

FINANCIAL PERFORMANCE ANALYSIS OF HEALTHCARE COMPANIES BEFORE AND AFTER THE IMPLEMENTATION OF BPJS KESEHATAN PROGRAM DURING THE PERIOD OF 2011-2016

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ABSTRACT

In May 2016 World Health Organization (WHO) published the list of countries by life expectancy. In the period 2010 until 2015, the average world's life expectancy at birth was 71 years old, with 70 years old for males and 72 years old for females. In this list showing that Indonesia was in the list number 120 in the world from 183 countries and number 6 in the Association of South East Asian Nation (ASEAN) with average life expectancy at 69.1 years old, with 67.1 years old for male and 71.2 years old for female. In 2019 the US Census Bureau released the latest list of countries by life expectancy showing that Indonesia falls in position number 130 but increasing in the life expectancy number with the average number in 71.5 years old, 69.4 years old for male and 73.8 years old for female. This showing that some factors that directly effecting the numbers, such as the standard of living and the quality of healthcare facilities are increasing. In January 2014, the Indonesian government launched the National Health Insurance (JKN) through their Social Insurance Company owned by the government (BPJS) to provide health insurance for all Indonesian citizens. This program will cover all the hospital expenses that emerge from the use of hospital services by the citizen so it will lighten up the live load for the poor and unfortunate citizens. On its way to the implementation of the Program, there were payment arrears from the government to the hospitals. This study intends to analyze the financial health condition before and after the implementation of the JKN program of three hospitals in the Healthcare industry; 1) Mayapada Hospital; 2) OMNI Hospital; 3) Siloam Hospital. The result of the observation of the financial ratio obtained from audited financial reports is then checked by the decree establishing their financial health status. Using a specific period from 2011 until 2016, the study will be analyzed before the implementation of JKN (2011-2013) and after the implementation (2014-2016). It's showing that the implementation of the JKN affecting the financial performance of the hospitals. As shown in their annual report, the Mayapada Hospital and the OMNI Hospital were having a significant effect on their ROA and ROE, while Siloam Hospital not really effected but showing slow but sure declining numbers. As for the ROI, it was not affected significantly but still, there is a fluctuation every year with the tendency to decreasing of the numbers.

Keywords: ROE, ROI, Healthcare industry, Financial Health Status

INTRODUCTION

Indonesia, one of the 11 most populous countries in the world that having population more than 100 million, recorded in 2019 has a population of 271,729,752 that covered more than 17.000 islands with over than 1.9 million square miles of land. With this big number of population and territory, it will be an essential thing for the Indonesian government to provide the welfare for all Indonesian citizens. One of the most important aspects that need to be provided by the government is an adequate amount of hospitals all over the country. The big number of hospital availability is one factor supporting the welfare level in Indonesia. Other factors that also can supporting the significant effect of welfare are the people's economic level, the standard of living, and also quality of service for other health and wellness facility for the citizens.

In 2015, the World Health Organization published a list of people's life expectancy in each country. In this list, Indonesia is in the list number 120 and become number 6 in ASEAN. While in 2019, the U.S. Census Bureau published the latest data that Indonesia's people's life expectancy number has increased from an average of 69.1 in 2015 increase becomes 71.5 in 2019.

Indonesia began its health care system in the Dutch colonial era since 1930, followed by the long history of the Japanese invasion in 1942 and until the current system. The Government of Indonesia is then obligated to provide social security to the country's population as a fulfillment of the right to sufficient basic needs and written in' UU No. 40/2004 on Sistem Jaminan Sosial Nasional (SJSN) or National and Social Security Program' and' UU No. 24/2011 on Badan Penyelenggara Jaminan Sosial (BPJS) or Social Security Agency. To make sure that the BPJS Kesehatan program's benefit can be felt directly to the citizens and having sufficient healthcare facilities to handle all citizens' needs, the government needs to make cooperation with as many as possible the healthcare provider in Indonesia. According to BPJS Kesehatan data, up to January 2019, they already have cooperation with more than 28.000 healthcare providers in Indonesia.

There are currently 2,520 hospitals partnering with BPJS Kesehatan. According to information from the Administrator of the Indonesian Doctors Association (PB IDI), it is estimated that 80% of hospital partners who served with the BPJS Kesehatan faced payment arrears.

BPJS Kesehatan has faced a deficit in cash flow since its establishment. The deficit of BPJS Kesehatan exceeded Rp3.8 trillion in 2014. The deficit was ballooning to Rp5.9 trillion in 2015. The deficit again swelled to Rp9 trillion in 2016, then it's expanded to Rp9.75 trillion in 2017 and the deficit of BPJS Kesehatan is expected to hit Rp16.5 trillion in 2018. As a result, the government has to intervene every year to inject cash to BPJS Kesehatan.

The culprit of the BPJS Kesehatan deficit is the hospitals' high cost rather than the participant's premium contribution, which is deemed not to be in line with the ideal premium that participants must pay.

Development of Healthcare Industry in Indonesia

There are 2,813 hospitals in Indonesia by the end of 2018, based on data from the Ministry of Health (Kemenkes) in Indonesia. The number is 2,269 public hospitals as well as 544 special purpose hospitals. As is known, there are 1,787 hospitals in the private sector or 63.5% of the country's total. The Regional Government (Pemda) owns the 529 hospitals and the Provincial Government owns 141. However, as shown in Figure 1.7, the number of hospitals owned by the central government is only 33. Although many hospitals and other healthcare providers established in Indonesia, still More than 600,000 people a year travel to neighboring countries for medical treatment.

According to Oliver Wyman in their report titled The Future of The Indonesian Healthcare Ecosystem, Indonesia still has a severe shortage of talent to meet OECD requirements, it requires 15 times its current number of doctors. The disparity between supply and demand is projected to be equivalent to an unaddressed healthcare needs of \$68 billion per year. The approximate healthcare opportunity cost of \$303 billion is incurred annually. The amount of economic output lost as a result of illness and outbound medical tourism has a major economic effect. Nevertheless, by resolving unmet healthcare needs, \$130 billion of this opportunity cost could theoretically be recovered.

As the world's 16th largest economy, with the G20's third-highest rate of growth, Indonesia will be one of the five largest economies in the world by 2030 on the current trajectory. There is a spacious opportunity to develop the healthcare industry in Indonesia.

Previous Research on Financial Performance

Financial ratio analysis (FRA) is a tool commonly used to analyze the company's financial performance and assess the company's health rate by measuring the profitability ratio, liquidity ratio, activity ratio, and solvency ratio. Financial ratio analysis (FRA) is a good evaluation method to measure company performance (Megaladevi, 2015). It is a specialty in accounting that aimed at formulating a diagnosis and a prognosis relative to the situation and the financial performance of a company or an organization (Babalao Y.A, Abiola F., 2013).

The study of financial ratio analysis was also done for the cement and aviation industry in Indonesia (Daryanto, W.M, 2018). For some state-owned enterprises in Indonesia, which operate in the coal mining industry and oil and gas industry, this financial ratio analysis method also has been applied (Daryanto, W.M, and Nurfadilah, D, 2018). Empirical evidence of the advantages of financial ratios to forecast default from multiple studies leading to the assumption that financial ratios are effective in setting the bank score as mentioned by Halkos GE, Salamouris DS (2004) and Pankoff and Virgil (1970).

The Decree of Ministry of State Owned Enterprises (SOEs)

In this report, the measurement of the FRA, methodology may apply to the decree of the Ministry of SOE No.KEP-100/MBU/2002 which will analyzing eight financial ratio, as Return on Equity (ROE), Return on Investment (ROI), Cash Ratio, Current Ratio, Collection Periods, Inventory Turnover, Total Asset Turnover (TATO) and Total Equity to Total Asset (TETA) and categorize it into four different category as profitability ratio, liquidity ratio, activity ratio, and solvency ratio.

This decree is applied to all SOE companies in the financial sector and the non-financial sector. As in this report, we are trying to understand more about the healthcare industry, it's mean that we will explore more with the non-financial sector. This sector will be divided into the infrastructure sector and the non-infrastructure sector. In this decree, the aspect that needs to be measured is the financial, operational and administration. The healthcare industry is in a non-infrastructure sector which determined by the government will having total weight score is 70 for the financial aspect which the score breakdown is; ROE 20, ROI 15, Cash Ratio 5, Current Ratio 5, Collection Period 5, Inventory Turnover 5, TATO 5, and TETA 10.

METHODOLOGY

In this report we trying to analyze three hospitals that already listing at Indonesia Stock Exchange to make sure that the data they share are qualified and trusted. The three hospitals that we use as a subject are Mayapada Hospital, Siloam Hospital, and Omni Hospital. All data in this report is using the secondary data which comes from the audited annual report published by each hospital in the period of 2011 until 2016.

According to the decree of ministry of SEO No.KEP-100/MBU/2002, there are three categories for validating the healthiness status of a company; Healthy (AAA, AA, A), Less Healthy (BBB, BB, B), and Not Healthy (CCC, CC, C). AAA if total score (TS) >95, AA if 80 <TS< =95, A if 65 <TS< =80, BBB if 50 <TS< =65, BB if 40 <TS< =50, B if 30 <TS< =40, CCC if 20 <TS< =30, CC if 10 <TS< =20, and C if TS< =10.

Profitability Ratio

Profitability Ratio was presented by the calculation of return on investment (ROI) and return on equity (ROE). These are used to learn about the relationship between the asset and the shareholder's equity to the company's profits and how well these two elements can be used by the company to generate profits.

$$ROE = \frac{Net\ Income}{Total\ Equity} \times 100\%$$

$$ROI = \frac{EBIT + Depreciation}{Capital Employed} \times 100\%$$

Table 1: ROE and ROI Assessment Score

ROE (%)	Score	ROI (%)	Score
15 < ROE	20	18 < ROI	15
13 < ROE ≤ 15	18	15 < ROI ≤ 18	13,5
11 < ROE ≤ 13	16	13 < ROI ≤ 15	12
9,0 < ROE ≤ 11	14	12 < ROI ≤ 13	10,5
7,9 < ROE ≤ 9	12	10,5 < ROI ≤ 12	9
6,6 < ROE ≤ 7,9	10	9 < ROI ≤ 10,5	7,5
5,3 < ROE ≤ 6,6	8,5	7 < ROI ≤ 9	6
4,0 < ROE ≤ 5,3	7	5 < ROI ≤ 7	5
2,5 < ROE ≤ 4	5,5	3 < ROI ≤ 5	4
1,0 < ROE ≤ 2,5	4	1 < ROI ≤ 3	3
0 < ROE ≤ 1	2	0 < ROI ≤ 1	2
ROE < 0	0	ROI < 0	1

Source: The decree of Ministry of SOE No.KEP-100/MBU/2002

Liquidity Ratio

The liquidity performance was assessed using two ratios, which are the cash ratio and the current ratio, to estimate the company's ability to pay its short term debt from the cash, current asset, and sales revenue composition.

$$Cash Ratio = \frac{Cash\ and\ Cash\ Equivalent}{Current\ Liabilities} \times 100\%$$

$$Current Ratio = \frac{Current\ Asset}{Current\ Liabilities} \times 100\%$$

Table 2: Cash Ratio and Current Ratio Assessment Score

Cash Ratio (%)	Score	Current Ratio (%)	Score
Cash Ratio ≥ 35	5	125 ≤ Current Ratio	5
25 ≤ Cash Ratio < 35	4	110 ≤ Current Ratio < 125	4
15 ≤ Cash Ratio < 25	3	100 ≤ Current Ratio < 110	3
10 ≤ Cash Ratio < 15	2	95 ≤ Current Ratio < 100	2
5 ≤ Cash Ratio < 10	1	90 ≤ Current Ratio < 95	1
0 ≤ Cash Ratio < 5	0	Current Ratio < 90	0

Source: The decree of Ministry of SOE No.KEP-100/MBU/2002

Activity Ratio

Collection period, Inventory Turnover and Total Asset Turnover were used in the Activity ratio to calculate the productivity of the company related to its assets and inventory in order to generate sales.

$$Collection\ Periods = \frac{Total\ Account\ Receivables}{Total\ Sales\ Revenue} \times 365\ days$$

Table 3: Collection Period Assessment Score

Collection Period (CP in days)	Adjustment (days)	Score
CP ≤ 60	CP > 35	5
60 < CP ≤ 90	30 < CP ≤ 35	4.05
90 < CP ≤ 120	25 < CP ≤ 30	4
120 < CP ≤ 150	20 < CP ≤ 25	3.05
120 < CP ≤ 150	15 < CP ≤ 20	3
150 < CP ≤ 180	10 < CP ≤ 15	2.04
180 < CP ≤ 210	6 < CP ≤ 10	1.08
219 < CP ≤ 240	3 < IT ≤ 6	1.02

Source: The decree of Ministry of SOE No.KEP-100/MBU/2002

$$\text{Inventory Turnover} = \frac{\text{Total Inventories}}{\text{Total Sales Revenue}} \times 365 \text{ days}$$

Table 4: Inventory Turnover Assessment Score

Inventory Turnover (IT in days)	Adjustment (days)	Score
IT ≤ 60	IT > 35	5
60 < IT ≤ 90	30 < IT ≤ 35	04.05
90 < IT ≤ 120	25 < IT ≤ 30	4
120 < IT ≤ 150	20 < IT ≤ 25	03.05
150 < IT ≤ 180	15 < IT ≤ 20	3
180 < IT ≤ 210	10 < IT ≤ 15	02.04
210 < IT ≤ 240	6 < IT ≤ 10	01.08
240 < IT ≤ 270	3 < IT ≤ 6	01.02
270 < IT ≤ 300	1 < IT ≤ 3	00.06

Source: The decree of Ministry of SOE No.KEP-100/MBU/2002

$$\text{TATO} = \frac{\text{Total Revenue}}{\text{Capital Employed}} \times 100\%$$

Table 5: TATO Assessment Score

TATO (%)	Adjustment (days)	Score
TATO > 120	TATO > 20	5
105 < TATO ≤ 120	15 < TATO ≤ 20	4,5
90 < TATO ≤ 105	10 < TATO ≤ 15	4
75 < TATO ≤ 90	5 < TATO ≤ 10	3,5
60 < TATO ≤ 75	0 < TATO ≤ 5	3
40 < TATO ≤ 60	TATO ≤ 10	2,5
20 < TATO ≤ 40		2
TATO ≤ 20		1,5

Solvency Ratio

Solvency performance measurement was using the ratio of total equity to total assets. The word Solvency applies to a company's ability to cover all of its obligations if it had to sell the business operational immediately.

$$\text{Total Equity to Total Asset} = \frac{\text{Total Equity}}{\text{Total Asset}} \times 100\%$$

Table 6: TETA Assessment Score

Total Equity to Total Asset (%)	Score
TETA < 0	0
0 ≤ TETA < 10	4
10 ≤ TETA < 20	6
20 ≤ TETA < 30	7,25
30 ≤ TETA < 40	10
40 ≤ TETA < 50	9
50 ≤ TETA < 60	8,5
60 ≤ TETA < 70	8
70 ≤ TETA < 80	7,5
80 ≤ TETA < 90	7
90 ≤ TETA < 100	6,5

Source: The decree of Ministry of SOE No.KEP-100/MBU/2002

RESULTS AND DISCUSSION

Profitability Analysis

The fluctuating result showed by Mayapada ROI performance in the period 2011-2016 with the lowest performance was in 2013 at 5,53% but starting to increase in 2015 and 2016 which 16,03% and 15,50%. As for the ROE, they never able to achieve more

than 1%. They started at 0,71% and 0,72% in 2011 and 2012 but after that it's keep on decreasing to minus level, -4,54%, -8,79%, -13,06%, and -5,66%.

Table 7: Indicators Calculation Result of Mayapada

INDICATORS	2011		2012		2013		2014		2015		2016	
	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE
ROI	13,19%	12	13,65%	12	5,53%	5	6,97%	6	16,03%	13,5	15,50%	13,5
ROE	0,71%	2	0,72%	2	-4,54%	0	-8,79%	0	-13,06%	0	-5,66%	0
Cash Ratio	19,83%	3	11%	2	99%	5	104%	5	54%	5	155%	5
Current Ratio	71,61%	0	24%	0	109%	3	119%	4	71%	0	217%	5
Collection Period	12%	5	17	5	25	5	27	5	27	5	37	5
Inventory Turnover	32%	5	19	5	27	5	25	5	19	5	15	4,5
TATO	20,38%	1,5	19,66%	1,5	13,33%	1,5	23,08%	2	37,00%	2,5	31,31%	2
TETA	75,15%	7,5	52,90%	8,5	60,71%	8	61,63%	8	60,71%	8	74,84%	7,5
Total Score		36,00		36,00		32,50		35,00		39,00		42,50

On the other hand, Siloam showing less fluctuation pattern on ROI. There were up and down on the calculation result but there were no dramatic changes in each year. They can maintain the fluctuating number arguably more stable, started with 10,64% in 2011, 7,47% in 2012, 4,38% in 2013, 6,22% in 2014, 8,80% in 2015, and 7,94% in 2016. As for the ROE performance, Siloam made a lot better compare to Mayapada, although there was a dramatic drop from the period 2012 to 2013, from 21,24% to 3,06% and after that, they keep maintain stable at around 3% average every year until 2016.

Table 8: Indicators Calculation Result of Siloam

INDICATORS	2011		2012		2013		2014		2015		2016	
	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE
ROI	10,64%	12	7,47%	12	4,38%	5	6,22%	6	8,80%	13,5	7,94%	13,5
ROE	21,17%	2	21,24%	2	3,06%	0	3,61%	0	3,55%	0	3,15%	0
Cash Ratio	70,71%	3	63%	2	174%	5	59%	5	25%	5	102%	5
Current Ratio	172,79%	0	171%	0	307%	3	176%	4	152%	0	263%	5
Collection Period	12%	5	38	5	39	5	43	5	51	5	55	5
Inventory Turnover	32%	5	15	5	14	5	12	5	12	5	13	4,5
TATO	139,14%	1,5	135,61%	1,5	108,62%	1,5	141,20%	2	175,86%	2,5	148,10%	2
TETA	16,09%	7,5	15,42%	8,5	63,02%	8	58,14%	8	58,27%	8	74,22%	7,5
Total Score		36,00		36,00		32,50		35,00		39,00		42,50

Omni is showing the best profitability among others. Their ROI result was showing very significant numbers. It was started at 81,08% in 2011, jumped into 111,78% in 2012, 87,49% in 2013, 70,36% in 2014, 28,65% in 2015, and 30,52% in 2016. The ROE result also showing very good numbers, but along the way, the performance was dropping significantly. It was 301,25% in 2011, 121,05% in 2012, then drop into 35,07% in 2013, 30,39% in 2014, 7,64% in 2015, and 1,74% in 2016.

Table 9: Indicators Calculation Result of Omni

INDICATORS	2011		2012		2013		2014		2015		2016	
	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE	RATIO	SCORE
ROI	81,08%	12	111,78%	12	87,49%	5	70,36%	6	28,65%	13,5	30,52%	13,5
ROE	301,25%	2	121,05%	2	35,07%	0	30,39%	0	7,64%	0	1,74%	0
Cash Ratio	6,06%	3	4%	2	13%	5	47%	5	105%	5	35%	5
Current Ratio	29,56%	0	28%	0	36%	3	143%	4	210%	0	91%	5
Collection Period	12%	5	28	5	17	5	22	5	37	5	28	5
Inventory Turnover	32%	5	11	5	9	5	7	5	7	5	9	4,5
TATO	153,38%	1,5	171,98%	1,5	130,20%	1,5	107,79%	2	47,41%	2,5	48,09%	2

TETA	-1,34%	7,5	6,61%	8,5	35,22%	8	40,95%	8	61,60%	8	58,61%	7,5
Total Score		36,00		36,00		32,50		35,00		39,00		42,50

Liquidity Analysis

Overall, Siloam Hospital is more superior compared to the other two hospitals in terms of the cash ratio. Especially in 2013, they can reach 174,2% due to the good performance of their 4 mature hospitals and the unexpected great performance of their two new hospitals, but after that, in the next year, it's a decline into 58,5%. In the first year of BPJS Kesehatan implementation, the cash ratio keeps declining into 25,4% but jump into 102% in 2016.

Mayapada Hospital also having a similar pattern with Siloam, only from 2013 to 2014 they got an increasing cash ratio from 99% to 104%, while in the same period Siloam decreasing three times less. As for the Omni Hospital showing a different pattern on the cash ratio for the same period. They start with a low number from 2011 to 2013 and got a significant jump in the period 2013 to 2014, which achieved 47%. After the implementation of the BPJS Kesehatan program in the period 2014 to 2015 the growth continues more than twice compared to the previous period, it's achieved 105%. But in the period 2015 to 2016, it's decreasing dramatically to 35% while the other two hospitals showing a slightly significant increase within the same period.

Based on the result, all hospitals' capability to cover all their debts in the next 12 months are in a safe status with the most superior of all is Siloam Hospital. The pattern between Siloam Hospital and Mayapada Hospital showing a similar movement. From 2011 until 2013, Siloam Hospital showing a very strong performance, with the best was in 2013 with a ratio of 307%. Mayapada Hospital ratio was declining badly in 2012, from 72% in 2011 to 24% in 2012, but significantly increased in 2013 to 109%. One year after implementation of BPJS kesehatan for Siloam and Mayapada showing a declining performance, but a year after that they can recover from adversity and jump very dramatically. The different pattern showed by Omni Hospital. From 2011 until 2015 the hospital current ration showing a stable increasing movement, especially in the period 2013 until 2015. The performance of the hospital jump from 36% in 2013 to 210% in 2015.

Activity Analysis

the ratio of the collection period for healthcare companies was depicted in day format. All three hospitals showing a similar increasing trend in the collection period, nevertheless each hospitals having a different number of days. Siloam is having the highest collection period numbers among all other hospitals. It's started in 36 days in 2011 and gradually increasing every year up to 55 days in 2016.

Mayapada Hospital also has the same pattern as Siloam, the collection period is gradually increased from 2011 was 12 days increase up to 37 days in 2016. The different patterns showed by Omni Hospital, the collection period duration seems to have a fluctuation up and down between 2011 until 2016. Omni Hospital collection period day decrease in 2013 which 17 days compare to 2011 and 2012 which 26 days and 28 days, but then increase in 2014 and 2015 become 22 days and 37 days, and then it decreases again in 2016 into 28 days. Moreover, the higher value in this picture was not meant to have better performance than the other, rather it shows how long the company will receive its payment in account receivables and the less is actually preferred by the companies as they can use it efficiently to satisfy the short-term debt.

The result also showing the fluctuation of inventory turnover for three hospitals in the period 2011 until 2016. This period showing the comparison of inventory turnover before and after the implementation of the BPJS Kesehatan program. In this chart, we can see that the Omni Hospital and Siloam Hospital chart relatively less fluctuating compare to the Mayapada Hospital chart. Omni Hospital inventory turnover slightly better than the other two, it was starting in 13 days period in 2011 and decreasing until 7 days period in 2014 and 2015 and going up to 9 days in 2016. Siloam Hospital in the second-best position starting in 13 days in 2011 and achieved the lowest was 12 days in 2014 and 2015 and goes up again to 13 days in 2016.

Mayapada Hospital showing the most fluctuating chart. They start in 32 days in 2011 then drop to 19 days in 2012, going up to 27 days in 2013 and from there slowly decreasing to 15 days in 2016.

This result shows that how fast was the inventory for hospital's service operations such as the stock of disposable equipment and the pharmacist stock flowing out from the warehouse stockpile in the period before the implementation of BPJS Kesehatan in 2011 until 2013 and after the implementation of the program in 2014 until 2016.

Total asset turnover results showing that Siloam Hospital's performance is significantly increasing compare to the two other hospitals in the same period. Before the implementation of BPJS kesehatan in 2011 and 2012, Siloam Hospital can maintain its performance in 139,14% and 135,61% then decrease to 108,62% in 2013. On the first-year implementation of BPJS kesehatan, they can boost their performance into 141,2% in 2014 and jump to 175,86% in 2015 and slightly decrease in 2016 to 148,1%.

Mayapada the worst of all keep its performance stable in two-digit numbers since 2011 at 20,46% and increase to 35,36% in 2016 with the best performance was in 2015 at 40,73%. As for Omni Hospital, they cannot keep their performance from 2011 until 2016 as the number keeps on decreasing every year. Started at 153,38% in 2011 then increase to 171,98% in 2012 then jump again to 130,2% in 2013. In the first year of implementation of the BPJS Kesehatan program their performance starting to sliding down to 107,79% in 2014, 47,41% in 2015 and 48,09% in 2016.

Solvency Analysis

Solvency performance measurement was using the ratio of total equity to total assets. The result showing that all three hospitals having an increasing trend after the implementation of the BPJS Kesehatan program in 2014 until 2016. Mayapada Hospital

started with a good position in 2011 with 75,15% but then decrease to 52,9% in 2012. In 2013 until 2015 they maintain the number is around 60%. By 2016 they can push the number to 74,84%.

Siloam started with less fortune as Mayapada. It was at 16,09% in 2011, then jumped significantly in 2013 to 63,02%. The first year of BPJS Kesehatan implementation in 2014 slightly decreases to 58,14% and 58,27 in 2015. But they can push it in 2016 to 74,22% close to Mayapada. On the other hand, Omni Hospital was having the worst starting position in 2011, they were -1,34%. But gradually they trying to climb up and achieved the highest number in 2015 at 61,60% but then slightly decrease in 2016 to 58,61%

Healthiness Assessment

In Table 10 we can see the healthiness level of Mayapada Hospital's financial performance from 2011 until 2016. Before the implementation of the BPJS Kesehatan program, the company level category was in the Less Healthy category, they achieved level BBB and on BB in 2013. After the implementation of BPJS Kesehatan from 2014 until 2016, there was no significant difference in the level and category, still in level BBB and Less Healthy category from 2014 until 2016. Based on this calculation, it shows that the implementation of the BJS Kesehatan program in 2014 was not significantly affecting the financial performance of Mayapada Hospital.

Table 10: Summary of Assessment Result of Mayapada

MAYAPADA HOSPITAL						
Period	Year	Total Score	Total Weighted Score	Value	Level	Category
Before	2011	36,00	51,43	50<TS≤65	BBB	Less Healthy
	2012	36,00	51,43	50<TS≤65	BBB	Less Healthy
	2013	32,50	46,43	40<TS≤50	BB	Less Healthy
After	2014	35,00	50,00	50<TS≤65	BBB	Less Healthy
	2015	39,50	55,71	50<TS≤65	BBB	Less Healthy
	2016	42,50	60,71	50<TS≤65	BBB	Less Healthy

The healthiness category level of Siloam Hospital can be seen in Table 411. In 2011 and 2012, Siloam's financial performance was very good. The total weighted score was 85, 71 and 81, 43 with Healthy category 2 years in a row. In 2013, a year before the implementation of the BPJS Kesehatan program, the healthiness level was dropped into BBB which is a Less Healthy category. This status remains the same in 2014, which is the first year of implementation of the program and until 2016. Based on the calculation, it shows that the implementation of the BPJS Kesehatan program in 2014 until 2016 was not giving any effect on the financial performance of Siloam Hospital.

Table 11: Summary of Assessment Result of Siloam

SILOAM HOSPITAL						
Period	Year	Total Score	Total Weighted Score	Value	Level	Category
Before	2011	60,00	85,71	80<TS≤95	AA	Healthy
	2012	57,00	81,43	80<TS≤95	AA	Healthy
	2013	42,00	60,00	50<TS≤65	BBB	Less Healthy
After	2014	44,00	62,86	50<TS≤65	BBB	Less Healthy
	2015	44,00	62,86	50<TS≤65	BBB	Less Healthy
	2016	44,00	62,86	50<TS≤65	BBB	Less Healthy

Omni Hospital's financial performance healthiness level category is shown in Table 12. Among the three hospitals, Omni is the healthiest hospital based on the SOE standard. From 2011 until 2016 Omni Hospital healthiness category was always in Healthy status with A level in 2011 and 2012, and AA level in 2013. The best level they can achieve, which is AAA was in 2014, and this is also the first year of BPJS Kesehatan program implementation. In 2015 and 2016 the healthiness level was drop to A level but still in the Healthy category. Based on this calculation, we can conclude that the implementation od the BPJS Kesehatan program in 2014 until 2016 was not giving any effect on the financial performance of Omni Hospital.

Table 12: Summary of Assessment Result of Omni

OMNI HOSPITAL						
Period	Year	Total Score	Total Weighted Score	Value	Level	Category
Before	2011	51,00	72,86	65<TS≤80	A	Healthy
	2012	54,00	77,14	65<TS≤80	A	Healthy
	2013	62,00	88,57	80<TS≤95	AA	Healthy
After	2014	68,50	97,86	TS>95	AAA	Healthy
	2015	55,50	79,29	65<TS≤80	A	Healthy
	2016	46,00	65,71	65<TS≤80	A	Healthy

Limitation

The components in the calculation of the financial performance ratio cannot be identified in more detailed information since this analysis used only secondary data from the annual report of the company. The data used was taken from the balance sheet and income statement only, so it is not possible to include the breakdown of revenue and the percentage of the generic product. This research will also not include any other factors such as Operational and Advertising.

To get a wider point of view of the healthcare industry in Indonesia and the effect of implementation BPJS Kesehatan program to the industry in the future should add more samples to have better analyzing the result.

CONCLUSION AND RECOMMENDATIONS

Based on the evaluation of financial ratio analysis and health assessment level in the period before and after the implementation of the BPJS Kesehatan Program in 2011 until 2016 are concluded that the implementation BPJS Kesehatan program had not influenced the financial performance of all hospitals.

Mayapada Hospital can maintain their financial performance majorly in level BBB, only one year in 2013 they have a slight decrease in level BB. The weakness of the company was also shown in the profitability ratio which is the lowest compared to the two other companies but having better performance on the solvency ratio among the three companies. As for the Siloam Hospital healthiness level in 2011 and 2012 was in a very good performance, they achieved level AA two years in a row. In the profitability ratio arguably Siloam Hospital not achieving a sophisticated result but they can manage a stable performance compared to Mayapada Hospital and Omni Hospital. As for the liquidity ratio, Siloam is the most superior compared to the two other hospitals. Omni healthiness category and level among three hospitals were having the best result, although among three hospitals the profitability and liquidity ratio of Omni is the worst in performance but they are showing a good trend in the solvency ratio. Other than that, their financial performance in the period before implementation of the BPJS Kesehatan program in 2011 until 2013 was slightly increased from level A in 2011 and 2012 to AA in 2013. In 2014, the first year of implementation BPJS Kesehatan program the level increased into AAA level but after that drop to A level in 2015 and 2016.

Siloam and Mayapada hospitals need to work on their financial healthiness level. They need to have better management in restructuring their assets to generate more profit for the company. They need to use more of the asset to their maximum potential by giving more service using the assets or maybe renting the assets to other companies to generate more profit. As for Omni, they need to boost their efficiency and effectiveness of their management to push their performance back on track as the early period in 2011.

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