

## INTEGRATING ISLAMIC ECONOMIC PRINCIPLES INTO SOCIAL HEALTH INSURANCE: INSIGHTS FROM THE INDONESIAN EXPERIENCE

Abdul Malik Badeges\*, Asmak Ab Rahman\*,  
Paolo Biancone\*\*, Davide Calandra\*\*

\*Department of Shariah and Economics, Academy of Islamic Studies,  
Universiti Malaya, 50603 Kuala Lumpur, Malaysia

\*\*Department of Management, University of Turin, 10134 Turin, Italy

\*(Corresponding author) e-mail: [asmak@um.edu.my](mailto:asmak@um.edu.my)

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### ABSTRACT

*This study investigates the intersection of Islamic economics and Indonesia's social health insurance, BPJS Kesehatan, aiming to enhance its sustainability and equity. By examining BPJS through Islamic economic principles, particularly the concept of wakalah (agency), the research explores how this framework can improve the system's operational efficiency and fairness. Wakalah, in this context, signifies the appointment of BPJS as an agent (wākil) by participants to manage healthcare funds according to Shariah principles, emphasizing trust, responsible fund management, and adherence to intended purposes like covering medical expenses. The study further develops a human development model grounded in Maqāṣid al-Shariah (objectives of Islamic law), incorporating exogenous factors like social justice and human rights alongside endogenous factors like education, health, and income. This*

*model analyzes how integrating Islamic economic principles, including wakalah and the potential for a non-profit operational model promoting mutual cooperation, can contribute to more equitable and just healthcare outcomes within Indonesia's unique cultural and religious context, contributing to the broader discourse on faith-based social welfare systems.*

**Keywords:** *BPJS, social health insurance, healthcare, wakalah, Indonesia.*

## INTRODUCTION

Islam centers on truth, peace, and promoting human well-being. This has been reflected in the religion's core principles, like humanitarianism.<sup>1</sup> The social structures Islam outlines are a defining element of its culture, and they effectively uphold these values.<sup>2</sup> With growing multiculturalism in the West and a strong desire to understand Muslim communities, exploring the Islamic perspective on human nature becomes even more critical.<sup>3</sup> This holistic approach extends beyond the purely spiritual. In Islamic theology, religion, law, and medicine are interconnected.<sup>4</sup> Islamic law safeguards fundamental human rights and ensures basic needs are met.<sup>5</sup> This includes providing families access to necessities like healthcare, education, and moral guidance.<sup>6</sup> Islamic law considers healthcare a fundamental right, obligating the state to ensure universal access. These are the elements that have been linked to social insurance and social health insurance.

The word “social” refers to the interaction of an individual with all or part of society or to the welfare of human beings in general as members of society. In contrast, insurance is defined as an activity “intended to provide

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<sup>1</sup> Jamal Krafess, “The Influence of the Muslim Religion in Humanitarian Aid,” *International Review of the Red Cross* 87, no. 858 (2005): 327.

<sup>2</sup> Sayyid Musa Şadr, “Islam, Humanity and Human Values,” *Winter* 11, no. 4 (2011): 38.

<sup>3</sup> Amber Haque, “Psychology from Islamic Perspective: Contributions of Early Muslim Scholars and Challenges to Contemporary Muslim Psychologists,” *Journal of Religion and Health* 43, no. 4 (Winter 2004): 357 – 377, 374.

<sup>4</sup> Diane M. Tober and Debra Budiani, “Introduction: Why Islam, Health and the Body?” *Body and Society* 13, no. 3. (2007): 1-13.

<sup>5</sup> Ahmed Abbadi, “Islam Today,” *Journal of the Islamic Educational Scientific and Cultural Organization (ISESCO)*, no. 32 (2016): 1.

<sup>6</sup> *Ibid.*, 8.

individual, institutional units exposed to certain risks with financial protection against the consequences of the occurrence of specified events”. The System of National Accounts does not provide a succinct definition of social insurance schemes. Instead, it is stated that “social insurance schemes are schemes in which social contributions are paid by employees or others, or by employers on behalf of their employees, to secure entitlement to social insurance benefits, in the current or subsequent periods, for the employees or other contributors, their dependents or survivors.” However, social contributions are “the many small payments to the insurer required by any insurance scheme.” Social insurance schemes should be defined in all manuals as “collectively organized insurance schemes in which employees and/ or others are obliged or encouraged to spread risk by taking out insurance against certain social risks.”<sup>7</sup>

In Islam, humans hold a special position. Allah has entrusted us to care for the Earth (*Khalifah*), but with the responsibility to act as God's servants (*‘Abd Allah*). This means using our power for good and following God's teachings.<sup>8</sup> The Prophet Muhammad (peace be upon him) ensured that human rights were protected for everyone, from the youngest child to the eldest elder, and all members of society, regardless of their social position.<sup>9</sup> We as Muslims are highly recommended to heal our diseases as Allah the Almighty says in the glorious Quran surah Yunus Chapter number 10 verse 57:

يَا أَيُّهَا النَّاسُ قَدْ جَاءَكُمْ مَوْعِظَةٌ مِنْ رَبِّكُمْ وَشِفَاءٌ لِمَا فِي الصُّدُورِ وَهُدًى  
وَرَحْمَةٌ لِّلْمُؤْمِنِينَ ﴿٥٧﴾

<sup>7</sup> John Pitzer, (2003). “The Definition of a Social Insurance Scheme and its Classification as Defined Benefit or Defined Contribution” (International Monetary Fund, 2003), <https://www.imf.org/external/np/sta/ueps/2003/063003.pdf> (accessed November 10, 2016).

<sup>8</sup> Seyyed Hossein Nasr, “The Heart of Islam, Enduring Values for Humanity”. New York: HarperOne (2002), 3.

<sup>9</sup> Adel ibn Ali al-Shiddy and Abdul-Razaq Maash, *The Needs of Humanity as Addressed by the Message of Prophet Muhammad, Mercy for the World Series*, no. 1 (Riyadh: World Assembly of Muslim Youth, n.d.): 21.

*“O mankind! There hath come to you a direction from your Lord and a healing for the (diseases) in your hearts, - and for those who believe, a guidance and a Mercy”<sup>10</sup>*

(Surah Yunus, 10: 57)

And also, the Hadīth of the Prophet Muhammad which sounds:

عن ابن عباس رضي الله عنه قال: قال رسول الله صلى الله عليه وسلم: "نعمتان مغبون فيهما كثير من الناس: الصحة والفرغ."

*“Ibn ‘Abbas reported: The Prophet, peace and blessings be upon him, said, “There are two blessings which many people waste: health and free time”<sup>11</sup>*

During the early Islamic period, a significant number of hospitals emerged.<sup>12</sup> These hospitals were often called "Bimaristan" or "Maristan."<sup>13</sup> According to Noushirawy's recent research on Islamic Bimaristans in the Middle Ages, the first proper Bimaristan was constructed in Damascus by al-Walid bin ‘Abd al-Malik in 86 Hijri (707 CE). This institution served a dual purpose: treating patients and providing long-term care for those with chronic illnesses like leprosy and blindness. Leprosy patients received free treatment and financial assistance. Multiple physicians were employed within these Bimaristans, supported by Ibn al-Athir's historical work, "al-Kamel fi 'l-tarikh," which Noushirawy cites.<sup>14</sup>

In 1248, the first large hospital with 8000 beds was built in Cairo at the time of Al-Mansuri. Patients with diseases such as general medicine, surgery, fractures, fever, eye problems, etc. Muslim patients were provided with a mosque to perform prayers, whereas Christians performed their prayers at a chapel. This demonstrates a high degree of tolerance, as patients

<sup>10</sup> Yusuf Ali, trans., *The Holy Qur'an: Text, Translation and Commentary* (Lahore: Sh. Muhammad Ashraf, 1938), accessed April 26, 2016, <http://en.noblequran.org/quran/surah-yunus/ayat-57/>.

<sup>11</sup> Ṣaḥīḥ al-Bukhārī, Hadīth 6412.

<sup>12</sup> Iskandar Iskandar, Dadang Irsyamuddin, Esa Dwiyan, and Hidayatul Ihsan, "Waqf Substantial Contribution Toward the Public Healthcare Sector in the Ottoman Empire," *Journal of Critical Realism in Socio-Economics (JOCRISE)* 1, no. 3 (2023): 275–94.

<sup>13</sup> Husain F. Nagamia, *Islamic Medicine: History and Current Practice* (New York: Springer, 2003), 23.

<sup>14</sup> Sharif Kaf al-Ghazal, "The Origin of Bimaristans (Hospitals) in Islamic Medical History," *Foundation for Science Technology and Civilisation*, 2007, 1–10.

were admitted without discrimination based on race, color, or religion. Moreover, there were no restrictions on the length of inpatient treatment. Patients could remain in the hospital until they made a full recovery. Upon discharge, they were even given clothing and a small amount of money.<sup>15</sup>

It is our duty as a Muslim to stay healthy. In the modern day, there are many ways to keep ourselves fit and methods to cure diseases as well as the prevention and the solutions for humanity. Therefore, one of them is to have social health insurance for every individual as one of the efforts we can afford.

The example of Al-Mansuri Hospital underscores the deep-rooted values of equity, compassion, and inclusivity in Islamic medical practices. It highlights how healthcare, irrespective of religion or background, was designed as a universal right, with provisions for physical recovery and spiritual needs. In the modern era, these values are echoed in initiatives like social health insurance, which aims to provide financial protection and ensure equitable access to healthcare for all individuals. To build upon this historical foundation, the research delves into modern healthcare models' development, implementation, and challenges, particularly in Islamic societies.<sup>16</sup> This background explores the socio-economic and cultural dynamics influencing the adoption of social health insurance and its alignment with the ethical principles derived from Islamic traditions.

Indonesia's healthcare system underwent a transformative change in January 2014 with the establishment of the Social Insurance Health Agency (BPJS Kesehatan), replacing the Employees' Social Security System (Jamsostek).<sup>17</sup> This initiative marked a significant step toward achieving universal health coverage (UHC) by 2029, beginning with the enrollment of all employees by July 2015.<sup>18</sup> BPJS Kesehatan is the cornerstone of Indonesia's National Health Insurance program (JKN), aiming to provide equitable access to essential healthcare services and protection against unexpected medical expenses. Despite substantial progress, challenges

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<sup>15</sup> *Ibid.*, 4.

<sup>16</sup> Iskandar Iskandar, Dadang Irsyamuddin, Esa Dwiyan, and Hidayatul Ihsan, "Waqf Substantial Contribution Toward the Public Healthcare Sector in the Ottoman Empire," *Journal of Critical Realism in Socio-Economics (JOCRISSE)* 1, no. 3 (2023): 275–94.

<sup>17</sup> BPJS Kesehatan, "Profil BPJS Kesehatan," accessed August 14, 2016, <https://www.bpjs-kesehatan.go.id/bpjs/index.php/pages/detail/2010/2>.

<sup>18</sup> Social Security Administration, *Social Security Programs Throughout the World: Asia and the Pacific, 2014* (Washington, DC: Social Security Administration, 2015), SSA Publication No. 13-11802.

persist, including financial sustainability, regional disparities in healthcare accessibility, and fraud issues, such as counterfeit health cards.

The sustainability of BPJS Kesehatan is a pressing concern. A study by the University of Indonesia predicted a potential deficit of IDR 173 trillion by 2019 if financing models remain unchanged.<sup>19</sup> The program's reliance on premiums collected from members, coupled with increasing healthcare claims, has created a persistent financial imbalance. Efforts to address this issue, such as premium hikes, have faced resistance from businesses and individuals citing economic pressures. Additionally, a severe shortage of specialist doctors and unequal healthcare distribution, particularly in eastern Indonesia, highlight systemic challenges that need urgent resolution.<sup>20</sup>

Islamic economic principles provide an alternative lens to address these issues, emphasizing social justice, solidarity, and equitable resource distribution.<sup>21</sup> Integrating Islamic economic concepts, such as zakat (almsgiving) and waqf (endowments), into Indonesia's social health insurance framework offers promising avenues for innovation. These principles align closely with the objectives of UHC, advocating for inclusive and sustainable healthcare systems that prioritize communal welfare over profit maximization.<sup>22</sup>

This study explores the intersection of Islamic economics and social health insurance in Indonesia. Examining BPJS Kesehatan through the lens of Islamic economic principles aims to offer insights into enhancing the system's sustainability and equity. Drawing on Indonesia's unique cultural and religious context, the research contributes to the broader discourse on integrating faith-based frameworks into modern social welfare systems.

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<sup>19</sup> Databoks Katadata, "2017, Defisit BPJS Kesehatan Rp 9,75 Triliun," accessed June 20, 2022, <https://databoks.katadata.co.id/datapublish/2018/05/17/2017-defisit-bpjs-kesehatan-rp-975-triliun>.

<sup>20</sup> Antara News, "Indonesia Striving to Solve Shortage of Specialists Doctors," accessed August 15, 2024, <https://en.antaranews.com/news/273918/indonesia-striving-to-solve-shortage-of-specialists-doctors>.

<sup>21</sup> DoctorShare, "Why It Matters," accessed August 15, 2024, <https://www.doctorshare.org/en/why-it-matters>.

<sup>22</sup> Yusuf Dalhat, "Introduction to Research Methodology in Islamic Studies," *Journal of Islamic Studies and Culture* 3, no. 2 (2015): 147–52 (American Research Institute for Policy Development), 148.

## HISTORY, DEFINITION AND CONCEPT OF SOCIAL INSURANCE IN ISLAM

Social insurance covers sudden sickness, disability and disease, which in Islam have been managed as a fundamental human need. The basic needs of everyone have been the concern of the State in Islam.<sup>23</sup> Zakah has been widely known as the first social security institution in Islam. A Muslim has to contribute 2.5 percent of his or her savings as a fundamental duty. The State has a responsibility to collect zakah and make arrangements for its distribution. When a Muslim is able to pay 2.5 percent of his or her savings but refuses to do so, he or she is clearly against the State. The Caliph Abu Bakar was overpowered by force by all those who refused to pay it. Even non-Muslims are also included in one of the categories of the recipients of zakah. Similarly to social insurance, where the government collects a sum of money from the people and some of them who are in need of medicines and medical treatments may access costless healthcare services. While Western social safety nets are human-designed systems, the social security system in Islam is rooted in divine revelation (Quran and Sunnah). This Islamic system aims to achieve the high moral ideal of "righteousness" by providing social support. The Glorious Qur'an states:<sup>24</sup>

﴿ لَيْسَ الْبِرَّ أَنْ تُوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ ءَامَنَ  
بِاللَّهِ وَالْيَوْمِ الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَءَاتَى الْمَالَ عَلَى حُبِّهِ ذَوَى  
الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَأَبْنَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ وَأَقَامَ الصَّلَاةَ  
وَءَاتَى الزَّكَاةَ وَالْمُؤْمِنُونَ بَعَثَهُمْ إِذَا عَاهَدُوا ۗ وَالصَّابِرِينَ فِي الْبَأْسَاءِ وَالضَّرَّاءِ  
وَحِينَ الْبَأْسِ ۗ أُولَٰئِكَ الَّذِينَ صَدَقُوا ۗ وَأُولَٰئِكَ هُمُ الْمُتَّقُونَ ﴾ ١٧٧

*"It is not righteousness that ye turn your faces towards East or West; but it is righteousness, to believe in Allah and the Last Day, and the Angels and the Book, and the Messengers; to spend of your substance, or of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and give*

<sup>23</sup> M. Kahf, "The Economic Role of State in Islam" (lecture presented on Islamic Economics, Dhaka, Bangladesh, 1991), 4.

<sup>24</sup> Ibrahim B. Syed, "Social Security in Islam," Islamic Research Foundation International, Inc., accessed December 21, 2017, [http://www.irfi.org/articles/articles\\_251\\_300/social\\_security\\_in\\_islam.htm](http://www.irfi.org/articles/articles_251_300/social_security_in_islam.htm).

*Zakah, to fulfil the contracts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic, such are the people of truth, the God-fearing”*

(Surah al-Baqarah, 2: 177)

The Quran emphasizes the importance of helping those in need. This obligation is highlighted by specific verses, such as the one mentioned later. The Quran's teachings go beyond mere sympathy; it calls upon every financially able person to actively support the poor and vulnerable within society as Allah states in the Quran:<sup>25</sup>

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ ﴿٩٢﴾

*“By no means shall ye attain righteousness unless ye give (freely) of that which ye love; and whatever ye give, Allah knoweth it well”*

(Surah Ali-'Imran, 3: 92)

The Caliphate of Ūmar *Ibn* al-Khattab (634-644 A.H.) witnessed a significant period in Islamic social security's history. Spanning a vast territory from Libya to Afghanistan and Armenia to Pakistan, the Islamic world under his rule emphasized social and economic justice. Ūmar is credited with establishing the world's first social security system, ensuring basic necessities for the state's underprivileged citizens. A dedicated department handled social insurance, with a citizen registry to identify beneficiaries. Notably, allowances were distributed within the Muslim community based on merit and Islamic principles.<sup>26</sup>

Government revenue streams are the primary source of funding for national social safety nets. The lack of these resources would severely impact vulnerable populations. Under Ūmar's leadership, strict and effective administrative policies dramatically increased treasury income. This income was significantly bolstered by Islamic financial sources, including Zakah (a 2.5% tax on wealth), Ūshr (agricultural tax), Sadaqah (charitable giving), Jizyah (tax on non-Muslims), and Khums (one-fifth of war spoils). Victories in battles like Yarmouk and Qādisiyyah resulted in substantial spoils, significantly enriching the treasury in Medina. The overarching goal of the

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<sup>25</sup> *Ibid.*,

<sup>26</sup> *Ibid.*,



Islamic social security system is to address all human needs, categorized as: (1) Primary needs: food, clothing, housing, and essential medical care; and (2) Secondary needs: education, marriage, old-age benefits, and social services.<sup>27</sup>

## ISLAMIC PRINCIPLES, SOCIAL HEALTH INSURANCE AND STATE RESPONSIBILITY

The Islamic tradition places a strong emphasis on the care of the poor and needy. Classical Islamic scholars, such as *Imam Al-Nawawi*, elaborated on the state's obligation to fulfill this responsibility. Al-Nawawi, in his *Al-Majmu' Sharh al-Muhadhdhab*, clearly outlines the concept of *fard kifayah*, a communal obligation that, if not met by individuals, becomes the responsibility of the state. This includes ensuring access to essential services, such as healthcare, for all members of society.<sup>28</sup>

Islamic teachings underscore the communal responsibility to care for the poor and needy, including healthcare access. *Imam Al-Nawawi* affirmed the state's role in fulfilling this obligation when individuals cannot. This Islamic principle aligns with the concept of state-intervened health insurance to guarantee essential healthcare for all citizens.

### 1. Concept of *Wakalah*

*Wakalah* is an Islamic legal concept that establishes an agency relationship. It involves one person (the principal or *muwakkil*) appointing another (the agent or *wākil*) to carry out specific tasks on their behalf. Rooted in the Quran and Sunnah, this contract has been extensively developed by Islamic scholars. Central to *wakalah* is the principle of trust. The agent must act honestly and prioritize the principal's interests. Any actions taken by the agent within the agreed-upon scope of authority legally bind the principal. For instance, if an agent signs a contract or spends money on behalf of the principal, the principal is responsible for these commitments.<sup>29</sup>

The concept of *Wakalah* is also implicitly supported by several sources from Quranic verses and *Hadīth* as follows:

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<sup>27</sup> *Ibid.*,

<sup>28</sup> Yahyā ibn Sharaf al-Nawawī, *al-Majmū' Sharḥ al-Muhadhdhab* (Beirut: Dār al-Fikr, 1996), 6:248–50.

<sup>29</sup> Muwaffaq al-Dīn Ibn Qudāmah, *al-Mughnī* (Beirut, Lebanon: Dār al-Kutub al-ʿIlmiyyah, 1994), 5:215.

وَكَذَلِكَ بَعَثْنَاهُمْ لِيَتَسَاءَلُوا بَيْنَهُمْ ۚ قَالَ قَائِلٌ مِّنْهُمْ كَمْ لَبِثْتُمْ ۖ قَالُوا لَبِثْنَا يَوْمًا  
أَوْ بَعْضَ يَوْمٍ ۖ قَالُوا رَبُّكُمْ أَعْلَمُ بِمَا لَبِثْتُمْ فَابْعَثُوا أَحَدَكُمْ بِوَرِقِكُمْ هَذِهِ إِلَى  
الْمَدِينَةِ فَلْيَنْظُرْ أَيُّهَا أَزْكَى طَعَامًا فَلْيَأْتِكُمْ بِرِزْقٍ مِّنْهُ وَلْيَتَلَطَّفْ وَلَا يُشْعِرَنَّ  
بِكُمْ أَحَدًا ﴿١٩﴾

“Such (being their state), we raised them up (from sleep), that they might question each other. Said one of them, “How long have ye stayed (here)?” They said, “We have stayed (perhaps) a day, or part of a day.” (At length) they (all) said, “Allah (alone) knows best how long ye have stayed here.... Now send ye then one of you with this money of yours to the town: let him find out which is the best food (to be had) and bring some to you, that (ye may) satisfy your hunger therewith: And let him behave with care and courtesy, and let him not inform anyone about you”.

(Surah al-Kahf, 18: 19)

﴿٦٠﴾ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا

“Alms are for the poor and the needy, and those employed to administer the (funds)”.

(Surah al-Tawbah, 9: 60)

Here, the idea of appointing someone to carry out a task (buying food) on behalf of the group is evident. Another source in the *Hadīth* says that:

وَحَدَّثَنِي زُهَيْرُ بْنُ حَرْبٍ، حَدَّثَنَا عَلِيُّ بْنُ حَفْصٍ، حَدَّثَنَا وَرْقَاءُ، عَنْ أَبِي  
الزَّنَادِ، عَنِ الْأَعْرَجِ، عَنْ أَبِي هُرَيْرَةَ، قَالَ بَعَثَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ  
وَسَلَّمَ عُمَرَ عَلَى الصَّدَقَةِ فَقِيلَ مَنَعَ ابْنُ جَمِيلٍ وَخَالِدُ بْنُ الْوَلِيدِ وَالْعَبَّاسُ  
عَمَّ رَسُولِ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَقَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ  
" مَا يَنْقُمُ ابْنُ جَمِيلٍ إِلَّا أَنَّهُ كَانَ فَقِيرًا فَأَغْنَاهُ اللَّهُ وَأَمَّا خَالِدٌ فَإِنَّكُمْ  
تَظْلِمُونَ خَالِدًا قَدْ احْتَبَسَ أَدْرَاعَهُ وَأَعْتَادَهُ فِي سَبِيلِ اللَّهِ وَأَمَّا الْعَبَّاسُ

فَهِيَ عَلَىٰ وَمِثْلَهَا مَعَهَا " . ثُمَّ قَالَ " يَا عُمَرُ أَمَا شَعَرْتَ أَنَّ عَمَّ الرَّجُلِ  
صِنُو أَبِيهِ " .

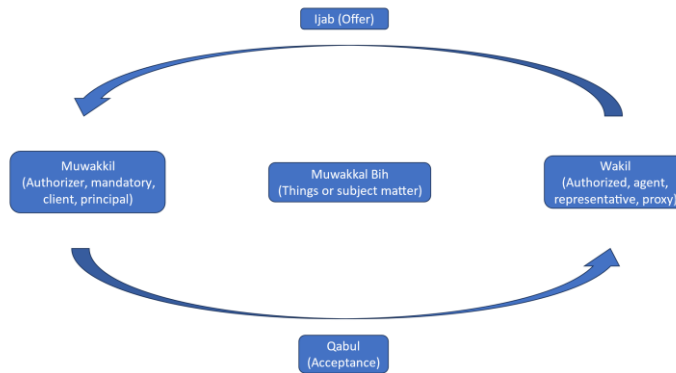
*“Abu Huraira reported that the Messenger of Allah (may peace be upon him) sent Ūmar for (collecting) Sadaqa (zakat), and it was said that Ibn Jamil, Khalid b. Walid and 'Abbas the uncle of the Messenger of Allah (may peace be upon him), refused (to pay it). Upon this the Messenger of Allah (may peace be upon him) said: Ibn Jamil is taking revenge but for this that he was destitute and Allah made him rich. As regards Khalid, you are unjust to Khalid, for he reserved his armours and weapons for the sake of Allah, and as for 'Abbas, I shall be responsible for it and an equal amount along with it. And he again said: 'Ūmar, bear this in mind, the uncle of a person is like his father”.*<sup>30</sup>  
(Sahih Muslim)

As stated above, wākil is appointed as the authorized agent or representative. The muwakkil is the principal. The muwakkal Bih is the things or subject matter that is being entrusted for, or the business deals involved. The last one is sighah which is ijab as an offer and qabul as an acceptance.<sup>31</sup>

<sup>30</sup> Sahih Muslim, The Book of Zakat, Book 5, Number 2148.

<sup>31</sup> M. Kabir Hassan, *Introduction to Islamic Banking & Finance: Principles and Practice* (Pearson Education Limited, 2013), 303–5.

Figure 1. *Wakalah* Cycle<sup>32</sup>



There are two types of representation: limited and unlimited. *Wakalah* mutlaqah, which is unconstrained by particular situations or time constraints, is a *wakalah* contract that is not limited to any stipulations outside those that are authorized in Islam. While *wakalah* muqayyadah is a *wakalah* contract that is limited or constrained by specific terms that are sanctioned by Islam and that are constrained by unique circumstances or time restrictions. The authorizer must explicitly define the scope of the business or the specific tasks to be handled by the agent within the contract. It is permissible to delegate certain business activities to an agent, even if the authorizer possesses the ability to perform those tasks independently. However, the *wakalah* agreement is automatically terminated upon the successful completion of the assigned tasks or the fulfillment of the entrusted mission.<sup>33</sup>

## 2. The Application of *Wakalah*

As stated above, The Prophet *Muhammad* (peace be upon him) also practiced and endorsed the concept of agency. In relation to social health insurance, *Wakalah* is directly relevant to modern financial contracts, including social health insurance in an Islamic framework. The application of *Wakalah* in social health insurance can be understood as follows:<sup>34</sup>

<sup>32</sup> *Ibid.*,

<sup>33</sup> *Ibid.*,

<sup>34</sup> Burhān al-Dīn al-Farghānī al-Marghīnānī, *al-Hidāyah: The Guidance*, vol. 3 (Beirut, Lebanon: Dār Iḥyā' al-Turāth al-'Arabī, 1997), 154.

Table 1: The Application of *Wakalah* in Social Health Insurance

<b>Agency Relationship</b>	In social health insurance, participants (policyholders) appoint the insurance company as their agent ( <i>wākil</i> ) to manage and disburse funds for healthcare on their behalf.
<b>Trust and Responsibility</b>	The insurance company, acting as a <i>wākil</i> , is entrusted with the responsibility to manage the pooled funds according to Shariah principles, ensuring that the funds are used solely for the intended purposes (e.g., covering medical expenses).
<b>Non-Profit Nature</b>	In an ideal Islamic economic system, the insurance company may act as a non-profit entity, where any surplus is either returned to the policyholders or used for the welfare of the community, aligning with the concept of mutual cooperation and solidarity.

Source: Burhān al-Dīn al-Farghānī (1997)<sup>35</sup>

Social health insurance can be structured as a *wakalah* contract, wherein participants appoint an insurance company as their agent to manage healthcare funds. This fiduciary arrangement necessitates the insurer's strict adherence to Shariah principles in fund administration. Ideally, the insurance company should operate on a non-profit basis, reflecting Islamic economic values of collective responsibility by either returning surpluses to policyholders or allocating them for the community's benefit.

### 3. Concept of Justice and Health Equity

In his monumental work *Ihyā' 'Ulūm al-Dīn*, *Imam Al-Ghazali* extensively elaborates on the Islamic principle of justice ('*adl*). This concept is central to the equitable distribution of resources within a society. *Al-Ghazali* emphasizes that justice is an indispensable pillar of a righteous state and that the ruler must ensure fairness in all aspects of governance, including the allocation of public goods such as healthcare. This implies that a just society ought to guarantee equitable access to healthcare services for all its citizens, irrespective of their social or economic standing. As articulated by *Al-Ghazali*, the Islamic perspective underscores the importance of ensuring that the benefits of social programs, such as health insurance, are distributed justly. This requires a governance structure that prioritizes the needs of the

<sup>35</sup> Ibid., P.154

most vulnerable members of society while also maintaining efficiency and sustainability.<sup>36</sup>

The principle of social justice (‘*adl*) in Islamic economics holds significant weight when considering universal health coverage (UHC). *al-Aḥkām al-Sulṭāniyyah* establishes a foundational framework for Islamic governance, centering on the principle of ‘*adl* or justice. This comprehensive mandate extends to ensuring the provision of basic human needs, including healthcare. The treatise underscores the Islamic state's obligation to prioritize the welfare of all citizens, particularly the vulnerable. Consequently, health equity is posited as an indispensable component of righteous governance, requiring the state to deliver healthcare services impartially to uphold the intrinsic dignity and rights of its populace.<sup>37</sup>

*Al-Muwāfaqāt* demonstrates the fundamental objectives (Maqāsid) of Islamic law, placing the preservation of human life (ḥifẓ al-naḥs) at its core. Recognizing that life is sacred and its protection paramount, Al-Shatibi posits that ensuring equitable access to healthcare is an indispensable corollary. This principle supports the Islamic imperative for health equity, as it necessitates the fair distribution of healthcare resources to safeguard the lives of all members of society.<sup>38</sup>

The Quran emphasizes justice (‘*adl*) in numerous verses, such as:

﴿١٥٢﴾ وَإِذَا قُلْتُمْ فَاعْدِلُوا وَلَوْ كَانَ ذَا قُرْبَىٰ ۗ

“Establish justice (‘*adl*) with nearness and fairness, and do not favor your people in [the matter of] dispute”.

(Surah al-An‘am, 6: 152)

‘*Adl* refers to fairness, equity, and fulfilling one's rightful obligations. It extends to ensuring basic necessities like healthcare are accessible to all. ‘*adl* is considered the bedrock of Islamic finance and economic transactions. Islamic scholars emphasize that ownership ultimately belongs to Allah, and humans are entrusted with managing wealth responsibly according to His will. This translates to making sure that all business dealings are fair. The Islamic economic system emphasizes fulfilling basic needs for all through

<sup>36</sup> Abū Ḥāmid al-Ghazālī, *Iḥyā’ ‘Ulūm al-Dīn* (Beirut: Dār al-Ma‘rifah, 1982), 2:215–18.

<sup>37</sup> Abū al-Ḥasan al-Māwardī, *al-Aḥkām al-Sulṭāniyyah wa-al-Wilāyāt al-Dīniyyah* (Cairo: Maktabah Dār al-Turāth, 1989), 178–80.

<sup>38</sup> Ibrāhīm bin Mūsā al-Shāṭibī, *al-Muwāfaqāt fī Uṣūl al-Sharī‘ah* (Beirut: Dār al-Ma‘rifah, 1997), 2:14–16.

*Zakat* (obligatory charity) and other social welfare mechanisms. This ensures a minimum standard of living and reduces inequality.<sup>39</sup>

Another verse that is essential to social justice and that Muslims agree upon in unity when interacting with various ethnic groups is this one:

يَا أَيُّهَا النَّاسُ إِنَّا خَلَقْنَاكُمْ مِنْ ذَكَرٍ وَأُنْثَىٰ وَجَعَلْنَاكُمْ شُعُوبًا وَقَبَائِلَ لِتَعَارَفُوا ۗ  
إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاكُمْ ۗ إِنَّ اللَّهَ عَلِيمٌ خَبِيرٌ ﴿١٣﴾

*“O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes that ye may know each other (not that ye may despise each other). Verily the most honored of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things)”.*

(Surah al-Hujurat, 49: 13)

This verse from Surah Al-Hujurat verse 13 holds significant meaning concerning social justice in Islam such as the unity of humankind, diversity for recognition, and piety as the benchmark. The verse emphasizes that all humans share a common origin, regardless of race, ethnicity, or nationality. This dismantles justifications for discrimination and promotes equality. The creation of "nations and tribes" is seen as a way for people to learn about and appreciate each other's cultures and backgrounds. This fosters understanding and reduces prejudice. The verse establishes piety (righteousness and God-consciousness) as the sole criterion for honor. This promotes social justice by diverting focus from superficial differences like race or social status and emphasizing good character and actions.

From social justice implications, this verse also holds equal rights and opportunity by emphasizing our common origin and valuing piety over social constructs, the verse advocates for equal rights and opportunities for all individuals as well as breaking barriers. It challenges social hierarchies based on factors like ethnicity or social class. Social justice requires treating everyone with dignity and respect based on their character and actions.

<sup>39</sup> Zakiyuddin Baidhaw, "Distributive Principles of Economic Justice: An Islamic Perspective," *Indonesian Journal of Islam and Muslim Societies* 2, no. 2 (December 2012): 241–66.

#### 4. Concept of Mutual Cooperation (*Takaful*) and Solidarity (*Ta'awun*)

*Takaful*, meaning mutual cooperation or solidarity, a form of Islamic insurance built on the principle of mutual aid, traces its origins to early Islamic practices such as Al-Aqila. This ancient system, documented by revered scholars like *Imam* Malik and Al-Shafi'i, involved tribal or communal members pooling resources to compensate individuals suffering financial loss due to accidents. These early practices laid the groundwork for the development of more formalized *Takaful* systems, demonstrating the enduring influence of Islamic values on contemporary financial instruments. This idea is grounded in the Qur'an and *Hadīth*, which emphasize the importance of mutual assistance, social solidarity, and collective responsibility among the members of the Muslim community (Ummah) as follows:<sup>40</sup>

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ ﴿٢﴾

“Help one another in righteousness and piety, but do not help one another in sin and transgression”.

(Surah al-Maidah, 5: 2)

وَالْمُؤْمِنُونَ وَالْمُؤْمِنَاتُ بَعْضُهُمْ أَوْلِيَاءُ بَعْضٍ ۚ يَأْمُرُونَ بِالْمَعْرُوفِ وَيَنْهَوْنَ عَنِ

الْمُنْكَرِ وَيُقِيمُونَ الصَّلَاةَ وَيُؤْتُونَ الزَّكَاةَ وَيُطِيعُونَ اللَّهَ وَرَسُولَهُ ﴿٧١﴾

“The believing men and believing women are allies of one another. They enjoin what is right and forbid what is wrong and establish prayer and give zakah and obey Allah and His Messenger”.

(Surah al-Tawbah, 9: 71)

These verses highlight the principle of cooperation and collective responsibility, which forms the basis of *Takaful*. The Prophet *Muhammad* (peace be upon him) said:<sup>41</sup>

مَثَلُ الْمُؤْمِنِينَ فِي تَوَادُّهِمْ وَتَرَاحُمِهِمْ وَتَعَاطُفِهِمْ، مَثَلُ الْجَسَدِ، إِذَا اشْتَكَى مِنْهُ عُضْوٌ، تَدَاعَى لَهُ سَائِرُ الْجَسَدِ بِالسَّهْرِ وَالْحُمَّى

<sup>40</sup> *Imām Mālik. al-Muwaṭṭa' Book 43, Hadīth 23.*

<sup>41</sup> *Sahih Muslim, Book 32, Hadīth 6258.*



*“The believers, in their mutual kindness, compassion, and sympathy, are just like one body. When one of the limbs suffers, the whole body responds to it with wakefulness and fever”.*

This *Hadīth* illustrates the importance of mutual care and support among Muslims, which is a core principle in *Takaful*. *Takaful*, rooted in Islamic principles of cooperation and solidarity, represents a contemporary application of ancient Islamic practices. Its origins can be traced back to early Islamic institutions like Al-Aqila, which emphasized mutual aid and risk-sharing within communities. The Quranic injunctions to cooperate in righteousness and the prophetic emphasis on communal support provide the ethical and spiritual underpinnings for *Takaful*. By combining traditional Islamic values with modern financial instruments, *Takaful* offers a viable and ethically sound alternative to social health insurance models.

Islamic thought on solidarity (*Ta'awun*) is deeply rooted in the teachings of the Qur'an and *Hadīth*, which emphasize the importance of mutual assistance, cooperation, and collective responsibility among members of the community (Ummah). The concept of solidarity, or *ta'awun* in Arabic, is fundamental in Islamic social and economic ethics, where the welfare of the community is considered a collective duty. The Qur'an encourages Muslims to cooperate in righteousness and piety as Allah says in the Quran:

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ ﴿٢﴾

*“And cooperate in righteousness and piety, but do not cooperate in sin and aggression”.*

(Surah al-Maidah, 5: 2)

The verse highlights the importance of solidarity and mutual support within the community. This principle is central to the concept of Islamic solidarity, where each member of the community is responsible for the well-being of others.<sup>42</sup>

Other concepts known in Islamic teaching are *zakat* and *sadaqah*. These two acts serve as concrete manifestations of Islamic solidarity. As obligatory and voluntary forms of almsgiving, respectively, they operationalize the principle of communal responsibility by redistributing wealth to the less fortunate. These practices not only fulfill a religious duty but also function

<sup>42</sup> Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence* (Cambridge: Islamic Texts Society, 2003), 297–320.

as a vital social safety net, fostering economic equity and cohesion within the Muslim community.<sup>43</sup>

## **METHODOLOGY**

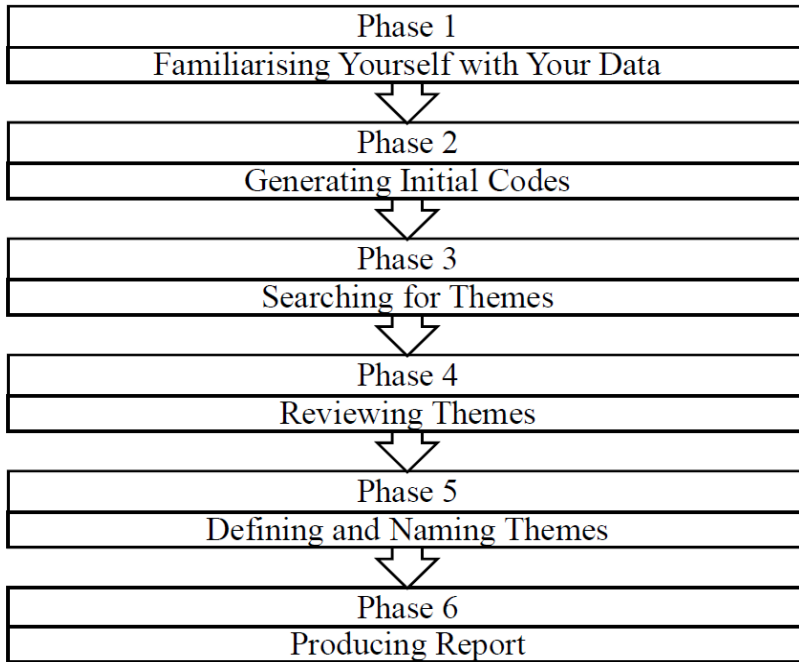
This study adopts a qualitative research design to explore the concept of social health insurance from an Islamic economic perspective and its application in Indonesia. The qualitative approach was selected for its ability to provide an in-depth understanding of participants' experiences and perceptions, enabling a comprehensive exploration of the phenomena under investigation. Data collection methods included library research, semi-structured interviews, and a historical-institutional analysis. Library research utilized resources such as academic journals, books, and credible online materials to establish a theoretical foundation. Historical analysis was employed to assess the evolution and application of social health insurance within the Indonesian context, particularly its alignment with Islamic principles.

Semi-structured interviews were conducted with representatives from BPJS Kesehatan, a government-mandated health insurance agency, and senior lecturers specializing in Islamic economics and health economics. Additionally, interviews were held with BPJS members, including patients from Harapan Kita Hospital in Jakarta and LinkedIn users with BPJS memberships. Thematic analysis was used to analyze qualitative data, focusing on recurring patterns and themes. The thematic analysis framework (Figure 1) illustrates the process of coding, identifying, and interpreting key themes, enabling a structured synthesis of diverse data sources. This structured approach allowed the study to synthesize diverse data sources, offering insights into the implementation and challenges of social health insurance in Indonesia while ensuring alignment with the objectives of the study.

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<sup>43</sup> Yūsuf al-Qaraḏāwī, *Fiqh al-Zakāt: A Comparative Study* (London: Dār al-Taqwā Ltd., 1999), 140–65.

Figure 2. The Thematic Analysis Framework



Source: Braun and Clarke.<sup>44</sup>

## FINDING AND DISCUSSION

### SOCIAL HEALTH INSURANCE IN INDONESIA

Thabrany<sup>45</sup> provides a comprehensive analysis of Indonesia's social health insurance landscape, highlighting its fragmented nature and the challenges in access to healthcare. He examines existing policies, financing mechanisms, and insurance schemes, including the Civil Servant Social Health Insurance Scheme (ASKES) and the Private Employee Social Health Insurance Scheme (Jamsostek), addressing Jamsostek's operational issues in particular. Additionally, traditional healthcare systems, often outside the formal framework, are considered, revealing persistent barriers to quality

<sup>44</sup> V. Braun and V. Clarke, "Using Thematic Analysis in Psychology," *Qualitative Research in Psychology* 3, no. 2 (2006): 77–101.

<sup>45</sup> Hasbullah Thabrany, "Social Health Insurance in Indonesia: Current Status and the Proposed National Health Insurance" (paper presented at the Social Health Insurance Workshop, WHO SEARO, New Delhi, March 13–15, 2003; rev. August 2003).

healthcare for many Indonesians. Thabrany underscores the urgency of reform and the potential of a well-designed national health insurance program to improve accessibility and equity in healthcare delivery.

Snape and Spencer's definition of qualitative research emphasizes its focus on understanding the social world through participants' perspectives, and exploring their lived experiences and contexts. This interpretive approach, which distinguishes qualitative research from quantitative methods, was adopted in this study to analyze Indonesia's social health insurance system. The methodology allowed for an in-depth examination of the social and material realities influencing access to healthcare, providing nuanced insights into the operational challenges and potential reforms necessary to integrate Islamic economic principles into social health insurance.<sup>46</sup>

## **EVOLUTION OF SOCIAL HEALTH INSURANCE IN INDONESIA**

Indonesia's social health insurance has undergone significant transformation since the 1960s, beginning with the establishment of Dana Kesejahteraan Pegawai Negeri (Civil Servants' Welfare Funds) under the Ministry of Social Welfare.<sup>47</sup> ASKES initially focused on retirement benefits and later expanded to cover survivors, pensions, and health benefits. By 1971, the TASPEN programs inspired the creation of ASABRI, tailored for the Armed Forces with adjustments for differing retirement ages. Over time, these programs evolved, and in 1981, TASPEN's management transitioned to a state-owned company, P.T. TASPEN<sup>48</sup>, which also included Armed Forces personnel. Efforts to streamline social insurance led to the establishment of ASTEK in the 1970s, merging old age benefits and disability insurance into a compulsory program under the Ministry of Manpower. The evolution reflected Indonesia's growing commitment to comprehensive social security, albeit with challenges in implementation and coordination.<sup>49</sup> The culmination of these efforts was the establishment of BPJS (Badan

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<sup>46</sup> D. Snape and L. Spencer, "The Foundation of Qualitative Research," in *Qualitative Research Practice: A Guide for Social Science Students and Researchers*, ed. J. Ritchie and J. Lewis (Thousand Oaks: SAGE Publications, Inc., 2005), 1–23.

<sup>47</sup> *Ibid.*,

<sup>48</sup> *Ibid.*,

<sup>49</sup> Hendra Esmara, Prijono Tjiptoherijanto and Iyanatul Islam, "The Social Security System in Indonesia," *ASEAN Economic Bulletin* 3, no. 1 (July 1986): 53-69.

Penyelenggara Jaminan Sosial) in 2014, a unified national social health insurance system to ensure healthcare access for all Indonesians.

The establishment of Badan Penyelenggara Jaminan Sosial (BPJS) in 2014 marked a transformative milestone in Indonesia's commitment to universal health coverage. Mandated by the 1945 Constitution, BPJS Health was created to ensure access to healthcare as a constitutional right for all citizens.<sup>50</sup> Replacing PT Askes, it centralized Indonesia's health insurance system under one entity, integrating programs like Jamkesmas and services previously managed by the Ministry of Defense and PT Jamsostek.<sup>51</sup> BPJS Health aimed to streamline operations, unify fragmented programs, and provide a cohesive structure for health insurance, addressing gaps in accessibility and equity across the country.

BPJS Health operates in tandem with BPJS Employment to administer the National Health Insurance (JKN) program, focusing on extending health services to civil servants, pensioners, Armed Forces personnel, and private sector employees.<sup>52</sup> Its establishment dissolved PT Askes without liquidation, transferring assets, liabilities, and employees to BPJS Health, ensuring continuity. This transition signified a major shift in healthcare governance, moving the responsibility for community health programs from the Ministry of Health and other institutions to a centralized system. The program's implementation represents a significant step toward achieving the goal of universal healthcare, although challenges in efficiency, funding, and inclusivity remain to be addressed.

## **BASIC IMPLEMENTATION AND THE PRINCIPLE OF OPERATION OF BPJS**

Indonesia's social health insurance program, managed by the Badan Penyelenggara Jaminan Sosial (BPJS), operates on foundational principles that align with the constitutional right to health. The legal framework is rooted in the 1945 Constitution of Indonesia, further elaborated in Law Number 23 of 1992 on Health and Law Number 40 of 2004 on the National Social Security System (SJSN). Specific operational guidelines are provided through ministerial decrees, such as Decree Number 1241/MENKES/SK/XI/2004 and Number 56/MENKES/SK/I/2005. These

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<sup>50</sup> "The Constitution of the Republic of Indonesia," accessed April 19, 2018, <https://www.mkri.id/public/content/infoumum/regulation/pdf/uud45%20eng.pdf>.

<sup>51</sup> BPJS Kesehatan, accessed April 19, 2018, <https://bpjs-kesehatan.go.id/bpjs/>.

<sup>52</sup> Indonesian Law, Article 7, nos. 1 and 2; Article 9, no. 1.

regulations underscore the commitment to ensuring access to essential healthcare services for all Indonesians, regardless of their socioeconomic status, by leveraging a robust legal and policy infrastructure.

BPJS emphasizes the principle of social solidarity, fostering a cross-subsidy mechanism where financially able participants contribute to the healthcare needs of those requiring medical attention. Implemented on a non-profit basis, BPJS prioritizes protectivity and equity, ensuring fair and equal treatment across its system. Managed care principles guide its operations, employing a structured and tiered system of service delivery to optimize resource use. Transparency, accountability, and adherence to prudence and efficiency further strengthen public trust in the program. This comprehensive approach reflects BPJS's mission to provide universal health coverage and equitable healthcare services nationwide.

Under Article 14 of the BPJS Law, every Indonesian citizen and foreign worker residing in Indonesia for at least six months is mandated to be a member of BPJS.<sup>53</sup> Employers are required to enroll their employees, while individuals in informal sectors must register themselves and their family members. Contributions are determined based on employment status and income levels, with government assistance provided for low-income participants through the "Help Contribution" program.

BPJS membership extends universally, encompassing both formal and informal workers. This inclusivity ensures that all citizens, irrespective of their employment type, can access affordable healthcare. By 2019, the program aimed to achieve universal health insurance coverage, providing comprehensive benefits, including inpatient and outpatient care, dental services, and vision care. This ambitious initiative underscores Indonesia's commitment to equitable healthcare access for its population, embodying the principles of inclusivity and solidarity.

## **ISLAMIC LEGAL BASIS OF BPJS IN INDONESIA**

The establishment of the BPJS (Badan Penyelenggara Jaminan Sosial) in Indonesia is grounded in Law No. 24 of 2011, which consolidated the country's previously fragmented health insurance schemes into a unified

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<sup>53</sup> "Indonesia 2014: Semua WNI Wajib Bayar Iuran BPJS," Kementerian Badan Usaha Milik Negara, January 1, 2014, archived at <http://web.archive.org/web/20140101005128/http://www.bumn.go.id/jamsostek/id/publikasi/berita/indonesia-2014-semua-wni-wajib-bayar-iuran-bpjs/> (accessed April 19, 2018).

national system. Before this law, health insurance was managed through a variety of programs targeting specific groups. For instance, civil servants and retirees were covered under Askes Sosial, active military and police personnel under ASABRI, and the underprivileged under Jamkesmas. Formal sector private workers benefited from Jamsostek, while provincial or local government programs, known as Jamkesda, subsidized healthcare for select populations. However, these schemes often left significant gaps, excluding many Indonesians from adequate healthcare access. Law No. 24 of 2011 aimed to bridge these gaps by establishing a centralized system under the BPJS, marking a critical step toward Universal Health Coverage (UHC).

BPJS is designed to fulfill a wide range of roles to ensure equitable access to healthcare. Its responsibilities include managing contributions from individuals, employers, and government subsidies, as well as administering funds to sustain the program's long-term viability. Additionally, BPJS negotiates service contracts and reimbursement rates with healthcare providers to maintain affordable and quality services. It also oversees public education campaigns to enhance awareness of the program's benefits and enrollment procedures. However, despite its merits, BPJS has faced criticism from an Islamic perspective. Concerns have been raised about elements of *gharaar* (uncertainty) and *ribā* (usury) in its financial mechanisms, leading to debates about its compliance with Sharia law.<sup>54</sup> Scholars and the National Sharia Board (MUI) have called for reforms to address these issues, advocating for models more closely aligned with Islamic economic principles, such as profit-sharing systems and state-funded essential healthcare.<sup>55</sup>

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<sup>54</sup> Fatwa of the National Sharia Council of the Indonesian Ulema Council No. 98/DSN-MUI/XIII/2015, "Regarding Guidelines for the Implementation of Sharia Health Social Insurance."

<sup>55</sup> "Disinformasi Ketua MUI dengan Tegas bahwa BPJS Haram Baik secara Prosedural maupun Substansial," Kementerian Komunikasi dan Informatika Republik Indonesia, accessed June 30, 2024, [https://www.kominfo.go.id/content/detail/22134/disinformasi-ketua-mui-dengan-tegas-bahwa-bpjs-haram-baik-secara-prosedural-maupun-substansial/0/laporan\\_isu\\_hoaks](https://www.kominfo.go.id/content/detail/22134/disinformasi-ketua-mui-dengan-tegas-bahwa-bpjs-haram-baik-secara-prosedural-maupun-substansial/0/laporan_isu_hoaks).

## **CONCEPT OF SOCIAL HEALTH INSURANCE IN INDONESIA FROM AN ISLAMIC ECONOMIC PERSPECTIVE**

In Indonesia, the Concept of Social Health Insurance (SHI) is evolving through the lens of Islamic economics, emphasizing principles of *wakalah*, *Takaful*, solidarity and mutual assistance inherent in Islamic teachings. SHI seeks to provide universal health coverage while adhering to Shariah principles such as equity, fairness, and compassion. It navigates challenges of affordability and sustainability by integrating Islamic financing mechanisms like *zakat* and *waqf* to support healthcare provision for all citizens. This approach not only aims to ensure comprehensive health protection but also strives to foster societal cohesion and economic stability through ethical and inclusive healthcare practices grounded in Islamic economic principles.

As stated in Indonesian Law, No. 24 Year 2011 Article 60 No. (2), BPJS Health has operated a national health insurance program in Indonesia. Starting January 1, 2014, there was a transfer of the program as stated in the three provisions as follows:

1. The Ministry of Health no longer organizes the public health insurance program.
2. The Ministry of Defence, the Indonesian National Armed Forces, and the Indonesian National Police no longer provide health service programs for their participants, except for certain health services related to their operational activities, which are stipulated by Presidential Regulation.
3. PT Jamsostek (Persero) no longer operates a health care insurance program.

To sum up, all social health insurance programs in Indonesia are now under one program called JKN (National Health Insurance) under BPJS Health which stands for '*Badan Penyelenggara Jaminan Sosial Kesehatan*' or Social Health Insurance Administration Body. BPJS as the social health insurance could be seen from the Islamic legal basis which refers to the Qur'an, Sunnah, and Ijtihad.

## **INVESTIGATION OF SHI IN INDONESIA FROM ISLAMIC PERSPECTIVE**

Investigation of BPJS as social health insurance in Indonesia from an Islamic economic perspective starts with adequate and basic services, educating the



community, and ends with equity theory from an Islamic Economic Perspective.

### **1. Adequate and Basic Services**

The analysis of BPJS Health in light of the theory proposed by Fries, Leaf, and Somers, which emphasizes the cost-effectiveness of prevention and primary care, provides valuable insights into how the system can fulfill its mission of providing adequate and basic health services. Collaborating with the World Bank, these theorists argue that investing in preventive measures and primary care yields significantly better health outcomes at a lower cost than focusing on secondary and tertiary medical services. BPJS Health, by prioritizing these foundational aspects of healthcare, aligns with this theory, demonstrating a strategic approach to enhancing public health efficiently.

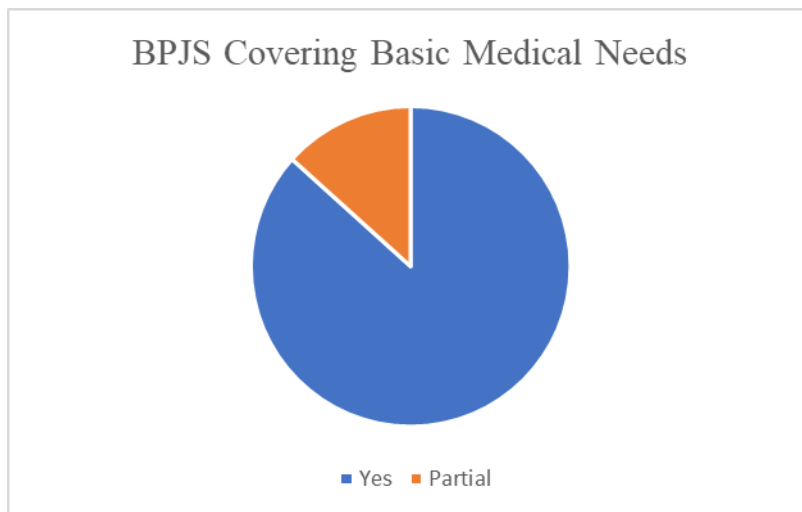
BPJS Health's emphasis on preventive care, such as immunizations, health education, and early disease detection, addresses the root causes of health issues before they escalate into more severe conditions requiring expensive treatments. This proactive approach reduces the overall burden on the healthcare system by decreasing the incidence of preventable diseases. By investing in primary care facilities and ensuring that they are accessible to all citizens, BPJS Health facilitates early intervention and continuous management of chronic diseases. This strategy not only improves individual health outcomes but also alleviates pressure on secondary and tertiary healthcare services, allowing these resources to be utilized more effectively for complex cases that genuinely require advanced medical intervention.

Moreover, the economic rationale behind prioritizing prevention and primary care is robust. Preventive measures and primary care services are inherently less expensive than treatments for advanced diseases, which often involve costly hospital stays, surgeries, and specialized treatments. By focusing on cost-effective healthcare delivery, BPJS Health can allocate its resources more efficiently, ensuring that a larger portion of the population benefits from the program. This efficient allocation is particularly crucial in a resource-constrained setting, where maximizing the impact of available funds is essential for sustaining comprehensive healthcare coverage. This approach aligns with the principles advocated by Fries, Leaf, and Somers, and supported by the World Bank, highlighting the economic and health benefits of a prevention-focused healthcare system.

In essence, BPJS Health's alignment with the theory of prioritizing prevention and primary care not only enhances health outcomes but also ensures the financial sustainability of the healthcare system. By reducing the

incidence of preventable diseases and managing chronic conditions more effectively, BPJS Health can reduce the need for expensive secondary and tertiary care. This strategy supports a more equitable distribution of healthcare resources, ensuring that all citizens have access to basic and adequate health services. Consequently, BPJS Health exemplifies how a well-structured social health insurance system can integrate cost-effective healthcare strategies to achieve both improved health outcomes and economic efficiency. However, according to the respondents on whether or not BPJS covers basic service, here are the data as follows:

Figure 3. BPJS Covering Basic Medical Needs



Source: Authors owned from the interview.

The majority of the respondents 87% (26 out of 30) believed that BPJS covers basic medical needs whereas the other respondents 13% (4 out of 30) stated that the coverage is partial.

The BPJS healthcare system in Indonesia presents a complex picture of coverage and accessibility. While it provides coverage for a wide range of illnesses, from minor to critical conditions, inconsistencies in drug coverage and limitations on certain treatments create significant challenges for patients. Factors such as patents and BPJS-imposed timelines often result in additional financial burdens as patients are required to pay out-of-pocket for necessary medications or treatments as stated below:

*“Stent heart surgery is fully provided by BPJS.” (Agus Santoso)<sup>56</sup>*

*“Some types of drugs are not covered. Covered and non-covered actions. Because of patent drugs, they are expensive, for example.” (Mutiah Saidah)<sup>57</sup>*

*“Actually, it includes but if it is not according to the date, you can pay for the medicine yourself, independently. There are provisions for the day chosen by BPJS. If it is not suitable, it cannot be given. Seizure medication has not been given, therapy cannot be given. It's a matter of time, so reimbursement is independent.” (Muhammad Syakir Niamillah)<sup>58</sup>*

*BPJS covers all, mild to severe diseases are covered by terms and conditions. (Fadjar Agung)<sup>59</sup>*

*“Some types of medicine are not covered.” (Mutiah Saidah)<sup>60</sup>*

The exclusion of certain types of medicine from BPJS Health coverage highlights the complexities and challenges in managing a national health insurance system. While BPJS Health aims to provide comprehensive healthcare coverage to all Indonesians, economic and logistical constraints necessitate the prioritization of essential medicines and treatments. The decision to exclude some medications is often driven by cost-effectiveness analyses, the availability of generic alternatives, and the need to allocate limited resources efficiently. This approach aligns with the broader objective of maximizing the impact of the health insurance system on public health while maintaining financial sustainability.

The exclusion of specific medicines can be analyzed from multiple perspectives. From an economic standpoint, covering every available medication would impose an unsustainable financial burden on the BPJS Health system. By limiting coverage to essential and cost-effective medicines, BPJS Health can ensure broader access to critical treatments without exhausting its budget. This prioritization is crucial in maintaining the solvency and long-term viability of the health insurance fund. Additionally, by encouraging the use of generic drugs, BPJS Health can manage costs more effectively while still providing necessary treatments,

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<sup>56</sup> BPJS Holder.

<sup>57</sup> BPJS Holder.

<sup>58</sup> BPJS Holder.

<sup>59</sup> BPJS Holder.

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ensuring that the majority of the population can benefit from the insurance scheme.

However, the exclusion of certain medicines also raises concerns about equity and access to care. Patients requiring specialized or high-cost medications that are not covered by BPJS Health may face significant financial barriers, leading to disparities in treatment outcomes. This situation can be particularly challenging for individuals with rare or chronic conditions that necessitate ongoing and expensive treatments. The lack of coverage for these medicines may force patients to pay out-of-pocket, potentially leading to financial hardship or incomplete treatment adherence, which can exacerbate health disparities.

Zahriska Dewani's point highlights a critical issue with the INA CBGs system. By suggesting that the rates for health service packages are too low, she implies that hospitals might be incentivized to discharge patients prematurely to maximize revenue within the given budget. This practice could potentially compromise patient care and recovery. Increasing the INA CBGs rates could encourage hospitals to provide longer, more comprehensive care without financial constraints as stated below:

*“The INA CBGs should not be small, so that hospitals are not too quick to discharge inpatients due to financing limitations. INA CBGs is a health service package tariff that covers all components of hospital costs, from non-medical services to medical procedures.” (Zahriska Dewani)*

To address these issues, BPJS Health could consider implementing supplementary insurance plans or special funds to cover high-cost medications for specific conditions. Additionally, the system could negotiate with pharmaceutical companies for discounted rates on essential but expensive drugs, expanding coverage without significantly increasing costs. Implementing a more dynamic and responsive coverage policy that periodically reviews and updates the list of covered medicines based on emerging health needs, cost-benefit analyses, and advances in medical treatments could also help bridge gaps in coverage.

Ultimately, the exclusion of certain medicines from BPJS Health coverage reflects the balancing act between providing comprehensive healthcare and managing financial constraints. While this approach helps sustain the system, ongoing efforts to improve coverage, ensure equity, and enhance access to necessary medications are essential to fully realize the goals of a national health insurance program. Addressing these challenges will require innovative solutions and continuous dialogue among

policymakers, healthcare providers, and stakeholders to ensure that BPJS Health can meet the diverse needs of the Indonesian population effectively.

BPJS Health guarantees health services to its participants at first-level health facilities (FKTP) and hospitals according to medical indications. To ensure the quality of service is maintained, BPJS Kesehatan has prepared several mechanisms such as a Walk-Through Audit (WTA), and surveys of participants' satisfaction with health facility services which are indicators of BPJS Kesehatan performance achievements set by the DJSN. In FKTPs, BPJS Health has developed a performance-based payment system where the amount of payment received by FKTPs depends on their performance.

BPJS Health's provision of basic and adequate healthcare services can be analyzed through the lens of Islamic economics principles, which emphasize equity, justice, and social welfare. In Islamic economics, the concept of social justice ('*adl*) supports the obligation to ensure that all members of society have access to essential goods and services, including healthcare. BPJS Health aligns with this principle by mandating universal health coverage for all Indonesian citizens, regardless of their economic status. This ensures that healthcare services are not just a privilege for the wealthy but a right for everyone, fostering social cohesion and reducing disparities in access to medical care.

Moreover, Islamic economics emphasizes the concept of mutual cooperation (*ta'awun*) and collective responsibility in societal affairs. BPJS Health operates on a collective funding model where contributions from insured individuals, employers, and the government collectively fund the health insurance pool. This cooperative approach mirrors the Islamic principle of collective responsibility in addressing communal needs, such as healthcare, and spreads the financial burden equitably across society.

Additionally, BPJS Health's emphasis on providing basic and adequate healthcare services resonates with the Islamic concept of *ihsan*, which encourages excellence and benevolence in all actions. By striving to offer comprehensive healthcare coverage that includes preventive care, primary healthcare services, and essential treatments, BPJS Health promotes the well-being of individuals and communities. This approach not only addresses immediate health needs but also contributes to long-term public health outcomes, aligning with the broader objectives of Islamic economics to enhance overall societal welfare.

While Indonesia's BPJS health insurance system faces challenges like financial constraints and unequal access to care, exploring practical solutions is crucial. One such avenue is leveraging *zakat*, an Islamic charitable

donation, to supplement funding for underprivileged patients. This could potentially alleviate the financial burden on BPJS and improve access to necessary medical services for those who are currently underserved, offering a concrete example of how alternative financial mechanisms can contribute to a more equitable healthcare system.

In conclusion, BPJS Health exemplifies how principles of Islamic economics can be applied to healthcare provision, ensuring that basic and adequate healthcare services are accessible to all Indonesians. Through its commitment to equity, cooperation, and the promotion of well-being, BPJS Health plays a pivotal role in advancing social justice and economic stability, thereby contributing to a healthier and more prosperous society in accordance with Islamic principles.

## **2. BPJS Communicating and Educating the Community**

BPJS Kesehatan conducts outreach to the community/participants regarding their rights and obligations as JKN participants. The socialization was carried out through various media/channels and its implementation was measured through an index of participants' understanding of their rights and obligations as JKN participants.

BPJS Health's proactive outreach to educate the community and participants about their rights and obligations as JKN (*Jaminan Kesehatan Nasional*) members is a crucial strategy for enhancing the effectiveness and inclusivity of the health insurance program. By utilizing various media channels for this socialization effort, BPJS Health ensures that the information reaches a wide and diverse audience. These channels can include traditional media like television, radio, and print, as well as digital platforms such as social media, official websites, and mobile applications. The multi-channel approach helps cater to different demographic groups, ensuring that all participants, regardless of their age, location, or technological proficiency, have access to essential information about their health coverage.

The success of these outreach efforts is measured through an index that gauges the participants' understanding of their rights and obligations as JKN members. This index serves as a critical feedback mechanism, allowing BPJS Health to assess the effectiveness of its communication strategies and identify areas for improvement. A high index score indicates that participants are well-informed and empowered to utilize their health insurance benefits effectively, while a lower score highlights the need for more targeted or comprehensive educational efforts. By continually

monitoring and adjusting their outreach programs based on this index, BPJS Health can ensure that all participants are knowledgeable about how to access services, what benefits they are entitled to, and what their responsibilities are within the system.

Effective communication and education are vital for the smooth operation of any large-scale social insurance program. When participants are well-informed about their rights and obligations, they are more likely to engage with the system appropriately, seek timely medical care, and adhere to required procedures. This not only improves individual health outcomes but also enhances the overall efficiency and sustainability of the BPJS Health system. Educated participants are better equipped to avoid unnecessary hospital visits, follow preventive care guidelines, and contribute to the financial health of the insurance pool by understanding and fulfilling their contribution obligations. Thus, BPJS Health's commitment to community outreach and education is fundamental to fostering a well-functioning, equitable, and sustainable national health insurance program in Indonesia.

BPJS Health's efforts in communicating and educating the community about its services and participants' rights align with Islamic economics principles in several keyways. Islamic economics emphasizes transparency, fairness, and accountability in all economic and social transactions, principles that are inherently upheld through effective communication and education initiatives.

Firstly, by ensuring that all participants are well-informed about their rights and obligations within the JKN (Jaminan Kesehatan Nasional) system, BPJS Health promotes transparency. Transparent communication about the benefits, coverage, and procedures of health insurance empowers individuals to make informed decisions about their healthcare needs. This transparency fosters trust between the insurance provider and participants, crucial for maintaining the integrity of the system and ensuring that resources are allocated equitably.

Secondly, BPJS Health's educational efforts contribute to fostering social justice ("adl) in healthcare access. Islamic economics stresses the importance of providing equitable access to essential services, including healthcare, to all members of society. By educating the community, BPJS Health enables individuals from diverse socioeconomic backgrounds to understand and access their entitlements under the health insurance scheme. This ensures that healthcare services are distributed fairly and reach those who need them most, reducing disparities in health outcomes and promoting social cohesion.

Moreover, BPJS Health's emphasis on community outreach and education reflects the Islamic principle of mutual cooperation (*ta'awun*). Through collaborative efforts with stakeholders, including healthcare providers, community leaders, and religious institutions, BPJS Health strengthens community solidarity in addressing healthcare challenges. This collective approach not only enhances the effectiveness of healthcare delivery but also reinforces the societal responsibility to care for the health and well-being of all members, irrespective of their financial means.

In conclusion, BPJS Health's communication and educational strategies align with Islamic economics principles by promoting transparency, social justice, and mutual cooperation in healthcare provision. These efforts contribute to building a more equitable and inclusive healthcare system in Indonesia, where all individuals can access basic and adequate healthcare services, reflecting the ethical and moral imperatives of Islamic economics.

Chapra's perspective on Islamic economics emphasizes principles such as justice, equity, and social welfare, which are foundational to understanding how BPJS Health's communication and educational efforts align with Islamic economic principles. Islamic economics underscores the importance of transparency, fairness, and accountability in all economic and social transactions, values that resonate strongly with BPJS Health's approach to engaging and educating its community about healthcare rights and responsibilities.

BPJS Health's communication strategy ensures transparency by providing clear information about the benefits, coverage, and procedures of its health insurance program. This transparency is crucial in fostering trust among participants, as it enables them to make informed decisions about their healthcare needs and entitlements. By enhancing clarity and accessibility through various channels, including traditional media and digital platforms, BPJS Health upholds Islamic principles of transparency and ensures that stakeholders understand how their contributions support the collective well-being of society.

Furthermore, fairness is integral to Islamic economics and is reflected in BPJS Health's commitment to equitable healthcare access. Through educational initiatives, BPJS Health empowers individuals from diverse socioeconomic backgrounds to understand their rights within the healthcare system. This empowerment supports social justice by ensuring that healthcare services reach those who need them most, regardless of financial means. By promoting equity in healthcare provision, BPJS Health contributes to societal welfare, aligning with Chapra's vision of an economic system that prioritizes human dignity and well-being.



Accountability is another core principle of Islamic economics emphasized by Chapra, and BPJS Health's educational efforts contribute to accountability by informing participants about their responsibilities in utilizing health services responsibly. By promoting awareness of healthcare rights and obligations, BPJS Health encourages responsible behavior among participants, ensuring that resources are used efficiently and sustainably. This accountability fosters a sense of mutual cooperation and social responsibility, crucial for maintaining the integrity and effectiveness of the health insurance system.

In conclusion, BPJS Health's communication and education initiatives exemplify how Islamic economic principles, as articulated by Chapra, can be applied to contemporary healthcare systems. By emphasizing transparency, fairness, and accountability, BPJS Health promotes equitable access to healthcare services and strengthens community solidarity. These efforts not only align with Islamic values of social justice and welfare but also contribute to building a more inclusive and sustainable healthcare system in Indonesia.

### **3. Equity Theory**

Guaranteed financing of health services provided through BPJS Health is free except for certain services where there may be a difference in costs as stipulated in Minister of Health Regulation No. 51 of 2018 concerning the Imposition of Cost Sharing and Cost Differences in the Health Insurance Program, namely:<sup>61</sup>

1. Participants can upgrade to a class of care that is higher than their rights, including executive outpatient care.
2. The increase in treatment class which is higher than the right as referred to in paragraph (1) is carried out in the hospital.
3. Participants who wish to upgrade to a class of care that is higher than their rights as referred to in paragraph (1) are subject to the Difference in Costs between the costs guaranteed by BPJS Health and the costs that must be paid as a result of increased services.
4. Payment of the Difference in Costs can be made independently either by the Participant or the employer, or through additional health insurance.

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<sup>61</sup> Ibid., BPJS

5. The promotion to a higher treatment class as referred to in paragraph (1) can only be made one level higher than the class to which the participant is entitled.
6. Executive outpatient services as referred to in paragraph (1) are non-regular outpatient health services at a hospital through specialist-subspecialist doctor services in one integrated room facility specifically without staying at a hospital with above-standard facilities and infrastructure.
7. The provisions referred to in paragraph (1) are excluded for:
  - a. Health Insurance PBI Participants;
  - b. Participants registered by the Regional Government as referred to in the laws and regulations; and
  - c. Wage-receiving worker participants who experience termination of employment and their family members.

Guaranteed financing of health services under BPJS Health ensures that essential healthcare is accessible to all Indonesians, embodying principles of equity and fairness in healthcare provision. Minister of Health Regulation No. 51 of 2018 outlines specific instances where cost sharing and differences in healthcare costs may apply within the health insurance program. This regulation aims to balance the financial sustainability of the system while ensuring equitable access to necessary medical services. From an equity theory perspective, these provisions acknowledge that while universal access to healthcare is fundamental, cost-sharing measures can be necessary to allocate resources effectively and ensure the long-term viability of healthcare financing. By delineating which services may require cost-sharing and how these costs are distributed, the regulation seeks to mitigate disparities in healthcare access based on financial means, thereby promoting a more equitable healthcare system where resources are allocated fairly to meet the diverse needs of the population.

BPJS Health's concern is the imbalance of information (asymmetric information) between participants and health facilities regarding matters that should be guaranteed by BPJS Health but are subject to additional costs. For example, for medicines that should be provided by the hospital because they are related to the patient's medical needs, but for reasons the drugs are not available at the hospital, the patient is required to buy or pay for them himself. To overcome this, BPJS Health opens a complaint service through various communication channels, and conducts a walk-through audit (WTA)

through interviews with patients who have finished receiving health services to identify incidents of additional costs that do not comply with regulations.

BPJS Health's commitment to establishing a complaint service and conducting walk-through audits (WTA) represents a proactive approach to ensuring equity and fairness in healthcare delivery, aligning closely with equity theory principles. By providing multiple communication channels for complaints, including phone lines, online platforms, and physical offices, BPJS Health facilitates accessible avenues for patients to voice concerns about their healthcare experiences. This accessibility is crucial in addressing potential disparities or injustices in service provision, as it allows individuals from diverse backgrounds and regions to seek resolution for their grievances transparently.

The implementation of walk-through audits, which involve interviewing patients post-service to identify any incidents of additional costs not compliant with regulations, further strengthens BPJS Health's commitment to equity. Equity theory posits that fairness is achieved when individuals perceive that outcomes are proportionate to their inputs or circumstances. In healthcare, this translates to ensuring that all patients, regardless of socioeconomic status, receive care without undue financial burden or unexpected costs.

By conducting WTAs, BPJS Health not only identifies potential instances of inequity but also takes proactive measures to rectify these issues and prevent recurrence. This approach promotes trust and confidence in the healthcare system by demonstrating accountability and responsiveness to patient concerns. Moreover, it reinforces the principle of distributive justice within equity theory by striving to allocate healthcare resources and services fairly among all participants, thereby enhancing overall system integrity and public satisfaction.

## **BPJS AS SOCIAL HEALTH INSURANCE IN INDONESIA FROM AN ISLAMIC ECONOMIC PERSPECTIVE**

BPJS Health, Indonesia's national health insurance program, is established under Law No. 40/2004 as a social health insurance (SHI) mechanism. It pools contributions from participants across formal and informal sectors to mitigate socio-economic risks, ensuring access to essential healthcare services. This program reflects the Indonesian government's commitment to universal health coverage, fostering equity and solidarity in healthcare

deliver.<sup>62</sup> The system aligns with global initiatives while addressing Indonesia's unique socio-economic dynamics, promoting financial protection against medical costs and enhancing overall well-being.

Social health insurance, as defined by international organizations and scholars, combines societal responsibility with financial risk management. The Cambridge Dictionary emphasizes SHI as a cooperative model where society collectively contributes to protect against health-related risks. This aligns with BPJS Health's structure, which embodies communal responsibility, inclusivity, and organized healthcare support. Such a model enhances societal cohesion and addresses disparities in healthcare access, creating a robust mechanism for social welfare and economic stability.

From an Islamic perspective, BPJS Health aligns with the principles of *Maqāṣid al-Shariah*, particularly the preservation of life and health. Islamic teachings, as articulated by scholars like Al-Shatibi, emphasize the state's duty to safeguard citizens' well-being. This is reinforced by Quranic verses and Hadīths that highlight the importance of health and proactive care. Islamic scholars, such as Prof. Nisful and Dr. Imron, stress health as one of Islam's essential necessities, underscoring the ethical obligation to ensure access to healthcare for all. BPJS Health exemplifies these values by pooling resources to provide equitable healthcare, embodying the Islamic ethic of compassion and communal support.<sup>63</sup>

The program also aligns with modern socio-economic frameworks endorsed by entities like the World Bank. By pooling risks and redistributing resources, BPJS Health reduces health disparities and promotes equity, fostering solidarity within the healthcare system. This approach resonates with the Islamic principles of *Maṣlaḥah* (public benefit), which aim to protect and enhance human welfare.<sup>64</sup> BPJS Health's universal coverage echoes the ideal form of social insurance described by Theodore R. Marmor, emphasizing inclusivity and collective responsibility.

In essence, BPJS Health serves as a practical embodiment of both Islamic and universal principles of social justice, equity, and solidarity. It integrates contemporary economic strategies with Islamic ethics to create a holistic health insurance system that protects all Indonesians, fulfilling their physical, mental, and social well-being.

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<sup>62</sup> BPJS Official Representative, interview by author, November 18, 2023.

<sup>63</sup> M. H. Kamali, *Shari'ah Law: An Introduction* (Oxford: Oneworld Publications, 2008).

<sup>64</sup> F. Khan, "How 'Islamic' is Islamic Banking?" *Journal of Economic Behavior & Organization* 76, no. 3 (2010): 805–20.

## CONCLUSION

The integration of Islamic economic principles into social health insurance (SHI) presents a compelling framework for addressing societal health needs while adhering to religious values. This study underscores the alignment between Islamic teachings and the foundational principles of SHI, particularly in the Indonesian context. The concept of SHI resonates deeply with Islamic values of compassion, equity, and shared responsibility, as evidenced by the historical practices of communal care in Islamic governance and contemporary interpretations by scholars. Indonesia's BPJS Kesehatan exemplifies these values by providing universal health coverage and prioritizing the well-being of the population.

The Islamic legal framework offers strong support for the establishment of SHI systems like BPJS Kesehatan. While concerns regarding compliance with Sharia principles—such as *gharaar* (uncertainty) and *ribā* (interest)—persist, the program's structure reflects core Islamic principles of collective responsibility (*fard kifayah*), equity, and social justice. The historical practices of *Al-Aqila* and *Diya*, alongside contemporary frameworks like *wakalah*, provide a robust basis for SHI systems to address healthcare needs in a way that aligns with Islamic values.

Survey findings highlight significant public support for government-managed health insurance programs, grounded in both economic theory and Islamic principles. The commitment of BPJS Kesehatan to transparency, risk-sharing, and equitable access reinforces its alignment with the values of *ta'awun* (mutual cooperation) and *maṣlaḥah* (public interest). Furthermore, the redistributive mechanisms inherent in BPJS, which require higher contributions from wealthier participants to subsidize care for the less fortunate, embody the Islamic emphasis on social equity and communal welfare.

Integrating Islamic principles into Indonesia's BPJS system offers promising opportunities for improvement. Exploring Islamic finance, such as *zakat* (obligatory charity) and *waqf* (endowments), could supplement funding and address financial shortfalls. Furthermore, incorporating Islamic ethical principles, including social justice (*'adalah*) and equitable healthcare access, into BPJS policies and implementation could create a more inclusive and equitable healthcare system. These practical recommendations, by focusing on real-world application, would significantly enhance the impact and scholarly value of related research.

BPJS Kesehatan serves as a model for integrating Islamic economic principles into social health insurance. By addressing the intersecting social,

economic, and religious dimensions of healthcare, the program demonstrates how Islamic values can inform and enhance modern welfare systems. Continued efforts to align BPJS Kesehatan with Sharia principles, coupled with robust public education and engagement, will further strengthen its role in promoting social justice and equitable health outcomes in Indonesia. This study provides valuable insights for policymakers and scholars seeking to bridge Islamic economic principles with contemporary social welfare initiatives.

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