Relationship Between Total Incomes with Willingness to Pay in National Health Insurance on Coffee Farmer in Jember

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Keywords: Willingness to pay, National healthi, Coffee farmer.

Abstract: Based on formative study in 2015, there were 98% of inhabitants who haven't register as a participant in National Health Insurance (NHI) at Silo Sub district. From unregistered participant, 46.9% haven't received information about NHI, while 29.2% showed their dissatisfaction about primary health services. In general, incomes still to be main factor of NHI participation. The objectives of the study were analyze correlation between total incomes with Willingness to Pay (WTP) and based on their education level and socialization they had. The type of study was analytic and involved 98 respondents. The result showed there were positively correlated between total incomes with WTP (r_s= 0.462; p=0.000), even though relationship statistically was only shown in uneducated level group (r_s= 0.704; p=0.002), senior high school and higher (r_s= 0.716; p=0.003) and also socialized group (r_s= 0.571; p=0.000). The recommendations are optimize socialization of NHI to informal groups, middle groups and also empowering available resources in the community

1 INTRODUCTION

Jember is the one of districts in East Java that has great potential in coffee plantation. The subdistrict area which is gives high contribution in robusta plantation is Silo. In 2013, there was broad enough space for coffee plantation area, it was 2.288,70 hectares by coffee production of 9.336,01 quintal (BPS Jember, 2014). These flagship commodity are expected to improve the welfare and financial capability of coffee farmers as we know that coffee farmer have become main livelihood of the community, thereby reducing poverty and financial incapacity in the community.

In 2004 the government issued Law Number 40/2004 on the National Social Insurance System (SJSN) which explains that social and health insurance are compulsory for the entire population and managed by a Social Insurance Agency (BPJS). This policy then then resulted in a program which called National Health Insurance (NHI). This coverage system has been implemented since January 1st, 2014. In order to succeed of NHI, the government targets the entire population of Indonesia must become participant no later than January 1st, 2019 or known as Universal Health Coverage (UHC).

Based on formative study in 2015, there were 98% of inhabitants who haven't register as a participant in National Health Insurance (NHI) at Silo Sub district. From unregistered participant, 46.9% haven't received information about NHI, while 29.2% showed their dissatisfaction about primary health services. In general, incomes still to be main factor of NHI participation although at the time of harvest, some coffee farmers' income were quite good. This condition will be an obstacle to UHC achievement.

In paying for health services, the Willingnes to Pay (WTP) aspect becomes important thing, because it is a combination of perception and intention in making payments, in another side, WTP is the maximum willingness of consumers to buy a product (Herfert, 2007). WTP can be influenced by a person predisposing factor because predisposition either directly or indirectly affects the person's attitude and behaviour. Main factors affecting the WTP in health insurance include the products which offer; quality and quantity of services provided; user utility or

intent to services and user income (Permata, 2012). The objectives of the study were analyze correlation between total incomes with Willingness to Pay (WTP) and based on their education level and socialization they had.

2 METHODS

The type of study was analytic, based on timing of the implementation; it was cross sectional study and involved 98 respondents. The selection respondents was done by multistage random sampling technique while the analysis used was spearman analysis..

3 RESULT

3.1 Distribution of Respondents

The education level in the study was categorized in four category, there were uneducated level, elementary school level, junior high school level and senior high school or higher. Eventhough the data of total income in the study was ratio, in the table below is categorized in three category. The distribution of respondents in this study is shown in the table below.

Table 1: Distribution of the percentage of respondents

Variables	N	%
Education Level		
Uneducated	16	16.3
Elementary school	42	42.9
Junior high school	25	25.5
Senior high school or higher	15	15.3
Total	98	100.0
Total Income		
<1.500.000	33	33.67
1.500.00 – 3.000.000	55	56.12
>3.000.000	10	10.20
Total	98	100.00
Socialization		
Socialized	53	54.1
Unsocialized	45	45.9
Total	98	100.0
WTP		
0 – 25.000	88	89.8
25.500 – 42.400	8	8.2
42.500 – 59.400	2	2.0
Total	98	100.0

3.2 Correlation Analysis

The result showed there was positively correlated between total incomes with WTP (r_s= 0.462; p=0.000), even though relationship statistically was only shown in uneducated level group (r_s= 0.704; p=0.002), senior high school and higher (r_s= 0.716; p=0.003) and also socialized group (r_s= 0.571; p=0.000). Distribution of correlation between total income and willingness to pay is shown in graph below.
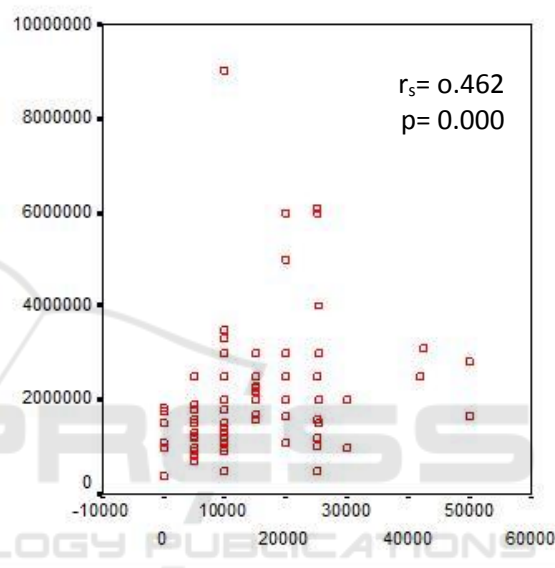

Figure 1: Correlation between Total Income and WTP

4 DISCUSSION

The result showed there was positively correlated between total incomes with WTP. It is according to ho much on essential and non essential food expenditure they had. These result are in accordance with Binnendijk et., al (2013) who stated in their study that hel on rural poor community in India that level of WTP could be estimated based on each community's food expenditures. Based on the results obtained, all research variables were positively correlated, but statistically related was only found in uneducated and senior high school or higher. This shows that the level of education has a relationship to the willingness to pay. This confirms that higher the educational level of a person will give more information obtained (Notoatmojo, 2002). The results showed that that higher educational level has

a relationship to WTP and this finding is consistent with Dror et., al (2007) that stated education is secondary factor which has relationship to WTP in India as well as on the results obtained from research conducted in Nigeria by Onwujekwe et., al (2009) that males and people with more education stated higher WTP values than females and those with less education.

Information gained will affect a person's perception to be more positive causing the expected behaviour because it is able to absorb and understand the knowledge they gain. Similarly, the information obtained, the more information obtained, the more increase the knowledge of a person. Higher total income also causes a person to increase his willingness to pay.

5 CONCLUSIONS

Some of these results show that to improve willingness, improving education levels, improving socialization and improving income are main key to improving willingness to pay. This can be done by involving a key group in the community to become an NHI socialization agency. Increasing the welfare of farmer groups becomes a necessity that must be achieved. This can be done by developing a group of coffee farmers. The development of small medium enterprises become one of the alternative that can be done which of course need support and attention from local government

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