THE EFFECTIVENESS OF TAX INCENTIVE POLICIES IN SUPPORTING THE AVAILABILITY OF DRUG AND HEALTH DEVICES IN DUREN PALM HEALTH CENTER

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Abstract: This study aims to analyze the effectiveness of incentives, efforts and tax barriers in supporting the availability of medicines and medical devices in handling Covid-19 at the Duren Sawit District Health Center. Data was collected through face-to-face interviews with each research subject. The research method used is a qualitative approach by adopting the theory of Merilee S. Grindle. The results of the study show that the Tax Incentive Policy has been well implemented to support the availability of medicines and medical devices in handling Covid-19 at the Duren Sawit District Health Center. However, this policy has not fully impacted the availability of the desired medicines and medical devices, due to several obstacles that have arisen from both the public and government sides as policy makers. These obstacles caused the community's economic recovery process during the pandemic era to not be optimal, and the realization of the tax incentives achieved was also not optimal. To overcome these obstacles, thorough supervision from the tax authorities is required regarding the implementation of this tax incentive. In addition, socialization activities are needed for the general public regarding tax incentives and their application. Puskesmas also need to plan program target strategies, such as prioritizing integration in service delivery and utilizing information and communication technology. The Ministry of Finance needs to focus more on optimizing the absorption of existing tax incentives.

Keywords: Drugs, Medical Devices, Policy Effectiveness, Tax Incentives
INTRODUCTION

Fiscal policy during the Covid-19 pandemic was primarily directed at two things, namely first, fiscal support for efforts to handle and prevent the spread of the Covid-19 virus. Second, support for efforts to restore the business world (Drucker et al., 2020; Jia et al., 2020; Okafor et al., 2020). Regulation of the Minister of Finance (PMK) Number 28/PMK.03/2020 regarding the provision of tax facilities for Goods and Services needed in the Context of Handling the Covid-19 Pandemic (Caminada & Goudswaard, 2008). Several types of goods including medicines, vaccines, laboratory equipment, detectors, personal protective equipment, and other supporting equipment; as well as services such as construction, consulting, technical and management services, are provided with tax exemption facilities for both PPh and VAT (Alstadsæter & Jacob, 2018; Chittenden & Derregia, 2010; Harger & Ross, 2016; Li, 2016). The government has decided that the total additional spending and financing in the 2020 State Budget for handling Covid-19 is IDR 405.1 trillion. Budget allocations in the health sector will prioritize the protection of health workers, especially the purchase of Personal Protective Equipment (PPE), medical devices such as kits, reagents, ventilators, and others. The impact of the Covid-19 pandemic that hit Indonesia put pressure on Indonesia's tax revenues. Even though tax revenue showed improvement in June 2020, when compared to the same period in 2019, tax revenue contracted by 12%. According to Mr. Pande Putu Oka Kusumawardana as the Head of the State Income Policy Center said that the Indonesian government responded to the impact of the Covid-19 pandemic on the economy with policies issued, namely by reallocating and refocusing the budget, followed by providing fiscal stimulus. Three things become a fiscal stimulus, namely health, social safety net, and support for the business world including MSMEs (Galanti, 2014; Reynolds et al., 2018).

Frederickson and Hart in Tangkilisan (2003), argue that policy is an action that leads to goals proposed by a person, group, or government in a certain environment due to certain obstacles while looking for opportunities to achieve goals or realize the desired goals.

The main objective of issuing fiscal policy is to determine the direction, goals, targets, and priorities of national development and the growth of the nation's economy, the objectives of issuing fiscal policy are as follows (Akita et al., 2021; Purnamadewi et al., 2019; Rivenbark et al., 2015).

1. Achieve economic stability
2. Stimulating economic growth
3. Drive the pace of investment
4. Open wide job opportunities
5. Realizing social justice
6. As a form of equity and distribution of income
7. Reducing unemployment
8. Maintain price stability of goods and services to avoid inflation

In the health sector, there are several phenomena regarding tax incentives, namely, first, the lack of sufficient incentives to increase the production and distribution of drugs and medical devices. During the pandemic, the demand for medicines and medical devices increased drastically. However, the available tax incentives may not be sufficient to encourage manufacturers to increase the production and distribution capacity of these much-needed health products. Second, Ambiguity and changing incentive policies: The government may have provided several incentive policies to support the healthcare industry during the pandemic. However, the ambiguity regarding the terms and procedures that apply and policy changes that often occur can cause uncertainty for industry players and hinder the effectiveness of these incentives. Third, is the issue of raw material availability. The COVID-19 pandemic can also affect global supply chains, including the availability of raw materials for the production of medicines and medical devices. Tax incentives alone may not be able to solve this problem, and limited availability of raw materials can lead to increased prices and difficulties in producing health products. Fourth, During a pandemic, many tax incentives may be focused more on research, development, and production of drugs and vaccines specifically for COVID-19. This can lead to neglect of the production and distribution of medicines and other medical...
devices which are also essential for the treatment of other health conditions during a pandemic. Fifth, Potential abuse of incentives: Some companies or individuals may try to take advantage of tax incentives offered for personal gain or purposes that are inconsistent with efforts to deal with the pandemic. This could lead to misuse of the incentive system and potentially harm society at large. Sixth, the lack of oversight and monitoring of the application of tax incentives in the health sector during a pandemic can lead to a lack of accountability and transparency in the use of these incentives (Wangsa et al., 2023).

The definition of tax incentive (Tax Incentive) according to the Black Law Dictionary in (Hasibuan, 2014), is: "A government inducement, through tax benefits, to engage in certain activities, such as the contribution of money or property to a qualified charity".

The categories of tax incentives according to Amanda (Fletcher, 2013) are divided into 6 types, namely reduced corporate income tax rates, tax holidays, investment allowances and tax credits, accelerated depreciation, exemption from indirect taxes, and export production zones.

The purpose of this study was to analyze tax incentives supporting the availability of drugs and medical devices in handling Covid-19 at the Duren Sawit District Health Center, obstacles and efforts in implementing tax incentives to support the availability of drugs and medical devices in handling Covid-19 at the Duren Sawit Health Center.

Based on the above, the title of this study is "The Effectiveness of Tax Incentive Policies to Support the Availability of Medicines and Medical Devices in the Context of Handling Covid-19 at the Duren Sawit District Health Center"

The conceptual framework in this study was formed based on the theory of Merilee S. Grindle, namely (Grindle, 1997) 1. Content of policy a. the benefits to be generated. b. desired policy changes. c. policy makers. d. policy executor. e. Resources that produce policies. 2. Context of implementation a. The powers, interests, and strategies involved. b. Characteristics of institutions and authorities. c. Work environment compliance and responsiveness.

METHODS
This research uses a descriptive method with a qualitative approach that aims to provide an objective description of the actual situation of the object under study. Each research concept needs to find its operational definition, namely the elaboration of the concept into more detailed parts/dimensions so that it can be measured. In this study, data were obtained from various sources using observation, interviews, and documentation. Informants in this study were parties authorized to provide information, namely: 1. Staff of the Duren Sawit District Health Center 3. East Jakarta KPP staff 4. Taxpayers of the health cluster 5. Academics of the Stiami Institute.

RESULT AND DISCUSSION
The research results the researcher presented consist of primary and secondary data. The primary data from this study are direct interviews with several informants. Meanwhile, secondary data from research objects are in the form of documents that are directly related to the focus of this research, namely the Effectiveness of Tax Incentive Policies to Support the Availability of Drugs and Medical Devices in the Context of Handling Covid-19 at the Duren Sawit District Health Center. Researchers obtained primary data through oral and written open interviews, then observed data and written documents obtained from reliable sources and made observations to obtain the required information. The interview dialogue used refers to the interview guidelines that the researcher has provided, to be able to find facts and phenomena that occur in the field, related to the purpose of this study. The process of testing the validity of the data was then obtained from the method carried out by the researcher, according to what was stated by Sofar Silaen (2018: 8) "Description, analysis, or study of scientific methods, which includes planning, proposals, or research design, conducting research, processing and analyzing research results, to writing research reports". So besides
interviews, researchers also do documentation and observation. Documentation was carried out by collecting secondary data related to research, the last technique was direct observation of the location of the Duren Sawit District Health Center.

From the details of the interview table, the researcher reviewed and then found out that the effectiveness of the existence of tax incentives affects the community, especially at the Duren Sawit District Health Center. Researchers also assess how effective this incentive policy is in being able to encourage and help people during a pandemic, judging by the contents of this incentive policy, the types of benefits to be generated, and the desired changes. To see the effectiveness of this tax incentive policy, the researchers also obtained data on the Monthly Report on Supplies and Logistics Needs for COVID-19 at the Duren Sawit District Health Center in 2022, where this data helps researchers to see how the logistical needs of medical devices are at the Duren Sawit Health Center.

### Monthly Report on Supplies and Logistics Needs for COVID-19 Health Centers in Duren Sawit District in 2022

<table>
<thead>
<tr>
<th>NO.</th>
<th>LOGISTICS NAME</th>
<th>EARLY PREPARATION</th>
<th>USAGE</th>
<th>LOGISTICS REST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Surgical Mask</td>
<td>4,000 pieces</td>
<td>3500 pieces</td>
<td>500 pieces</td>
</tr>
<tr>
<td>2.</td>
<td>Masks N-95</td>
<td>8,000 pieces</td>
<td>7200 pieces</td>
<td>800 pieces</td>
</tr>
<tr>
<td>3.</td>
<td>Dresses/Gowns</td>
<td>2,500 pieces</td>
<td>2100 pieces</td>
<td>400 pieces</td>
</tr>
<tr>
<td>4.</td>
<td>Gloves</td>
<td>4,000 Pairs</td>
<td>3400 pieces</td>
<td>600 pieces</td>
</tr>
<tr>
<td>5.</td>
<td>Face shield/face shield</td>
<td>3,000 pieces</td>
<td>2100 pieces</td>
<td>900 pieces</td>
</tr>
<tr>
<td>6.</td>
<td>Aprons/Aprons</td>
<td>2,500 pieces</td>
<td>1800 pieces</td>
<td>700 pieces</td>
</tr>
<tr>
<td>7.</td>
<td>Eye protection/goggles</td>
<td>1,000 pieces</td>
<td>750 pieces</td>
<td>250 pieces</td>
</tr>
<tr>
<td>8.</td>
<td>Head protection</td>
<td>1,000 pieces</td>
<td>740 pieces</td>
<td>260 pieces</td>
</tr>
<tr>
<td>9.</td>
<td>Protective shoes</td>
<td>1,000 Pairs</td>
<td>740 pieces</td>
<td>260 pieces</td>
</tr>
<tr>
<td>10.</td>
<td>Alcohol 70%</td>
<td>30 Liter</td>
<td>22 Liter</td>
<td>8 Liter</td>
</tr>
<tr>
<td>11.</td>
<td>Handsoap</td>
<td>15 Liter</td>
<td>10 Liter</td>
<td>5 Liter</td>
</tr>
<tr>
<td>12.</td>
<td>Hand sanitizer</td>
<td>30 Liter</td>
<td>25 Liter</td>
<td>5 Liter</td>
</tr>
<tr>
<td>13.</td>
<td>Disinfectant</td>
<td>20 Liter</td>
<td>15 Liter</td>
<td>5 Liter</td>
</tr>
</tbody>
</table>

Source: processed by researchers

From the details of the table above, it is known that the availability of medical devices at the Duren Sawit Health Center in 2022 until November is quite sufficient and there is no indication of a shortage of logistics for these medical devices, even though they have not reached the end of the year. This can be seen by looking at the number of logistic medical devices that are still available in quantity. These various types of medical devices were obtained through grants from the health office and also purchased directly from the Duren Palm Health Center. The adequacy of the availability of these medical devices shows good commitment and optimization of the performance of both the government, in this case, the health service, and the Puskesmas as health facilities serving the community. This of course also supports the
optimization of tax incentive policies. Meanwhile, regarding the drug price policy in Indonesia, until now it still refers to the market mechanism so that in the market it can be seen that drugs with different names but contain the same efficacy or for the same drug there can be significant price differences. Besides that, just like developing countries in general, most Indonesian people still have to buy medicines at their own expense so the problem of drug prices is a problem that must be resolved by the government (WHO, 2006). And when compared to drug spending in other countries, Indonesia's drug spending is already around 40%, including high costs. The Drug Needs Plan uses the estimated number of COVID-19 patients in DKI Jakarta Province (including an additional 20% of patients coming from outside DKI Jakarta), multiplied by the drug needs of each patient according to the Guidelines for Treatment of COVID-19 Patients. The following is data that researchers can present regarding the Drug Acceptance Realization of Drug Acceptance from January to October 2022 in DKI Jakarta.

<table>
<thead>
<tr>
<th>No</th>
<th>Medicine name</th>
<th>UNIT</th>
<th>Ministry of Health</th>
<th>APBD</th>
<th>DONATION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vitamin Tablet</td>
<td>Tablet</td>
<td></td>
<td>-</td>
<td>-</td>
<td>57,500</td>
</tr>
<tr>
<td>2</td>
<td>Oseltamivir</td>
<td>Capsules</td>
<td>96,500</td>
<td>-</td>
<td>-</td>
<td>96,500</td>
</tr>
<tr>
<td>3</td>
<td>Chloroquine phosphate</td>
<td>Tablet</td>
<td>70,000</td>
<td>-</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td></td>
<td>250 mg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Hydroxychloroquine</td>
<td>Tablet</td>
<td></td>
<td>-</td>
<td>-</td>
<td>18,000</td>
</tr>
<tr>
<td></td>
<td>200 mg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Azithromycin 250 mg</td>
<td>Tablet</td>
<td></td>
<td>-</td>
<td>-</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Source: DKI Jakarta Health Office

From the data above, the researchers concluded that the availability of drugs was very difficult on the market, especially in the DKI Jakarta area, there was also uncertainty about the distribution of certain types of drugs from the Ministry of Health. This difficulty is also experienced by hospitals within the Department of Health, because the procurement priority served by Pharmaceutical Wholesalers as drug providers is the level of the Ministry of...
Health of the Republic of Indonesia, and next is the level of the Health Service, compared to Hospitals. The existence of this tax incentive policy is expected to optimize the distribution of Covid-19 drugs in DKI Jakarta. From the data and research that has been carried out, the researchers also see what are the obstacles to the effectiveness of tax incentives for the availability of drugs and medical devices in handling Covid-19 at the Duren Sawit Health Center, including a. Taxpayers do not understand the existence of tax incentives and also the procedures for obtaining incentives as a whole: lack of socialization and advertising in the media for the public b. Realization of uneven distribution of tax incentives causes no significant effect on the health sector c. Uneven mastery of technology so that services through online applications are not able to be carried out by some taxpayers d. The wrong mindset of taxpayers who think tax incentives give rise to tax obligations in the next period. From the various details of the obstacles that have been found by the researchers above, various examples of suggestions/solutions to deal with these obstacles are also determined, including a. Existence of thorough supervision from the tax authorities regarding the implementation of this tax incentive b. There are socialization activities for the general public regarding tax incentives and their application.

CONCLUSION

Based on the results of the analysis and discussion described above, it can be concluded that several things from this research are as follows: 1. The effectiveness of the Tax Incentive Policy to Support the Availability of Medicines and Medical Devices in the Context of Handling Covid-19 at the Duren Sawit District Health Center has been well implemented but has not fully impacted the Availability of Drugs and Medical Devices. Obstacles that occurred in the process of implementing these tax incentives caused the process of community economic recovery to be less than optimal through the pandemic era and also the realization of tax incentives that had been achieved was not optimal. In addition, the government through the Ministry of Finance needs to focus more on what tax incentives must be optimized for absorption. Taxpayers do not understand the existence of tax incentives and also the procedures for obtaining incentives as a whole: lack of socialization and advertising in the media for the public b. Realization of uneven distribution of tax incentives causes no significant effect on the health sector c. Uneven mastery of technology so that services through online applications are not able to be carried out by some taxpayers d. The wrong mindset of taxpayers who think tax incentives give rise to tax obligations in the next period. 3. Efforts are needed to overcome obstacles that affect the effectiveness of tax incentive policies to support the availability of drugs and medical devices in the context of handling Covid-19 at the Duren Sawit District Health Center, including the existence of thorough supervision from the tax authorities regarding the implementation of this tax incentive b. There are socialization activities for the general public regarding tax incentives and their application. c. Puskesmas need to plan program target strategies such as prioritizing integration in service delivery and utilization of information and communication technology.

REFERENCES


