

COST EFFECTIVENESS OF GOVERNMENT POLICY ON CONTRACTING OUT
MIDWIVES AT HEALTH CENTERS:
A CASE STUDY OF DONGGALA DISTRICT IN INDONESIA



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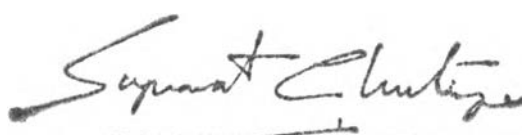
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The objective of this study is to analyze the effectiveness of Government Policy on Contracting out Midwives at Health Centers in District of Donggala, Central Sulawesi-Indonesia.

The study applied the direct distribution method for cost allocation. It was obtained from the total provider (government) cost such as labor costs, utility costs and operating costs from the budget of Maternal and Child Health Care Project (Proyek Peningkatan Pelayanan Kesehatan Masyarakat). The cost was the true cost of delivery services to patients or target population with regard to Maternal and Child Health care program.

This study employs a purposive (non-probability) sampling by choosing 11 subdistricts of 17 subdistricts in the District of Donggala. Two villages were chosen from each of the 11 subdistricts. One has a Contracted Midwife and another has a Civil Servant Midwife to represent its subdistrict.

This study found that Contracted Midwives consumed the higher proportion of cost compared with the Civil Servant Midwives during their training until they work. The percentage of difference in the effectiveness of the Contracted Midwives performance compared with the Civil Servant Midwives was considerably small but the percentage of difference on the costs consumed between the Contracted Midwives and the Civil Servant Midwives was considerably high. Each Contracted Midwife acquired the higher fringe benefits and salary than that of each Civil Servant Midwife but the performance among them was not so much different.

It is recommended that the policy of contracting midwives should be reformed due to this policy can not produce the expected outcomes. Also the government should reconsider the policy on providing the higher proportion of fringe benefits and salary that the Contracted Midwives acquired. For example, the higher proportion of fringe benefits could be related to the utilization rate of services they performed. The higher utilization rate can significantly reduce the average cost of activity and will increase the effectiveness ratio as well.

This study could be of some practical use as it can introduce ideas and information to policy makers of Ministry of Health, managers of Maternal and Child Health care program and managers of Human Resources Development Division of Ministry of Health. It would be vital to refer and operate more studies in order to apply the results of this research into their works.

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