interaction of specialists with healthcare providers and patients, returning referrals, and training opportunities are some considerations that are taken into account (Barnett et al., 2012; Forrest et al., 2000; Kinchen et al., 2004; MohammadAlGhamdi et al., 2015).

This study proposes a new research model based on previous studies which were on factors affecting the choice of specialist by primary care physician in more specific populations, referring healthcare providers in a private hospital (Barnett et al., 2012; Forrest et al., 2000; Kinchen et al., 2004; MohammadAlGhamdi et al., 2015). This study explores the antecedents of healthcare provider engagement to the willingness to re-refer their patients based on their experience with a hospital. Furthermore, the significant antecedents of healthcare provider engagement can be used to improve their engagement with hospitals that accept patient referrals. Later on, it can improve their willingness to re-refer to hospitals, which will benefit many parties, such as patients by improving the quality of care, referring healthcare providers by increasing their trust in the specialists who take care of their patients,

hospitals by increasing their revenues, and communities by improving their health system. The elements of healthcare provider engagement become six independent variables as antecedents: specialist characteristics, practice characteristics, healthcare provider-specialist interaction, patient-specialist interaction, returning referral, and training opportunity.

1.2. Research Questions

To answer the phenomenon explained in the research background, several research problems can be formulated in the form of research questions related to the research variables described above:

1. Does specialist characteristics have influence on healthcare provider engagement?
2. Does practice characteristics have influence on healthcare provider engagement?
3. Does healthcare provider-specialist interaction have influence on healthcare provider engagement?
4. Does patient-specialist interaction have influence on healthcare provider engagement?
5. Does returning referral have influence on healthcare provider engagement?
6. Does training opportunity have influence on healthcare provider engagement?
7. Does healthcare provider engagement have influence on willingness to refer to hospital?

1.3. Research Objective

The research objectives are structured based on the research questions stated above:

1. To test and analyse the effect of specialist characteristics on healthcare provider engagement.
2. To test and analyse the effect of practice characteristics on healthcare provider engagement.
3. To test and analyse the effect of healthcare provider-specialist interaction on healthcare provider engagement.
4. To test and analyse the effect of patient-specialist interaction on healthcare provider engagement.
5. To test and analyse the effect of returning referrals on healthcare provider engagement.
6. To test and analyse the effect of training opportunities on healthcare provider engagement.
7. To test and analyse the effect of healthcare provider engagement on willingness to re-refer to hospital.

1.4. Research Contribution

There are several benefits to this research:

1. Academic Benefit

Academic benefits are associated with suggestions for future studies related to the application of willingness to re-refer patients to hospital from the

findings of the research model that examine the antecedents of referring healthcare provider engagement.

2. Practical Benefit

This research provides input for hospital management to understand factors influencing willingness to re-refer to the hospital for practical benefit. Positive effects will improve the hospital's performance and revenue from patients.

1.5. Thesis Outline

This research consists of five chapters in the research systematic. The following is the construction for representing the systematics of this thesis development.

- Chapter 1: Introduction

This chapter contains the research background, concept explanation, research problems, and all the research variables used. Description of research questions, research objectives, research benefits, and writing systematics are also included in this chapter.

- Chapter 2: Literature Review

This chapter explains current theories that serve as the basic of research,

- Chapter 3: Research Method

This chapter covers the study object, research type, operational definitions of the research variables, population and samples, sample size calculation, sampling methodologies, data collection processes, and data analysis methods.

- Chapter 4: Result and Discussion

This chapter describes the study's results, such as respondents' demographic and behavior patterns, analysis of research variables, inferential analysis of research with PLS-SEM, and discussion of these findings.

- Chapter 5: Conclusion

This chapter includes research findings, managerial implications, study limitations, and recommendations for future research.

