

**IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-BLUD)
FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON PERFORMANCE
AT THEREGIONAL GENERAL HOSPITAL OF MAJENE REGENCY**

**IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-
BLUD) FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON
PERFORMANCE AT THEREGIONAL GENERAL HOSPITAL OF
MAJENE REGENCY**

Nur Fadila^{1)*}, Safriansyah²⁾

¹Accounting Department, Faculty of Economics and Business, Universitas Sulawesi Barat,
Indonesia

²Public Administration Department, Universitas Terbuka, Indonesia

Abstract

This study was conducted to determine the implementation of financial management patterns for regional public service agencies (PPK-BLUD) and their impact on performance. finance at the Regional General Hospital (RSUD) Majene Regency. This research uses descriptive qualitative method with the sampling technique using purposive sampling. The data collection method was done by interview and documentation techniques. The results of this study can be concluded that the implementation of the financial management pattern of regional public service agencies (PPK-BLUD) in the Majene District Hospital has mostly followed Permendagri regulation number 79 of 2018 concerning Regional Public Service Bodies so that it has an impact on improving financial performance.

Keywords: *Implementation, Financial Performance, PPK-BLUD*

1. INTRODUCTION

Government organizations are a form of a non-profit organization where the main goal is not to make a profit but is required to improve services to the general public which can be in the form of improving the quality of health, improving the quality of education, increasing security, and so on. One of the products of regional financial management reform is the issuance of a law governing the Regional Public Service Agency (BLUD). In its financial management, BLUDs have the flexibility to implement sound business practices, by applying economic and productivity principles in order to achieve maximum service to the community.

Good regional financial management will realize the success of achieving development goals in an area. The benchmark for the quality of financial management in the regions is the fulfillment of the principles of compliance, efficiency, effectiveness, transparency, and accountability. In addition, to support the achievement of good financial management is determined by the availability and capability of human resources. The enactment of the law on regional autonomy not only has an impact on regional financial management but also has an impact on the financial management of Regional General Hospitals (RSUD).

*Corresponding author. Email address: nurfadila.usb@gmail.com

After the regional general Hospital of Majene District changed its status to BLUD in 2015 it was given flexibility in managing its finances as regulated in the regulation of Minister of Home Affairs Number 79 of 2018. The flexibility given is followed by institutional responsibility where the hospital in this case regional general Hospital of Majene District must be able to show its performance after being designated as BLUD used in order to assess the achievement of BLUD financial management results that have been stated in its Budget Business Plan.

The performance in question is regulated in the Regulation of the Directorate General of Treasury Number 34 of 2016 which contains the BLUD performance appraisal which is a way of measuring the achievement of providing public services organized by the BLUD, which consists of measuring financial aspects and service aspects. The things that are assessed in this financial aspect consist of evaluating the performance of the BLUD based on the use of cash and assets in paying off short-term obligations and collecting receivables to increase revenue.

The transformation of a hospital into a BLUD is not an easy thing. There are many stages that must be passed and fulfill the requirements that have been set which include substantive requirements, technical requirements and administrative requirements. For this reason, researchers are interested in knowing how to implement Financial Management Patterns for regional public service agencies (PPK-BLUD) in regional general hospitals of Majene District.

2. LITERATURE STUDY

Definition of Regional Public Service Agencies

Legislation regarding Regional Public Service Bodies is regulated in Minister of Home Affairs Regulation Number 79 of 2018 concerning Regional Public Service Bodies which states that "Regional Public Service Bodies, hereinafter abbreviated as BLUD, are systems implemented by technical implementing units/regional agencies in providing services. to the people who have flexibility in the pattern of financial management as an exception. from the provisions of regional management in general".

Minister of Home Affairs Regulation Number 79 of 2018 concerning Regional Public Service Bodies states that the purpose of BLUDs is to "provide public services more effectively, efficiently, economically, transparently and responsibly by paying attention to the principles of fairness, compliance, and benefits in line with Sound Business Practices, to help achieve goals. The regional government whose management is carried out based on the authority delegated by the regional head. In Government Regulation of the Republic of Indonesia, Number 79 of 2018 concerning Regional Public Service Bodies, the pattern of BLUD financial management (PPK- BLUD) includes Planning and Budgeting, Budget implementation, reporting and accountability, and auditing.

Performance

According to Prasadja (2018:15) "performance is a description of the level of achievement of the implementation of an activity program or policy to realize the targets which include the goals

IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-BLUD) FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON PERFORMANCE AT THE REGIONAL GENERAL HOSPITAL OF MAJENE REGENCY

of the organization's vision and mission which are regulated in the strategic plan of an organization". The purpose of this performance appraisal is to encourage the organization's performance in order to achieve the goals that have been set. Measuring financial performance requires an analysis of financial performance is an analysis used to see the extent to which companies/institutions have implemented and used financial implementation rules properly and correctly.

For a health institution that has BLUD status, financial performance analysis can be measured through financial report data produced by the entity. To analyze the financial performance of an organization/institution, certain measures are needed. One method that is often used in assessing financial performance is to use of financial ratios. Financial ratios are ratios that compare the numbers in the financial statements by dividing one component by another into the financial statement data. The financial ratios used in assessing the BLUD's financial performance have been regulated in the Directorate Regulation General Treasury Number per-34/PB/2016 concerning Guidelines for Performance Assessment of Field Public Service Agencies in the healthcare sector.

3. RESEARCH METHOD

Research Approach

This study uses a descriptive type of research with a qualitative approach. The descriptive method was chosen because the research to be carried out is descriptive by trying to present and describe the circumstances and events clearly and as they are about the object under study based on a specific purpose.

Research Location and Time

The location of this research was conducted at the Regional General Hospital (RSUD) of Majene District which is located on the main road Majene-Mamuju. The implementation time of this research starts from August to September 2020.

Research Methods and Approach

In this study, the qualitative method is used to study concepts in more detail, which if using other methods, the core of the problem under study is biased and will be lost.

Data Types and Sources

The type of data used in this research is primary data that can be obtained through interviews or direct questions and answers from informants. As well as secondary data such as the profile and the Financial Report of the Regional General Hospital of Majene District. The sources of data in this study were obtained in the form of interviews with 2 interviewees and financial reports of the Regional General Hospital of Majene District for the last two years, 2018-2019. Specifically, the informants in this study are as follows:

1. Head of Administrative Section of the Regional General Hospital of Majene District, and
2. Head of Sub Division of Finance and Accounting of the Regional General Hospital of Majene District.

Data collection

The data of this research were collected by using interviews and documentation.

Data Analysis

Data analysis techniques used in this study were:

1. Interactive analysis of the Miles and Huberman model. Activities in this data analysis used several stages, namely data collection, data reduction, data presentation, and drawing conclusions.
2. Financial ratio analysis is used to assess the financial performance of the Regional General Hospital of Majene District. This performance assessment refers to the Regulation of the Directorate General of Treasury Number per-36/PB/2016 concerning Guidelines for Performance Assessment of Public Service Agencies in the Healthcare Sector.

Research procedure

Research procedures are the steps used by researchers as a tool to collect data and answer to research questions. The method in this study used descriptive qualitative methods in the form of spoken and written words from sources and observed behavior, provided a clear, detailed description, and sought in-depth information from the research.

4. RESULT AND DISCUSSION

Financial Management Authority

Regional General Hospital (RSUD) of Majene District is one of the health service agencies in Majene District that has implemented the Financial Management Pattern of the Regional Public Service Agency (PPK-BLUD) in accordance with Majene Regent Decree No. 1199/HK/KEP-BUP/IV/2014 dated April 03, 2014 concerning the Determination of the Status of the Financial Management Pattern of the Regional Public Service Agency (PPK-BLUD) in full at Regional General Hospital of Majene District and effective from January 1, 2015. Regional General Hospital (RSUD) of Majene District is authorized to implement financial management but must always be guided by the provisions of the legislation - applicable legislation and is responsible to the Regent through the Regional Secretary.

Flexibility

Hospitals as regional public service agencies (BLUD) are given privileges in the form of flexibility in financial management patterns. According to Mrs. Nurmah., S.ST., M. Kes flexibility in BLUD can be interpreted as:

IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-BLUD) FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON PERFORMANCE AT THE REGIONAL GENERAL HOSPITAL OF MAJENE REGENCY

"This means that they are not bound to remain flexible for financial management but are still under regional regulations because hospitals are Regional Apparatus Organizations / Regional Apparatus Work Units (OPD / SKPD) not private Regional Owned Enterprises (BUMD) or Banks, but the pattern of financial management is already BLUD".

From the statement above, it can be concluded that the BLUD status provides convenience for hospitals because they are given flexibility in financial management. According to Reni (2013), there are many facilities that are obtained by RSUD with this form of BLUD, namely Flexibility of Budget Management, Recruitment of Personnel, Accounts Payable, Procurement of Goods and Services, Addition of Health Facilities, Remuneration to improve welfare, Security at work, Smooth operations and Opportunities to invest.

Planning and Budgeting

In planning and budgeting the Regional General Hospital of Majene district, firstly, a Business Strategy Plan (RSB) document is prepared by the BLUD Work Unit (Satker) guided by the Strategic Plan (renstra) of the State Ministries/Institutions. The RSB document is a long-term plan document for the Regional Public Service Agency that contains a business strategy plan for a five-year period. After the Business Strategic Plan is established, the next step taken by the Regional General Hospital of Majene district is to prepare a Budget Business Plan (RBA) and a Budget Work Plan (RKA) which are short-term plans for the Regional General Hospital of Majene district. Then the RKA-SKPD along with the RBA-SKPD are submitted to the Regional Financial Management Officer (PPKD) in this case the Head of the Regional Finance Agency who acts as the Regional General Treasurer. Then the RKA and RBA that have been submitted to the PPKD are reviewed by the Regional Government Budget Team (TAPD). Then submitted to the PPKD to be included in the draft regional regulation on regional revenue and expenditure budget (APBD), the draft Regional Regulation on APBD after being stipulated as a Regional Regulation then the BLUD leader, in this case, is the Head of the Regional General Hospital of Majene district making adjustments to the RBA which will be determined to be the definitive RBA. then the definitive RBA is used as the basis for the preparation of the DPA-BLUD as a reference in the RBA of the Regional General Hospital of Majene district.

Budget Execution

After the Budget Strategy Plan and the definitive Budget Business Plan are prepared, the next step is for the Regional General Hospital of Majene district to prepare a Budget Implementation Document (DPA) called DPA-BLUD which is the basis for disbursing or withdrawing funds from the state budget (APBN), ratifying revenues, expenditures and financing. Budget execution includes:

1. Cash Management.

For BLUD cash management, the leader of the Regional General Hospital of Majene district first opens a BLUD cash account in accordance with the provisions of the legislation.

The BLUD cash account is used to receive cash inflows and cash outflows whose funds come from the BLUD's income. Cash and cash equivalents are recognized when the BLUD is received.

2. Revenue Management

Since the Regional General Hospital of Majene district has implemented the PPK-BLUD, flexibility is given in terms of revenue management which is expected to reduce the hospital's dependence on the APBD and at the same time, it is hoped that it can increase its income potential independently. According to Mrs. Nurmah., S.ST., M.Kes sources of income for the Regional General Hospital of Majene district can be in the form of:

"Services include patients with and without health insurance, APBD, students practicing/researching, renting canteens, ambulances, grants in the form of goods in the form of ambulances from BNI".

3. Shopping Management

In managing the expenditure of the Regional General Hospital of Majene district, it must be guided by the previously determined budget plan. According to Mrs. Nurmah., S.ST., M.Kes as the Head of the Administrative Section of the Majene District Hospital according to the results of the interview:

"Expenditure management for Regional General Hospital of Majene district can be in the form of facilities and services. For services, all professions such as doctors, management, midwives, nurses, and nutrition. The service facilities are for operational use such as medicines, office stationery, fuel, and consumable costs (BHP)".

4. Management of Goods and Procurement of Goods/Services

The procurement of goods/services at the Regional General Hospital of Majene district is given the flexibility to manage part of the procurement of goods/services by forming a committee formed by the leadership of the Regional General Hospital of Majene district to manage the procurement of goods and services. But still follow the laws and regulations stipulated by the Regional Head Regulation (Regent).

5. Service Fee Management

In determining the service rates for the hospital, the board of directors of the Regional General Hospital of Majene district first formed a formulation team that specifically discussed the hospital service rates, after that the board of directors proposed the results of the calculation of the service tariff to the Regent, then the Regent will consider the results of the calculation of service rates from the Regional Hospital and set forth in the Regional Head Regulation/Regent Regulation which is then submitted to the Leader of the Regional People's Representative Council (DPRD). According to the results of an interview with Mrs. Nurmah., S.ST., M.Kes, said that for service tariffs, there was a formulation team, previously there was

**IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-BLUD)
FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON PERFORMANCE
AT THEREGIONAL GENERAL HOSPITAL OF MAJENE REGENCY**
a regional regulation regarding levies.

6. Accounts Receivable Management

Receivables from the Regional General Hospital of Majene district are sourced from health insurance i.e., BPJS patients e receivables, regional health insurance patient receivables and patient receivables who are still under treatment. As stated by Mr. Muhammad Syarif., SE as the Head of the Finance and Accounting Division of Regional General Hospital of Majene district:

"Most of the receivables are from BPJS because they are usually 2 months in arrears and at least 1 month but while I'm here the receivables are mostly 2 months and above".

7. Debt Management

The Regional General Hospital of Majene district can incur debts with third parties concerning medical devices and medicines. According to Mrs. Nurmah., S.ST., M. Kes revealed that:

"The debt of the Regional General Hospital of Majene district is in the form of medicines, it's not paid directly depending on the disbursement of BPJS. If the BPJS is liquid, the debt can be paid and if BPJS is not paid it will become the hospital's debt."

8. Investment

The Regional General Hospital of Majene district has not been able to manage the investment because there are still things that need to be addressed such as hospital operational needs and others. As the results of an interview with Mrs. Nurmah., S.ST., M.Kes who said that:

"Investment depends on the hospital itself, if there is a surplus, it can invest, if the target is only 30 billion, it turns out that the income is 40, which means that 10 billion can be invested. However, Regional General Hospital of Majene district has not been able to invest because all the income is only enough to finance the hospital's operations."

Reporting and Accountability

With the implementation of PPK-BLUD at the Regional General Hospital of Majene district, it is required to prepare financial reports as a form of reporting and accountability. With the preparation of financial statements, it is expected that BLUDs can reflect financial and non-financial conditions in the current year. The types of financial reports prepared by the Regional General Hospital of Majene district include Budget Realization Reports, Balance Sheet Reports, Operational Reports, Cash Flow Reports, Changes in Capital Reports, Changes in Equity Reports, and Notes to Financial Statements. The hospital reports its financial reports with two reporting times, namely monthly reports and annual reports, such as the results of interviews with Mr.

Muhammad Syarif., SE as the Head of the Finance and Accounting Division of the Regional General Hospital of Majene district who said that:

Although implementing PPK-BLUD, financial reports must be reported as OPD to the local government. So, there are monthly and annual reports. Because the PPK-BLUD is already in place, there is already a system where you have to report a financial report, known as the functional SPD, which must be reported every 10th to the local government.

Auditing

After financial reporting, the Regional General Hospital of Majene district must be audited to assess the hospital's performance. Before being examined by the government's external auditor, in this case, the Supreme Audit Agency (BPK), it must first be examined by a team of independent auditors. As explained by Mr. Muhammad Syarif., SE as the Head of the Finance and Accounting Division of the hospital as follows:

“When applying for status to be PPK-BLUD, you must be willing to be audited by an independent audit team. Overall, if the BPK is all OPD in the Regency Government, an inspection will be carried out. But first, there is a special team to audit, namely a team from an independent audit. So, if the BPK usually comes, they are asked whether there is an audit result from an independent audit team? because it is absolutely necessary to have an audit from an independent audit”.

On December 31, 2019, the Regional General Hospital of Majene district was audited by the Budiandru Public Accounting Firm (KAP) by issuing an Independent Audit Report NO: 083/601-00/AU.5/1253/I/V/2020 with an opinion on the attached financial report presenting Fairly, in all material respects, the financial position of the hospital as well as its financial performance and cash flows for the year ended 31 December 2019 in accordance with Government Accounting Standards Statement Number 13 concerning Presentation of Financial Statements of BLU (Independent Audit Report of Regional General Hospital of Majene district, 2019).

Financial Performance

The analysis of the financial performance of the Regional General Hospital of Majene district refers to the Regulation of the Directorate General of Treasury Number per-34/PB/2016 concerning Guidelines for Performance Assessment of Public Service Agencies in the Health Service Sector. There are several aspects that are used as a measure of financial performance, namely the aspect of the hospital's ability to use cash and assets to pay debts, the old aspect of collecting, receivables, and the use of fixed assets in obtaining income. Mr. Muhammad Syarif., SE as the Head of the Finance and Accounting Division of the Majene District Hospital said that since the status was changed to BLUD, the cash managed by the hospital has increased but is accompanied by the addition of short-term liabilities. This shows that the use of cash in paying off its short-term obligations is increasing. In addition, Mr. Muhammad Syarif., SE also said that as long as the BLUD status is more flexible in managing the assets owned by the hospital so that they can be used more optimally, including paying off their short-term obligations.

IMPLEMENTATION OF REGIONAL PUBLIC SERVICE AGENCY (PPK-BLUD) FINANCIAL MANAGEMENT PATTERNS AND ITS IMPACT ON PERFORMANCE AT THE REGIONAL GENERAL HOSPITAL OF MAJENE REGENCY

Majene District Hospital had a Receivable Collection Period in 2018 of 95, which means that the hospital can collect its receivables every 95 days. Whereas in 2019, it could collect its receivables once every 85 days. This is in line with the results of an interview with Mr. Muhammad Syarif., SE as the Head of the Finance and Accounting Division of the hospital who said that the average receivables can be collected after 2 months and above.

From the results of the interview above, it shows that the PPK-BLUD applied by the Majene Regional General Hospital can improve financial performance in terms of the utilization of cash and assets in paying off short-term obligations and also faster in the process of collecting receivables which have an impact on hospital revenues. In line with the research of Hakim and Firmanto (2013) where KDP-BLUD can increase efficiency and achieve success targets. In addition, it can improve services to the community and financial performance if it is managed with PPK-BLUD. Ratna (2015) and Reni (2020) also found the same results where after implementing the PPK-BLU financial performance was better than before.

5. CONCLUSION

This study focuses on knowing the implementation of the Financial Management Pattern of Regional Public Service Agencies (PPK-BLUD) and its impact on financial performance. Based on the results and discussion contained in the previous chapter, the researcher can conclude that the implementation of the financial management pattern of regional public service agencies (PPK-BLUD) in Majene District Hospital has largely followed the regulation of the Minister of Home Affairs number 79 of 2018 concerning Regional Public Service Agencies so that it has an impact on the improvement of financial performance. The increase in financial performance at the Majene District Hospital can be seen in the operational costs of the Majene District Hospital, which was not supported by the Regional Budget. As well as the calculation of the ratio based on the Regulation of the Directorate General of Treasury Number per-34/PB/2016 concerning Guidelines for Performance Assessment of Public Service Agencies in the Health Service Sector.

References

- Hakim Mochammad Luqman dan Firmanto Yuki (2016). Analysis of the Implementation of the Flexibility of the Financial Management Pattern of the Regional Public Service Agency (PPK-BLUD) at the Jatirejo Upt Health Center, Mojokerto Regency. Jimfeb. Brawijaya Malang
- Independent Audit Report on the Financial Statements of the BLUD Regional General Hospital of Majene Regency, 2019.
- Regulation of the directorate general of the treasury number per-36/PB/2016. 2016.
- Minister of Home Affairs Regulation number 79. (2018). About Regional Public Service Agency. Regulation of the Minister of Health of the Republic of Indonesia, Number 340/MENKES/PER/III/2010. (2010).

- Domestic government regulation, number 61. (2007). About the Regional Public Service Agency. Government Regulation of the Republic of Indonesia Number 23. (2005). Public Service Agency Financial Management.
- Prasadja, Ricardianto (2018). Human Capital Management. Jakarta : Media
- Reni Farwitawati (2020). Financial Performance Analysis of Bengkalis Regional General Hospital Before and After the Financial Management Pattern of the Regional Public Service Agency (PPK-BLUD). Jurnal Akuntansi Kompetif Vol 3 No 3. Universitas Lancang Kuning.
- Ratna Suryaningsih (2015)) Financial Performance of Health Services Before and After the Implementation of PPK-BLU. Jurnal Bisnis dan Manajemen Vol 11 No 1. Universitas Sebelas Maret. Surakarta
- Law of the Republic of Indonesia Number 44. (2007). About Hospital. University of West Sulawesi, F. E. (2017). Thesis Writing Guidelines. Majene.