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# THE EFFECT OF FINANCIAL PERFORMANCE ON THE LEVEL OF FINANCIAL INDEPENDENCE REGIONAL PUBLIC SERVICE AGENCY (BLUD) REGIONAL PUBLIC HOSPITAL (RSUD) INDRASARI RENGAT

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### ABSTRACT

*The financial performance of the Regional Public Service Agency (BLUD) of RSUD Indrasari Rengat has fluctuated, this greatly affects the level of financial independence as a hospital that has implemented the pattern of financial management of the Regional Public Service Agency (PPK-BLUD). From 2016-2020, the financial performance of the Indrasari Rengat Hospital for the liquidity ratio seen from the current ratio has decreased. Furthermore, there was an increase in the solvency ratio and fluctuations in the profitability ratio, this was also supported by the research gap of several previous studies such as the research of Wijayanti (2015), and Mentari (2018), and Tama (2018).*

*This research was conducted at the BLUD RSUD Indrasari Rengat, the research was carried out for approximately 6 (six) months. The purpose of this study was to analyze and examine the effect of financial performance (Liquidity Ratio - Current Ratio, Solvency Ratio, Profitability Ratio) on the level of financial independence of the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency.*

*This study uses quantitative methods, namely research that analyzes and examines the effect of financial performance (Liquidity Ratio - Current Ratio, Solvency Ratio, Profitability Ratio) on the level of financial independence of BLUD Indrasari Rengat Hospital, Indragiri Hulu Regency. By analyzing the data using multiple linear regression, correlation coefficient, and hypothesis testing which will later be assisted by using SPSS version 24.*

*Based on the results of the study, showed that financial performance, namely the liquidity ratio (current ratio), solvency ratio, and profitability ratios had a positive and significant effect on the level of financial independence at the BLUD RSUD Indrasari Rengat.*

**Keywords:** *Liquidity Ratio, Solvency Ratio, Profitability Ratio, Level of Financial Independence*

### INTRODUCTION

A government hospital is one of the public sector organizations that is used as a government work unit to serve the needs of the community in the health sector. The role of this government hospital is very important because it has the main goal not to make a profit. However, it is undeniable that many problems arise along with the demands of the people who want the government to be able to provide excellent service.

In the role of the hospital above, the common goal of not making a profit (non-profit oriented) is important. Various sources of funding must be managed properly and by applicable laws and regulations. Financial sources such as service income and other income are important aspects that can be used as a tool to determine financial performance and services. Financial performance assessment is used to assess whether the increase in the achievement of hospital goals as a public service and regional financial source has been carried out as expected or not (Mentari, 2018).

The high operational costs and limited resources are also a problem in providing quality services for hospitals, it is difficult to predict the service needs of the community and the need for resources to support them (Sirait, 2017). Efforts to improve the performance of government hospitals, especially Regional General Hospitals (RSUD) are being carried out by maximizing services to the community through the implementation of the Regional Public Service Agency's Financial Management Pattern (PPK-BLUD). The implementation of the PPK-BLUD in this hospital needs to be carried out properly by the existing regulations for the implementation of the BLUD because the PPK-BLUD is different from the previous financial management system. Problems can occur if there is a hospital that has BLUD status but its management still resembles the old financial management system. This can lead to not achieving the goal of establishing a BLUD because the old financial management system will certainly provide different performance results from the PPK-BLUD.

To measure financial performance, according to the Regulation of the Minister of Home Affairs Number 79 of 2018 article 18, performance can be measured based on several assessments such as the level of ability of the Regional Public Service Agency (BLUD) in obtaining business results or work results from the services provided (profitability), fulfilling its short-term obligations (liquidity), fulfill all its obligations (solvability), the ability to receive from services to finance expenses. The measurement of financial performance as described in the Regulation of the Minister of Home Affairs Number 79 of 2018, is also directly proportional to the measure of the level of independence of a hospital. From this explanation, it can be concluded that the better the financial performance of a hospital, the better the level of independence. However, it should be noted that the large surplus is not yet a measure of how efficient the hospital is in managing finances. The annual financial performance of a hospital has not been able to reflect a good level of independence. Fluctuations in financial performance results that have increased and decreased also greatly affect the financial independence performance of a hospital, including the Indrasari Rengat Hospital, which has implemented the management pattern of the Regional Public Service Agency.

To see the hospital's ability to pay obligations seen from the level of the liquidity ratio, namely from the current ratio that occurred at Indrasari Rengat Hospital. In the following, data is presented regarding the magnitude of the liquidity ratio (current ratio) of the BLUD RSUD Indrasari Rengat which occurred from 2016-2020

Table 1: Percentage of Current Ratio Growth in BLUD RSUD Indrasari Rengat Indragiri Hulu Regency in 2016-2020.

No	Year	Current Ratio (%)	Growth (%)
1	2016	777,49	100,00
2	2017	591,94	-23,87
3	2018	331,89	-43,93
4	2019	232,78	-29,86
5	2020	192,75	-17,20

Source: Indrasari Rengat Hospital, Indragiri Hulu Regency in 2021.

Furthermore, the researchers searched the Financial Statements of RSUD Indrasari Rengat by calculating the solvency ratio. Based on these calculations, data were obtained regarding the solvency ratio of the BLUD RSUD Indrasari Rengat which occurred from 2016-2020.

Table 2: Percentage of Solvency Ratio Growth in BLUD RSUD Indrasari Rengat Indragiri Hulu Regency in 2016-2020.

No	Year	Solvability Ratio (%)	Growth (%)
1	2016	5	100,00
2	2017	7	40,00
3	2018	8	14,29
4	2019	10	25,00
5	2020	11	10,00

Source: Indrasari Rengat Hospital, Indragiri Hulu Regency in 2021.

To measure the ability of the hospital's financial performance in using assets productively. Profitability is the main indicator for stakeholders. The profitability ratio has the assumption that the higher the profitability, the more effective and efficient the hospital's performance will be. The level of efficiency of asset utilization can be determined by comparing the surplus/deficit of RSUD Indrasari Rengat with assets and capital to produce the surplus, the higher the profitability ratio, the more productive the use of assets will be and have a good impact on the hospital's independence.

The following is data regarding the profitability ratio of the BLUD RSUD Indrasari Rengat which occurred since 2016-2020.

Table 3: Profitability Ratio Growth in BLUD RSUD Indrasari Rengat Indragiri Hulu Regency in 2016-2020.

No	Year	Rentability Ratio (%)	Growth (%)
1	2016	30	100,00
2	2017	9	-70,00
3	2018	-5	-155,56
4	2019	-4	-20,00
5	2020	-9	125,00

Source: Indrasari Rengat Hospital, Indragiri Hulu Regency in 2021.

Data on the level of financial independence of the BLUD Indrasari Rengat Hospital, Indragiri Hulu Regency which occurred from 2016 to 2020 can be seen in table 4 below:

Table 4: Data on the amount of functional income, operational expenditure, and the level of independence at the BLUD of RSUD Indrasari Rengat, Indragiri Hulu Regency from 2016 to 2020.

Year	Functional Income (Rp)	Operational Expenditure (Rp)	Level Of Independence (%)
2016	38.683.311.527	62.671.574.354	61,72
2017	43.832.990.833	71.430.557.382	61,36
2018	39.404.562.234	73.611.749.997	53,53
2019	39.484.548.297	79.623.138.356	49,59
2020	36.612.539.609	77.494.290.859	47,25

Source: Indrasari Rengat Hospital, Indragiri Hulu Regency year 2021.

Based on sources from the financial reports at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency from 2016 to 2020. It is known that the level of financial independence has experienced a prolonged decline from 2016-2020. The data the researchers obtained directly from RSUD Indrasari Rengat and will be processed in this study as variable Y (Level of Financial Independence).

This study is a replication of several studies that became references in this study such as the research conducted by Madjid which examined the financial performance of 69 BLU hospitals belonging to the central government and the results showed that in general the average current ratio, quick ratio, and debt ratio were sufficient. good, but many BLUs have financial ratios below the average compared to those above the average. In fact, according to Madjid, the purpose of establishing a work unit to become a BLU is to improve performance, both in terms of financial performance and operational performance. BLU flexibility is expected to spur the work unit to be more independent and improve services provided to the community (Madjid, 2009:31). A similar study was conducted at the Regional General Hospital in Subosukowonosraten, Central Java, where the results of the study showed that service performance was strongly and significantly correlated with the level of effectiveness and efficiency and independence of the hospital as measured by the cost recovery rate (CRR) and the level of independence. Meanwhile, financial performance is strongly correlated with financial independence as seen by the profitability ratio (Wijayanti, 2015).

Furthermore, research on Financial Performance Analysis and Services with Hospital Independence at RSUD Dr. Abdoer Rahem Situbondo, the results of the study show that financial performance as measured by the solvency ratio is statistically proven to be strongly correlated with the cost recovery rate (CRR) and the level of independence (Mentari, 2018). While the research on Service Performance Evaluation and Hospital Finance that applies the BLUD Financial Management Pattern. The results of his research show that financial performance as measured by solvency ratios, activity ratios, liquidity ratios and profitability ratios is not correlated with the cost recovery rate (CRR) and the level of independence (Tama, 2018).

There is a research gap on the Effect of Financial Performance on Financial Independence where (Wijayanti, 2015) states that financial performance has a strong influence on financial independence as seen in the profitability ratio. The same thing was also done by (Mentari, 2018) namely financial performance as measured by the solvency ratio statistically proven to be strongly correlated with the cost recovery rate

(CRR) and the level of independence. These two studies are different from those conducted by (Tama, 2018) which states that financial performance as measured by solvency ratios, activity ratios, liquidity ratios and profitability ratios is not correlated with the cost recovery rate (CRR) and the level of independence.

Starting from the background of the problems and phenomena above, the authors are interested in discussing research with the title " The Effect Of Financial Performance On The Level Of Financial Independence Regional Public Service Agency (BLUD) Regional Public Hospital (RSUD) Indrasari Rengat "

## **LITERATURE REVIEW**

### **Regional Public Service Agency Financial Management Pattern**

According to Law Number 44 of 2009 concerning hospitals, it is mandated that hospitals established by the central government and local governments must be managed in the form of a Public Service Agency (BLU) and/or Regional Public Service Agency (BLUD). In early 2012, the Minister of Health of the Republic of Indonesia emphasized that regional hospitals are required to implement the Financial Management Pattern of the Regional Public Service Agency (PPK-BLUD). While the purpose of implementing the PPK-BLUD according to the Regulation of the Minister of Home Affairs Number 79 of 2018 it is stated that the PPK-BLUD aims to provide public services more effectively, efficiently, economically, transparently and responsibly by paying attention to the principles of justice, propriety and benefits in line with good business practices. healthy,

### **Financial performance**

Financial performance is a description of the hospital's financial condition in a certain period, both in terms of raising funds and distributing funds, which are usually measured by indicators of capital adequacy, liquidity and profitability (Jumingan, 2006:239). The company's financial performance is an achievement achieved by the hospital in a certain period which reflects the health level of the hospital (Sutrisno, 2009: 53). Financial performance is an analysis conducted to see the extent to which a hospital has implemented it by using financial implementation rules properly and correctly. Hospital performance is a description of the financial condition of a hospital which is analyzed with financial analysis tools, so that it can be known about the good and bad financial conditions of a hospital that reflect work performance in a certain period. This is very important so that resources are used optimally in the face of environmental changes (Sirait,2018)

### **Financial Performance Measurement**

According to Minister of Home Affairs Regulation No. 79 of 2018 concerning Regional Public Service Agencies; Article 18 states that the assessment of financial performance is measured at least through assessments such as: the level of ability of the Regional Public Service Agency (BLUD) in obtaining business results or work results from the services provided (profitability), fulfilling its short-term obligations (liquidity), fulfilling all of its obligations ( solvency), the ability of revenue from services to finance expenses.

Hospital financial performance is closely related to performance measurement and assessment. Performance measurement is the qualification and efficiency and effectiveness of the hospital in operating the business during the accounting period. The performance appraisal is the determination of the effectiveness of operations,

organizations, and employees based on the targets, standards and criteria that have been previously determined periodically (Sirait,2018: 18)

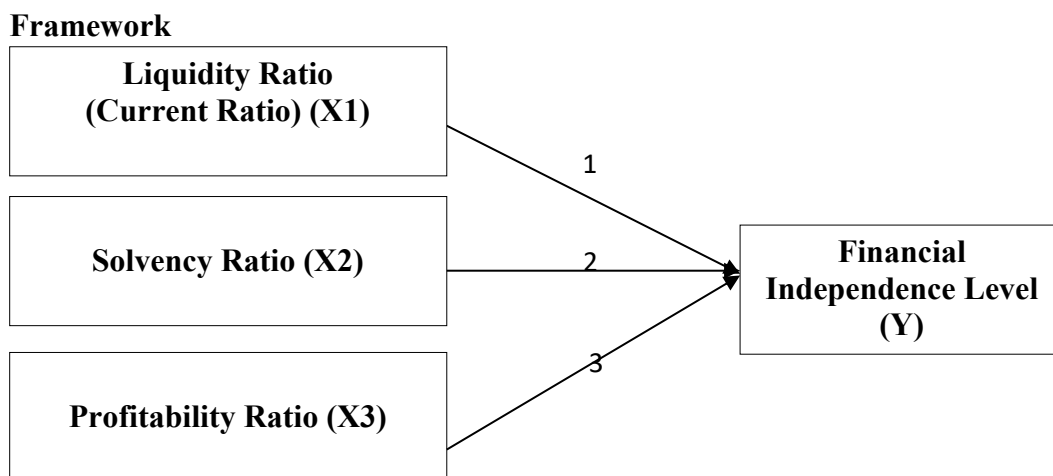


Figure 1 Research framework

## RESEARCH METHODS

The method used by the author in this study is to use a quantitative approach. This method is called the quantitative method because the research data used are in the form of numbers and analysis using statistics (Sugiyono, 2020:16). While the research design used is a causal design where this study aims to see the relationship of variables to the object under study so that it is more cause and effect (causal) and to find the influence between research variables (Sugiyono, 2020:21).

### Multiple Linear Regression Analysis

Used to measure the effect of financial performance on the level of independence. To perform regression analysis can use the multiple linear regression formula with the formula (Sugiyono, 2012:258). Multiple linear regression analysis that can be used in this study with a view to measuring the effect of more than one independent variable (variable X1, variable X2, and variable X3) on the dependent variable (variable Y). The multiple linear regression equation models that can be written in this study are:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots \dots \dots (1)$$

**Information :**

Information :

Y = Financial Independence

b1 – b3 = Multiple linear regression coefficient

X1 = Liquidity Ratio (Current Ratio)

X2 = Solvency Ratio

X3 = Profitability Ratio

a = Constant

e = Standard Error

### F Test

The F test is used to see whether the existing regression model is feasible or not (Ferdinand, 2014: 239). The f test is a prerequisite test that is carried out if the f test on

financial performance variables, namely the liquidity ratio, solvency ratio and profitability ratio is significant, then it can proceed to the t test or hypothesis testing. If the f test is not significant, the study cannot proceed to the t test or hypothesis testing.

Simultaneous testing is carried out to determine the magnitude of the influence of all independent variables (independent) on the dependent variable (dependent). When written mathematically it will be a function equation:

With a significant difference level ( $\alpha$ ) of 5%, then the decision rule:

- a.  $F_{count} < F_{table}$  =  $H_0$  is accepted,  $H_a$  is rejected, meaning that financial performance has no significant effect on the level of financial independence.
- b.  $F_{count} > F_{table}$  =  $H_0$  is rejected,  $H_a$  is accepted, meaning that financial performance has a significant effect on the level of financial independence.

### Hypothesis Testing (t Test)

This test aims to determine whether each independent variable significantly affects the dependent variable. The form of the test is:

- a.  $H_0: b_1=b_2=b_3=0$ , meaning that financial performance does not have a significant influence on the financial independence of the hospital.
- b.  $H_a : b_1 \neq b_2 \neq b_3 \neq 0$ , meaning that financial performance has a significant influence on the financial independence of the hospital.
- c. The test is carried out using a t-test with a test rate of 5% degrees of freedom or  $df = (nk)$  decision-making criteria:
  - a.  $H_0$  is accepted and  $H_a$  is rejected if  $t_{count} < t_{table}$ . This means that the independent variable has no significant effect on the dependent variable.
  - b.  $H_a$  is accepted and  $H_0$  is rejected if  $t_{count} > t_{table}$ . This means that the independent variable has a significant effect on the dependent variable.

## RESULTS

### Multiple Linear Regression Analysis

Based on the multiple regression formula from secondary data processed using SPSS, the results are obtained as shown in the table below:

Table 5: Multiple Regression Test Results

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-16,973	28,265		-.304	.812
R_Liquidity	1.143	1,745	.907	5,750	.001
R_Solvency	5.596	4.848	.979	5.012	.004
R_Rentability	.302	.276	1.556	5.101	.023

a. Dependent Variable: Independence\_Level

Source: SPSS Processed Data

So that the relationship that occurs can be written in the form of a regression equation (model) namely:

$$Y = -16.973 + 1.143X_1 + 5.596X_2 + 0.302X_3 - 0.304 e$$

With variable  $X_1$  is the Liquidity Ratio, variable  $X_2$  is the Solvency Ratio, variable  $X_3$  is the Profitability Ratio and  $Y$  is the level of financial independence.

The interpretation of the regression model above is:

**a = -16.973**

The constant of -16.973 with a negative relationship indicates that if the liquidity ratio, solvency ratio and profitability ratio are equal to 0 (zero) or constant (no increase or decrease), the level of financial independence will decrease by 16.973.

**b1 = 1.143**

b1 of 1.143 with a positive relationship indicating that every increase in the liquidity ratio of 1 (one) unit will be followed by an increase in the level of financial independence of 1.143 with the assumption that the solvency ratio and the profitability ratio are equal to 0 (zero) or constant (no increase or decrease)

**b2 = 5.596**

b2 of 5.596 with a positive relationship indicating that every increase in the solvency ratio of 1 (one) unit will be followed by an increase in the level of financial independence of 5.596 with the assumption that the liquidity ratio and profitability ratio are equal to 0 (zero) or constant (no increase or decrease)

**b3 = 0.302**

b3 of 0.302 with a positive relationship indicating that every increase in the profitability ratio of 1 (one) unit will be followed by an increase in the level of financial independence of 0.302 with the assumption that the liquidity ratio and solvency ratio are equal to 0 (zero) or constant (no increase or decrease)

## Hypothesis Test Results

### F test

The F test is used to see whether the existing regression model is feasible or not (Ferdinand, 2014: 239). The f test is a prerequisite test that is carried out if the f test on financial performance variables, namely the liquidity ratio, solvency ratio and profitability ratio is significant, then it can proceed to the t test or hypothesis testing. If the f test is not significant, the study cannot proceed to the t test or hypothesis testing.

Simultaneous testing is carried out to determine the magnitude of the influence of all independent variables (independent) on the dependent variable (dependent). The results of simultaneous testing of the influence of financial performance on the level of financial independence can be seen in table 6 below:

Table 6: F Test Results

		ANOVA <sup>a</sup>					
Model		Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	7.071	3	2,357	.815	.651 <sup>b</sup>	
	Residual	2,890	1	2,890			
	Total	9.961	4				

a. Dependent Variable: Independence\_Level

b. Predictors: (Constant), R\_Rentability, R\_Liquidity, R\_Solvability

Source: SPSS Processed Data

In this study, the test instrument used to accept or reject the hypothesis simultaneously is the f statistic test, provided that if the results are  $F_{count} > F_{table}$  then  $H_0$  is rejected and  $H_a$  is accepted, otherwise  $H_0$  is accepted and  $H_a$  is rejected if  $F_{count} < F_{table}$ . The search results for f table can be explained as follows:

$$F_{Table} = \frac{\text{Numerator}}{\text{Denominator}} = \frac{k-1}{nk} = \frac{4-1}{5-4} = 3$$

$$= \frac{3}{1} = 3$$

$$F_{Table} = 0.216$$



Based on Table 6 test f and F table above, the value of F count > F table is 0.815 > 0.216, so based on the data testing criteria it can be seen that Ha is accepted and Ho is rejected, namely Financial Performance has a significant effect on the Level of Financial Independence .

**t test**

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Partial testing of the influence of financial performance on the level of financial independence can be seen in table 7 below:

Table 7: t test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-16,973	28,265		-.304	.812
R_Liquidity	1.143	1,745	.907	5,750	.001
R_Solvency	5.596	4.848	.979	5.012	.004
R_Rentability	.302	.276	1.556	5.101	.023

a. Dependent Variable: Independence\_Level

Source: SPSS Processed Data

The test instrument used to accept or reject the hypothesis is a two-way t statistical test, provided that if the results of tcount > ttable then H0 is rejected and Ha is accepted, on the other hand H0 is accepted and Ha is rejected if tcount < ttable.

$$\text{Los } (\alpha) \text{ (level of significance)} = 5 \% = 0.05$$

$$T \text{ table} = / 2 ; n-2 = 0.05/2 ; 5-2$$

$$= 0.025;3$$

$$= 3.18245$$

**Results of t-test The Effect of Liquidity Ratio on the Level of Financial Independence .**

For the liquidity ratio variable (current ratio), it is obtained that tcount > ttable is 5.750 > 3.18245 and a significance value of 0.001 < 0.05. Based on the data testing criteria, it can be seen that Ho is rejected and Ha is accepted, meaning that the variable (X1) Liquidity Ratio (Curent Ratio) has a positive and significant effect on the variable (Y) Level of Financial Independence. Based on the results of this study, the liquidity ratio (current ratio) provides an effective contribution of 87.16% to the level of financial independence. So it can be reaffirmed that there is a positive influence between the liquidity ratio (current ratio) on the level of financial independence of the BLUD RSUD Indrasari Rengat.

**T-Test Results The Effect of Solvency Ratios on the Level of Financial Independence .**

For the solvency ratio variable, it is obtained that tcount > ttable is 5.012>3.18245 and a significance value of 0.004 <0.05, based on the data testing criteria it can be seen that Ho is rejected and Ha is accepted, meaning that the variable (X2) Solvency Ratio has a positive and significant effect on the variable. (Y) Level of financial independence. Based on the results of this study, the solvency ratio provides an effective contribution of 78.98% to the level of financial independence. So it can be

reaffirmed that there is a positive influence between the solvency ratio on the level of financial independence of the BLUD RSUD Indrasari Rengat.

### **Results of t-test The Effect of Profitability Ratios on the Level of Financial Independence .**

For the profitability ratio variable, obtained  $t_{count} > t_{table}$ , namely  $5.101 > 3.18245$  and a significance value of  $0.023 < 0.05$ , based on the data testing criteria it can be seen that  $H_0$  is rejected and  $H_a$  is accepted, meaning that the variable (X3) Profitability Ratio has a positive and significant effect on the variable. (Y) Level of financial independence. Based on the results of this study, the profitability ratio provides an effective contribution of 62.82% to the level of financial independence. So it can be reaffirmed that there is a positive influence between the solvency ratio on the level of financial independence of the BLUD RSUD Indrasari Rengat.

### **Discussion**

#### **The liquidity ratio (current ratio) affects the level of financial independence .**

The results obtained regarding the effect of the liquidity ratio (current ratio) on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency. The results of the hypothesis test show that there is an effect of the Liquidity Ratio on the Level of Financial Independence at the BLUD of RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.

The results of the research on the current ratio variable indicate that this variable has a significant effect on the level of hospital financial independence. The higher the current ratio, the higher the level of financial independence. Likewise, the lower the current ratio, the lower the level of financial independence.

The results of this study are in accordance with research conducted performed by (Wijayanti, 2015) where financial performance partially affects the level of financial independence. But the results of this study are different from the research conducted by (Tama, 2018) which states that financial performance as measured by solvency ratios, activity ratios, liquidity ratios and profitability ratios partially does not affect the Cost Recovery Rate (CRR) and the level of financial independence.

#### **Solvency ratio affects the level of financial independence .**

The results obtained regarding the effect of the solvency ratio on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency. The results of the hypothesis test show that there is an effect of the solvency ratio on the level of financial independence at the BLUD of RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.

The results of the study on the solvency variable showed that this variable had a significant effect on the level of hospital financial independence. The higher the solvency ratio, the higher the level of financial independence. Likewise, the lower the solvency ratio, the lower the level of financial independence.

The results of this study are in accordance with research conducted performed by (Sunrise, 2018) which states that financial performance as measured by the solvency ratio is statistically proven to partially affect the Cost Recovery Rate (CRR) and the level of independence. But the results of this study are different from the research conducted by (Tama, 2018) which states that financial performance as measured by

solvency ratios, activity ratios, liquidity ratios and profitability ratios partially does not affect the Cost Recovery Rate (CRR) and the level of independence.

### **The profitability ratio affects the level of financial independence .**

The results were obtained regarding the effect of the current ratio on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency. The results of the hypothesis test show that there is an effect of the liquidity ratio on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.

The results of the research on the profitability variable show that this variable has a significant effect on the level of financial independence of the hospital. The higher the profitability ratio, the higher the level of financial independence of the hospital. Likewise, the lower the profitability ratio, the lower the level of financial independence. The significant effect shows that the profitability ratio has an important role in influencing the level of hospital financial independence.

The results of this study are by research conducted performed by (Wijayanti, 2015) where financial performance partially affects financial independence. But the results of this study are different from the research conducted by (Tama, 2018) which states that financial performance as measured by solvency ratios, activity ratios, liquidity ratios, and profitability ratios partially does not affect the Cost Recovery Rate (CRR) and the level of independence.

## **CONCLUSIONS AND SUGGESTIONS**

### **Conclusion**

Based on the results of data analysis and discussion in the previous chapter, this study produces several conclusions as follows:

1. The financial performance of the liquidity ratio (current ratio) has a positive and significant effect on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.
2. The financial performance of the solvency ratio has a positive and significant effect on the level of financial independence at the BLUD RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.
3. The financial performance of the profitability ratio has a positive and significant effect on the level of financial independence at the BLUD of RSUD Indrasari Rengat, Indragiri Hulu Regency for the 2016-2020 period.

### **Suggestion**

1. For further research, it is expected to add other independent variables that are thought to affect the level of hospital financial independence, for example by adding other financial ratio variables and other variables outside of financial performance such as Good Corporate Governance, HR, and remuneration.
2. For further research, it is necessary to increase the population by adding the types of regional hospitals that have implemented the BLUD management pattern.
3. For further researchers, it is recommended that other variables be used as moderating variables and increase the period in the research period.

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