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Budget Policy, Productivity, Income: A Case of Indonesian Health Care Centers

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Abstract: *Indonesian health centers (puskesmas) have both inpatient and outpatient care unit and are allowed to treat 144 types of illnesses. However, the Indonesian health centers mostly failed to generate sufficient income to cover their operations. This study aims to examine the influence of budget policy and productivity on the income of health centers in Indonesia. The samples of this research were 102 health care centers located in 14 regencies within Aceh Province, Indonesia. Data was collected through questionnaires and the respondents were 375 managers of the health centers. Using path analysis, this study found a positive and significant influence of budget policy on income. However, budget policy does not affect income directly, rather it is mediated by productivity. Thus, it can be concluded that budget policy is not effective enough to improve income of the health care centers.*

Keywords: Budget Policy, Productivity, Income, Health Care Center, Indonesia.