

## Business Model and Competitive Strategy Development for a Private Hospital Under National Health Insurance Expansion

Christian Prijana\*, Mohammad Riza Sutjipto

Universitas Telkom, Indonesia

Email: chrkero@gmail.com\*, rizasutjipto@telkomuniversity.ac.id

### Keywords

business model canvas;  
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### Abstract

The rapid expansion of Indonesia's National Health Insurance (JKN) program has transformed the healthcare sector, creating strategic challenges for secondary-level private hospitals in semi-rural areas. Following cooperation with BPJS Kesehatan in July 2025, RS Mitra Plumbon Patrol experienced a substantial increase in patient volume, with bed occupancy rates rising from 63.83% to 99.63% within four months. This growth exposed a misalignment between the hospital's existing business model and its evolving internal and external environment, requiring business model innovation to maintain competitive advantage and financial sustainability. This study aimed to analyze the existing business model, identify internal and external competitiveness factors, and formulate a recommended business model to strengthen organizational performance. A qualitative single embedded case study was conducted using an interpretivist approach. Data were collected through in-depth interviews with ten purposively selected informants and validated through source triangulation. Data analysis integrated the Business Model Canvas, PESTEL analysis, Porter's Five Forces, and SWOT matrix. The findings revealed that approximately 80–90% of patients were covered by BPJS. Key strengths included a trauma center, five-star accreditation, and organizational support, whereas weaknesses included BPJS revenue dependence, high employee turnover, and limited referral access. Four strategic priorities were identified: premium medical check-up services, business-to-business marketing expansion, strengthened BPJS claim documentation, and staff retention with patient loyalty programs. The proposed business model targets a 60% BPJS and 40% non-BPJS patient composition through diversified revenue streams, providing a replicable framework for improving competitiveness, financial resilience, operational efficiency, and sustainable healthcare service quality in resource-constrained private hospitals undergoing insurance-driven transformation.

## INTRODUCTION

The Indonesian healthcare industry has experienced rapid transformation since the full implementation of the national health insurance program (Jaminan Kesehatan Nasional, JKN) under BPJS Kesehatan (Badan Penyelenggara Jaminan Sosial Kesehatan). By March 2025, JKN membership had covered over 98% of the Indonesian population, with the network of contracted healthcare facilities expanding significantly to include 3,132 referral care facilities and 23,443 primary care facilities. While this expansion marks a significant achievement in universal health coverage, it has simultaneously created unprecedented pressures on the healthcare delivery system, particularly for private hospitals that must adapt to a new paradigm of service provision dominated by a single-payer insurance scheme. Prior research on hospital competitiveness under JKN has largely concentrated on large urban referral centres and

quantitative performance metrics, leaving the strategic challenges faced by secondary-level regional private hospitals in semi-rural settings underexplored. These hospitals, classified as type-C under Indonesia's Ministry of Health tiering system, are equivalent to district general hospitals offering limited specialist services and face a unique set of challenges in navigating the insurance-driven transformation.

The expansion of JKN has significantly affected the private health sector, driving investment and competition, but with limited expansion in geographic and product diversity (Fingerhut, 2024; JAUHAR, 2025; Kartika, 2025; Neuhaus, 2026; Susilo et al., 2025). Studies indicate that while the pharmaceutical market has grown since JKN's launch in 2014, competition has intensified without clear improvements in product diversity or quality, and private hospitals have increased in number mainly in Java and Sumatra but remain unevenly distributed and focused on cost efficiency rather than service quality. For a type-C private hospital like RS Mitra Plumbon Patrol (RSMP Patrol), the dramatic shift in patient composition from predominantly self-paying patients to an overwhelming majority of BPJS-insured patients presents a structural discontinuity that has not been adequately addressed through integrated strategic frameworks. The competitiveness implications of such a sudden shift, particularly for hospitals in resource-constrained settings, require a comprehensive strategic review that goes beyond traditional performance metrics (Cavadi, 2025; Deniz, n.d.; Mathew & Sunil, 2026; Shroff, 2025).

Business model development is a critical yet understudied dimension of hospital strategy, especially in the context of rapid insurance-driven demand changes. Prior studies applying the Business Model Canvas (BMC) in healthcare settings have predominantly focused on research hospitals, non-profit institutions, or large urban providers. For instance, research on Bungur Medika Hospital highlighted the importance of understanding patient jobs, pains, and gains in designing BPJS services, emphasizing the need for electronic system interoperability and reduced waiting times as key value propositions. Similarly, a study on Edelweiss Hospital identified gaps in pharmacy services, including long waiting times and lack of queue information, leading to the development of value propositions for improved service speed and transparency. However, the integration of BMC with environmental analysis tools like SWOT as a combined diagnostic and prescriptive instrument remains limited, particularly for private hospitals in developing-country contexts experiencing rapid insurance-driven demand changes.

The research gap is further highlighted by studies on hospital competitiveness in the JKN era, which demonstrate that while private hospitals have increased in number, they have not yet achieved significant geographic or product diversification. Policy recommendations, including tariff transparency improvements, procurement system reforms, and enhanced coordination with private insurance, have been proposed to better align JKN's goals with sustainable private sector development. However, these recommendations have largely been at a macro level, without providing a micro-level strategic framework for individual hospitals to navigate their specific competitive environment. The theoretical and practical implications of this gap are substantial, as hospital managers require actionable, context-specific strategies to ensure financial sustainability and service quality in a rapidly changing policy environment. This gap underscores the urgency of developing a validated, replicable business model that can guide resource-constrained private hospitals through their insurance-driven transformation.

The urgency of this research is underscored by the extraordinary patient volume surge experienced by RSMP Patrol since commencing BPJS cooperation in July 2025, where outpatient visits grew from 804 in June 2025 to 4,464 in October 2025, while the Bed Occupancy Rate (BOR) escalated from 63.83% to 99.63% over the same period. This rapid growth exposed a fundamental misalignment between its existing business model and the evolving internal and external environment, necessitating a comprehensive strategic review. Operating at such extreme BOR levels not only increases nosocomial infection risk and service quality degradation but also threatens the hospital's long-term sustainability and reputation. The Turn-Over Interval (TOI) dropping to near zero (0.01-0.02 days) significantly below the recommended range of 1-3 days highlights the operational strain. Such conditions demand immediate strategic intervention to balance service volume with quality, diversify revenue streams, and build organizational resilience against future policy changes and competitive threats.

The novelty of this research lies in its development of an integrated BMC-SWOT framework specifically tailored for secondary-level private hospitals in Indonesia navigating the complexities of national health insurance expansion. Unlike previous studies that have applied BMC or SWOT in isolation, this study provides a prescriptive model that synthesizes both tools to generate actionable competitive strategies. This approach extends the work of Miura et al. (2021) and Pasaribu et al. (2023) by grounding competitive strategy in the operational realities of a resource-constrained private hospital in a semi-rural setting. Furthermore, this study contributes to the theoretical discourse on business model innovation in healthcare by demonstrating how an integrated framework can address the unique challenges of insurance-driven transformation, including revenue dependency, claim management, human resource constraints, and patient loyalty dynamics. The practical implications of this research are significant, providing a replicable strategic decision-making tool for hospital managers, policymakers, and investors.

The purpose of this study is threefold: first, to map the existing business model of RSMP Patrol using the BMC; second, to analyze its internal and external competitiveness factors through SWOT, PESTEL, and Porter's Five Forces analyses; and third, to formulate a recommended business model that enhances competitive advantage amid rapid JKN expansion. The research seeks to answer the following question: How can an integrated BMC-SWOT analysis be employed to develop a validated, context-specific competitive business model for a private hospital undergoing rapid structural change driven by national health insurance expansion? The study is expected to provide practical contributions by offering a strategic decision-making foundation for RSMP Patrol's management, as well as theoretical contributions by demonstrating a replicable model for other secondary-level private hospitals navigating similar transformations in emerging markets.

The research contributes both practically and theoretically to the field of healthcare strategic management. Practically, it provides a strategic decision-making foundation for RSMP Patrol's management, enabling them to align their business model with the rapidly evolving environment and enhance their competitive position. The recommended strategies, including revenue diversification, human resource development, and facility expansion, offer a roadmap for sustainable growth and service excellence. Theoretically, this study demonstrates a replicable integrated BMC-SWOT model for secondary-level private hospitals

navigating insurance-driven transformation in emerging markets, extending the application of strategic management theories to a context that has received limited attention in the academic literature. The study also contributes to the discourse on universal health coverage implementation by examining its effects on private healthcare providers at the micro level.

The objectives of this research are to map the existing business model of RSMP Patrol using the BMC, identify its key internal and external competitiveness factors, and formulate a recommended business model that enhances competitive advantage. The research findings are expected to benefit multiple stakeholders: hospital management by providing actionable strategies for sustainable growth; policymakers by offering insights into the micro-level effects of JKN expansion; and the academic community by contributing a validated framework for hospital business model innovation. Ultimately, this research aims to contribute to the broader goal of improving healthcare access and quality in Indonesia by strengthening the strategic capacity of private hospitals within the national health insurance system.

## **METHOD**

This study employed a qualitative exploratory research design with a single embedded case study strategy (Saunders et al., 2019). The interpretivist paradigm was adopted, reflecting the ontological position that strategic realities in this hospital context are socially constructed and contextually specific. An abductive theory development approach was applied, enabling iterative movement between empirical data and theoretical frameworks. In preparing the manuscript figures, ChatGPT (version ChatGPT Plus, model: GPT Image 2, OpenAI, chatgpt.com; accessed 27 May 2026) was used to generate the visual representations of the Business Model Canvas (Figure 1 and Figure 2) based entirely on findings derived from the interview data. All such figures were reviewed and validated by the authors for accuracy and completeness prior to inclusion. A full disclosure of generative AI use is provided in the Acknowledgements section.

The study was conducted at RS Mitra Plumbon Patrol, Indramayu, West Java, Indonesia, from October 2025 to April 2026. Data were collected through in-depth semi-structured interviews with 10 purposively selected informants: 7 internal informants (hospital director, head of medical services, head of nursing, head of finance, head of general affairs, head of marketing, and customer care staff) and 3 external informants (director of a competing hospital, a provincial health policy expert, and a hospital accreditation assessor). Interview protocols were developed based on the nine BMC building blocks (Osterwalder & Pigneur, 2010), functional business area dimensions (David et al., 2017; Helmold et al., 2020), PESTEL factors, and Porter's Five Forces. Data validity was established through source triangulation across internal and external informant perspectives (Rahayu & Rindrayani, 2025). Data analysis followed a sequential process: (1) BMC mapping from interview data, (2) internal analysis using functional business area framework, (3) external analysis using PESTEL and Porter's Five Forces, (4) SWOT synthesis per BMC component, and (5) SWOT matrix formulation to generate SO (Strength–Opportunity), WO (Weakness–Opportunity), ST (Strength–Threat), and WT (Weakness–Threat) strategies as inputs for the recommended BMC. Table 1 summarizes the overall research characteristics applied in this study.

**Table 1.** Research characteristics summary

| Characteristic     | Description                                                            |
|--------------------|------------------------------------------------------------------------|
| Research Purpose   | Exploratory                                                            |
| Paradigm           | Interpretivism                                                         |
| Theory Development | Abductive                                                              |
| Methodology        | Qualitative                                                            |
| Strategy           | Single embedded case study                                             |
| Unit of Analysis   | Organization (RSMP Patrol)                                             |
| Data Collection    | In-depth semi-structured interviews (n=10), observation, documentation |
| Validity           | Source triangulation                                                   |
| Time Horizon       | Cross-sectional (Oct 2025 – Apr 2026)                                  |

Source: processed data, 2026

## RESULTS AND DISCUSSION

### Contextual Background: Insurance-Driven Patient Volume Surge

Prior to July 2025, RSMP Patrol operated exclusively for self-paying patients since its establishment in October 2023 (MPHG, 2025a). Following a change in local government leadership and the commencement of BPJS cooperation in July 2025, the hospital experienced an unprecedented surge in patient volume (MPHG, 2025b). Table 2 presents the trajectory of outpatient visits and BOR indicators.

**Table 2.** Patient volume and Bed Occupancy Rate (BOR) and Turn-Over Interval (TOI) indicators of RSMP Patrol (2025)

| Month    | Outpatient Visits | BPJS Visits (%) | BOR (%) | TOI (days) |
|----------|-------------------|-----------------|---------|------------|
| Jan 2025 | –                 | 0               | 48.15   | 3.38       |
| Jun 2025 | 804               | 0 (0%)          | 63.83   | 1.83       |
| Jul 2025 | 2,291             | 1,371 (59.84%)  | 85.89   | 0.64       |
| Aug 2025 | 3,272             | 2,402 (73.41%)  | 98.15   | 0.07       |
| Sep 2025 | 4,037             | 3,113 (77.11%)  | 99.47   | 0.02       |
| Oct 2025 | 4,464             | 3,451 (77.31%)  | 99.63   | 0.01       |
| Nov 2025 | –                 | –               | 84.42   | 0.70       |

Source: RSMP Patrol Hospital Information System (MPHG, 2025b)

The data reveal a structural discontinuity in operational intensity: BOR exceeded 99% in September and October 2025, and the Turn-Over Interval (TOI) dropped to near zero (0.01–0.02 days), significantly below the recommended range of 1–3 days (Rahayu et al., 2024). This extreme utilization rate heightens nosocomial infection risk and service quality degradation, as

highlighted by Kaier et al. (2010) in their analysis of bed occupancy and multidrug-resistant bacteria spread.

### Existing Business Model Canvas

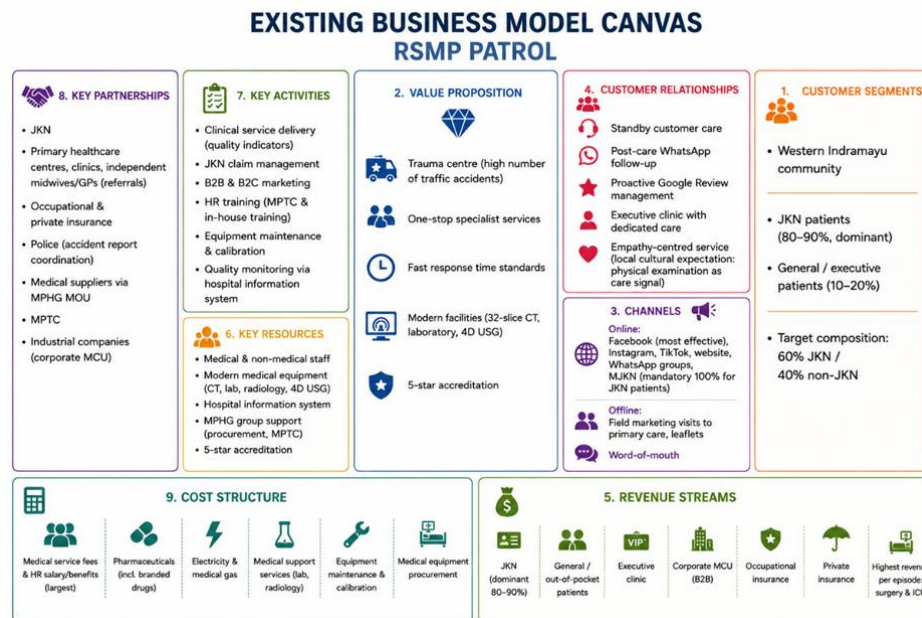
Table 3 summarizes the nine BMC components of RSMP Patrol's existing business model, derived from triangulated interview data. Figure 1 presents the visual representation of the existing BMC.

**Table 3.** Existing Business Model Canvas of RSMP Patrol

| BMC Component          | Key Findings                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Segments      | West Indramayu community (Kec. Patrol, Kandanghaur, Anjatan); BPJS patients $\pm 80\text{--}90\%$ (dominant); general/executive patients $\pm 10\text{--}20\%$ ; target: 60% BPJS / 40% non-BPJS                                                                                                                                                                                                                     |
| Value Proposition      | Trauma centre (North Coast/Pantura highway position); one-stop specialist services; response time standards; modern facilities (32-slice CT scan, complete laboratory, 4D USG); 5-star KARS accreditation                                                                                                                                                                                                            |
| Channels               | Online: Facebook (most effective), Instagram, TikTok, website, WhatsApp groups, MJKN (Mobile JKN mandatory 100% for BPJS patients); Offline: field marketing visits to primary care, leaflets; Word-of-mouth                                                                                                                                                                                                         |
| Customer Relationships | Standby customer care; post-care WhatsApp follow-up; proactive Google Review management; executive clinic with dedicated care; empathy-centred service (local cultural expectation: physical examination as care signal)                                                                                                                                                                                             |
| Revenue Streams        | BPJS Kesehatan (dominant $\pm 80\text{--}90\%$ ); general/out-of-pocket; executive clinic; corporate MCU (Medical Check-Up, B2B); Jasa Raharja & BPJS Ketenagakerjaan (occupational insurance); private insurance; highest revenue per episode: surgery and ICU (Intensive Care Unit)                                                                                                                                |
| Key Resources          | Medical and non-medical HR (human resources: specialists, nurses, pharmacists); modern medical equipment (CT scan, laboratory, radiology, 4D USG/ultrasound); SIMRS (Sistem Informasi Manajemen Rumah Sakit hospital information system); MPHG group support (group procurement, MPTC/Mitra Plumbon Training Centre); 5-star KARS (Komite Akreditasi Rumah Sakit Hospital Accreditation Committee) accreditation     |
| Key Activities         | Clinical service delivery (quality indicator-based); BPJS claim management (FPK/Formulir Pengajuan Klaim claim submission form verification); B2B (business-to-business) and B2C (business-to-consumer) marketing; HR training via MPTC and in-house training; medical equipment maintenance and calibration; quality monitoring via SIMRS                                                                           |
| Key Partnerships       | BPJS Kesehatan; FKTP (Fasilitas Kesehatan Tingkat Pertama primary healthcare facilities: puskesmas/community health centres, clinics, independent midwives/GPs) as referral sources; Jasa Raharja, BPJS Ketenagakerjaan, private insurance; police (accident report coordination); drug/medical device distributors via MPHG corporate MOU (Memorandum of Understanding); MPTC; industrial companies (corporate MCU) |

| BMC Component  | Key Findings                                                                                                                                                                                                                               |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost Structure | Medical service fees and HR salary/benefits (largest); pharmaceuticals (incl. branded drugs); electricity and medical gas; medical support services (lab, radiology); equipment maintenance and calibration; medical equipment procurement |

Source: Processed data (2026)



**Figure 1.** Existing Business Model Canvas of RS Mitra Plumbon Patrol  
Source: Processed data (2026)

## Internal and External Environment Analysis

Internal analysis using the functional business area framework (David et al., 2017) identified both strengths and weaknesses across six domains: management, marketing, finance, operations, R&D, and information systems. PESTEL analysis of the external environment revealed significant political influence through local government BPJS cooperation policy, economic seasonality driven by the agricultural and migrant worker community profile of West Indramayu, and legal risk from the tightening of BPJS claim verification (FPK) to two chances only (form previously three chances) in 2026. Porter's Five Forces analysis indicated low-to-medium competitive rivalry (the primary direct competitor, RSUD/Rumah Sakit Umum Daerah Pantura M. A. Sentot, is in decline), low threat of new entrants (high licensing barriers including AMDAL/*Analisis Mengenai Dampak Lingkungan* environmental impact assessment, substantial capital requirements, and local political support), low threat of substitutes, and low buyer and supplier bargaining power.

## Integrated SWOT Analysis per Business Model Component

Table 4 presents the consolidated SWOT analysis structured across the nine BMC components, identifying the most strategically significant factors per element.

**Table 4.** SWOT analysis per BMC component (consolidated)

| BMC               | Strength                                                                    | Weakness                                                                             | Opportunity                                                               | Threat                                                                     |
|-------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Customer Segments | Stable BPJS base + growing executive segment                                | >80% BPJS revenue dependency                                                         | Non-BPJS segment growth potential (migrant workers, industrial employees) | FKTP restrictions limiting BPJS patient growth                             |
| Value Proposition | Trauma centre, one-stop service, complete specialists, measured QI          | Pharmacy waiting times and ED congestion during peak periods                         | Only complete specialist facility in western Indramayu                    | Potential new competitor with similar services                             |
| Revenue Streams   | High-value BPJS surgery/ICU claims; growing executive clinic                | BPJS claim dispute risk under 2-stage FPK                                            | Migrant worker MCU, corporate MCU, COB insurance                          | FPK tightening (2 stages from 2026); receivables risk                      |
| Key Resources     | Modern facilities, 5-star KARS, reliable SIMRS, MPHG ecosystem              | High staff turnover, mostly fresh graduates; difficult to recruit in remote location | MPTC for in-house training; group procurement reducing COGS               | Competitor may recruit more experienced staff                              |
| Key Partnerships  | MPHG corporate MOU ( $\geq 3$ vendor comparison); multi-insurer cooperation | Only 6–8 FKTP authorised to refer                                                    | Expand FKTP network; industrial zone companies for MCU                    | Policy dependence on BPJS and local government                             |
| Cost Structure    | Tight cost management; group procurement reducing pharmaceutical costs      | Rising HR costs; remote logistics challenges                                         | Technology-enabled cost efficiencies; MPHG group economies of scale       | Inflation; pharmaceutical price increases; FPK dispute raising receivables |

Source: Processed data (2026)

**SWOT Matrix: Strategy Formulation**

Based on the integrated SWOT analysis, four strategic clusters were formulated:

SO Strategies (maximizing strengths to exploit opportunities): (1) Develop premium health screening (MCU) services for migrant workers and industrial employees leveraging complete facilities and KARS accreditation as differentiators; (2) Increase MJKN (Mobile JKN the BPJS online registration application) adoption and advocate for expanded FKTP referral access through local government engagement supported by SIMRS data.

WO Strategies (minimizing weaknesses to exploit opportunities): (1) Intensify B2B marketing to industrial companies and private insurers to increase the non-BPJS patient share from 20% toward the target of 40%; (2) Utilise MPTC for accelerated training programmes for fresh graduates to reduce time-to-competence; (3) Advocate intensively with BPJS and local government to expand FKTP referral authorization.

ST Strategies (leveraging strengths to counter threats): (1) Strengthen BPJS claim documentation systems through SIMRS-based tracking and enhanced staff competency in FPK verification to ensure all claims pass the 2-stage review; (2) Accelerate new building construction (target: 249 beds, upgrading to tertiary-ready/type-B level) using MPHG group capital support to reinforce capacity advantage over competitors.

WT Strategies (minimizing weaknesses to mitigate threats): (1) Implement competitive remuneration-based staff retention programmes and structured career development pathways through MPTC to reduce turnover and prevent staff attrition to competitors; (2) Launch a formal patient loyalty programme (membership card, WhatsApp appointment reminders, after-care follow-up) to retain patients against emerging competitors.

### **Recommended Business Model Canvas**

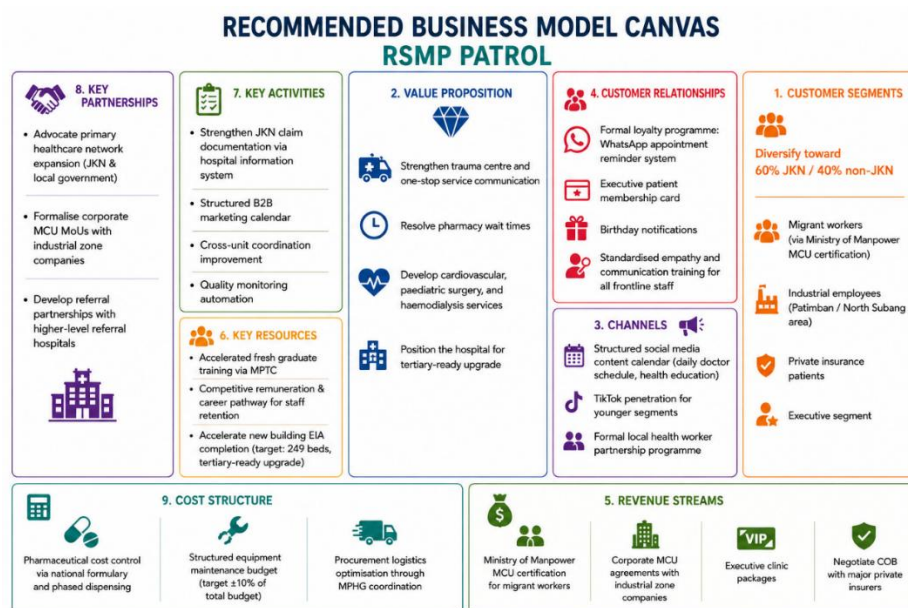
Based on the four strategic clusters, Table 5 presents the recommended BMC for RSMP Patrol, reflecting the strategic priorities identified through the integrated framework. Figure 2 provides the visual representation of the recommended BMC.

**Table 5.** Recommended Business Model Canvas for RSMP Patrol

| <b>BMC Component</b>   | <b>Recommended Development</b>                                                                                                                                                                                                         |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Segments      | Diversify toward 60% BPJS / 40% non-BPJS; prioritize migrant workers (via Ministry of Manpower MCU certification), industrial employees (Patimban/North Subang area), private insurance patients, and executive segment                |
| Value Proposition      | Strengthen trauma centre and one-stop service communication; resolve pharmacy wait times; develop BTKV (cardiovascular), pediatrics surgery, and hemodialysis services for tertiary-ready upgrade                                      |
| Channels               | Structured social media content calendar (daily doctor schedule, health education); TikTok penetration for younger segments; formal local health worker partnership programme                                                          |
| Customer Relationships | Formal loyalty programme: WhatsApp appointment reminder system, executive patient membership card, birthday notifications; standardized empathy and communication training for all frontline staff                                     |
| Revenue Streams        | Ministry of Manpower MCU certification for migrant workers; formalize corporate MCU agreements with industrial zone companies; develop executive clinic packages; negotiate COB (Coordination of Benefits) with major private insurers |
| Key Resources          | Accelerated fresh graduate training via MPTC; competitive remuneration and career pathway for staff retention; accelerate new building AMDAL completion (target: 249 beds, tertiary-ready upgrade)                                     |
| Key Activities         | SIMRS-based BPJS claim documentation strengthening; structured B2B marketing calendar; cross-unit coordination improvement; quality monitoring automation                                                                              |

| BMC Component    | Recommended Development                                                                                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key Partnerships | Advocate FKTP network expansion (BPJS and local government); formalize corporate MCU MoUs with industrial zone companies; develop referral partnerships with higher-level referral hospitals (RSMP Cirebon, RSUP Hasan Sadikin)      |
| Cost Structure   | Pharmaceutical cost control via national formulary (fornas) and phased dispensing; structured equipment maintenance budget (target $\pm 10\%$ of total budget); procurement logistics optimization through RSMP Cirebon coordination |

Source: Processed data (2026)



**Figure 2.** Recommended Business Model Canvas for RS Mitra Plumbon Patrol.

Source: Processed data (2026)

The findings of this study corroborate and extend the existing literature on hospital strategic management and business model development in several ways.

First, the dramatic BOR surge (48.15% to 99.63% within ten months) demonstrates the structural shock that national health insurance expansion can impose on unprepared regional private hospitals. This aligns with Song et al.'s (2021) evidence from China showing quality–quantity trade-offs under high occupancy, and with Kaier et al.'s (2010) findings on nosocomial infection risk at extreme BOR levels. The critical operational challenge is not growth management per se, but the speed of structural change – a dimension underemphasised in existing hospital BMC literature.

Second, the integrated BMC–SWOT framework demonstrated distinct analytical advantages over standalone application of either tool. BMC alone maps the existing value architecture but does not prescribe competitive direction; SWOT alone identifies strategic factors without grounding them in operational model components. The integration, applied per BMC component, enabled strategy formulation that is simultaneously operationally grounded and environmentally responsive – consistent with the prescriptive intent of Pasaribu et al. (2023)

and the empirical application of Miura et al. (2021), while extending both to a developing-country private hospital context. Beyond its analytical merit, this integration carries substantial revenue implications that warrant emphasis. By pinpointing precisely which business model blocks yield the greatest financial impact when optimised, the framework reveals that the revenue streams and key activities blocks are the most heavily affected by the consolidation strategies. Concretely, high-priority strategy implementation could raise the non-BPJS revenue share from approximately 20% toward the targeted 40% effectively doubling the higher-margin patient segment that is not constrained by capped insurance tariffs. In a hospital where insured patients already account for eighty to ninety percent of volume, this rebalancing represents a decisive shift toward revenue diversification and margin resilience. More strikingly, the same prioritisation simultaneously addresses claim leakage currently exceeding one billion rupiah per month: should the claim-documentation strategy (ST1) be successfully implemented, the cumulative recovery of receivables trapped in verification queues could reach tens of billions of rupiah within a single fiscal year. Taken together, the financial upside of the recommended strategies is therefore not marginal but transformational combining expanded non-BPJS income, recovered claim receivables, and the safeguarding of long-term revenue capacity through timely capacity expansion.

Third, the unique socio-cultural context of western Indramayu where patient loyalty is driven by perceived empathy rather than price competition, and community health literacy is limited requires local adaptation of generic strategic frameworks. The finding that patient satisfaction is predominantly determined by the physical act of examination ("being touched") rather than clinical outcomes or cost transparency reflects Hamdan's (2017) observation that healthcare strategy must account for culturally mediated patient expectations. This contextual specificity is a distinctive contribution of qualitative case study methodology to hospital strategy research.

Fourth, the BPJS claim management challenge approximately IDR 1 billion per month trapped in claim verification queues, tightening further increasing dispute risk illustrates a systemic institutional constraint that quantitative studies tend to under-represent. The strategic imperative of SIMRS-based claim documentation strengthening, while operational in nature, is fundamentally a competitive strategy intervention: preventing revenue leakage that directly undermines the financial sustainability of the BPJS-dependent service model.

## CONCLUSION

This study applied an integrated BMC–SWOT framework to develop a competitive strategy for a secondary-level regional private hospital experiencing rapid structural change driven by national health insurance expansion. The key findings are threefold. First, RSMP Patrol's existing business model, while operationally viable, is structurally misaligned with its new environment: an over-reliance on BPJS patients ( $\pm 80\text{--}90\%$ ), high staff turnover concentrated in pharmacy and nursing, limited FKTP referral access, and underdeveloped non-BPJS revenue streams collectively constrain competitive sustainability. Second, the SWOT analysis identified actionable strategic priorities: SO strategies centred on MCU premium service development; WO strategies on B2B marketing intensification and FKTP network expansion; ST strategies on BPJS claim documentation strengthening and physical capacity expansion; and WT strategies on staff retention and patient loyalty programme implementation.

Third, the recommended BMC synthesises these strategic directions into a coherent business model targeting a 60% BPJS / 40% non-BPJS patient mix, supported by diversified revenue streams (migrant worker MCU, corporate MCU, executive clinic), competitive HR management through MPTC, and accelerated facility expansion to tertiary-ready level (249 beds). Theoretically, this study contributes a replicable integrated BMC–SWOT model for private hospitals in emerging markets navigating rapid patient base transformation under national health insurance policy reforms. The framework is particularly applicable to resource-constrained secondary-level hospitals lacking sophisticated strategy planning infrastructure, where the structured integration of a business model diagnostic (BMC) and an environmental analysis tool (SWOT) provides a practical and rigorous pathway to competitive strategy development. A limitation of this study is its single-case design, which constrains generalisability to other hospital contexts. Future research should test the replicability of this integrated framework across multiple secondary-level private hospitals in different regions of Indonesia or other developing countries implementing national health insurance programmes. In addition, three further limitations should be acknowledged. First, this study did not include a financial simulation or profitability projection of the recommended strategies; the exploratory qualitative approach (Saunders et al., 2019) was not designed to quantify financial impact numerically, and the indicative revenue figures discussed above are therefore qualitative in nature rather than verified financial projections. Future research complementing these findings with a financial feasibility analysis or profitability scenario simulation – for instance, through discounted cash flow modelling or revenue sensitivity analysis – would yield more accurate and accountable recommendations for stakeholders. Second, the external informants were limited to three individuals representing a competitor, a provincial-level regulator, and an accreditation assessor; perspectives from branch-level BPJS regulators, private insurer representatives, and patients as service users were not directly captured, which may affect the completeness of the external opportunity and threat analysis. Third, the study is entirely qualitative and was not accompanied by quantitative validation, such as a large-scale patient satisfaction survey or multi-period analysis of visit and revenue data, which could further strengthen and confirm the qualitative findings with greater precision.

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