


# Evaluation of the Implementation of Financial Management Patterns in Regional Public Service Agency at the Jatisari Karawang Regional General Hospital in 2024

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| Article Info   | ABSTRACT  |
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| <p><b>Keywords:</b><br/>Evaluation,<br/>Financial Management Pattern,<br/>BLUD</p>   | <p>This study evaluates the implementation of the financial management pattern of the Regional Public Service Agency (BLUD) of the Jatisari Karawang Regional General Hospital. Every year, the Jatisari Karawang Regional General Hospital can be said to be quite slow in implementing the financial management pattern of the regional public service agency as a guideline for financial management. This has an impact on ineffective Financial Planning, causing the Jatisari Regional Hospital's income to be low because the activities carried out do not provide maximum contribution to revenue and also Inefficiency in Cost Management causes inefficiency in resource management, such as wasteful procurement of goods/services or immature planning, causing operational costs to swell. This study uses the CIPP (Context, Input, Process, Product) Evaluation model. The evaluation was conducted through interviews with key informants, main informants and additional informants. The results of the study indicate that the main obstacles in implementing the implementation of the financial management pattern of the Regional Public Service Agency at the Jatisari Karawang Regional General Hospital include the lack of trained human resources (HR), Limited competent human resources (HR), regulations that are less synchronized between the central and regional governments, late payment of receivables that can disrupt cash flow.</p> |
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## INTRODUCTION

Public Service Agency (BLU) is agency those in the government environment who provide services to the community in the form of goods or services without prioritizing profit, based on the principles of efficiency and productivity(1). Public Service Agency (BLU) is an inseparable part of the government apparatus. The concept of Financial Management of Public Service Agency (BLU) is stated in Law Number 1 of 2004 concerning State Treasury. Financial management of Public Service Agency provides flexibility to innovate in implementing healthy business practices and aims to improve services to the community. The flexibility of Public Service Agency includes management of income and expenditure, cash

management, procurement of goods or services, management of goods, management of receivables, debts, investment, utilization of surplus and remuneration. Providing financial flexibility to Public Service Agency aims to support the improvement of services that are more responsive to the needs of the community. Although given flexibility in managing finances, Public Service Agency must still maintain accountability for such management. Good and proper financial management is very necessary in every organization including Public Service Agency (BLU).

The Regional Public Service Agency (BLUD) system has been improved by the government through the Regulation of the Minister of Home Affairs Number 79 of 2018. This regulation states that BLUD is a system implemented in special organizational units within the regional apparatus environment, functioning to provide services to the community. The implementation of BLUD financial management is expected to change the mindset of the service bureaucracy to be more efficient, professional, accountable, and transparent. This change includes a shift from a traditional budgeting system to performance-based budgeting. In addition, the use of resources that previously only focused on input and process financing must now be more oriented towards results (output). In this case, it is intended to be able to reduce the inefficiency that has occurred in the bureaucracy.

Regulation of the Minister of Home Affairs Number 79 of 2018 states that Regional Public Service Agencies (BLUD) are given flexibility in managing finances by implementing healthy business practices. With this policy, it is expected to improve services to the community and not be profit-oriented. The flexibility given to PPK-BLUD covers various aspects, such as procurement of goods and services, management of debt and receivables, management of income and expenses, cash and investment. Also included is the formulation of standards, system policies, and financial procedures. This can allow BLUD to directly utilize the income received for BLUD operational needs while still considering the service needs to be provided. BLUD income can come from public service services provided, allocations from the government, assistance or grants, cooperation with third parties and other legitimate sources of income.

Hospitals are public service institutions that have a crucial role in improving the level of public health. Hospitals are expected to be able to serve the community, develop independently and be able to compete to provide affordable and quality services for the community. In an effort to improve the quality of services, hospitals face various challenges, such as limited operational budgets, complex bureaucracy in the process of disbursing funds, and financial regulations that can hinder smooth services. In addition, hospitals also have difficulty in measuring performance, even though the support of human resources, technology, and large capital is needed. By implementing the concept of financial management patterns for Regional Public Service Agencies (BLUD), hospitals are expected to be able to improve professionalism, encourage an entrepreneurial spirit, and implement transparency and accountability in public services. The same thing applies to the three pillars that are the basis for implementing the BLUD financial management system, namely flexibility in financial management, improving public service performance and good governance.

Jatisari Karawang Regional General Hospital is a Special Organizational Unit within the Karawang District Health Office which acts as a health service implementer that has the autonomy to carry out personnel management, financial management and management of regional assets. Jatisari Karawang Regional General Hospital carries out some of the health duties of the Health Office and acts as the spearhead in health development, especially in Karawang Regency to carry out general health treatment and recovery services with superior pulmonary respiration services in accordance with hospital health service standards. Jatisari Karawang Regional General Hospital will be a buffer General Hospital in the Eastern region of Karawang Regency which borders directly with two large regencies, namely Subang Regency and Purwakarta Regency. Jatisari Karawang Regional General Hospital is located at Jl. Raya Jatisari No. 3 Jatisari - Karawang and has the status of a Type C general hospital. Jatisari Karawang Hospital is a hospital owned by the Karawang Regency Government which acts as a supporter of the Head of the Health Office in the field of health services. This hospital is led by a Director whose position is in coordination and is responsible to the Head of the Karawang Regency Health Office.

Previously, Jatisari Regional Hospital was a Special Lung Hospital in Karawang Regency, it has officially changed to a Type C General Hospital as stipulated in Regent Regulation Number 1 of 2023 concerning the Establishment, Status, Organizational Structure, Duties and Functions, and Work Mechanism of Jatisari Regional General Hospital under the Karawang Regency Health Office. Then it was inaugurated as a Regional Public Service Agency (BLUD) through the Decree of the Regent of Karawang Number: 445/Kep.371-Huk/2023 concerning the Determination of the Implementation of the Regional Public Service Agency of Jatisari Regional Hospital, Karawang Regency, so that the transition requires supervision and support from stakeholders for the smooth implementation of health services effectively and efficiently. Jatisari Regional Hospital, Karawang has health facilities and infrastructure to support service activities at Jatisari Regional Hospital, Karawang.

The finances of the Regional Public Service Agency can be managed directly by the Jatisari Karawang Regional General Hospital, recorded and reported to the Regional Financial Management Agency (BPKAD). The Jatisari Karawang Regional General Hospital is tasked with supporting the Regent in formulating and implementing regional policies in the health services sector. Its functions include preparing technical policies related to health services, providing support in the implementation of regional government in this field, and carrying out other tasks assigned by the Regent in accordance with their roles and functions. Furthermore, in the context of implementing Law Number 17 of 2023 concerning Hospitals, it is emphasized that health facilities owned by the government or regional governments must be in the form of Technical Implementation Units (UPT) operating in the health sector, special agencies, or regional technical institutions with the status of Public Service Agencies (BLU) or Regional Public Service Agencies (BLUD), in accordance with the provisions of applicable regulations. Therefore, the implementation of BLUD at the Jatisari Regional General Hospital (RSUD), Karawang Regency, was stipulated through the Decree of the Regent of Karawang Number: 445/Kep.371-Huk/2023 concerning the BLUD Financial Management Pattern.

In addition, based on Government Regulation Number 23 of 2005 concerning Financial Management of Public Service Agencies, the accounting and financial reporting system of BLU must be implemented in accordance with the Financial Accounting Standards (SAK) issued by the Indonesian accounting profession association approved by the Minister of Finance. This is in line with Article 26 paragraph 2, which states that Financial Accounting Standards are established by the accounting profession association in Indonesia. Therefore, the financial report of the BLU work unit is expected to be able to prepare the main financial report that plays a role in accountability, management, and transparency. The report must include recording of fixed assets and present information on unit costs per service unit, performance accountability, and other required data.

A good pattern of financial management for Regional Public Service Agencies can have positive impacts, such as:

1. Improve services to the community.
2. Increase efficiency, transparency and accountability
3. Improve welfare and participate in making life smarter nation
4. Bring positive changes in the provision of public services.

If the management of PPK BLUD is not good, it can result in several problems, such as:

1. Ineffective financial planning
2. Lack of Innovation in Service
3. Inefficiency in Cost Management
4. Low HR Competence
5. Suboptimal Asset Management
6. Inability to Read Market Needs
7. Lack of Transparency and Public Trust
8. Low integration with local government policies

**Table 1.1** Sources of Income in 2023 and 2024

| NO | SOURCE OF INCOME             | YEAR 2023      | YEAR 2024         |
|----|------------------------------|----------------|-------------------|
| 1  | Service Services             | 30,720,610,730 | 39,198,456,378.78 |
| 2  | Grant                        | 0              | 0                 |
| 3  | Collaboration Results        | 83,884,908     | 161,242,575       |
| 4  | Other Legitimate BLUD Income | 322.309.115    | 113,779,708.66    |
|    | Amount                       | 31,126,804,753 | 39,473,478,662.44 |

Source: Financial Report of Jatisari Karawang Regional Hospital for 2023 & 2024

From the table above, it can be seen that Jatisari Karawang Regional Hospital every year can be said to be not optimal in implementing the BLUD financial management pattern as a guideline for financial management. This has an impact on ineffective Financial Planning causing Jatisari Regional Hospital's income to be low because the activities carried out do not provide maximum contribution to revenue and also Inefficiency in Cost Management causes inefficiency in resource management, such as wasteful procurement of goods/services or immature planning, causing operational costs to swell. Researchers are interested in

conducting research on the implementation of Regional Public Service Agency (BLUD) finances at Jatisari Karawang Regional Hospital.

Financial management has a significant impact on the implementation of operational activities. If financial management is not carried out optimally, productivity can decrease, resulting in the failure of planned programs due to limited funds or financial resources. Based on the background that has been put forward by the researcher, the formulation of the problem in this study is: First, the implementation of the BLUD financial pattern at the Jatisari Karawang Regional General Hospital is not optimal, marked by the large number of Hospital needs targets that cannot be met optimally, thus disrupting health services at the Jatisari Karawang Regional General Hospital, second, there are still obstacles in the implementation of the BLUD financial pattern at the Jatisari Karawang Regional General Hospital, marked by the Jatisari Karawang Regional General Hospital Budget Implementation Document for capital expenditures is still detailed, making it difficult to meet capital expenditure requests outside the plan.

This study aims to determine and examine the implementation of the BLUD Financial Management Pattern at Jatisari Karawang Regional Hospital in 2024. This study is expected to be a reference for Jatisari Karawang Regional General Hospital in implementing BLUD financial management policies to improve the quality of health services in Karawang Regency. In addition, the results of this study can also be used as a basis for consideration and evaluation of future policies, as well as a reference for other regions that have not adopted the system. This study is expected to be a means to identify values that can enrich scientific understanding and intelligence of thinking for researchers, especially in understanding the implementation of Financial Management of Regional Public Service Agencies in efforts to improve the quality of health services in Karawang Regency.

## RESEARCH METHODS

The research has a qualitative research design with a descriptive case study type. A case study is an approach that is carried out intensively, in detail, and in depth to certain symptoms collected from several sources. Through the application of the CIPP evaluation model, information can be obtained more broadly and in detail. Sugiyono stated that qualitative methods are based on the post-positivism view, and are used to study research objects in natural situations, where researchers act as the main tool for data collection. The data needed is obtained through triangulation (a combination of various techniques), data analysis is inductive or qualitative, and the results of the study emphasize more on understanding meaning than making generalizations.(11).

Data sources are divided into primary data and secondary data. Primary data is data taken directly from the source through the process of measurement, independent calculation, and methods such as questionnaires, observations, interviews and other techniques.(12). Secondary data is data obtained indirectly from the office in the form of reports, profiles, books, guidelines, or libraries.(12).

The source of information obtained in this study is through interview activities with someone who is considered related and understands the conditions that occur in the field. These people are then referred to as informants.(13)The informants in the study were those who understood and comprehended and were involved in the implementation of the BLUD financial pattern at Jatisari Karawang Regional Hospital.

Informants needed for qualitative research are divided into two, namely key informants and additional informants. Key informants are individuals who have the knowledge and primary information needed in the study. Meanwhile, additional informants are those who can provide information even though they are not directly involved in the social interactions being studied. The types and number of informants are:

**Table 2.1** Types of Informants

| No | Type of Informant | Position   | Amount   |
|----|-------------------|--|----------|
| 1  | Key               | Head of the General Administration Section of Jatisari Karawang Regional Hospital              | 1 person |
| 2  | Supporters        | Director of Jatisari Regional Hospital, Karawang   | 1 person |
|    |                   | Head of Planning, Evaluation and Reporting Sub-Division of Jatisari Karawang Regional Hospital | 1 person |
|    |                   | Head of General Affairs and Personnel Sub-Section  | 1 person |
|    |                   | Head of Nursing and Midwifery Section  | 1 person |
|    |                   | Head of Facilities and Infrastructure Section  | 1 person |
|    |                   | Head of Medical Services Section   | 1 person |
|    |                   | Head of Health Services Division   | 1 person |

### Data collection technique

In qualitative research, data is collected from various sources through various methods that are carried out continuously until all the necessary information is achieved. The data collection techniques used are interview techniques, observation techniques and documentation. Researchers conducted direct observations of the research object, namely the evaluation of the implementation of BLUD at the Jatisari Karawang Regional General Hospital. An interview is a form of interaction between two parties who exchange information and ideas through a question and answer session, with the aim of building a deeper understanding of a particular topic.(11). In the data collection process, researchers trace documents such as regulations, archives, literature reviews, books, papers, and various relevant scientific studies.

In this study, the data analysis technique used is the Qualitative data analysis method carried out by analyzing the context of statements obtained through interviews with informants and from literature reviews. Data analysis is carried out through several stages, one of which is data reduction, which includes the process of summarizing, selecting key information, and highlighting important aspects in the study. This process aims to identify themes and patterns, so that it can provide a clear picture and make it easier for researchers to collect subsequent data or when needed again. Furthermore, data presentation is carried out by compiling information systematically, thus allowing for more precise conclusions and decision making.

After the first step, the researcher then displays the data in the form of narrative text, charts, or tables with the aim of making it easier to understand an event that occurs and support the planning of the next work steps. In the final stage, the initial conclusions drawn are temporary and can be changed if not supported by evidence in further data collection. However, if the initial conclusions are consistent and valid, the conclusions presented are considered credible.

### **Research Instruments**

Research instruments are tools used to help researchers collect the data needed to obtain more accurate and systematic results, thus facilitating the data analysis process. This instrument functions as a means to support the smooth running of research. In this study, the main instrument is the researcher himself, considering that the approach used is qualitative. Therefore, the researcher acts as a planner, implementer, data collector, analyzer, and compiler of research report results.

To obtain the required information correctly, researchers need the right supporting tools such as interview guidelines, notebooks and voice recorders to document the interview results more accurately. Meanwhile, documentation is collected by collecting various reference sources, data, photos and other important supporting documents.

### **Data Validity Determination Techniques**

Validity testing in qualitative research is carried out to ensure the accuracy of data from various sources, as well as being one of the plus points of this method. To ensure data accuracy, a validation strategy is used that is specifically designed to assess the reliability of information. One of the methods used in this validation process is the triangulation technique.

The application of triangulation from various sources and methods is a vital tool that ensures credibility and confirmability in research. Triangulation is used for a combination of various methods used to study interrelated phenomena from different points of view and perspectives. Source triangulation that combines information from different sources. Method triangulation, which involves in-depth interviews and document reviews. This approach is used to ensure the accuracy and depth of information from different points of view. The collected data is analyzed accurately to draw appropriate conclusions and suggestions for the research.

In this study, researchers used several methods in data collection, such as in-depth interviews, document reviews, and literature reviews.

## Data Processing and Analysis

The data analysis process is a step to simplify data into a simpler format for ease of understanding and implementation. Miles and Huberman (2014) stated that data analysis must be carried out continuously until the data obtained reaches saturation point. Schematically, there are four stages in data analysis proposed by Miles and Huberman which can be described as follows(14):

The data processing and analysis process is carried out with the following steps:

1. Data collection
  - a. Data was collected by researchers based on interviews and observations, and supported by listening to recorded material.
  - b. Carrying out the process of transcribing data obtained from in-depth interviews by writing down all the data,
  - c. Examining transcripts
  - d. Identifying significant and recurring themes in the transcripts.
2. Data Reduction

The data obtained was then simplified by means of

  - a. Classifying data by categories (Consensus, differing opinions, diverse experiences, and unique emerging perspectives),
  - b. Encoding data is the process of parsing data, conceptualize and re-arrange them in a new way. Each data generated is given a code and then reduced by grouping them into categories.
3. Qualitative Data Presentation

Categories are arranged to form the basis of interview results that will be presented again by the researcher. After that, the researcher will present qualitative data based on data analysis. Data presentation aims to combine complex information into simple data that is easy to understand.
4. Drawing Conclusions

Drawing Conclusions is an attempt to understand the meaning, regularity of patterns of clarity, and the flow of cause and effect or propositions. The conclusions drawn are then verified by looking and questioning again while looking at the notes in order to obtain a more precise understanding.

## RESEARCH RESULT

### Context Evaluation

Policies and regulations that support the BLUD financial management pattern at Jatisari Regional Hospital. This is according to the results of in-depth interviews with the following interview excerpts:

*“Policies and regulations that support the BLUD financial management pattern at Jatisari Regional Hospital are based on national and regional regulations that can provide flexibility, efficiency and accountability in financial management, this is*

*important to ensure the success of BLUD implementation at Jatisari Regional Hospital." (I.1)*

The implementation of the BLUD financial management pattern is relevant to the vision and mission of Jatisari Karawang Regional Hospital. This is based on the results of in-depth interview quotes to informants, namely:

*"The implementation of the BLUD Financial Management Pattern is very relevant to the vision and mission of RSUD Jatisari Karawang. This pattern not only supports more flexible and efficient financial management but also provides space for innovation, improving service quality and achieving hospital goals. The implementation of the BLUD Financial Management Pattern at RSUD Jatisari is in accordance with the main needs of the hospital, namely flexibility in financial management, improving health services, and operational efficiency. The basis for consideration is national regulations, local government policies, and administrative readiness, but to ensure long-term success, RSUD Jatisari Karawang needs to overcome existing challenges" (I.1)*

The main objective of implementing the Regional Public Service Agency Financial Management Pattern (PPK-BLUD) is to improve services to the community. Based on the excerpts from in-depth interviews with supporting informants:

*"The implementation of BLUD Management of Jatisari Karawang Regional Hospital is in accordance with the Regulation of the Minister of Home Affairs No. 79 of 2018, so that Jatisari Regional Hospital is able to increase the flexibility of financial management according to government standards, can compete more competitively with private hospitals and can meet the needs of its own facilities and infrastructure to improve services. With the implementation of BLUD financial management, it is hoped that Jatisari Regional Hospital can improve the quality of health services for the Karawang community. Having flexibility in financial management to accelerate the procurement of goods and services, besides the goal is that Jatisari Regional Hospital Karawang is expected to have operational independence." (I.2).*

Based on the interview results, it is known that the implementation of the Financial Management of the Regional Public Service Agency at Jatisari Hospital has a strong legal basis, both from national and regional regulations. This regulation provides flexibility in managing finances, which allows the hospital to be more efficient and accountable in running its operations. With this flexibility, Jatisari Hospital can manage the budget more dynamically compared to the conventional regional financial system. The success of the implementation of BLUD at Jatisari Hospital cannot be separated from the alignment of this system with the hospital's vision and mission.

BLUD is not only focused on improving financial efficiency, but also encouraging innovation and improving the quality of health services. With this mechanism, hospitals have more flexibility to improve services, including in terms of providing health facilities, recruiting medical personnel, and procuring medical equipment faster and according to needs. From an operational perspective, BLUD allows hospitals to manage their finances more independently.

This means that hospitals have the flexibility to manage income and expenses without having to be completely bound by rigid bureaucratic procedures.

One of the main advantages of implementing the BLUD system is that it allows hospitals to procure goods and services more quickly. In the conventional regional financial system, the procurement process is often hampered by complicated bureaucracy. However, through the BLUD mechanism, procurement can take place more efficiently and quickly, so that patient services continue to run smoothly without administrative obstacles, so that patient services are not disrupted. Although it provides many advantages, the implementation of BLUD also faces a number of challenges, especially in the long term.

Some challenges that need to be overcome include strengthening financial governance, increasing human resource capacity in BLUD financial management, and strict supervision to remain transparent and accountable. Therefore, a mature strategy is needed to ensure that hospitals can continue to grow and provide the best service to the community.

The implementation of BLUD at Jatisari Regional Hospital is also in line with the provisions of Permendagri No. 79 of 2018, which aims to increase the competitiveness of government hospitals against private hospitals. With this system, Jatisari Regional Hospital has the opportunity to compete in terms of service quality, speed of service, and innovation in providing health facilities. In addition, operational independence obtained through the BLUD mechanism provides an opportunity for hospitals to meet the needs of facilities and infrastructure independently, without having to wait for budget allocations from local governments which are often limited and take a long time to be realized.

Overall, the implementation of the BLUD Financial Management Pattern at Jatisari Regional Hospital has made a significant contribution to improving the quality of health services for the community. With the flexibility provided, hospitals can be more responsive in facing challenges in the health sector and innovate in improving the effectiveness and efficiency of services. However, on the other hand, there needs to be ongoing supervision and increased financial management capacity so that this system can run optimally and provide sustainable positive impacts.

### **Input and Resources Evaluation**

Financial Planning Business Plan and Budget (BBP) is based on the analysis of needs and potential income and involves relevant parties. This is based on the results of in-depth interview quotes to informants, namely:

*"The Budget Business Plan (RBA) is in accordance with the needs and potential income where before making the RBA we analyzed the needs of the Jatisari Karawang Regional Hospital which are priorities and in line with strategic policies and government regulations which are synchronized with the potential income that will be received in 1 year." (I.3)*

Many challenges are faced in the planning and preparation stages of BLUD financial management at Jatisari Karawang Regional Hospital. Based on the results of in-depth interviews with the following interview excerpts:

*"The challenges faced in the planning and preparation stages of BLUD financial management are that not all human resources understand BLUD, such as the preparation of the required supporting documents takes a long time, the difficulty in determining competitive service rates, efficient spending planning that is in line with income requires measurable management, and the available budget sources." (1.3)*

The quality and competence of human resources (HR) involved in management

Based on the interview results, it is known that financial planning through the Business Plan and Budget (RBA) at Jatisari Karawang Regional Hospital has been prepared based on an analysis of priority needs and potential income, and is in line with strategic policies and government regulations. This ensures that BLUD financial management is in accordance with the principles of efficiency and sustainability. However, in the planning and preparation stages, the hospital faces various challenges. One of the main obstacles is the lack of human resources understanding of the BLUD system, including difficulties in preparing supporting documents, determining competitive service rates, and planning expenditures that are in line with income.

The quality of human resources is a key factor in the success of BLUD financial management. Currently, there are still limitations in staff expertise related to accounting standards and risk management. Therefore, structured training is needed through workshops, certification, comparative studies, and e-learning to improve competence in BLUD financial governance. The success of this training is highly dependent on the methods used and follow-up after training.

In addition, the development of innovation and utilization of technology are important factors in increasing the efficiency, effectiveness, and transparency of BLUD financial management. The infrastructure and supporting systems at Jatisari Regional Hospital are quite good, but ongoing support is needed to ensure smooth operations and optimization of services to the community. Overall, the success of BLUD financial management at Jatisari Regional Hospital Karawang depends on increasing human resource capacity, budget planning efficiency, and the use of technology in the financial system.

### **Process Evaluation**

Budget implementation is in accordance with the Budget Business Plan (RBA) if the resources used to implement budget policies are in accordance with the programs, activities, performance targets, and budgets listed in the RBA. This is based on the results of in-depth interviews with informants, namely:

*"Budget implementation sometimes does not match the RBA prepared at the beginning, this happens because of changes to the RBA in the middle caused by sudden damage to facilities and infrastructure, less flexible RBA planning, new regulations that can change priorities." (1.6)*

The BLUD (Regional Public Service Agency) revenue and expenditure management system is a system that helps BLUD to manage its finances. This system allows BLUD to manage its finances transparently and efficiently. Based on the results of in-depth interviews with the following interview excerpts:

*"The BLUD revenue and expenditure management system at Jatisari Karawang Regional Public Hospital is run by optimizing various sources of revenue and ensuring expenditure is in accordance with the RBA. Risk mitigation is carried out strictly and verified." (I.1)*

With the existing flexibility, the implementation of BLUD becomes an alternative in financial management for several regions. However, in its journey to implement BLUD is not easy, there are obstacles or constraints that often arise in the process of BLUD financial management. This is based on the results of in-depth interview quotes to informants, namely:

*The current obstacles faced by Jatisari Karawang Regional Hospital in BLUD financial management include: Limited human resources who are competent in financial management principles, regulations that are not synchronized between the center and regions, causing confusion in financial management, late payment of receivables that can disrupt cash flow, inaccurate planning in preparing the RBA, problems with procurement of goods and services that are hampered by bureaucratic procedures that are still rigid." (I.2)*

Based on the interview results, it is known that the implementation of the Budget Business Plan (RBA) of Jatisari Karawang Regional Hospital is still not in accordance with the Budget Business Plan (RBA) made at the beginning, the cause is that along the way there are expenses that must be accommodated due to service needs such as damage to facilities and infrastructure such as damage to medical devices, office equipment, maintenance of medical devices, and building maintenance, plus the need for medicines, laboratory materials, consumables (Personal Protective Equipment), consumable medical materials and gas which often run out prematurely.

Obstacles or constraints that often arise in the BLUD financial management process include limited human resources who are competent in financial management principles, regulations that are not synchronized between the center and regions, resulting in confusion in financial management, late payment of receivables that can disrupt cash flow, inaccurate planning in preparing the RBA, problems with procurement of goods and services that are hampered by bureaucratic procedures that are still rigid.

### **Product Evaluation**

Good financial management in the Regional Public Service Agency (BLUD) can increase the financial independence of BLUD. Based on the results of in-depth interviews with the following interview excerpts:

*"Good BLUD financial management will have a big impact on making Jatisari Karawang Regional Hospital achieve financial independence so that it can be free from dependence on the APBD." BLUD Financial Management must be optimal to achieve financial independence, currently Jatisari Karawang Regional Hospital is not yet said to be independent, this can be seen from the inability of Jatisari Karawang Regional Hospital to meet its operational needs and is still assisted by the APBD." (I.5)*

PPK BLU is implemented in service units to improve service quality while maintaining friendly rates for low and middle income communities. The transformation of service units

into BLU/BLUD also aims to encourage independence in operational financing, which can ultimately reduce dependence on fund allocations from the APBN or APBD. This is based on the results of in-depth interview quotes with informants, namely:

*"The implementation of the BLUD pattern at Jatisari Karawang Regional Hospital has not yet achieved the expected goals, this can be seen from the unachieved quality and efficiency of the service, the need for APBD, less competent human resources, health services that are not yet optimal, the potential of Jatisari Karawang Regional Hospital that has not been explored optimally" (I.4)*

Significant benefits felt by institutions and stakeholders from the implementation of BLUD financial management patterns. Based on the results of in-depth interviews with interview excerpts as follows:

*"The benefits of implementing BLUD financial management provide significant benefits for Jatisari Karawang Regional Hospital in terms of autonomy, flexibility and improving the quality of services, on the other hand the Regional Government also feels the benefits in the form of reduced APBD needs for Jatisari Karawang Regional Hospital, increased local revenue and a positive image as a provider of good health services." (I.2)*

Based on the interview results, it is known that effective financial management in the Regional Public Service Agency (BLUD) environment plays an important role in encouraging financial independence. With a transparent, accountable, and efficient financial management system, BLUD can maximize revenue and manage expenses better. The main objective of implementing the Public Service Agency Financial Management Pattern (PPK-BLU) in service units is to improve the quality of service to the community. With flexibility in financial management, service units that implement PPK-BLU can be more responsive, efficient, and innovative in providing services.

In addition, the change in the status of the service unit to BLU/BLUD is intended to be able to finance its operations independently, so that it can gradually reduce dependence on transfer funds from the APBN/APBD. However, the implementation of the BLUD pattern in RSUD is still faced with a number of obstacles. RSUD Jatisari Karawang has not yet achieved its desired target, which is reflected in the quality and efficiency of services that are not yet optimal, still dependent on funding support from the APBD, and limited human resources that are not yet fully competent. The implementation of the BLUD financial system produces a number of benefits, both for the implementing agency and for related parties, including local governments, employees, and the wider community.

## Discussion

The establishment of the Regional Public Service Agency (BLUD) aims to improve the quality of services to the community in order to advance public welfare and improve the nation's life. The resources owned by the Public Service Agency are regional resources that are not separated and are managed and utilized fully for the activities of the Regional Public Service Agency. BLUD is a financial management system that provides flexibility in implementing healthy business principles. In an effort to increase the effectiveness and transparency of financial management in the health sector, the implementation of the

Regional Public Service Agency Financial Management Pattern (PPK-BLUD) is a crucial aspect for Jatisari Karawang Regional Hospital.

Evaluation of the implementation of this policy in 2024 is an important stage to determine the extent to which the implementation of PPK-BLUD has been running according to regulations, as well as to assess the effectiveness of the system in supporting the expected goals. Based on the results of data collection through in-depth interviews with key informants and supporting informants regarding the evaluation of the implementation of the financial management pattern of the Regional Public Service Agency at the Jatisari Karawang Regional General Hospital, the following evaluation results were obtained:

### **Context Evaluation Discussion**

The legal basis for the establishment of a Regional Public Service Agency (BLUD) is regulated in Government Regulation Number 12 of 2019 in Article 205 paragraph 1 which states that the Regional Government can form a BLUD in order to improve services to the Community in accordance with the provisions of laws and regulations. The purpose of forming a Regional Public Service Agency is to improve services in order to advance the welfare and educate the life of the nation. The implementation of the Financial Management Pattern of the Regional Public Service Agency (BLUD) at Jatisari Karawang Hospital is based on the provisions contained in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 79 of 2018. The implementation of the financial pattern of the Regional Public Service Agency at Jatisari Hospital is a strategic step to provide optimal service to the Community.

Based on the results of data collection on key informants and supporters, the implementation of the Regional Public Service Agency Financial Management Pattern (PPK-BLUD) requires the involvement of all parties in order to understand the context of a policy that will be implemented.

According to Silalahi(2) One way to overcome various problems in society is through policies that involve the interests of various parties in the implementation stage. This indicator shows that every policy must cover various interests, which are then assessed based on their benefits and influence on the success of implementation. In policy implementation, the role of program implementers is an important indicator in determining its success. The success of the policy is highly dependent on competent implementers who have adequate capabilities. In addition, they must support the program with a responsive attitude, good behavior, and uphold honesty and responsibility.

Meanwhile, according to Korneles(4) that Policy Implementation is influenced by several factors, one of which is human resources. The success of policy implementation must be supported by resources where these resources are in the form of humans who have implementation competencies and financial resources, human resources which are one of the driving aspects in implementing a policy. Optimal achievement of organizational goals can be achieved if employee performance is improved by developing and maximizing the potential of each individual.

### **Input and Resources Evaluation Discussion**

Input and Resources are very influential in the implementation of the Regional Public Service Agency Financial Management Pattern (PPK-BLUD) policy. Based on research data, the Business and Budget Plan (RBA) at Jatisari Karawang Regional Hospital has been prepared based on an analysis of priority needs and potential revenue. One of the main obstacles is the lack of understanding of human resources regarding the BLUD system, including difficulties in preparing supporting documents, determining competitive service rates, and planning expenditures that are in line with revenue.

According to Sutanto(3)With the implementation of PPK BLU/D, it is expected to change the bureaucratic mindset in service to be more efficient, professional, accountable, and transparent. This change is implemented by switching from a traditional budgeting system to a performance-based budgeting system. In addition, the use of resources will be more focused, not only to finance input and processes, but will also be directed to achieve results (output).

PPK BLU/D also ensures flexibility in financial management, where functional income can be directly used for service operations without having to be deposited into the regional treasury first. In addition, autonomy in management encourages transformation in management patterns and paradigms within the BLU/D organization, which in turn improves the quality of service to the community professionally, effectively, and efficiently. Thus, inappropriate subsidy policies can be avoided, so that the budget can be allocated more to services for general needs of 'public goods'.

Meanwhile, according to Tri Endah Karya Lestiyani(6)The implementation of performance-based budgeting in the government environment is supported by Article 68 and Article 69 of the relevant law. This provision allows government agencies that focus on public services to manage finances more flexibly, emphasizing productivity, efficiency, and effectiveness through the establishment of Public Service Agencies (BLU). BLU is expected to be a real example in the implementation of financial management that is oriented towards results (performance).

### **Process Evaluation Discussion**

The implementation process of PPK-BLUD at RSUD Jatisari Karawang has experienced various dynamics that affect the effectiveness of its management. Evaluation of this process includes analysis of the readiness of human resources, financial administration systems, and reporting and monitoring mechanisms. Although the financial flexibility provided by BLUD allows hospitals to be more responsive in procuring services and facilities, there are still obstacles such as limited technical understanding by financial management staff and less than optimal integration of information systems. Therefore, it is necessary to increase the capacity of human resources and strengthen the management information system to support transparency and efficiency in the implementation of BLUD at RSUD Jatisari Karawang

According to Syahril(5)As a public service institution, hospitals have a crucial role in improving public health. Hospitals are expected to provide quality services, grow independently, and be competitive, while maintaining affordable services for the community.

Along with the increasing demands for quality services, hospitals face various challenges, such as limited operational budgets, complicated bureaucracy in disbursing funds, financial regulations that hinder smooth services, and difficulties in measuring performance. In fact, hospitals need the support of human resources, technology, and large capital to be able to operate optimally. Through the concept of the BLUD financial management pattern, hospitals are expected to be able to improve professionalism, encourage entrepreneurship, transparency, and accountability in the context of public services, in accordance with the three pillars expected from the implementation of the BLUD financial pattern. The implementation of the BLUD financial pattern aims to encourage improved public service performance, provide flexibility in financial management, and ensure good governance.

Meanwhile, according to Silalahi(2)The Financial Management Pattern of Public Service Agencies/Regional Public Service Agencies (PPK-BLU/BLUD) is different from BUMN or BUMD which focus on profit objectives (profit oriented). The financial management of BLU/BLUD is still under the auspices of the regional government entity and has not been fully separated as an independent entity. It is important to understand that BLU/BLUD is not a business entity such as the Social Security Management Agency (BPJS) or the Regional Drinking Water Company (PDAM). Thus, Regional Work Units (SKPD) such as Technical Implementation Units (UPT), RSUD, and Puskesmas have the opportunity to implement PPK-BLUD.

The Directorate General of Regional Finance encourages the implementation of PPK-BLUD in hospitals because adequate human resources and sufficient access to information are available. The government believes that hospitals that adopt PPK-BLUD will not face losses in their operations. Through this system, hospitals are expected to improve professionalism, encourage an entrepreneurial spirit, and implement transparency and accountability in public services. PPK-BLU is based on three main pillars, namely improving the quality of public services, flexibility in financial management, and implementing good governance principles.

The results of the study indicate that the implementation of the Budget Business Plan (BBP) at Jatisari Karawang Regional Public Hospital has not fully run according to the initial planning, due to urgent needs in services, such as repairing facilities and infrastructure. The BLUD financial management system helps transparency and efficiency, but its implementation faces various obstacles, including limited human resources, less synchronized regulations, late payment of receivables, inaccurate BBP planning, and the availability of medical and laboratory materials that often run out faster than expected. Financial flexibility in the BLUD system offers a solution, but improvements are still needed in governance so that its implementation is more effective.

Evaluation of the implementation of PPK-BLUD at RSUD Jatisari Karawang is an important step in improving the effectiveness of hospital financial management. Through the introduction of various challenges and the implementation of appropriate solutions, it is hoped that the hospital will be able to maximize its financial flexibility to improve the quality of health services for the Karawang community. In the future, increasing human resource capacity,

maximizing the use of information technology, and improving the financial governance system will be key elements in creating transparent and sustainable BLUD management.

### Product Evaluation Discussion

According to Syahril(5) Hospitals are public service institutions that play a vital role in improving the quality of public health. Hospitals are required to provide optimal services, develop independently, and be able to compete while maintaining the quality and affordability of services for the community. As demands for service improvement increase, hospitals face various challenges, such as limited operational budgets, complicated fund disbursement bureaucracy, and financial regulations that hinder smooth service delivery. In addition, complex performance measurement is also an obstacle, while hospitals require significant support in terms of human resources, technology, and capital to operate effectively.

Meanwhile, according to Silalahi(2) A policy will be easier to implement if it provides benefits to both the implementer and the target group. Therefore, policies must be designed to be beneficial to many parties, because their success or failure depends heavily on the impacts they produce. In addition to providing benefits, policies must also be able to encourage change in a better direction so that the expected goals can be achieved optimally.

This study focuses on the extent to which a policy can produce change through its implementation process. The availability of adequate resources is an important factor in supporting the success of policy implementation. Resources, including human resources, finances, and facilities, are the main factors that determine the success of policy implementation. Although the policy has been well socialized, without adequate resource support, its implementation will not take place effectively and efficiently.

Based on research data, it was found that good financial management in BLUD is very important to improve financial independence and quality of service to the community. A transparent, accountable, and efficient system allows BLUD to be more responsive and innovative in managing finances. Although the purpose of implementing PPK-BLUD is to reduce dependence on the APBN/APBD, its implementation at RSUD Jatisari Karawang still faces challenges, such as suboptimal service quality, limited human resources, and dependence on regional funding. Therefore, improving financial governance and increasing human resource capacity are key to optimizing the benefits of PPK-BLUD for institutions and the community.

Through the concept of BLUD financial management, hospitals are expected to improve professionalism, foster an entrepreneurial spirit, and implement transparency and accountability in public services. This concept is based on three main pillars, namely improving service performance, flexibility in financial management, and implementing good governance. The implementation of the BLUD financial system provides various benefits, both for local governments and the community. Here are some of the main benefits, flexibility in financial management, improving service quality, optimizing revenue and budget efficiency, and improving professionalism and accountability.

## CONCLUSION

Based on the research that has been conducted, here are the conclusions: 1. BLU management is part of the state treasury system that has been regulated in Law Number 1 of 2004 concerning State Treasury. In Article 1 paragraph 1, state treasury is defined as the management and accountability of state finances, including investments and separated assets, which are listed in the APBN and APBD. In addition, state treasury management also includes the management of Public Service Agencies (BLU). The establishment of BLU is also regulated in Government Regulation (PP) Number 12 of 2019 concerning Regional Financial Management. Article 205 of the regulation states that regional governments can form BLUDs to improve services to the community in accordance with applicable provisions. 2. The influence of the Regional Government (Pemda) on the Implementation of the Regional Public Service Agency (BLUD) Management Pattern to improve the quality of public services is very large. BLUDs were formed in response to the needs of the general public for practical and professional services, especially in the fields of Health and Education. The Regional Government (Pemda) has the opportunity to encourage the business world to implement a flexible financial management model, in accordance with the regulations of the Minister of Home Affairs and other related laws. This allows BLUD to manage resources more effectively and efficiently, expand the reach of services and improve the quality of services provided to the community. The regional government (Pemda) is responsible for establishing regulations and policies that support BLUD operations. Clear and established policies will provide the right direction for BLUD in carrying out its duties. The regional government is responsible for formulating fiscal policies that support the smooth operation of BLUD. With the Regulation of the Minister of Home Affairs Number 79 of 2018, the regional government must be able to provide clear instructions regarding BLUD financial management, including the use of remaining budget calculation funds (SiLPA) for operational activities. The regional government also has a role in allocating the budget and resources needed to support BLUD operations. The availability of sufficient budget will affect the capacity of BLUD in providing quality services. The availability of trained human resources who understand the principles of BLUD is the key to successful implementation. Therefore, training and socialization of the Regional Government are very important to improve human resource capabilities. The influence of the Regional Government on the implementation of regional public service organizations is very important for the success of the Jatisari Karawang Regional Public Hospital service. Clear policies, human resource support and effective monitoring are key factors to improve the effectiveness of BLUD. However, challenges such as infrastructure preparation and financial flexibility must be overcome so that the main objectives of BLUD can be achieved optimally. The successful implementation of BLUD will have a positive effect in improving the quality of public services and the welfare of the community as a whole. In the future, it is important for local governments to continue to support and develop BLUD, especially RSUD Jatisari Karawang so that they can contribute to improving the quality of life of the community. In its implementation, the financial management pattern of RSUD Jatisari Karawang still faces several challenges such as in the planning and preparation stages of

BLUD financial management, not all human resources understand BLUD such as Preparation of supporting documents required takes a long time, difficulty in determining competitive service rates, efficient spending planning that is in line with income requires measurable management, available budget sources. The implementation of the BLUD Financial Management Pattern is very relevant to the vision and mission of RSUD Jatisari Karawang, this pattern not only supports more flexible and efficient financial management but also provides space for innovation, improving service quality and achieving hospital goals. The implementation of the BLUD Financial Management Pattern at RSUD Jatisari is in accordance with the main needs of the hospital, namely flexibility in financial management, improving health services, and operational efficiency. The basis for consideration is national regulations, local government policies, and administrative readiness, but to ensure long-term success, RSUD Jatisari Karawang needs to overcome existing challenges. For further researchers to be able to continue similar research related to the evaluation of the implementation of BLUD financial management patterns. This is important to understand the existing obstacles and find the right strategy in increasing public awareness. The implementation of the BLUD Financial Management Pattern is very relevant to the vision and mission of the Jatisari Karawang Regional Hospital. This pattern not only supports more flexible and efficient financial management but also provides space for innovation, improving service quality and achieving hospital goals. The implementation of the BLUD Financial Management Pattern at the Jatisari Regional Hospital is in accordance with the main needs of the hospital, namely flexibility in financial management, improving health services, and operational efficiency. The basis for consideration is national regulations, local government policies, and administrative readiness, but to ensure long-term success, the Jatisari Karawang Regional Hospital needs to overcome existing challenges. For further researchers to be able to continue similar research related to the evaluation of the implementation of the BLUD financial management pattern. This is important to understand the existing obstacles and find the right strategy in increasing public awareness. The implementation of the BLUD Financial Management Pattern is very relevant to the vision and mission of the Jatisari Karawang Regional Hospital. This pattern not only supports more flexible and efficient financial management but also provides space for innovation, improving service quality and achieving hospital goals. The implementation of the BLUD Financial Management Pattern at the Jatisari Regional Hospital is in accordance with the main needs of the hospital, namely flexibility in financial management, improving health services, and operational efficiency. The basis for consideration is national regulations, local government policies, and administrative readiness, but to ensure long-term success, the Jatisari Karawang Regional Hospital needs to overcome existing challenges. For further researchers to be able to continue similar research related to the evaluation of the implementation of the BLUD financial management pattern. This is important to understand the existing obstacles and find the right strategy in increasing public awareness.

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