

# Legal Aspects of Private Vaccine Distribution and Cross-Subsidy in the National Health System

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## ABSTRACT

Vaccine distribution is an important element in the national health care system that serves to prevent disease and strengthen public health resilience. In Indonesia, private sector involvement in vaccine distribution is regulated by various laws and regulations that guarantee the public's right to health, but still require strict supervision by the state. This study aims to examine the legal aspects of vaccine distribution by the private sector and formulate how cross-subsidy mechanisms can be legally designed to guarantee access to vaccines for low-income communities. The research method used is normative legal analysis of positive legal provisions and implementing regulations in the fields of health, public financing, and consumer protection. The results of the study show that current regulations have provided a legal basis for private sector involvement in vaccine distribution, but their implementation requires refinement in the form of more detailed technical regulations. Cross-subsidies can be formulated through a tiered tariff scheme, integration with social security, and state-controlled vaccine pricing. All of these mechanisms must be complemented by a system of transparency, auditing, and legal sanctions to ensure accountability and effectiveness. This study contributes to the development of a more equitable and inclusive Indonesian health law.

## INTRODUCTION

Vaccine distribution is an important aspect of global and national public health systems. Routine immunization systems are internationally recognized as highly effective public health interventions for preventing infectious diseases, reducing morbidity and mortality, and increasing life expectancy. In developing countries, and Indonesia in particular, the challenges of providing and distributing vaccines to all community groups reflect complex social, economic and legal dimensions. Vaccine distribution not only covers logistical and technical aspects to maintain the cold chain and deliver doses on time, but also legal arrangements that ensure equitable access for low-income groups and the involvement of the private sector in providing these services.

In the health care system, the role of the private sector has grown as a complement to public service providers, especially in situations where government capacity is limited and public health needs are increasing. Public attitudes and acceptance of health programmers, including vaccination, are also

influenced by effective communication and education, which are important determinants in building public trust and participation (Khayru, 2023). The contribution of the private sector in vaccine delivery can help expand the distribution network, increase immunization coverage, and provide alternative access to services that may not be available through public channels. However, the presence of the private sector also raises fundamental legal questions regarding the state's responsibility to fulfil the right to health and its obligation to ensure equitable and fair access to vaccines. In addition, private sector involvement requires cross-subsidy mechanisms to address the purchasing power limitations of low-income groups to ensure that immunization interventions are not only oriented towards ability to pay, but also towards the principle of distributive justice in health services (Oktarina & Israhadi, 2022).

The Indonesian government's efforts through national immunization policies must balance the dominant role of public services and private sector involvement so that vaccine distribution is effective

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from a legal and public health perspective. Legal protection of the right to health is regulated in national legal instruments that guarantee access to health services. The government, as the holder of public authority, has a responsibility to ensure that vaccines are accessible to all community groups without economic discrimination. Thus, it is important to ensure that the involvement of various parties in health programmers continues to priorities service quality and community satisfaction, especially in public service facilities, as part of a comprehensive effort to achieve equity in health access (Khayru & Issalillah, 2022).

In practice, private sector involvement in vaccine distribution is part of a strategy to equalize access to immunization and strengthen health programmed outcomes. Legally, this raises in-depth considerations regarding regulation, supervision, financing, and cross-subsidy mechanisms for low-income groups, so that efforts to equalize access to vaccines are in line with the principles of the welfare state and the legal obligation to protect public health. Academic debates over the past few decades have also highlighted that the participation of the private sector in immunization programmers needs to be supported by clear legal regulations so as not to create disparities in access for economically disadvantaged communities (Tirza, 2022).

Furthermore, global experience shows that the integration of the private sector into immunization programmers has implications for service quality, coordination with government programmers, and pricing and subsidy policies, all of which have legal and public policy dimensions, particularly in relation to equitable access. Effective legal formulation becomes more important as public health needs for vaccines increase, especially when the government must consider a greater role for the private sector in the provision or distribution of certain vaccines. Against this backdrop, this study seeks to explore the legal aspects of vaccine distribution through the private sector and the cross-subsidy mechanisms that need to be designed to ensure access to vaccines for low-income groups within the framework of Indonesian law and health policy (Kuswara et al., 2023).

The role of the private sector in vaccine provision and distribution poses significant regulatory challenges because this sector operates outside the direct control of the government, resulting in variations in access to immunization services that impact public health equity. The academic literature on the role of the private sector in the provision of immunization in low- and middle-income countries

shows that private sector involvement varies according to market structure and national health systems, and is often poorly regulated by the government, particularly in terms of service standards and regulatory oversight. A review of the literature shows that the private sector provides part of the immunization in some countries and helps accelerate the adoption of new vaccines, but the lack of documentation on government interactions with the private sector and the implementation of national regulations on this sector indicates potential problems in fulfilling the right to equitable immunization services for the entire population. According to national health law, there are fundamental issues regarding the limits and scope of private involvement in vaccine distribution strategies established by Indonesian legislation, and how these regulations can guarantee fair access for low-income communities (Al Mukarramah, 2020).

Another issue relates to cross-subsidy mechanisms as a policy instrument to address disparities in access to vaccines between high- and low-income groups. In some literature on vaccine pricing at the global level, the practice of tiered pricing, which is often applied in the international vaccine market, is debated from an economic and access perspective, whereby lower prices are given to countries or groups with low purchasing power, but this is not a subsidy in the classical sense in some economic analyses of vaccines. This highlights the need for in-depth legal studies to understand whether and how cross-subsidy mechanisms can be implemented in national legal systems to ensure vaccines are available to low-income groups without compromising the sustainability of distribution by the private sector.

In addition, the formulation of national health regulations and supervisory instruments for the private sector needs to take into account consumer protection and the right to health so that low-income groups have equal access to vaccines as higher-income groups. This issue points to the need to review the legal framework governing the relationship between the government, the private sector, and the community in immunization services, particularly with regard to tariffs, subsidies, and basic health service obligations mandated by health legislation.

A study of the legal aspects of vaccine distribution through the private sector and cross-subsidy mechanisms is important given the changing dynamics of health systems in various countries, including Indonesia, where the role of the private sector is increasingly significant. The private sector

can complement public service capacity, especially in regions or communities where access to government services is still limited. At the same time, national legislation in the health sector, such as health laws and their implementing regulations, must be able to accommodate private sector involvement without neglecting the state's obligation to guarantee access to basic health services for the entire population. This includes formal legal aspects related to vaccine provision obligations, licensing requirements for private health facilities, and fair pricing and financing mechanisms for low-income and vulnerable groups.

Furthermore, vaccination is one of the public health interventions that greatly influences the health status of the population, and inequality in access to vaccines can exacerbate health disparities between groups of people with different incomes. Globally, the issue of vaccine access for less affluent countries or groups has become a concern for international institutions, and tiered pricing and cross-subsidies are often discussed as mechanisms to improve access. At the national level, research that combines legal, health, and public policy perspectives is needed to help policymakers understand how regulations can be designed so that the private sector's role in vaccine distribution does not widen the gap in access between community groups, but rather supports the fulfilment of the right to health equity for all levels of society.

This study aims to analyse the legal aspects of vaccine distribution through the private sector and formulate cross-subsidy mechanisms that are in line with Indonesia's national legal framework to ensure access to vaccines for low-income communities, contributing to the development of more equitable and inclusive health law policies.

## **RESEARCH METHOD**

This study uses a normative legal approach based on analysis of primary and secondary legal materials as the main sources. Primary legal materials include laws and regulations governing vaccine distribution, the role of the private sector in health services, and the protection of the right to health in the Indonesian legal system. Secondary legal materials in the form of legal doctrines, journal articles, and relevant research results are used to strengthen the normative arguments built from positive legal provisions. This study analyses applicable legal norms using a conceptual and limited comparative approach, while keeping Indonesian regulations at the center of the discussion. In line with the opinions of Soekanto and Mamudji (2004), the normative method is used to

understand law as a systematic, logical, and consistent normative rule in order to assess the extent to which existing regulations are able to regulate the object of study adequately and fairly.

The literature search strategy was conducted through scientific databases such as Google Scholar to find relevant legal and public policy articles. Quality assurance in writing was carried out through informal peer review and strict bibliographic recording to prevent citation errors and source duplication.

## **RESULT AND DISCUSSION**

### **Legal Aspects of Private Sector Involvement in Vaccine Distribution**

Private sector involvement in vaccine distribution reflects the pluralistic nature of Indonesia's health law system. Private sector involvement in vaccine distribution in Indonesia does not stand as a policy separate from the national health law system (Firdaus, 2022). The legal framework that protects patients' rights, including in cases of medical malpractice or negligence, is an integral part of the system that also regulates private sector participation in health services, to ensure that all forms of health services, including vaccine distribution, continue to meet patient protection and safety standards (Lethy et al., 2023). The Covid-19 vaccination policy aims to fulfil the right to health as it relates to fundamental social and individual rights (Cahyani & Purwoleksono, 2023).

Vaccine distribution by non-governmental entities is part of the logical consequence of a pluralistic healthcare system, which is a system that opens up opportunities for various actors, both state and community, to participate in providing healthcare services. From a legal perspective, vaccine distribution by the private sector is subject to a set of established rules, the ultimate goal of which is to ensure that such involvement does not disregard the principles of fairness, quality, safety, and affordability. Therefore, the study of these legal aspects must be based on the understanding that health law does not only regulate the technical implementation of health services, but also regulates the relationship between state and non-state actors in ensuring the fulfilment of the public's right to health. Vaccine distribution, as part of essential health services, is a highly strategic area because it is related to the livelihoods of many people. Thus, regulating the involvement of the private sector in this field is not merely a matter of business licensing, but is directly related to the state's constitutional mandate to protect the health of its citizens. This regulatory

framework provides a starting point for further analysis of the position of the state and non-state actors in fulfilling the right to health.

Efforts to expand vaccination coverage are highly dependent on a clear legal framework governing the roles of the state and the private sector. To achieve broad vaccination coverage, the government needs to invest appropriately in the vaccine distribution system and implement clear regulations to prevent misuse of the vaccination programmed, which could harm the state and society (Manullang, 2021). Normatively, vaccine distribution is regulated in various laws and regulations that place the right to health as a fundamental right of citizens. Article 28H paragraph (1) of the 1945 Constitution of the Republic of Indonesia states that everyone has the right to health services. This right is legally realized through Law No. 36 of 2009 on Health, which explicitly states that health services can be provided by the government and the community. In this context, the term "community" includes individuals, groups, and private entities that meet the requirements. Therefore, the involvement of the private sector in vaccine distribution has a legal basis, as long as it is within the established legal framework. The state continues to play a regulatory and supervisory role, while the private sector acts as an implementer that supports the achievement of national health service objectives. The principles of fairness and equity are the common thread in all these regulations, so that the distribution of vaccines by the private sector does not result in exclusive access for certain groups (Luhukay, 2022). These regulations provide a starting point for further exploration of mechanisms for oversight and ensuring equal access for all citizens.

Private sector participation in vaccine distribution essentially operates within the framework of public partnerships that are strictly regulated by health laws. The presence of the private sector in the field of vaccine distribution is understood through the framework of partnerships in public services. The law opens up space for private participation, but limits that space through strict technical and administrative provisions. In the field of vaccination, the private sector can only be involved if it has obtained permission from the regulator and is willing to comply with all the stipulated provisions. There is no leeway without supervision, because vaccines, as vulnerable biological products, must be protected from potential misuse or distribution that does not meet standards. Any violation of these rules not only poses a risk to public health, but is also a violation

of the law that is subject to administrative and criminal sanctions (Tanjaya et al., 2023). Therefore, the legal aspects of private sector involvement in vaccine distribution are not only a matter of business legality, but also of compliance with a complex and multi-layered regulatory system. This compliance framework provides a starting point for further discussion on the mechanisms of vaccine distribution oversight and accountability.

Technical regulations on vaccine distribution stipulate that all actors involved must operate in accordance with legal standards designed to protect public safety. Vaccine distribution as part of public health efforts is subject to strict technical standards, particularly because vaccines are classified as biological products that are highly sensitive to temperature and storage processes. In this case, national regulations place the private sector as a legal entity that must comply with the principles of prudence and quality standards. Government Regulation No. 40 of 2013 emphasizes that the distribution of medicines and vaccines must guarantee quality, safety, and efficacy. Therefore, the private sector must be able to implement a reliable distribution system, including maintaining a cold chain system that guarantees the quality of vaccines from the manufacturer to the point of service. This provision indicates that vaccine distribution cannot be carried out as a normal business activity, but rather as part of a health service activity that relies on the principles of legality and full accountability. Violations of these technical standards will result in serious legal consequences, both in the form of revocation of business licenses and other legal claims (Yusriando et al., 2021). This provision provides a starting point for further examination of the instruments of supervision and legal responsibility in the vaccine distribution chain.

The role of private health facilities in vaccination programmers shows that non-governmental contributions are regulated as part of the national immunization system. Furthermore, private sector involvement in vaccine distribution is realized through private health facilities such as hospitals, clinics, and pharmacies that meet certain qualifications. Minister of Health Regulation No. 12 of 2017 emphasizes that non-governmental health facilities can implement immunization programmers as long as they comply with national policies. This means that private sector participation remains within the system established by the state and must follow immunization service protocols, including recording, reporting, and implementing standard service procedures. This legal aspect is important to



prevent policy fragmentation and ensure uniformity in vaccination services throughout Indonesia.

From a health law perspective, private involvement is a form of limited partnership, not privatization, so it must remain in line with non-commercial national public health objectives (Suwantika et al., 2023). This operational accountability covers all aspects of service, including the reliability of support systems. For example, hospitals can be held legally accountable for disruptions in their health services caused by information system failures, which result in failure to meet service standards (Yatno et al., 2023). This regulation provides a starting point for further study on the legal scope and obligations of private health facilities.

Vaccination policies during emergencies show that the state can expand the private sector's participation through special legal mechanisms. In extraordinary situations such as a pandemic, the law gives the government greater flexibility to involve the private sector in supporting the implementation of mass vaccination. This is reflected in Presidential Regulation No. 99 of 2020 concerning the Procurement of Vaccines and Implementation of COVID-19 Vaccination, in which the government opens up space for business entities to participate in the procurement and distribution of vaccines under strict supervision. In the implementation of COVID-19 vaccine procurement based on Minister of Health Regulation No. 16 of 2021, the supervision process is carried out by the Minister of Health, the Head of the Government Goods/Services Procurement Policy Agency, the Head of the Financial and Development Supervisory Agency, and the Head of the Food and Drug Supervisory Agency in accordance with their respective duties and authorities (Ramdani, 2021).

However, this flexibility does not eliminate the principle that the state remains the main controller, both in determining the type of vaccine, price, vaccination targets, and distribution. This regulation reflects the principle that the state is actively present in emergency situations and does not completely surrender the implementation of strategic programmers to market mechanisms. From a legal perspective, this regulation demonstrates the principle of discretion in health policy, which remains within constitutional limits and aims to protect public health broadly. This regulation provides a starting point for further study on the limits of government discretion and the supporting role of the private sector in emergency health policy. However, the

effectiveness of state emergency policies does not only depend on private participation and vertical supervision, but also on voluntary participation and compliance from the community. A study on the mobilization of public legal awareness in the implementation of health protocols (Rojak, 2022) shows that the success of emergency policies is also determined by the state's ability to build legitimacy and mutual understanding, complementing the regulatory framework that involves the non-governmental sector.

The principle of social justice is an important basis for legal assessment of private sector involvement in vaccine distribution. Another aspect that needs to be considered is the principle of social justice in vaccine distribution by the private sector. The state must ensure that private involvement does not create inequality of access, especially for low-income groups. Legal protection efforts in vaccine implementation also cover aspects of fair distribution and access, including regulations to ensure that distribution mechanisms, whether by the government or the private sector, continue to prioritize the principles of fairness and safety for the entire community (Riyanto et al., 2023).

Legal protection for patients who cannot afford healthcare reaffirms the importance of the principle of fairness, whereby access to healthcare services, including vaccines, must be guaranteed for all levels of society without exception (Noor et al., 2023). The Health Law and the Consumer Protection Law provide protection for the public's right to obtain safe and affordable healthcare products. In terms of vaccine distribution, this means that private entities are required to follow the pricing policies set by the government or comply with the subsidy mechanism through the National Health Insurance scheme. This implies that private vaccine distribution should not be a means to generate excessive profits, let alone cause certain groups to be denied access due to cost constraints. This legal aspect is crucial to maintaining the integrity of the healthcare system and preventing the commercialization of basic healthcare services. This principle provides an initial direction for further discussion on the mechanisms for monitoring and protecting the rights of the community in accessing vaccines.

Licensing regulations are the main instrument used by the state to ensure that private sector involvement in vaccine distribution complies with legal standards. From an administrative law perspective, every private entity that wishes to be involved in vaccine distribution must obtain a license that is appropriate to the level of risk of its business

activities. Government Regulation No. 5 of 2021 classifies pharmaceutical distribution as a high-risk activity that requires a special license. This license not only covers formal legal aspects such as the deed of establishment or business registration number, but also includes verification of technical capabilities, infrastructure, and quality management systems. Private sector vaccine distributors are required to undergo compliance audits and are subject to sanctions for violations. From a juridical perspective, this licensing system is a legal instrument to control business activities so that they remain within the framework of public interest and do not deviate from the objectives of health services. This licensing system provides a starting point for further discussion on the mechanisms for monitoring and enforcing compliance in vaccine distribution.

Legal responsibility is a crucial aspect when the private sector is involved in vaccine distribution as part of public health services. The involvement of the private sector in vaccine distribution also raises the potential for legal liability in the event of violations of applicable regulations. The Health Law and the Law on Medicines and Food provide the basis for law enforcement against illegal distribution, vaccine counterfeiting, or violations of storage and transportation standards. In addition to administrative sanctions in the form of license revocation or fines, serious violations are also subject to criminal sanctions. This shows that the state takes private involvement in public services seriously and does not grant impunity to businesses that violate the law. In health law, supervision and law enforcement are vital instruments for ensuring service quality and public trust in immunization programmes. This accountability framework provides a starting point for further discussion on the effectiveness of supervision and consistency of law enforcement in the health sector.

The relationship between the private sector and local governments in vaccine distribution shows that the implementation of immunization is within a structured decentralization framework. Vaccine distribution by the private sector cannot be separated from the role of local governments in the decentralized system of government. Law No. 23 of 2014 states that health affairs are a mandatory authority that must be exercised by local governments. In this case, the private sector wishing to distribute vaccines must coordinate with the local health office and comply with local policies related to the implementation of immunization. This coordination is not merely administrative, but part of the multi-level governance of the health system.

Health laws regulate the relationship between the central and regional governments in the implementation of strategic programmes such as vaccination, so that the involvement of the private sector must proceed along predetermined lines. Weaknesses in coordination can result in overlapping policies or delays in vaccine distribution to the public. This regulation provides a starting point for further discussion on cross-level coordination between governments and its impact on the effectiveness of vaccine distribution.

Cooperation between the government and the private sector in vaccine distribution shows that strategic health services are carried out through partnership mechanisms that are strictly regulated by law. Partnerships between the private sector and the government in vaccine distribution are a form of cooperation that is legally regulated through various regulations. This model requires joint accountability, whereby the private sector is responsible for technical implementation, and the government is responsible for regulation and supervision. In Indonesia's health law system, this type of partnership is not value-free, but is carried out within an ethical and legal framework that aims to protect the wider community. This principle of protection is in line with the main foundation of the health system, namely the guarantee of patient rights as regulated in the perspective of medical law and ethics (Herisasono et al., 2023). The government continues to conduct outreach so that the Covid-19 vaccine can be widely distributed and absorbed so that it can be used more generally (Nachrawi et al., 2021). Therefore, private sector involvement is not left to grow naturally, but is controlled by legal norms that ensure sustainability and fairness in health services. This partnership framework provides a starting point for further discussion on regulating the accountability and consistency of the roles of each actor in the health system.

The position of the private sector in vaccine distribution has been explicitly institutionalized as an integral component of the national health legal framework. This non-governmental involvement is not an ad-hoc policy, but rather a form of participation that is systematically framed through a hierarchy of intertwined laws and regulations, ranging from the constitution to technical regulations. In essence, all interactions between the state and the private sector in this strategic domain are based on three non-negotiable legal pillars: legality, which provides the basis for permits and room for *man oeuvre*; accountability, which ensures operational and financial responsibility; and

fairness, which guarantees that services remain accessible to all levels of society. The legal framework that has been established can be said to be comprehensive in creating clear normative boundaries to protect the public interest.

However, the complexity of this legal framework has not been fully realized in its implementation in the field. There is a significant gap between the norms on paper and actual practice, which is particularly evident in three crucial areas. First, the supervisory system is still fragmented and unresponsive, making it prone to procedural violations. Second, coordination between government agencies (central and regional) and between the government and the private sector is often suboptimal, leading to inefficiencies and gaps in law enforcement. Third, the culture of legal compliance among business actors and public understanding of their rights still need to be improved significantly. Therefore, the existing legal framework should be viewed as a starting point, not an end point. The urgent agenda going forward is to consolidate and strengthen integrated supervision, synergies institutional coordination, and encourage participatory dissemination of regulations. Only through these concrete steps can the consistency and effectiveness of regulations at the operational level be realized, so that the ultimate goal of private sector involvement, namely equitable access to healthcare, can be achieved.

#### **Cross-subsidy Mechanism for Vaccine Access for Low-Income Groups**

The concept of cross-subsidies in vaccine distribution shows how health law frames equitable access through binding financing instruments. The mechanism of cross-subsidies in vaccine distribution needs to be understood as a legal construct designed to address the challenge of disparities in access to health services (Garcia-del-Barrio, 2017). In Indonesian health law, the fulfilment of the right to health is determined by a regulatory structure that covers all health service activities, including financing and vaccine distribution. Referring to Minister of Health Regulation No. 16 of 2021 concerning the Implementation of Vaccination in the Context of Combating the 2019 Coronavirus Disease (COVID-19) Pandemic, this is the first step or effort by the Indonesian government in terms of regulation to vaccinate the Indonesian people (Abdi, 2021). Cross-subsidies cannot be positioned as a voluntary policy of business actors or health service institutions, but must be framed in binding and operational legislation.

The basic principle of cross-subsidies is the proportional allocation of resources so that economically advantaged groups indirectly contribute to the provision of health services for economically disadvantaged groups. Through this approach, the principle of distributive justice is not only moral but also gains legal legitimacy through its integration into the vaccination service system. In its formulation, cross-subsidies cannot simply be included in policy documents but must be supported by legal norms that stipulate the form, source of funds, implementation mechanisms, and accountability systems. Therefore, a legal review of the cross-subsidy mechanism must focus on the compatibility between legal principles and the operational structure of inclusive vaccination service financing. This framework provides a starting point for further analysis of regulatory design and accountability mechanisms in inclusive vaccination financing.

The cross-subsidy scheme in vaccination financing reflects legal efforts to ensure that the distribution of health benefits is proportional and equitable. The application of cross-subsidies can be designed through a financing system sourced from tiered contributions. Patient satisfaction with the quality of services at health facilities, as observed in the analysis of community health center services, also depends on the affordability and fairness of the financing system applied, including in vaccination programmers (Darmawan et al., 2022). In this system, individuals or entities with high economic capacity are charged higher rates for vaccination services, with the excess allocated to cover the vaccination costs of low-income groups. This model can be applied in vaccination services provided by the private sector with government authorization. The regulation does not have to be direct but can be carried out centrally through financing institutions such as BPJS Kesehatan or special health funds managed by the government. The legal principle underlying this scheme is the principle of social justice and the state's responsibility to ensure that the fulfilment of the right to health is not selective. Although the funds come from the private sector or wealthy individuals, the distribution mechanism remains under state supervision so that subsidies do not lead to discrimination or duplication. Thus, the implementation of cross-subsidies needs to be complemented by legal instruments that regulate tariffs, user classification, and the structure of subsidy fund distribution so that it can run efficiently and in accordance with applicable legal principles. This financing framework provides a starting point

for further analysis of tariff regulations, user classification, and accountability mechanisms in the vaccination subsidy system.

The arrangement of cross-subsidies in vaccine distribution requires policy formulation that takes into account the differences between public and private services. A legally designed cross-subsidy system must consider the service structure used to distribute vaccines (Madalina & Laxamanahady, 2022). The differences between public and private services must be taken into account in drafting regulations to avoid policy overlap or distortion. In this case, the state needs to set vaccine price parameters in the private sector with fair upper and lower limits. Public services that provide free vaccines to certain groups can be supported by revenue from paid vaccination services in the private sector, as long as the transfer and recording mechanisms are regulated transparently. The legal instruments used can be presidential regulations, ministerial regulations, or regional regulations, depending on the scope of implementation and scale of intervention. In the Indonesian legal system, the formulation of technical regulations under the law provides flexibility for the government to adjust cross-subsidy policies to the needs and dynamics in the field. Strengthening legal norms in the form of derivative regulations is important to ensure that all actors involved understand their rights and obligations in the implementation of the cross-subsidy scheme. This regulatory framework provides a starting point for further study on the consistency of technical norms and actor compliance in the implementation of vaccination subsidies.

The integration of cross-subsidies with the national health insurance system forms a critical strategy, demonstrating how targeted public financing instruments can be effectively directed to expand equitable access to essential services like vaccination. This approach moves beyond isolated funding mechanisms by embedding vaccine financing within the overarching social health protection framework. Achieving this requires deep synergy, ensuring that the design and implementation of cross-subsidies are fully harmonized with the operational protocols, data systems, and reimbursement structures of the existing national health insurance scheme (Wahab et al., 2023). Such alignment prevents administrative fragmentation, maximizes resource efficiency, and creates a seamless pathway for subsidizing vaccines for low-income and vulnerable enrollees.

Beyond financial architecture, the success and

legitimacy of this equitable financing model are fundamentally contingent upon the quality of healthcare delivery. The perceived and actual quality of service is a paramount determinant that directly shapes participant satisfaction within the national health insurance system (Issalillah et al., 2021). This satisfaction is not a peripheral concern but a core element that influences the practical effectiveness of subsidy distribution and the long-term public acceptance of equity-based policies. If subsidized services are perceived as inferior, the entire model risks losing public trust. Therefore, the pursuit of equitable access through cross-subsidies must be inextricably linked to stringent quality assurance. Ultimately, the sustainability of the cross-subsidy mechanism depends on its ability to provide not just financial protection, but also dependable, high-quality health services that affirm the dignity and rights of all beneficiaries.

BPJS Kesehatan, as the health insurance provider, can be used as the main instrument for collecting and distributing vaccine subsidies. Health insurance participants can be classified based on their contribution level and economic capacity. For participants in the higher contribution class, there is policy space to allocate part of the funds as cross-subsidies without affecting the quality of services they receive. Meanwhile, participants with fixed contribution assistance status can still receive vaccination services free of charge as part of their health rights. In this type of system, legal legitimacy lies in the regulation of contributions and the use of funds as stipulated in the regulations governing the implementation of social security. This confirms that cross-subsidies are not an additional intervention, but rather part of the legal design of a health system that prioritizes fairness, equity and efficiency in the use of public funds. This integrative framework provides a starting point for further analysis of contribution arrangements, fund allocation, and oversight mechanisms in the vaccination subsidy scheme.

The regulation of cross-subsidies through vaccine procurement and pricing mechanisms demonstrates how state intervention is directed towards maintaining equal access. In addition to the social security system, cross-subsidy arrangements in vaccination can also be incorporated into the state's vaccine procurement and pricing mechanisms. The government can procure large quantities of vaccines through contract schemes that allow for price flexibility. Under this scheme, the price of vaccines charged to certain groups can be adjusted according to their ability to pay, while the



price of vaccines for vulnerable groups is subsidized through the state budget or procurement surpluses. These provisions must be stipulated in procurement contract documents and price regulation regulations in order to have legal force. This mechanism also requires the support of supervisory institutions such as the Government Goods/Services Procurement Policy Agency and the Board of Audit to ensure accountability in the use of funds. Legal aspects require that all funds collected or distributed in the cross-subsidy scheme be based on valid and auditable regulations. The aim is to maintain public trust in the immunization programmed and prevent abuse of authority in the distribution and financing process. This procurement framework provides a starting point for further analysis of fiscal accountability and state agency oversight in the vaccination subsidy scheme.

The regulation of cross-subsidies shows that public accountability is a key element in the legal design of vaccination financing. Oversight of the implementation of cross-subsidies is an important part of the legal structure governing this system. State administrative law stipulates that every public programmed involving public or state funds must be accounted for openly. This requires regulations that mandate periodic reporting, financial audits, and periodic evaluations of the implementation of cross-subsidies. Local governments also play an important role in supervising implementation in their regions. Under the decentralization scheme, local governments have the authority to determine technical and operational policies related to vaccination, including cross-subsidies. Therefore, it is necessary to establish local regulations that detail the cross-subsidy mechanism in accordance with the needs and capacities of each region. Strengthening laws at the local level also enables the creation of local policy innovations that remain in line with national legal principles and frameworks. Thus, cross-subsidies do not operate uniformly, but rather adaptively and in accordance with the demographic and fiscal characteristics of the region. This supervisory framework provides a starting point for further study on the role of regions and the consistency of regulations in the implementation of vaccination subsidies.

The involvement of the private sector in the cross-subsidy scheme requires regulations that clarify the boundaries between the roles of technical implementers and state authorities. When cross-subsidies involve the private sector, there must be clear boundaries between the role of corporations as technical implementers and the government as the

system controller. Cooperation agreements between the government and the private sector must be drafted based on the principles of equality, transparency, and legislation. These agreements must include provisions on cost sharing, distribution mechanisms, and sanctions for default. Legal clarity in these agreements prevents abuse or violations of the objectives of cross-subsidies. In addition, the private sector needs to receive legal incentives if they contribute to the cross-subsidy scheme, for example through tax reductions or licensing facilities. Such incentive policies must be regulated in legally binding regulations so that they can be implemented without discrimination. With this approach, cross-subsidies are not only related to financial distribution, but also form part of a framework for cooperation between the state and business actors in achieving health equity. This framework for cooperation provides a starting point for further discussion on legal incentives and regulatory consistency in health partnerships.

Criminal law enforcement is an important element in ensuring that cross-subsidy schemes are protected from abuse and fraudulent practices. Criminal law also plays a role in maintaining the integrity of cross-subsidies. Misuse of subsidy funds, manipulation of recipient data, or fraudulent acts in the vaccine distribution process are subject to criminal sanctions in accordance with applicable laws and regulations. Therefore, the legal design of cross-subsidies needs to include mechanisms for complaints, investigations, and public reporting. This is a manifestation of the principle of legality and justice that forms the basis of the Indonesian legal system. Strict legal supervision is necessary so that the cross-subsidy programmed does not merely become a policy slogan, but truly guarantees the rights of low-income communities to adequate vaccination services. In addition, firm law enforcement also sends a signal to all actors in the system that the cross-subsidy programmed is protected by law and should not be used as an instrument for short-term or political interests. This enforcement framework provides a starting point for further discussion on the effectiveness of the complaint mechanism and the role of the community in maintaining the integrity of the vaccination subsidy.

The effectiveness of cross-subsidies in vaccination is highly dependent on the involvement of local governments, which is regulated through a legal framework that is harmonized between the central and regional governments. Equal access to vaccines through cross-subsidies will not work

without a legal structure that guarantees the active participation of local governments. In this case, synchronization between national and regional policies is needed so that cross-subsidies are not trapped in rigid centralized policies. Local governments must be given the space to design cross-subsidy schemes in accordance with the social and fiscal realities of their regions. However, policy decentralization does not mean reduced supervision. The central government still has the responsibility to provide guidance, evaluation, and correction if the implementation of cross-subsidies is not in line with national objectives. The legal structure supporting cross-subsidies must be designed in such a way that it does not cause conflicts of authority, but rather strengthens inter-institutional synergy. With this approach, cross-subsidies are not merely technical regulations, but part of structural reforms in the national health system that favor vulnerable groups. This synchronization framework provides a starting point for further discussion on structural reform and strengthening the role of regions in the national health system.

Strengthening the legal framework for cross-subsidies requires translating the value of social justice into operational and measurable regulations. The legal arrangement of cross-subsidies must reflect the philosophy of the Indonesian legal system, which is oriented towards social justice and mutual cooperation. This principle is not enough to be merely enshrined in basic norms, but needs to be translated into specific, applicable and evaluable regulations. Cross-subsidies are not merely a fiscal policy, but a legal instrument that supports the sustainability of vaccination programmers for all community groups. Without strong legal protection, cross-subsidies risk becoming an inconsistent political policy. Therefore, it is necessary to develop a legal roadmap for cross-subsidies that covers all levels of regulation, from legislation to its implementation. This includes strengthening institutions, information systems, and public participation in oversight. With this systematic approach, the cross-subsidy system will be able to address the challenge of access inequality and provide legal guarantees for low-income communities to continue receiving adequate vaccination services. This conceptual framework provides a starting point for further discussion on the regulatory roadmap and institutional strengthening in the implementation of vaccination subsidies.

## CONCLUSION

Private sector involvement in vaccine distribution and cross-subsidy mechanisms for low-income groups are two interrelated dimensions of Indonesian health law. Both are subject to legal principles that priorities fairness, legality, accountability and equitable access. Positive law in Indonesia stipulates that vaccine distribution by the private sector can only be carried out with strict licensing and supervision by the government. Within the same framework, cross-subsidies can be designed as a structured legal policy, using constitutional bases and national health financing regulations to ensure equal access for all levels of society. Therefore, vaccine distribution and cross-subsidies are not merely technical health matters, but part of the state's responsibility to realize the right to health guaranteed by law.

This study shows that strengthening legal instruments in the field of vaccine distribution and cross-subsidies requires a comprehensive approach. The key step is to establish strict and specific regulations to govern cooperation mechanisms, operational standards, and the obligations of all parties. This approach must be supported by a transparent and accountable monitoring system, as well as strong coordination between the central government, local governments, and the private sector. Only with a solid and integrated framework can the principles of fairness and sustainability in vaccine distribution be guaranteed.

The practical implication of these findings is the need to reformulate vaccination policies involving the private sector. This formulation must ensure that the entire process remains under effective legal control, while also designing data-driven, measurable, and auditable cross-subsidy mechanisms to prevent leakage and misuse. In addition, the role of the Social Security Administration Agency (BPJS) for Health and local governments needs to be strategically strengthened. This strengthening is important to ensure that vulnerable groups, who are most burdened by healthcare costs, have affordable and equal access to vaccines as a form of basic health protection.

The government is advised to formulate implementing regulations that specifically regulate the mechanism for vaccine distribution by the private sector, including price controls, quality standards, and incentive systems. In addition, technical regulations on cross-subsidies in vaccine distribution need to be established, covering fund management, classification of target recipients, and sanctions for irregularities. These adjustments should be formulated through a participatory approach so that

the resulting policies can be implemented effectively and guarantee legal protection for all stakeholders.

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