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ASIA EDITION

Indonesia Budget 2027: Whatâ??s in Store for Healthcare

September 1, 2026 | Analysis | By Ayesha Siddiqui

Healthcare is one of the eight national priority programmes under Indonesiaâ??s proposed 2027 State Budget presented on August 14 by President Prabowo Subianto, with the Government announcing several initiatives to strengthen the countryâ??s healthcare system. These include expanding and renovating primary healthcare centres, building and revitalising regional hospitals, improving access in underserved areas and addressing shortages of doctors and medical specialists. Here is what the budget could mean for Indonesiaâ??s healthcare sector.

Indonesia, the Southeast Asian archipelago, has unveiled its proposed 2027 State Budget, with healthcare identified as one of eight National Priority Work Programmes (PKPN). The wider agenda covers food sovereignty, water and energy self-sufficiency, education, downstreaming and industrialisation, infrastructure, housing and disaster resilience, strengthening the people's economy and village development, and poverty reduction.

Total state expenditure is projected at Rp4,097.2 trillion in 2027, up from Rp3,842.7 trillion in 2026. State revenue is estimated at Rp3,426 trillion, compared with Rp3,153.6 trillion in 2026.

State financing is projected at Rp671.2 trillion, while the fiscal deficit is expected to narrow to 2.40 per cent of GDP from 2.68 per cent in 2026. The Government aims to gradually reduce the deficit, with a balanced budget remaining a longer-term goal.

The proposed health budget stands at Rp244.9 trillion, an increase of about 1.7 per cent from the 2026 outlook. The allocation will focus on public health and nutrition through promotive and preventive programmes, while expanding access to quality healthcare.

However, the allocation for the Ministry of Health is planned at Rp102.1 trillion, down from Rp114 trillion in 2026. This contrast raises questions about how the Government will fund an ambitious expansion of healthcare infrastructure and services.

Strengthening Primary Healthcare

A major focus of the 2027 agenda is strengthening Indonesia's primary healthcare network.

The Government plans to construct 1,988 new community health centres and renovate 8,001 existing centres. It also plans to build more than 400 regional public hospitals to expand healthcare infrastructure and improve access.

At the centre of this strategy are Puskesmas — Pusat Kesehatan Masyarakat, or public health centres. These government-run, first-level facilities operate at the subdistrict level and provide essential outpatient and public health services.

The Government has noted that many Puskesmas have not been renovated for decades, despite their role as the first point of contact for communities. They provide prenatal care, infant vaccinations, child growth monitoring and early disease detection.

Starting in 2027, the Government plans to renovate 10,000 Puskesmas across Indonesia. Each centre is expected to receive approximately Rp4 billion, with additional funding for underdeveloped, frontier and outermost regions.

The Government also plans to renovate or construct 514 public health laboratories across all regencies and cities, with the programme targeted for completion by 2030.

Building and Revitalising Regional Hospitals

The Government has stated that all 514 regencies and cities should have hospitals capable of providing immediate and life-saving care.

As an initial step, 66 hospitals have been built in underdeveloped, frontier and outermost regions, of which 22 are currently operational. These facilities have been equipped with cardiac diagnostic equipment, CT scanners, mammography, ultrasound and other modern medical services, reducing the need for patients to travel long distances for treatment.

The next phase will involve building and revitalising 441 Regional General Hospitals. These facilities are expected to strengthen capacity for treating major causes of death, including cancer, cardiovascular disease, stroke and kidney disease, while expanding maternal and child healthcare.

The Government is also considering a health clinic in every Red and White Cooperative, enabling people to access medical services remotely.

The broader aim is to create a more geographically distributed healthcare system, bringing essential and specialised services closer to communities.

Tackling the Healthcare Workforce Shortage

Infrastructure expansion will need to be matched by an adequate healthcare workforce.

Indonesia currently needs an additional 84,781 general practitioners and 127,580 dentists. In addition, 481 regencies and cities require a further 55,712 medical specialists.

To address these gaps, the Government has established nine new faculties of medicine and 170 specialist and subspecialist programmes across higher education institutions and hospitals, with plans for further expansion.

For immediate shortages, the Government is also considering allowing foreign medical practitioners to work in Indonesia for limited periods.

The challenge is significant: building hospitals and expanding primary healthcare facilities will have limited impact without enough doctors, specialists and other healthcare professionals to operate them.

Air Ambulances to Improve Access

Geography remains a major barrier to healthcare access in Indonesia, an archipelago with significant variations in infrastructure and connectivity.

The Government plans to introduce air ambulance services using helicopters and small aircraft capable of landing on grass fields, sand fields and riverbanks. These services would enable rapid evacuation from remote communities and disaster-affected areas.

The need has been underscored by reports of mothers dying after travelling seven to nine hours during labour because of poor roads and bridges, including in regions relatively close to the capital.

Medical teams could also be deployed by air, with doctors travelling directly to patients or communities affected by emergencies and disasters.

The initiative reflects a broader shift in strategy: rather than expecting patients in remote areas to travel to healthcare facilities, the Government is looking at ways to bring care closer to them.

Industry Opportunities and Challenges

Local media coverage of the proposed 2027 budget has reflected a mixed picture. The plans to expand primary healthcare, revitalise regional hospitals and improve access in underserved areas represent significant steps towards addressing healthcare gaps. However, questions remain around implementation capacity and funding.

The overall health allocation is expected to rise only modestly, while the Ministry of Health's allocation is set to decline. This comes as the Government plans a major expansion of infrastructure while addressing substantial shortages of doctors and specialists.

For the healthcare industry, the expansion programme could create new opportunities. Investment in Puskesmas, regional hospitals and public health laboratories is likely to generate demand for medical devices, diagnostic equipment, laboratory technologies, digital healthcare solutions and related services.

The expansion of specialist care could also support demand for advanced technologies in oncology, cardiovascular care, nephrology and neurology. Meanwhile, the focus on preventive healthcare and early detection could drive opportunities in screening, diagnostics and community-based health programmes.

Ultimately, the success of Indonesia's 2027 healthcare agenda will depend not only on investment but also on the Government's ability to translate budgetary commitments into functioning infrastructure, adequate staffing and accessible services. If implemented effectively, the measures could strengthen Indonesia's healthcare system from primary care to specialised treatment while creating a broader market for healthcare technology and services.

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