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IMPLEMENTATION OF FINANCIAL MANAGEMENT PATTERNS (BLUD) AT DENPASAR CITY COMMUNITY HEALTH CENTERS: ANALYSIS OF OBSTACLES AND PERFORMANCE IMPROVEMENT STRATEGIES (LITERATURE STUDY)

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ABSTRACT
The implementation of the Regional Public Service Agency (BLUD) Financial Management System in Community Health Centers (Puskesmas) is one of the government's efforts to improve the efficiency of financial management and the quality of health services to the public. The BLUD system provides flexibility for health service units to manage financial resources more effectively and accountably. This study aims to analyze the implementation of BLUD financial management in Community Health Centers and identify various factors influencing its successful implementation. This study used a literature review approach by analyzing national and international scientific articles relevant to BLUD implementation in primary health care facilities. Data collection was conducted through a search of scientific databases and analyzed descriptively thematically. The study shows that BLUD implementation has a positive impact on financial management flexibility, operational efficiency, and improved health service quality. However, several obstacles are still frequently encountered, including limited regulatory support at the regional level. Increasing human resource capacity, strengthening organizational governance, and policy support from the regional government are important factors in supporting the successful implementation of BLUD in Community Health Centers.

Keywords: BLUD; community health centers; financial management; governance; health services

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INTRODUCTION

Community Health Centers (Puskesmas) are first-level healthcare facilities that play a strategic role in improving public health. Within the national health system, Puskesmas not only serve as implementers of health programs at the regional level but also serve as the frontline providers of basic healthcare services. In line with demands for improved public service quality, the government is promoting financial management reform in the health sector through the implementation of the Regional Public Service Agency (BLUD) Financial Management Model. The implementation of BLUD refers to Minister of Home Affairs Regulation Number 79 of 2018 concerning BLUD, which emphasizes flexible financial arrangements based on the principles of efficiency, productivity, and sound business practices. Several studies have shown that flexible financial management can improve operational efficiency and accelerate the decision-making process in healthcare organizations (Uma et al., 2026).

In Denpasar City, the implementation of BLUD at Puskesmas is part of bureaucratic reform efforts and improves the performance of public services in the health sector. Denpasar Mayor Regulation Number 6 of 2025 concerning the Governance Pattern of Regional Public Service Agencies (Regional Technical Implementation Units) of Public Health Centers (Puskesmas) regulates 11 Community Health Centers (Puskesmas) in Denpasar City to implement BLUD (General Public Service Agency). However, in practice, BLUD implementation does not always run optimally.

Various studies indicate that there are still a number of problems that hinder the effectiveness of BLUD implementation, including limited human resource competency in BLUD financial management, suboptimal accounting and reporting systems, and a low understanding of applicable regulations. In addition, leadership factors, organizational culture, and policy support from the local government also influence the success of BLUD implementation at the Puskesmas level.

On the other hand, although BLUDs have been widely implemented, a gap remains between policy expectations and the reality on the ground. Much previous research has focused on administrative aspects and regulatory compliance, while comprehensive studies integrating analysis of implementation barriers with evidence-based performance improvement strategies are still relatively limited, particularly in Community Health Centers (Puskesmas) in urban areas like Denpasar City. This indicates a research gap that needs to be filled through more comprehensive studies.

A literature review approach is relevant for identifying patterns of barriers to BLUD implementation and formulating effective performance improvement strategies across various contexts. Through a synthesis of various research findings, this study is expected to provide theoretical contributions to the development of BLUD implementation concepts in the health sector, as well as practical contributions in the form of strategic recommendations for Community Health Center managers and policymakers in the region. Based on this description, this study aims to analyze barriers to BLUD implementation in Community Health Centers and formulate effective performance improvement strategies through a literature review approach. The results of this study are expected to inform policymaking and improve financial governance and health services, particularly in Denpasar City.

METHOD

This research uses a qualitative approach with a literature review design. This approach aims to systematically examine various previous research findings related to the implementation of the Regional Public Service Agency (BLUD) Financial Management Pattern in Community Health Centers (Puskesmas), specifically in identifying barriers and formulating strategies to improve health service performance. This research adopted a systematic literature review (SLR) approach, adhering to the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) principles to ensure transparency and accountability in the literature selection process.

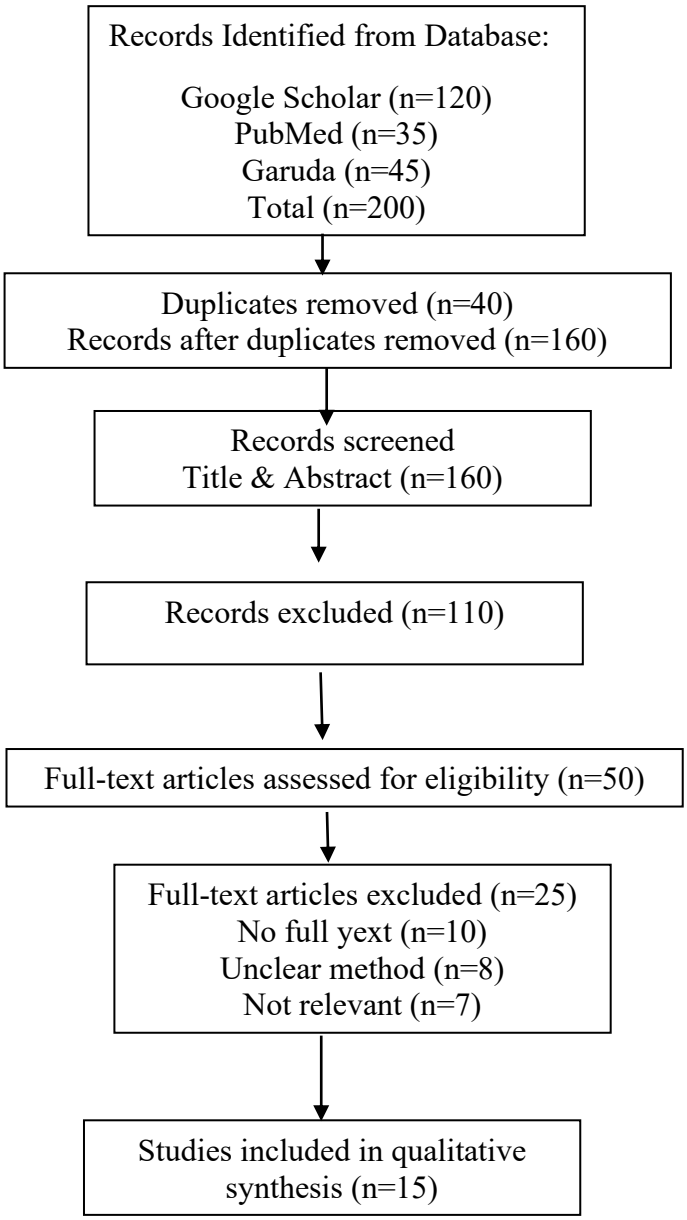
The data used in this study are secondary data obtained from national and international scientific journal articles relevant to the topic of BLUD and Puskesmas, reference books and previous research results and government policy documents and regulations, including Minister of Home Affairs Regulation Number 79 of 2018 concerning BLUD. Data sources were obtained through scientific databases, including Google Scholar, PubMed, Scopus, and Garuda.

Literature search was conducted systematically using the following keyword combination: “BLUD Puskesmas, Regional Public Service Agency, Financial management public service agency, Primary health care performance, Health service management.” The search was conducted on publications within the 2015-2025 period to obtain relevant and up-to-date literature.

The literature selection process was conducted through several stages according to the PRISMA flowchart, namely:

1. Identification, which involves searching for articles from various databases.
2. Screening, which involves filtering based on the title and abstract.
3. Eligibility, which involves assessing the full text of the articles.
4. Inclusion, which involves determining which articles meet the criteria for analysis.

The final selection resulted in 15 articles used in the analysis of this study. The literature selection process used the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) approach. The selection stages include identification, screening, eligibility assessment, and inclusion of articles relevant to the research topic. The process flow is shown in Figure 1. (PRISMA Flow Diagram).



Gambar 1. (PRISMA *Flow Diagram*)

Data analysis was conducted using content analysis with a thematic synthesis approach. The analysis stages included:

1. Data reduction, which involves grouping literature relevant to the research focus.
2. Coding and categorization, which involves identifying key themes such as barriers to BLUD implementation and performance improvement strategies.
3. Thematic synthesis, which involves integrating various research findings to identify patterns and relationships between variables
4. Conclusion drawing, which involves formulating key findings related to barriers and strategies for improving BLUD performance at Community Health Centers.

To ensure the validity and reliability of the research results, the following steps were taken:
1. Source triangulation, by comparing literature from different sources.
2. Consistent literature selection, using clear inclusion and exclusion criteria.
3. Audit trail, which involves systematically documenting the data search and analysis process.

This research stage includes: Formulation of the problem and research objectives, Literature search and collection, Literature selection based on inclusion and exclusion criteria, Data analysis and synthesis, Preparation of results and discussion, Drawing conclusions and recommendations. This research has limitations in the number of literature used and the potential for article selection bias.

RESULT

The research findings in this literature review are compiled based on a synthesis of 15 articles that underwent a selection process using the PRISMA approach. The analysis results are grouped into several main themes: input factors, BLUD implementation factors, outputs, outcomes, and obstacles and strategies.

Input Factors in BLUD Implementation

Based on the literature review, input factors are the primary determinants of successful BLUD implementation in Community Health Centers (Puskesmas). These factors include human resources (HR), regulations, information systems, and leadership. Most studies indicate that limited HR competency is a major obstacle to BLUD financial management. Research by Ni'mah, M., U. & Ulum, A., (2025) and Pariantini et al., (2023) revealed that BLUD management staff do not fully understand flexibility-based financial management systems. Furthermore, Sabila, Gina Alviyory & Misra, (2021) added that stakeholder support and organizational structure also influence implementation readiness. In terms of regulations, although guidelines exist through Minister of Home Affairs Regulation No. 79 of 2018 concerning Public Service Agency (BLUD), their implementation at the regional level remains suboptimal. This is due to a lack of policy synchronization and the absence of adequate technical regulations at the local level.

BLUD Implementation Process at Community Health Centers

The BLUD implementation process includes planning, budgeting, implementation, and financial reporting and evaluation. The study results indicate that during the planning and budgeting stages, there is still a mismatch between service needs and budget allocations. Sabila, Gina Alviyory & Misra (2021) found that planning is not fully performance-based, while the financial reporting process still faces technical challenges. Furthermore, Sutaryo, Muhtar, and Winarna (2024) showed that the financial management system is not fully integrated, thus impacting the effectiveness of BLUD implementation. This indicates that the success of BLUD is largely determined by the quality of the managerial processes implemented at Community Health Centers.

BLUD Implementation Outputs

The outputs of BLUD implementation are seen in increased efficiency and flexibility in financial management. Several studies have shown that BLUD provides flexibility in budget use, thereby increasing service responsiveness. Barasa et al., (2018) demonstrated that health financing reform can improve the efficiency of the health care system if supported by good organizational governance. However, research also shows that efficiency improvements have not been evenly distributed. Jannah, M., Alfatin, A., A., Tri, (2023) revealed that some community health centers (Puskesmas) are still unable to optimize efficient financial management. Furthermore, the quality of financial administration has improved, although challenges remain in the financial reporting and recording systems.

Outcome (Health Center Performance)

The outcome of BLUD implementation is reflected in the performance of the Health Center, both in terms of service and financial aspects. Hidayat (2023) showed that BLUD Health Center

performance varies across regions, depending on the indicators used. Mawarni, E., A & Wuryani (2020) found that non-financial performance, such as patient satisfaction and service quality, tends to be better than financial performance. This indicates that BLUD implementation has a more immediate impact on service aspects than on financial aspects. Syofyan, E. Hernando (2017) also emphasized that a good performance measurement system can improve employee and overall organizational performance.

Barriers to BLUD Implementation

The results of a literature synthesis indicate that barriers to BLUD implementation are multidimensional. The main obstacles include limited human resources, weak information systems, and a lack of policy support. Humayrah, S., Putri, D. & Rahman, (2023) identified that obstacles also occurred in facilities and infrastructure and coordination between units. Furthermore, organizational resistance to change was also a factor hampering the implementation of BLUDs. These findings indicate that obstacles are not only technical in nature, but also related to organizational culture and change management.

BLUD Performance Improvement Strategies

To address these obstacles, various strategies have been identified in the literature. Primary strategies include increasing human resource capacity through training, strengthening management information systems, and improving financial governance. Soakakone, A., Wafumilena, E., Nugraheni, (2019) proposed that the BLUD holding model approach at Community Health Centers (Puskesmas) remain based on government regulations, specifically Home Affairs Ministerial Regulation No. 61 of 2007, and reinforced by regional policies. Meanwhile, Hidayat (2023) emphasized the importance of a multidimensional approach to performance improvement, encompassing financial aspects, services, and fund management. Therefore, BLUD performance improvement strategies must be implemented in an integrated and sustainable manner.

DISCUSSION

The Influence of Input Factors on BLUD Implementation

The research results show that input factors, particularly human resources (HR), regulations, information systems, and leadership, play a crucial role in the successful implementation of BLUD in Community Health Centers (Puskesmas). Of these four factors, HR is the most dominant factor. This finding indicates that the financial management flexibility provided by BLUD cannot be fully utilized optimally without the support of adequate HR competencies. In practice, BLUD financial management requires managerial skills, accounting understanding, and adaptation to a more dynamic system than conventional financial systems (Heruddin et al., 2025). On the other hand, regulations such as Minister of Home Affairs Regulation Number 79 of 2018 concerning BLUD provide a clear framework. However, this research indicates that the implementation of these regulations still faces obstacles at the operational level, particularly related to the lack of derivative regulations at the regional level. This leads to varied policy interpretations and potentially leads to inconsistencies in implementation. When linked to New Public Management (NPM) theory, this situation demonstrates that the transformation to performance-based management requires more than just system changes; it also requires the readiness of implementing actors. In other words, the success of BLUD depends greatly on the extent to which the organization is able to internalize these changes (Basabih & Widhakuswara, 2025).

Process Quality as Key to Effective Implementation

In addition to input factors, the quality of the implementation process is also a key determinant of BLUD success. This process includes planning, budgeting, implementation, and financial reporting and evaluation. Research results indicate that the most frequent problems occur at the planning and reporting stages. Planning that is not fully performance-based results in budget allocations not always aligned with service needs. Meanwhile, financial reporting still faces technical challenges,

particularly related to an unintegrated information system. Abimbola, Seye., Baatiema, L., (2019) showed that the successful implementation of health policies is greatly influenced by organizational capacity, leadership, and government policy support. These findings confirm that flexibility in BLUDs does not automatically result in efficiency if not accompanied by a sound management system. From a public management perspective, this indicates a gap between policy design and implementation on the ground (implementation gap). Thus, it can be said that the quality of the implementation process is the bridge between the potential of BLUD policies and their expected results (Gosal et al., 2021).

BLUD Implementation Output: Between Expectations and Reality

Conceptually, BLUD is designed to increase efficiency and flexibility in financial management. Research results indicate that these benefits are beginning to be seen, particularly in terms of ease of budget utilization and increased service responsiveness. However, findings also indicate that efficiency improvements have not been evenly distributed across all Community Health Centers (Puskesmas). This suggests that BLUD implementation is still in a transitional stage, with some organizations already able to adapt, while others are still experiencing difficulties (Oktavia & Dharma, 2023). This condition can be understood as a consequence of a relatively complex system change. The transformation from a traditional bureaucratic system to a more flexible one requires time, a learning process, and adjustments to organizational culture. Therefore, the output of BLUD implementation is not yet fully optimal, but it shows a positive trend.

Outcome: Impact on Community Health Center Performance

The implementation of BLUD tends to have a more tangible impact on service aspects than on financial aspects. Improved service quality and public satisfaction are the indicators that most frequently experience improvements. This indicates that the flexibility of financial management is more quickly felt in the form of improved services, such as drug availability, speed of service, and responsiveness to public needs. However, in terms of financial performance, results are still variable. This indicates that strengthening the financial aspect requires a longer timeframe, as it is related to systems, human resource capacity, and governance. From a good governance perspective, this situation reflects the need for strengthening accountability and transparency so that service improvements can be balanced with sound financial management.

Barriers to BLUD Implementation as a Critical Factor

Research results indicate that barriers to BLUD implementation are complex and interrelated. Barriers stem not only from technical limitations, but also from organizational and policy aspects. Limited human resources, weak information systems, and a lack of policy support are the main obstacles that frequently arise. Furthermore, resistance to change is also a factor that cannot be ignored, especially in organizations previously accustomed to a rigid bureaucratic system. When linked to policy implementation theory, this condition indicates that successful implementation is determined not only by the policy itself, but also by the implementation environment, including resources, communication, and the disposition of implementers. Thus, barriers to BLUD implementation must be understood as part of the dynamics of organizational change, not simply technical issues.

BLUD Performance Improvement Strategy: An Integrated Approach

To overcome these various obstacles, an integrated strategy is needed, not a partial one. Research results indicate that increasing human resource capacity through training is the most urgent strategy. Furthermore, strengthening the management information system is also a crucial need to support transparency and efficiency in financial management. Improved governance, including strengthening the internal control system, is also necessary to increase accountability. The structure-process-outcome approach proposed in several studies is relevant in this context. Improvement strategies should begin with strengthening the structure (human resources and systems), followed

by optimizing processes, and ultimately by improving outcomes. Therefore, BLUD performance improvement strategies must be implemented comprehensively and sustainably, taking into account the conditions and characteristics of each Community Health Center (Puskesmas). Overall, the results of this study indicate that BLUD implementation in Community Health Centers has significant potential to improve health service performance. However, successful implementation depends heavily on the readiness of inputs, the quality of processes, and the ability to overcome existing obstacles. Furthermore, there remains a gap between the BLUD concept and its implementation in the field. Therefore, an evidence-based and contextual strategy is needed so that BLUD implementation can run optimally.

CONCLUSION

Based on literature findings, the implementation of the Regional Public Service Agency (BLUD) Financial Management Pattern at Community Health Centers (Puskesmas) shows significant potential for improving health service performance. Flexibility in financial management allows Puskesmas to be more responsive to service needs, thus positively impacting service quality and public satisfaction. However, the success of BLUD implementation has been uneven. This is due to various factors, primarily limited human resources (HR), suboptimal information systems, and a lack of regulatory support at the operational level. Furthermore, the quality of implementation processes, such as planning, budgeting, and financial reporting, remains a challenge that impacts the effectiveness of BLUD implementation. This study also shows that the impact of BLUD implementation is more visible in the service aspect than in the financial aspect, indicating the need for continuous strengthening of financial governance. Therefore, the success of BLUDs is determined not only by existing policies, but also by organizational readiness and the ability to manage change.

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