

CHAPTER I

INTRODUCTION

A. Background

The public service is any activity in order to fulfill the basic needs in accordance with the fundamental rights of each citizen and resident against a good, service, and administrative service provided by an organizer of public service in associated with public interest. The organizers of public service are institutions and public service officers either Local Government or Regional-Owned Board Enterprise who organize public service. The recipient of public service is individual or group and/or legal entity that have rights and obligations of a public service.

The society who is customer of public service, also has the needs and expectations on the performance of a professional public service organizer. Thus, the task of Central Government and Local Government now is how to give the public service which capable of delighting society. The implementation of decentralization policy and regional autonomy in Indonesia that are contained in the law on local governance which mention that the government has responsibility, authority and determine the minimum service standards, this leads to every region municipality or regency in Indonesia to provide public service properly with minimal standards. Public service is become a benchmark of the most clairvoyance of the performance of government. People can directly assess performance of the government based on the quality of public services they

received, because of the quality of public services become the interests of many people and its impact immediately felt by all walks of life, where success in building the public service performance professionally, effective, efficient and accountable will lift up a positive image of the government.

Hospital is a business unit services that provide services of social services in the field of clinical medical. The management of hospital business unit has its own uniqueness because besides as a unit business hospital, the hospital business also has social mission, besides the management of hospital also depends heavily on the ownership status of the hospital. The mission of the hospital is not separated from social service mission. But it cannot be denied that the conflict of interest from various parties remains occur in managing the hospital. This conflict of interest from various parties happened because of the classification of the hospital organization. The classification of the organization are differentiated into two, namely business organization and non-business organization.

The government hospital is more precise classification as non business. Some hospitals are having the quality of the services which is still quite alarming. This due to the limitations of the resources both financial resources and non financial resources. Demands of improved quality of services requires a wide range of investment funds. The rising in demand of the quality of the hospital services must be accompanied with management professionalism. The development of hospital management, both from management aspect and operational strongly influenced by various demands from environment, namely external and internal environment. External demands among others are from stakeholders that the hospitals are

required to provide health care certifiable, and the cost of health care service under control so that it will lead to the satisfaction of patients. Meanwhile, internal demand is cost control.

Cost control is a complex problem because it is influenced by various parties namely market mechanism, behavior economical, professional resources and which is not less important thing is technological development. The government hospital which located in the central and local level is not separated from the influence of the development of that demands. Viewed from segmentation society groups, in general government hospitals constitute service that provides among the lower middle class, meanwhile private hospitals serve people of the middle class to the top. Health cost tending to keep increasing, and hospitals are required to independently solve the problem. Rising cost of health cause phenomena itself for government hospitals because they have health care segment for the lower middle class. As a result, government hospital is expected to be a hospital which is cheap and has a good quality. Government hospitals face a dilemma between the mission of serving people lower middle class and the limitations of funding resources, as well as various rules and the bureaucracy that must be faced. This condition will result the government hospitals experiencing confusion whether the hospital be used as a bureaucratic institution within the health system or health care institutions which are not bureaucratic.

Understanding of Public Service Board is stipulated in Article 1, paragraph 23 Act Number 1 Year 2004 about State Treasury, namely : “Public Service Board/*BLU* is an institution in government environment that was formed to

provide service to the society in the form of the provision of goods and/or services sold without prioritising profit and in conducting its activities based on the principle of efficiency and productivity”. This understanding was afterwards adopted back in its implementation regulation is in Article 1 paragraph 1 the Government Regulation Number 23 Year 2005 about Financial Management of Public Service Board.

Public Service Board is a local government board which is not aimed at seeking profit, and give autonomy or flexibility management public hospital, either belongs to the central government or local government. The form of *BLU* is an important alternative in implementing Regional Autonomy that formulate Regional Hospital as Regional Technical Service.

In the Government Regulations Number 23 Year 2005 and Ministry of Home Affairs Regulation Number 61 Year 2007, explicitly mention that there are some substantive requirements, technical and administrative for Public Service Board (*BLU*), including Hospitals, Health care Board (*Bapelkes*), Public-Health Center and other health care organizations. The administrative requirements include the following documents :

1. Statement of willingness to improve the service performance, financial, and benefits for the society;
2. A Pattern of management (hospital by law and clinical by law);
3. Strategic business plan;
4. Staple financial report;
5. Minimum Service Standard (*SPM*);

6. Final audit report or statement willing to audited independently.

In addition to the documents above, there are several prerequisite more to prepared to support financial management pattern of financial management of Public Service Board (*BLU*) among other things :

1. Unit cost-based rate patterns and quality of service (Unit Cost and Fare);
2. Business Plan Budget (*RBA*) based on cost accounting;
3. Remuneration;
4. Finance and Accounting System;

Regional Public Service Board (*BLUD*) operate as device work local government for the purpose granting public services more effectively and efficiency in line with healthy business practices, where its management is based on delegated authority by the head of the region. Moreover, Public Service Board is also part of the local government which was formed to assist accomplishment of the objectives of local government with legal status is inseparable from local government. So that, the head of region responsible for the implementation of policies public service delivery delegated to Regional Public Service Board mainly on aspects of the benefit generated. Beside that, the management officials of Regional Public Service Board is also responsible over all the events granting public services which delegated by regional heads, include in organizing and increasing service to people, Regional Public Service Board also given flexibility in their financial management. Therefore, in the implementation of the event, Regional Public Service Board must prioritize the effectiveness and efficiency as well as the quality of public service to the society without giving priority to the

quest of profits. Beside that, work plan and budget as well as financial report and performance of Regional Public Service Board also compiled and presented as inseperable part of the work plan and budget also financial report and performance of local government. Regional General Hospital (*RSUD*) is element that support implementation of the local government Sidoarjo Regency in the field of health care. Regional Public Hospital (*RSUD*) of Sidoarjo Regency has duty to implement health effort which helpfully and useful.

Hospital as one of the types of Public Service Board is the main of the development of public health. Regional General Hospital of Sidoarjo Regency Regency is Local Government Affair Unit that has been implementing Financial Management Pattern of Regional Public Service Board (*PPK-BLUD*) since January 1, 2009 based on Regent Decree Number 188/1229/404.1.1.2/2008. Hence Regional Public Service Board Sidoarjo Regency is expected to improve the quality of service, efficiency and giving accessibility good enough to the society with providing services such as providing goods and/or services sold without prioritising seeking and based on efficiency principle and productivity. So that, in the end the status of the hospital as Public Service Board (*BLU*) can be used by the public in obtaining health care services which more affordable, better and further improve welfare for internal provider due to the flexibility of the management of the hospital using the norms of a healthy business.

B. Formulation of the Problem

Based on problem identification above, then the problem in this research can be formulated as follows:

1. How is the implementation of Regional Public Service Board (*BLUD*) in Regional General Public Hospital in Sidoarjo Regency?
2. How the result of policy implementation in Regional General Public Hospital in Sidoarjo Regency?
3. What are the constraints faced by Regional General Hospital in Sidoarjo Regency in the implementation of Regional Public Service Board (*BLUD*)?

C. Research Purposes

Having regard formularization problem described above, this research purposes to know :

1. The description analysis about The Implementation of Regional Public Service Board (*BLUD*) in Regional General Hospital of Sidoarjo Regency.
2. The discussion analysis of policy implementation in result.
3. The description about what constraints are faced by Regional General Hospital of Sidoarjo Regency in the implementation of Regional Public Service Board (*BLUD*).

D. Research Contributions

The contribution of this research are :

1. Theoretical Contribution

This research is expected to provide additional information for education world, especially in research through further development of the theory, strategy, or a pattern of implementation of Regional Public Service Board (*BLUD*). The results and experience the implementation of that is achieved through this research would provide early information for the next researcher, particularly with regard to the application of Regional Public Service Board (*BLUD*).

2. Practical Contributions

- a. The results of this research is expected to provide information in the field of health, especially in planning of Regional Public Service Board (*BLUD*) through a single planning activity and good practice. Beside that, the result of this research is expected to give feedback or reference in arranging policy in the field of health based on the need/public aspirations. Particularly in Regional General Hospital of Sidoarjo Regency, so the results of this research hopefully will increasingly support the implementation of the Regional Public Service Board (*BLUD*) which is located in Regional General Hospital of Sidoarjo Regency in order to improve health cares to all societies without exception.

- b. For the author personally, the implementation of this research are expected to expand reference thinking and insight also can be a means of practicing in order to develop the science during college, as well as sharpening the capability of critical thinking and responsiveness to every situations and conditions in the field, so that capable to solve any problems that will be facing in daily life.

E. Systematics of the Writing

To get clear description and make it easier to discuss every chapter, so the systematics discussion as follows:

Chapter I : INTRODUCTION

This chapter divided in four parts, such as : the background of research, research formulation, research purposes, research contribution, and systematics of the writing in thethesis.

Chapter II : REVIEW OF THE LITERATURE

This chapter contains of the framework of thought or theories which is relating to the subject, namely regarding : public service, health care, quality health care and public service board.

Chapter III : RESEARCH METHODS

This chapter explained about: type of research, focus research, research location, type and source of data, data collection technique, research instrument, data analysis.

Chapter IV : RESULT AND DISCUSSION

This chapter is the core of writing thesis that it contains of how the description and analysis from how the pattern of the implementation of Regional Public Service Board (RPSB) in Public Hospital Sidoarjo Regency.

Chapter V : CONCLUSION

This chapter consists of conclusions of the discussion of research result also suggestion from the author which can contribute to the progress of the hospital.

