



BUSINESS CANVAS MODEL ANALYSIS OF PRIVATE CLINIC TO SERVE INDONESIAN SOCIAL INSURANCE SYSTEM

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Abstract

The research designed to analyze performances of “X” clinic facility and service in accordance to Indonesian Social Insurance system, known as BPJS which further develops a business canvas model to determine a profitable way in serving BPJS, in conjunction with their private hospital business. Within the region of Tangerang Selatan, there are 145 primary care clinics, all competing against each other in terms of patients, medical practitioner to be favored in the market. A qualitative study is then conducted to show that the related business canvas model employed by Clinic “X” is profitable as a group financially by having their clinics business to support the hospital despite their clinic independency towards the hospital, in terms of distribution of personnel’s and management.

Keywords: BPJS, Business Model Canvas, Tangerang, Primary Care Clinic.

1. Introduction

Based on the latest Indonesian 2017 census, Tangerang Selatan population is 3,584,770, and nearly 87% of the population is registered in Indonesian Social Insurance System, BPJS (Ridho, 2018). Roughly 3 million people is in need of medical personnel and as stated in Indonesian Coordinating Ministry of Economic Affairs (*Kemenko Kesra*) regulations, a “gap” is observed between the maximums coverage and reality.

Table 1 Comparison of Tangerang Selatan population with the serving medical personnel available.

Medical Personnel	Qty	Population to cover	Patients to serve by personnel	
			Regulation	Reality
GP(General Practitioners)	1522	3,584,770	45:100,000 1 GP to serve 2,223 patients	1 GP to serve 2,356 patients
Dentists	423	3,584,770	13:100,000 1 Dentist to serve 7,693 patients	1 Dentist to serve 8,475 patients
Nurse	810	3,584,770	180:100,000 Each nurse to serve 556 patients	Each nurse to serve 4,426 patients

The lack of a medical practitioner and means to serve the population, intrigue a clinic business to make a system for them to exploit the markets. The clinic needs to explore any possibility to increase their capitation so then their business could make profit. Capitation determined by any citizen to register to that very clinic, and based on the government regulations; this tariff is fixed for their capitation.

Table 2 Services tariff based on Ministry of Health regulatory no.69 – 2013

No	Primary Healthcare Facility	Tariff/patient (IDR)
1	General Practitioner services	8.000 – 10.000
2	Dentists services	2.000

Indonesian Social Insurance Systems

Focused on providing medical coverage systems to Indonesian citizens, BPJS was established in early 2014 to cover not only for government personnel and military, but also to equalize the services to those who worked in private sectors.

Business Model Canvas

Osterwalder and Pigneur (2010), stood out among the others to offer business model definition and components, and also visualization of business model. Business Model Canvas allows business models to be simple, relevant and intuitively understandable, while not oversimplify the complexities of how enterprises function. (Osterwalder & Pigneur, 2010, p. 15)

The nine building blocks of the Business Model Canvas:

1. Customer segments: The different groups of people or organization an enterprise aims to reach and serve.
2. Value Propositions: The bundle of products and services that create value for a specific customer segments. Value may be qualitative (e.g. design, customer experience) or quantitative (e.g. speed of service, price)
3. Channels: How a company communicates with and reaches its customer segments to deliver value proposition.
4. Customer Relationships: The types of relationships a company establishes with specific customer segments.
5. Revenue Stream: The cash a company generates from each customer segments.
6. Key Resources: The most important assets required to make business model work. These resources allow an enterprise to create and offer a value proposition, reach markets, maintain relationship with customer segments, and earn revenue.
7. Key Activities: The most important things a company must do to make its business model work. They are the action that are required to create and offer a value proposition, reach markets, maintain relationships and earn revenues.
8. Key Partnerships: The network of suppliers and partners that make the business model work.
9. Cost Structure: All costs incurred to operates a business model.

2. Methodology

Qualitative approaches were used in this research. Specifically, verbal and non-verbal qualitative methods were employed, and are described as follows:

i. Interview

This technique is done by interviewing directly and in depth the informants involved and directly related to get an explanation of the actual conditions and situations as well. In this research, the informants were considered to have key information needed in the research area. Whereas in information retrieval researchers use the technique of “snowball” which is determining the subjects, developing informants and scrolling informants following information or data needed from the informants interviewed previously.(Dragan, 2013) Therefore, the specifications of the research informants are not described in detail, but will develop according to the research studies that will be analyzed next. This interview is carried out continuously until data that can be collected is truly saturated to be able to answer the research questions.

ii. Observation

Direct observation is a way of retrieving data using the senses without any other standard tools for this purpose. In daily activities, we always use our eyes to observe things. Observation is one of the most important research techniques. The observation was used for various reasons. It turns out that there are several typologies of observation. Regardless of the type of observation, it can be said that observation is limited and depends on the type and variety of approaches (Moleong, 2017, p. 242).

Data analysis is the final step of the research before making a conclusion. This data analysis consists of:

- a) Data from interviews, and literature study organized similarities and differences according to research questions
- b) The data that has been organized is determined by the theme
- c) Look for linkages between themes
- d) Interpretation of findings in accordance with the interrelationships between themes using relevant theories.
- e) The results of the interpretation are set forth in descriptive contextual analysis.

3. Scope of Work

Timeframe : 2 weeks, 22nd Oct – 2nd November 2018

Area : Tangerang, Indonesia

Target respondent : AMA (American Medical Association) personnel, HRD (Human Resources Department) section head, medical personnel and patients in Clinic X.

Patient : Ranging between 15s to 70 visitors per day.

4. Result

Customer Segments

The main segments here is the BPJS registered patients. Here, the number of BPJS patients in their clinic increasing the capitation, and higher capitation means higher income for the clinic. For now, since the number is only in range 200-600 people per clinic, their margin is relatively low. How to increase this number is the one needs which should be researched further.

Value Proposition

Clinic “X” offers quality and easy-access for the patients. Many respondents appreciate the service quality they offer, including many promotion bundles for check-ups.

Channels

Most of the respondents knowing the quality of corresponding Clinic by brochure, word-of-mouth and online advertisement.

Customer relationship

In order to improve the service quality Clinic X could offer, they needed the feedback from those in contact with them, direct or in-direct. BPJS, as an institution, already offered so then any clinics collaborating with them could now view their feedback. Other than this, using their presence as a major group could benefit Clinic X to have a better relationship with their supplier.

Revenue Stream

Focusing to serve those BPJS patients means BPJS is probably Clinic X major income, thus increasing their capitation is the main idea to increase their revenue, especially with the government paying them at beginning of each month for their operations and the value is not determined by the number of visitors. However, government do make them put effort on increasing their number of visits by giving another incentive as high as 20% should the Clinic managed to pull only 15% of their patient’s visit number to their Clinic on monthly basis.

Key Resources

Assets need to be utilized and worked properly, and these assets include:

Physical assets: especially building and equipment

Human resources: including other resources than their availability to treat patients, but also their knowledge on treatment and management.

Finance: As a major concern on running the business, Clinic X needs to manage their finances better to stay competitive in the market, and also to make profit.

Intellectual property: as an owner of major groups; patents, trademark and other intellectual property needs to be monitored and manage, in order to build them a solid ground for the business.

Key Activities

The key activities would include:

1. Best health care services, including promoting and preventive acts, cure and rehab.
2. Patient treatment
3. Drug/medicine store
4. Promotion

Key Partnership

With BPJS as their main partner and main source of income, Clinic X depends so much on them. Thus, to reduce the dependency, Clinic X also utilized their hospital chains and medical schools especially to reduced their cost on laboratory test and equipment.

Cost Structure

Fixed cost can't be avoided, thus the amount Clinic X received from Capitation tariff have to compensated this, however as mentioned in the regulation, this cost can't exceed 40% of the capitation tariff they received. While for variable cost depends very much on the real visitor counts. This variable cost could be utilized as well to push for better margin.

Discussion

The business model in form of a clinic that serve BPJS patients shows that this business is a profitable business. Rough estimate per month, Clinic "X" could make Rp160.000.000 per month for their main and major clinic. And since they had their own hospital and medical institutions more financial benefits could be exploited from clinic "X". The business model used by clinic "X" is cost driven where clinic "X" focuses on minimizing cost so that it extracted optimum value in terms of profit. And since they need to refer the patient with condition they can't handle, this could be a pathway to open business to their hospital chains.



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Appendix: 1

