

The Critical Drivers in the Institutionalization and Implementation of the PhilHealth Outpatient Primary Care Benefit Package: A Case Study of Batuan, Bohol, Philippines

Mark Johnuel Duavis^{1,2}, Vanessa Chavez^{1,2}, Deni Marie Gomomid^{1,3}, Kayessa Ylona Bunagan^{1,4}, Anderson Ventura^{1,5}

Accepted

March 15, 2026

Published Online

April 28, 2026

Affiliations

¹Ateneo de Manila University School of Government

²Department of Health Central Visayas

³Department of Health Zamboanga Peninsula

⁴Department of Health Eastern Visayas

⁵Department of Health Negros Island

Correspondence

markjohnuel@gmail.com

Abstract

Background. PhilHealth’s Konsulta Program has provided financing for outpatient primary care services in the decentralized Philippine health system since 2021. However, despite a record number of accreditations nationwide, many accredited facilities struggle with their institutionalization and operationalization, as evidenced by PhilHealth’s extremely low capitation disbursements. This study examines and identifies the critical drivers of Konsulta implementation in the Batuan Primary Care Facility (PCF), a local government unit (LGU)-owned rural health facility in the fourth-class municipality of Batuan, within the province of Bohol, which generated an aggregate 10.35 million Philippine pesos (Php) alongside significant growth in patient and service coverage.

Methods. A sequential mixed-methods case study design was employed, combining quantitative analysis of secondary financial and service data (2022-2025 PhilHealth Statement of Accounts Payable; Batuan LGU financials) with qualitative thematic narrative analysis drawn from document reviews (AKSK project report, LGU ordinances, and meeting minutes) and semi-structured key informant interviews with PCF staff, LGU officials and national agency representatives. Descriptive statistics assessed performance while thematic analysis ranked drivers.

Results. Batuan generated Php 10.35 million from Konsulta which increased 2023 LGU health funds and compensated 2024 and 2025 budget cuts. Four initial institutionalization constraints emerged 1) governance, 2) health resources, 3) human workforce, and 4) information technology systems, which were addressed by the implementation AKSK project. Critical drivers ranked by salience included 1) strong governance, 2) health workers commitment, 3) external agency collaboration and 4) community participation.

Conclusion. Batuan’s implementation demonstrates Konsulta’s viability in improving primary care financing. Critical to its success are robust government support, strategic partnerships, driven workforce, and active community engagement. Despite implementation challenges, policy reforms, service enhancement and capability investments enabled Batuan to create a replicable model for other local government units.

Keywords: PhilHealth; health financing; primary care financing; primary care; Philippines; capitation; local health financing; universal health coverage; universal health care; out-of-pocket expense; financial risk protection

Background and Introduction

The implementation of the Universal Health Care (UHC) Act in the Philippines is geared to enhance access to quality healthcare services while reducing the financial burden across the population. However, despite its implementation, Filipinos continue to face high out-of-pocket (OOP) expenses with 44% of medical expenses shouldered directly by households [1]. One major driver contributing to this is the high OOP share associated with outpatient primary care visits, regardless of whether the service is availed in a public or private facility or accessed in an urban, rural or remote site [2,3,4].

In 2021, the Philippine Health Insurance Corporation (PhilHealth), the country's sole government social health insurance arm, launched the Konsultasyon Sulit Tama (Konsulta) Program. It is the agency's rebranded flagship outpatient benefit package which seeks to expand access to primary care services and align with the broader objectives of the UHC Act. The program gives all PhilHealth members free access to medical consultations, health risk screening, 13 select laboratory and diagnostic testing, and 21 select drugs and medicines [5]. PhilHealth, in return, pays the health provider a maximum of 1700 Philippine pesos (Php) per patient divided into two tranches, using a performance-based capitation mechanism [5].

Five years into its implementation, a variable level of commitment among primary care facilities in the country has been observed. Low uptake from facilities and operational issues have surfaced in its initial roll out years, compounded further by implementation delays due to the COVID-19 pandemic [6,7]. The trend, however, improved in 2025 with PhilHealth reporting 3,149 accredited Konsulta Package Providers nationwide, serving 88% of the total cities and municipalities [8].

Despite the increasing number of accredited primary care facilities for the Konsulta program, PhilHealth reports that only 0.001% of its total disbursements were paid to primary care facilities [8]. This signifies that the primary care benefit package may not have been implemented fully by most accredited facilities and patients may have continued to shoulder the expenses from their own pockets. This underscores that high facility accreditation rate does not always correlate with program institutionalization nor patient's financial risk protection.

While many facilities seem to struggle with the institutionalization and operationalization of the Konsulta Program, one rural municipality in Bohol, Philippines has optimized its implementation of the primary care benefit package. Despite starting late in June 2023, the Batuan Primary Care Facility (PCF) has already delivered significant progress in both health service delivery and financing. In less than three years, the program has not only provided comprehensive primary care encounters, medicines and

diagnostic tests to more than 7,824 residents but has also generated Php 10.3 million in aggregate funds.

Building on the foregoing, this study aims to examine the institutionalization of the Konsulta Program at the Batuan PCF. Specifically it aims to 1) describe the initial institutionalization process, 2) identify facility-specific institutionalization challenges and enumerate strategies employed to overcome them, 3) assess the performance of the facility in the past four years (2022-2025), in terms of revenue collection, patient and service coverage, and overall local health system financing, and 4) determine critical drivers that contributed to its current performance. By generating evidence-based insights, practical lessons and replicable strategies, this paper intends to guide other Philippine primary care facilities in effectively operationalizing this financing scheme in the direction of universal health coverage.

Methods

Study Design

This descriptive case study employed a sequential quantitative and qualitative narrative analysis design to explore and examine the implementation of the Konsulta Program in the Batuan PCF from 2022-2025 and identify critical drivers that facilitated its operationalization.

Study Locale

The study was conducted in the Batuan PCF, the sole PhilHealth-accredited and Department of Health (DOH)-licensed primary care facility in the municipality of Batuan, a fourth-class, landlocked, agricultural municipality located in the central part of the province of Bohol, Philippines. Being a local government unit (LGU)-operated facility, it provides primary care services to 15 barangays (the Philippines smallest administrative unit), two of which are classified as Geographically Isolated and Disadvantaged Areas (GIDA). The facility served approximately 13,475 population in 2025 [9].

Study Population

Key informants included 1) Health and non-health support staff of the Batuan PCF, 2) local government officials including Local Chief Executive, and members of the Expanded Local Health Board (ELHB) and 3) representatives of the Department of Health and PhilHealth Tagbilaran Local Health Insurance Office. A purposive sampling approach was used to select participants who had direct experience with the program's implementation. The sample size was guided by data saturation, assessed through an iterative process of concurrent data collection and analysis. Saturation was deemed to have been reached when successive interviews

yielded no new codes or themes, and when additional data only reinforced existing categories without adding conceptual depth or variation relevant to the research questions.

Data collection method

Quantitative data on the performance of the municipality of Batuan in the PhilHealth Konsulta Program in the past four years (2022-2025), in terms of 1) revenue collection and 2) patient and service coverage were obtained from secondary data mining through PhilHealth Konsulta Statements of Account Payable 1 and 2 (2023-2025). Quantitative data on 3) overall local health system financing was retrieved from financial reports of the Municipal Accounting and Budget Office of the Local Government of Batuan, Bohol. Prior to data collection, consent was sought from the Office of the Municipal Mayor with furnished copies to the Municipal Health Office, Municipal Accounting Office and the Municipal Budget Office. Collected data were accessible only to the study researchers and were kept in a secure, password-protected web-based link (Google Drive).

Qualitative data were obtained through 1) document review and 2) semi-structured key informant interviews. Documents reviewed included 1) the Adunay Kwarta sa Konsulta (AKSK) Implementation Report 2024; [10] 2) pertinent municipal ordinances, executive orders, minutes of ELHB meetings, [11,12] and minutes of Batuan PCF meetings of the Local Government of Batuan, Bohol (2023–2025); [13,14] and 3) news articles from reputable news agencies. These documents, with the exemption of news articles, were collected and verified with the approval and consent of the Office of the Municipal Mayor to establish a chronological account of Konsulta institutionalization in the municipality.

A semi-structured key informant interview was done following the document analysis to 1) supplement and validate the preliminary findings, 2) further describe the institutionalization Konsulta process, and 3) determine the critical drivers that contributed to its current performance. All interviews were conducted between February 27, 2025 and March 3, 2025 with cognizance of their preferred interview mode (online or face-to-face). All interviews took place after obtaining informed consent, were recorded using a digital voice recorder and/or built-in virtual meeting recording application, and were transcribed verbatim with supplemental field notes. Collected data were accessible only to the researchers of this study and were kept in a password-protected, web-based repository (Google Drive).

Data analysis

Descriptive statistics were utilized for the analysis of quantitative data. Qualitative data from documents were reviewed and underwent chronological structuring and content analysis to extract pertinent institutionalization events, and milestones. Findings were synthesized into an

implementation timeline, which served as the foundation for the key informant interviews. Information gaps were identified and documented to guide the development of key informant interview questions.

Qualitative data from key informant interviews were analyzed using thematic narrative analysis, supplementing the structured implementation timeline with additional stakeholder insights. The analysis commenced with the familiarization through multiple rereadings of the transcribed verbatim responses while noting recurring topics and themes. Emerging themes were then identified, coded and organized into categories. A synthesized and integrated framework containing chronological events from the document analysis and the thematic analysis results from the interviews were generated through an iterative process. Preliminary findings were shared with key informants for validation to ensure accuracy, credibility and contextual relevance.

Results and Discussion

This section presents the: 1) institutionalization timeline of Konsulta in the facility via the AKSK blueprint; 2) the identified facility-specific institutionalization challenges and how they were addressed; 3) the facility performance metrics in nominal values (revenue, patient and service coverage, and overall impact in local health financing), 4) Batuan's contextual profile, 5) the identified critical drivers ranked by salience, and the 6) findings' global and regional relevance.

1. Institutionalization of the Konsulta Program

The establishment of Konsulta in the Batuan PCF followed a structured, multisectoral, systems-based, output-oriented, and time-bound approach detailed in the AKSK Initiative [10]. The project followed a two-phase blueprint outlining key action areas and timelines [10]. Phase 1, coined as the Intensive Konsulta Initiation, focused on a strategic systems-based strengthening of the five health system pillars identified as critical in ensuring initial success. Phase 2, included measures to ensure long-term sustainability.

Key actors who voluntarily conceptualized and spearheaded the initiative were the facility head and the DOH deployed health workers who drafted the initial roll-out plan [10]. Tenured LGU-hired staff initially received the plan with resistance but were ultimately won over by persistent advocacy. The initiative was further sealed by the political backing of the Municipal Mayor who issued an executive order organizing the municipal UHC Konsulta Task Force [10,15]. Through a series of consultations starting April 2023, the initial plan was refined into the final AKSK blueprint highlighting governance oversight by the ELHB, technical assistance from PhilHealth and DOH, and community participation through barangay officials, community-based organizations, and people's initiatives [10].

2. Addressing Facility-specific Institutionalization Challenges

Following thematic analysis, four facility-specific institutionalization challenges emerged. These were grouped into 1) governance and administrative hurdles (lukewarm LGU support and lack of local legislative policy backing), 2) health resource and logistical challenges (limitations in medicines, laboratory tests and health supplies), 3) human resource limitations (staff shortage, work overload, lack of training and absence of performance incentive) and 4) health information system and information technology (IT) infrastructure constraints (nonfunctional electronic medical records, absence of computers and the lack of reliable internet connection). Governance hurdles were identified as the primary challenge that contributed to the emergence of other institutional challenges.

Further subanalysis revealed recurring subthemes: 1) long-tenured Batuan PCF staff had limited engagement with LGU leadership, and 2) there were no deliberate legislative advocacy activities targeting the local council. Many senior staff expressed negative perceptions of the Konsulta program, citing unsatisfactory experiences with earlier primary care benefit schemes. Konsulta represents the latest iteration in PhilHealth's two-decade effort to redesign its primary care package. (7) These historical experiences appeared to erode trust in the current reform and contributed to weak internal advocacy for executive-legislative support. As a result, the facility lacked strong political and legislative backing for Konsulta.

Addressing Governance Hurdles

Governance hurdles were addressed through a four-point action agenda: 1) LGU engagement, 2) creation of a Konsulta task force, 3) lobbying for the passage of Konsulta-related policies and, 4) inclusive community participation.

Noting the political influence and authority of local leaders, LGU engagement was the primary strategy and was done through continuous advocacy initiatives during and outside ELHB meetings [10,11,12]. "Konsulta was consistently included in the agenda of the Local Health Board. I believe this played a significant role in generating support from stakeholders, such as local leaders" (Member, ELHB, personal communication, March 2, 2025).

Persistent policy support lobbying was also pursued resulting in the passage of two landmark ordinances which embedded program sustainability safeguards [16,17]. The involvement of grassroots stakeholders was also key in generating broader community support and ensuring that the initiative's objectives align with the realities on the ground.

Strengthening Health Resources and Logistics

The lack of health resources was identified as a recurring theme amongst bottlenecks in Konsulta institutionalization.

"(The) lack of resources was the most difficult to address in Batuan's case. As a rural agricultural town, Batuan has limited funds. It is hard to raise taxes and (further) tax the already burdened population. Had the municipality's fund been sufficient, these concerns can be addressed, personnel can be hired and laboratory equipment can be purchased" (Municipal Mayor, personal communication, March 3, 2025). Through a series of consultations and negotiations, resource limitations were addressed by fund reallocation to procure essential medications and diagnostics [10,11]. While some Konsulta-mandated services e.g. Electrocardiogram (ECG) and radiography were still not made available due to budget constraints, the facility established contractual agreements with partner diagnostic facilities to provide the services at no cost to patients [10]. The facility also teamed up with the Department of Science and Technology for the allocation of an RxBox machine, a device with a built-in ECG capability [18,19]. The facility also partnered with a non-government organization, International Care Ministries, in the provision of X-Ray services, at least once per quarter [12,14].

Despite the initial challenges, the facility gradually was able to procure its own ECG and urinalysis machines. "We truly had difficulty meeting some of the basic services during the early months of implementation. But gradually, we were able to provide 10 of the 13 mandatory tests" (Physician, Batuan PCF, personal communication, March 2, 2025). On the sustainability side, an ordinance allocating 70% of the Konsulta funds for the procurement of additional health resources was passed [17].

Human Resource (HR) Development and Incentives

Overcoming HR-related challenges was quintessential since the facility operated with only 22 health and non-health staff at the program onset. "Staff shortages, unfamiliarity of the Konsulta system, work overload and limited incentives for health workers (which) may not sufficiently motivate staff were the biggest challenges" (Nurse, Batuan PCF, personal communication, March 2, 2025).

A four-point HR strategy was then developed which included 1) provision of capability-building activities, 2) workforce recruitment, 3) institutionalization of a performance-based incentive system, and 4) regular staff review on program implementation [10]. Capability building activities were not only limited to formal training, as post-training on-the-job mentoring and coaching sessions were conducted to solidify knowledge application [10]. Simplified processing guides were also developed and displayed at each workstation to help the staff navigate the Konsulta system [10]. To improve workload and manage increasing data entry demands, hiring of additional data encoders and health workers was lobbied, [11] resulting in the deployment of two midwives and a dentist from DOH, and the hiring of three midwives, one nurse and two data encoders from the LGU [10,12].

The ratification of the ordinance which provides for performance-based incentives also became pivotal, as it assured the health facility staff a 30% share of the total revenue, distributed on a performance-based mechanism [17]. “The 30% staff share motivates every staff to accomplish their assigned tasks and ensures that this program will be sustainable in the coming years. The “Law of Effect” by Edward Thorndike, states that behaviors followed by rewards are more likely to be repeated” (Medical Technologist, Batuan PCF, personal communication, March 2, 2025). Aside from incentives, part of the measures to ensure continuous HR engagement and improvement is the conduct of monthly Konsulta performance reviews [10].

Improving Health Information Systems and Digital Infrastructure

To address health-information-related challenges, the facility pivoted on a three-point strategy. The first focused on the reactivation of the iClinicSys electronic medical record system and the retraining of all the staff [10]. Second was the lobbying for additional computers, [11,12] which led to the procurement of seven computers, resulting in a one-computer-to-one-midwife ratio. Third, the facility devised an interim paper-based data capture form allowing the staff to have a seamless processing of cases while waiting for full digitalization [10].

In mid-2024, the facility had to endure the disruption of its internet service. “It was one of the most difficult times to process Konsulta cases. Our internet system was down which meant we had to use cellular data for uploading claims. This definitely reduced our performance” (Midwife, personal communication, March 2, 2025). The issue was resolved with the installation of a satellite internet service (Starlink) following the allocation of Php 155,000 from Konsulta Funds [20].

3. Batuan Konsulta Performance

Revenue collection

The Konsulta revenue collection has shown a significant upward trend from 2022 to 2025 (Figure 1), reflecting growth in patient volume at the fixed per-patient capitation rate. The facility began receiving payments in 2023 and experienced a major increase in 2024. In eight months of 2025, the facility earned Php 5,505,280 bringing the cumulative facility nominal revenue to Php 10,540,881.47.

The increasing revenue underscores the program’s financial viability particularly in addressing persistent health financing concerns for low-income municipalities like Batuan. While revenue is modest in the first year, attributable to institutionalization pains, the steep increase in 2024 coincided with rapid improvements in program implementation and the facility’s successful navigation of institutionalization challenges amid national uptake challenges. These figures

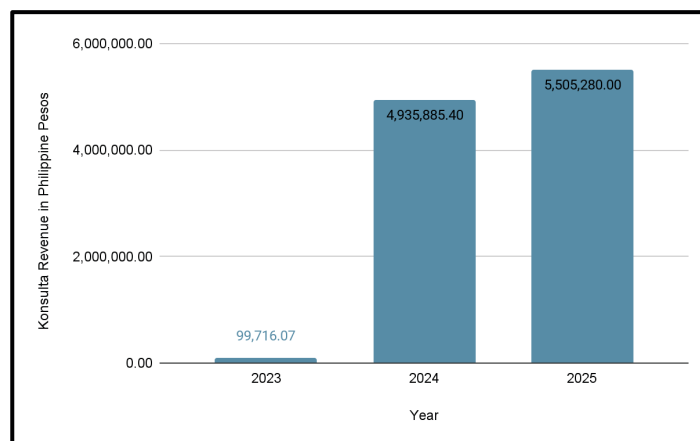


Figure 1. Annual revenue from PhilHealth Konsulta Program in the Batuan PCF calendar year 2022-2025

Source: *Konsulta Statement of Account Payable 1 and 2, PhilHealth*

(Note: 2025 data represent nominal values from January to November only. Revenue reflects patient volume x fixed capitation rate of Php 1700/ patient)

are nominal and may reflect demand shifts not captured in this analysis.

Patient Coverage

Between 2022 to 2025 (Figure 2), a significant upward trend in patient coverage (number of patients registered and profiled in the facility was seen). From an initial 2,494 profiled patients in 2023, the numbers surged to 6881 in 2024 and 8096 in January to November 2025. This consistent increase is consistent with facility efforts to streamline program implementation and system-related improvements, although other factors such as changes in care-seeking patterns, and social marketing campaigns may have also contributed. “There is improvement in the structure. The PCF implemented measures to make things better. The LGU (also) found ways to address the challenges. A better internet connection (was) secured through the procurement of Starlink so that internet be available in all corners of the town where consultation can be made. Data encoders were hired to augment the staff” (Municipal Mayor, personal communication, March 3, 2025).

Service Provision and Coverage

All four indicators on Konsulta-mandated services from 2022 to 2024 also showed a rising trend (Figure 3). While complete 2025 data were not available at the time of this

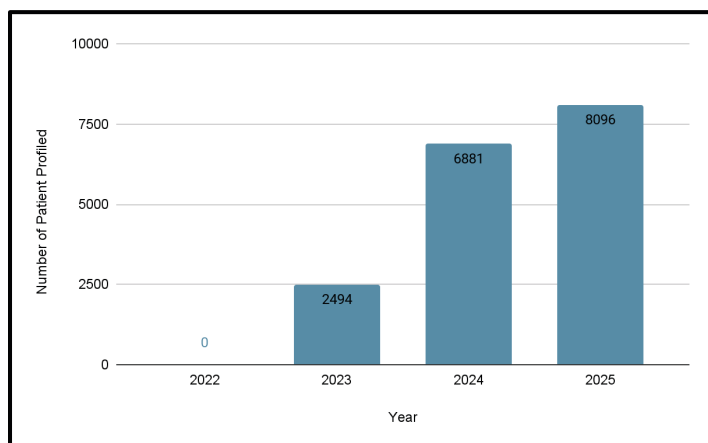


Figure 2. Number of Patients Profiled at the Batuan PCF, calendar year 2022-2025

Source: *Konsulta Statement of Account Payable 1 and 2, PhilHealth*

(Note: 2025 data represent values from January to November only)

study are still not available until December, the substantial increase across all service categories highlighted the facility’s amplified capacity to provide services. This may also be attributed to the conduct of the Konsulta Caravan in October 2024, which was awarded as the biggest single-venue caravan in Central Visayas. The recruitment and deployment of additional facility staff may also be a factor in the dramatic increase [10,12,20]. Overall, the trend implies that more patients are receiving free primary care services, reinforcing the mandate of Konsulta towards UHC.

Overall local health system financing

The addition of the Konsulta funds has improved the overall health financing of the municipality (Figure 4). Before Konsulta implementation, the Batuan PCF relied solely on LGU funds with a meager year-on-year increase between 2019 and 2022. The addition of Konsulta funds in 2023, though relatively modest, boosted the health finances to Php 17.21 million. The following year, regular funding for health was decreased but was compensated by Php 4.6 million Konsulta funds.

The valuable effect of Konsulta funds is critical as it not only expanded the available budgetary resources, but it also compensated for any budgetary shifts and gaps. The challenge, therefore, is to ensure that Konsulta implementation is stable and reliable to allow a steady revenue flow. It should also be emphasized that while the

addition of Konsulta funds shifts the local health system’s overdependence on internal funds, it should not be a basis for budget cuts of LGU funds to the local health budget.

4. Batuan’s Contextual Profile

Batuan represents a typical 4th class municipality with a population of 13,475 and poverty incidence of 30.5% versus 18.1% national rate [9,33,34]. The municipality is landlocked, largely rural, has two GIDA areas and is predominantly an agriculture-based economy (rice, coconut and root-crop production) which means it lacks the urban advantages of higher PhilHealth beneficiary density, better health worker availability, accessible transportation systems and improved IT connectivity [34]. However, patient coverage (registration and profiling) is higher at 66% than the national (5.8%) and Central Visayas Region (4.5%) average [29]. Comparing performance of struggling regions (e.g. Cagayan Valley’s 1.4% and Western Visayas’ 2%) with similar geographic and sociodemographics settings, Batuan’s accomplishments suggest that certain drivers overcame typical rural and economic constraints [29, 36].

5. Critical Drivers In Konsulta Implementation

Thematic analysis ranked four drivers by salience based on interview mentions: 1) strong leadership and governance (84%); 2) commitment of facility staff (64%); 3) collaboration of external agencies (52%); and 4) community participation (48%). These drivers appear separable from Batuan’s local context, helping the facility navigate through constraints that are commonly observed in Konsulta facilities of the same setting.

Strong Leadership and Governance

Thematic analysis ranked robust leadership and governance as the most cited cornerstones (84%) that contributed to the Batuan PCF’s performance. “Gaining full support from the Mayor, Vice Mayor, and Sangguniang Bayan and involving Barangay Captains & Community Leaders are key factors in the success of the Philhealth Konsulta Program” (Midwife, Batuan PCF, personal communication, March 2, 2025).

The Batuan PCF head, who collaborated with local leaders, was also identified as a significant figure. “The success of the program mainly fell to the efforts of the people behind this, which is mainly our facility head. From the beginning, I believe the Konsulta Program will be successful because of his guidance, leadership, and strong power” (Nurse, Batuan PCF, personal communication, March 2, 2025). This aligns with Thailand’s capitation-driven reforms, where primary care network leaders acted as ‘change champions’ to overcome resistance, mirroring Batuan’s facility head [21].

Analysis suggests that without the solid leadership

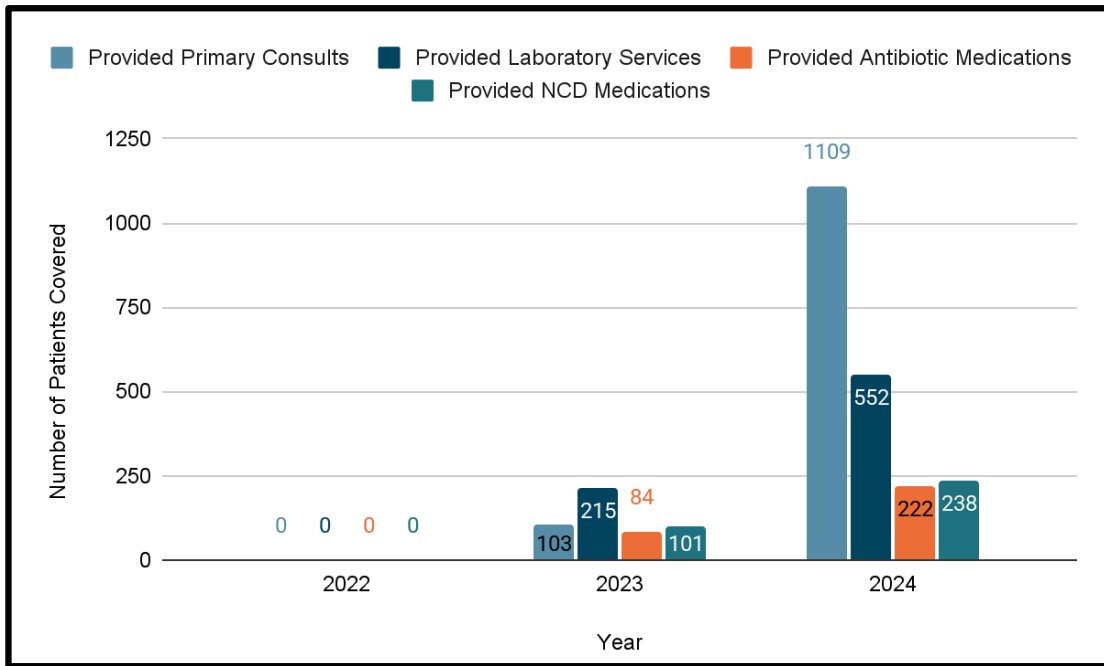


Figure 3. Number of Patients Provided Konsulta-mandated Services, Batuan PCF, C.Y. 2022-2024

Source: Konsulta Statement of Account Payable 1 and 2, PhilHealth

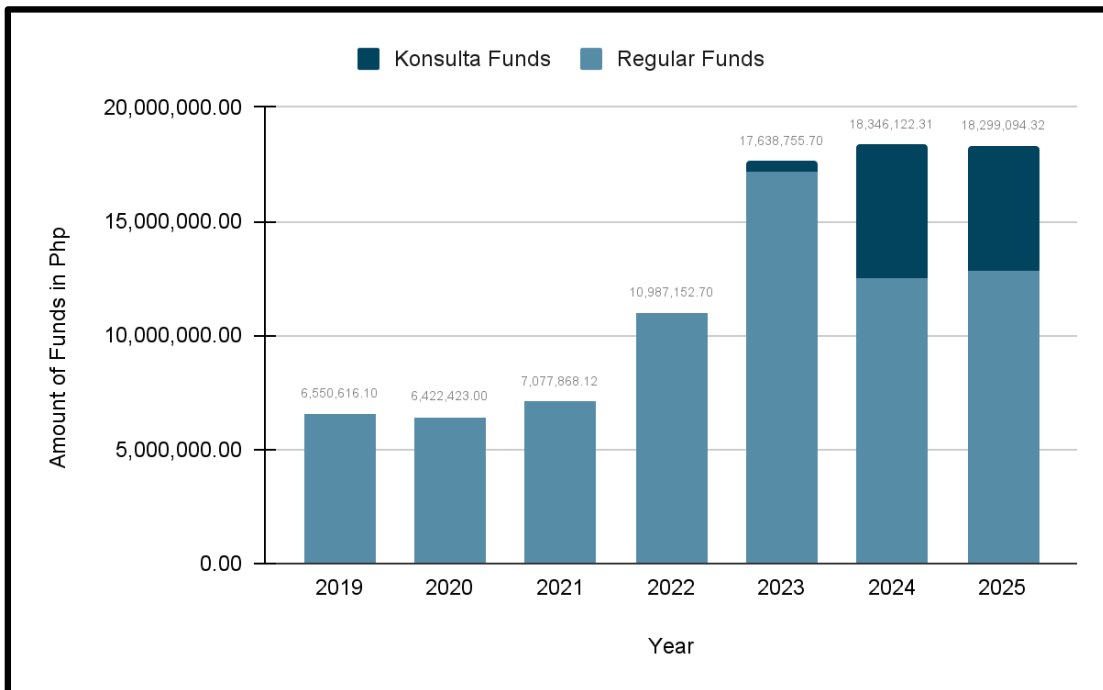


Figure 4. Annual Operational Budget for Health 2019-2025

Source: Municipal Budget Office

and governance of both the facility head and the LGU leaders, the program would not have performed as effectively. This is consistent with existing literature, which identifies that engaged leadership fosters accountability, secures necessary policy support, and ensures the sustainability of health programs [22]. The Batuan experience underscores the importance of municipal leaders' commitment in translating health policies into meaningful action, ultimately improving financing and service delivery.

Commitment of Facility Staff

The facility staff's commitment played a critical role in the Batuan PCF's performance despite initial HR issues on short staffing and work-overload. Through a series of staff consultations, they were able to see the program beyond the challenges. "We had to compromise and hold consecutive meetings in order for them to understand the whole picture" (Physician, Batuan PCF, personal communication, March 2, 2025). Eventually, health workers developed the value of 'helping each other' to address challenges. A game-changer was also the institutionalization of performance-based incentives which further heightened their commitment and motivation.

Collaboration with External Agencies

The technical support and assistance of DOH and PhilHealth has also been key especially during the initial program institutionalization [10]. "Our external partners were helpful from the beginning. DOH has provided all the necessary technical support from training, human resource, computers and policy guidance. PhilHealth has been consistent, assisting us to conduct multiple social caravans. They provided us with retooling workshops and were always ready to help us troubleshoot any Konsulta-related concerns" (Physician, Batuan PCF, personal communication, March 2, 2025).

Beyond the provision of technical resources and assistance, the facility's vibrant relationship between the other agencies was seen as a critical driver. "Batuan's engagement with external partners is truly commendable, and that they really have a smooth and harmonious relationship that contributes in ensuring the success of the Konsulta Program" (DOH Representative, personal communication, March 3, 2025).

PhilHealth, on their part, reiterated their commitment to the accredited facilities. "PhilHealth regularly conducts an annual Konsulta forum, and we have established group (messaging) chats with accredited facilities where they can funnel their concerns. We also make sure that the capitation is paid ahead of time" (Social Insurance Officer, PhilHealth, personal communication, March 3, 2025).

It is apparent that the strong collaboration between the Batuan PCF and its partners was central not only in the establishment of the Konsulta program but also in ensuring

its sustainability. This synergistic effort has laid strong foundations which could be modelled by other starting facilities.

Community Participation

Active community participation was pivotal in Konsulta institutionalization as it helped shape the program direction while maintaining community relevance and connection. The engagement of barangay health workers as facilitators of initial patient encounters strengthened community-level awareness and ownership. "The involvement of barangay leaders and community volunteers is one best practice that can be replicated in other facilities" (Midwife, personal communication, March 2, 2025). Sustained community involvement during institutionalization ensured that the program reflected local needs, fostered trust and public support, and created a positive cycle of engagement that enhanced implementation efficiency and long-term sustainability.

6. Global And Regional Relevance

Batuan's experience offers potentially transferable lessons for other decentralized health systems, including Canada's provincial primary care reforms and primary care capitation schemes in LMICs. However, these must be interpreted in light of the substantial systemic barriers and implementation difficulties observed in many other Philippine and international facilities. Canada's Family Health Teams have faced similar challenges from staff resistance to new collaborative models, IT gaps and fragmented governance structures [23]. Thailand's universal coverage reforms similarly encountered workforce and governance constraints, as well as readiness of health centers for information technology [21,24]. Batuan's combination of engaged facility leadership, ordinance-backed performance incentives, and early IT investments addressed many of these bottlenecks.

Batuan's ELHB and multisectoral approach also resonates with other primary care reforms in LMICs. In Indonesia's Puskesmas KBK capitation, strong local leadership and multisectoral coordination were key [25]. South Africa's Ideal Clinics leverage District Clinical Specialist Teams and facility-level champions to drive gains [26,27]. Likewise, Batuan's 30% revenue-share incentives echo global successes: capitation plus performance payments in Chile, Indonesia and South Africa have advanced chronic care quality, despite ongoing issues with risk adjustment for high-need patients [28]. Taken together, these cross-context parallels suggest that the governance, incentive and IT strategies observed in Batuan may inform other decentralized primary care systems.

National Implementation Barriers

National and local reports indicate that many accredited facilities remain only partially operational, with low registration, underutilization of benefits, and underclaiming of capitation funds often due to reported gaps in local political engagement, nonpredictable provider revenue flows and incentives, and unresolved IT and connectivity bottlenecks [29,30,31]. Emerging Philippine and international literature identifies common systemic barriers to performance-based capitation in primary care, ranked by prominence across reports: 1) service capacity gaps such as limited medicines/diagnostics tying tranche payments to delivery in Guimaras and Indonesia, [7,25,29] 2) digital infrastructure deficits such as electronic medical record (EMR) interoperability failures and poor connectivity, [25,30,36,37] 3) human resource shortages such as physician gaps, administrative overload, absent incentives, [22,36] 4) leadership/ governance deficits such as weak LGU ownership, coordination failures [22,25,32,36].

In contrast, Batuan deliberately established a Konsulta task-force, codified a 30% performance-based staff share through a local ordinance, and invested in both human resources for data encoding and reliable internet. From this contrast, several “what-not-to-do” lessons emerge for other LGUs: 1) relying on accreditation alone without a multisectoral governance body, 2) expecting staff to absorb Konsulta processes without well-designed incentives, and 3) launching Konsulta first without addressing basic IT systems and connectivity issues.

Strengths and Limitations of the Study

This study benefits from its in-depth, multi-perspective approach, combining quantitative financial data with qualitative insights from health workers, local officials, and national stakeholders. The triangulation of different data sources enabled a holistic understanding of both the operational and contextual factors driving program success. However, several limitations must be acknowledged. First, the analysis is observational and based on a single case study, so it cannot establish causal effects of implementation on revenue, coverage, or overall financing. The reported financial and coverage trends are nominal values, not adjusted for inflation, though fixed capitation rates mean revenue growth primarily reflects patient volume rather than price changes. Second, the study did not systematically measure or control for other external factors (health seeking behavior, local disease patterns, broader economic shocks) that could have influenced utilization and revenue. As a result, the observed improvements should be interpreted as associations aligned with the timing of AKSK institutionalization rather than definitive proof of causality. Third, the analysis covers only one municipality, which may limit external generalizability though it allows a rich

contextual depiction of real-world implementation. Fourth, financial records used for quantitative analysis depended on secondary government data, which were limited to the January 2022 – November 2025 period and subject to documentation completeness. Moreover, interviews were conducted within a relatively short time frame, potentially constraining the capture of longer-term implementation outcomes. Lastly, Batuan’s strong local governance and facility leadership represent facilitative predispositions which may be absent elsewhere, and may require external technical support to cultivate and replicate. Despite these limitations, the study provides actionable insights for practitioners and policymakers seeking to strengthen primary care financing in decentralized settings..

Conclusion

The Batuan PCF’s implementation of the Konsulta program shows that when effectively institutionalized, capitation payments for primary care financing could potentially be both economically feasible and sustainable for the local health system. Its strong implementation is also key in ensuring that universal health coverage is tangible at the primary care level.

Batuan’s institutionalization is heavily reliant on local government support, with funding, policy support and continuous stakeholder involvement posing as critical drivers. Despite limited resources, a dedicated, capacitated and incentivized health workforce can also propel program achievement. Strategic partnerships with external organizations like DOH and PhilHealth also strengthens initial institutionalization and sustain operationalization. Lastly, the Batuan PCF’s experience highlights the value of grassroots mobilizations and community involvement, significantly improving patient coverage and service utilization. Although initial difficulties with governance, supply and logistics, human resource, and IT investments were encountered, targeted solutions allowed Batuan to develop a replicable model for other LGUs to apply.

While this case study focuses on Batuan, it offers insights that may inform other low- and middle-income countries implementing decentralized or performance-based primary care schemes. Many nations in Southeast Asia and Sub-Saharan Africa share similar governance and financing contexts where local governments manage primary service delivery. The experience of Batuan suggests that strong leadership, financial incentives, and community participation, may contribute to sustainable primary care financing in decentralized contexts, though successful adaptation would require tailoring to local conditions. These lessons can potentially inform the design of similar programs in other global health systems pursuing universal health coverage for primary care under constrained fiscal environments.

Within the Philippines, Batuan's experience offers a potential model for primary care capitation. Philippine DOH and PhilHealth might consider nudging LGUs to strengthen ELHB, organize Konsulta Task Forces and consider revenue sharing with health staff via national circulars to ensure performance optimization. Canadian provinces scaling Family Health Organizations could potentially draw lessons from Batuan's mid-level facility leadership and targeted workforce recruitment (midwives, encoders) to accelerate team-based roll-out. Similarly, WHO and regional bodies might find value in documenting such approaches for PHC financing toolkits, while facilities initiating capitation could consider prioritizing facility-head capacity building, local policy support for sustainability, and rural connectivity solutions.

References

- Philippine Statistics Authority. 2023 Philippine National Health Accounts. Quezon City: PSA; Aug 2024. Available from: <https://psa.gov.ph/statistics/pnha>
- World Bank Group. Supply-side readiness of primary health care in the Philippines. Report No. 32021. Washington (DC): World Bank; 2019. doi:10.1596/32021.
- Javier X, Crosby P, Ross R, Ranchez-Vila ME, Santos MS. Understanding out-of-pocket expenditure for outpatient and inpatient care: Philippine National Health Expenditure Survey, Round 1. *Health Policy Plan*. 2022;37(4):457–464. doi:10.1093/heapol/czab119
- Dans LF, Marfori JRA, De Mesa RYH, Galingana CLT, Fabian NMC, Rey MP, et al. Health benefit utilization and out-of-pocket expenses in outpatient care and hospitalizations: baseline surveys of three primary care sites in the Philippines. *Acta Med Philipp*. 2024;58(16):133-40. doi:10.47895/amp.vi0.7453.
- Philippine Health Insurance Corporation. PhilHealth Circular No. 2024-0013: Enhancement of the PhilHealth Konsulta Benefit Package. Pasig City: PhilHealth; 2024.
- Department of Health (Philippines). Health Care Financing Strategy of the Philippines 2023–2028: Towards Universal Health Care. Manila: Department of Health; 2023.
- Wee-Co PA, Sigua JA, Alvir HM, Samson MC, Lechuga J, Vilcu I, Boxshall M. Strengthening PhilHealth's Role in Purchasing Primary Care Services. *Philippine UHC Law Series: Brief 6*. Manila: ThinkWell; 2021.
- Philippine Health Insurance Corporation. Stats and Charts 2024 (v1.3). Pasig City: PhilHealth; May 23, 2025. Available from: https://www.philhealth.gov.ph/about_us/statsncharts/SNC_2024_20250523_v1.3.pdf
- Philippine Statistics Authority. Updated projected mid-year population for the Philippines based on the 2015 POPCEN results: 2020–2025. Quezon City: PSA; Mar 28, 2021. Available from: https://psa.gov.ph/system/files/phcd/2022-12/Cities%2520and%2520Municipalities%2520Population%2520Projections_2015CBPP_Phils.pdf
- Local Government of Batuan, Bohol. Adunay Kwarta sa Konsulta: A multisectoral, systems-based approach in improving local health financing through intensified primary care benefit package implementation. Batuan, Bohol: Municipality of Batuan; 2024.
- Local Government of Batuan, Bohol. Minutes of the 2023 Q2 Expanded Local Health Board Meeting. Batuan, Bohol: Municipality of Batuan; Jun 22, 2023.
- Local Government of Batuan, Bohol. Minutes of the 2023 Q3 Expanded Local Health Board Meeting. Batuan, Bohol: Municipality of Batuan; Sep 26, 2023.
- Batuan Primary Care Facility & Birthing Center. Minutes of Regular Staff Meeting. Batuan, Bohol: Municipality of Batuan; Mar 31, 2023.
- Batuan Primary Care Facility & Birthing Center. Minutes of July Regular Staff Meeting. Batuan, Bohol: Municipality of Batuan; Jul 30, 2023.
- Local Government of Batuan, Bohol. Executive Order No. 12, Series of 2023: An Order Creating the Universal Health Care (UHC) Konsulta Task Force in the Municipality of Batuan. Batuan, Bohol: Municipality of Batuan; 2023.
- Local Government of Batuan, Bohol. Municipal Ordinance No. 12-24-2023: An Ordinance Providing for the Utilization of PhilHealth eKonsulta Capitation Received from the Philippine Health Insurance Corporation and for Other Purposes ("Municipal PhilHealth eKonsulta Omnibus"). Batuan, Bohol: Municipality of Batuan; 2023.
- Local Government of Batuan, Bohol. Municipal Ordinance No. 12-35-2024: An Ordinance Implementing and Institutionalizing the PhilHealth Konsulta Program in the Municipality of Batuan. Batuan, Bohol: Municipality of Batuan; 2024.
- Nazario D. Unboxing the potential: RxBox arms RHUs with better health response. *Manila Bulletin*. 2023 Mar 8. Available from: <https://mb.com.ph/2023/3/8/unboxing-the-potential-rx-box-arms-rh-us-with-better-health-response>
- Subingsubing K. The RxBox: Out-of-the-box aid for rural health care. *Philippine Daily Inquirer*. 2023 Mar 6. Available from: <https://newsinfo.inquirer.net/1738745/the-rxbox-out-of-the-box-aid-for-rural-health-care>
- Local Government of Batuan, Bohol. Municipal Appropriation Ordinance No. 12-20-2024: An Ordinance Allocating the Capitation Fund-eKonsulta in the Amount of PHP 835,891.01 for Various Programs and Activities of the Municipal Health Office. Batuan, Bohol: Municipality of Batuan; 2024.
- Towse A, Mills A, Tangcharoensathien V. Learning from Thailand's health reforms. *BMJ*. 2004;328(7431):103-5. doi:10.1136/bmj.328.7431.103.
- de Claro V, Lava JB, Bondoc C, et al. The role of local health officers in advancing public health and primary care integration: lessons from the ongoing Universal Health Coverage reforms in the Philippines. *BMJ Glob Health*. 2024;9:e014118. doi:10.1136/bmjgh-2023-014118

23. Grant A, Kontak J, Jeffers E, Lawson B, MacKenzie A, Burge F, et al. Barriers and enablers to implementing interprofessional primary care teams: a narrative review of the literature using the consolidated framework for implementation research. *BMC Prim Care*. 2024;25(1):25. doi:10.1186/s12875-023-02240-0.
24. Kijisanayotin B, Speedie S. Are health centers in Thailand ready for health information technology? A national survey. *AMIA Annu Symp Proc*. 2006;2006:424-8.
25. Firdhaus OIF, Sriatmi A, Suryoputro A. Challenges and strategies for implementing performance-based capitation in Indonesian community health centers: a scoping review. *Eduvest J Univ Stud*. 2024;4(10):9173-87. doi:10.59188/eduvest.v4i10.43186.
26. Hunter JR, Makgalagadi Y, Tucker JM, Ravhengani NM, Asmal S. The ideal clinic in South Africa: progress and challenges in implementation. *S Afr Health Rev*. 2017;2017(1):111-23. doi:10.10520/EJC-c80fcc8dc.
27. Onoya D, Mokhele I, Cele R, Musakwa N, Kgowedi S, Shumba K, et al. Rapid review of the ideal clinic realisation and maintenance programme among primary healthcare providers in the Gauteng Province, South Africa. *BMJ Open Qual*. 2025;14(2):e003212. doi:10.1136/bmjog-2024-003212.
28. Barber SL, Mathauer I, Rosenberg M, Larrain N, Liu Y, Long Q, et al. Purchasing primary care services for quality chronic care: capitation with performance payments in four countries. *Int J Health Plann Manage*. 2025;40(4):1007-12. doi:10.1002/hpm.3929.
29. Tiongco MT, Cielo B II, . Initial Results of the Konsulta Package Process Evaluation. Manila: De La Salle University - Social Development Research Center (SDRC), UNDP, NEDA; 2024 Dec 16. Available from: https://nep.depdev.gov.ph/storage/document/1761205193_Intial%20Results%20of%20the%20Konsulta%20Package%20Process%20Evaluation.pdf
30. Perandos-Astudillo CM, Roño RC. Improving access and efficiency in PhilHealth Konsulta: policy notes. *SPMC J Health Care Serv*. 2025;11(2):8. Available from: <https://spmjournal.com/V11N2Galley/ASTUDILLO-V11N2.pdf>
31. Cabalza D. PhilHealth: Few Filipinos availing themselves of Konsulta. *Inquirer.net*. 2025 Mar 31. Available from: <https://newsinfo.inquirer.net/2048393/philhealth-few-filipinos-availing-themselves-of-konsulta>
32. Philippine Statistics Authority. PSA Releases the 2021 City and Municipal Level Poverty Estimates. *PSA.gov.ph*. 2023. Available from: <https://www.psa.gov.ph/content/psa-releases-2021-city-and-municipal-level-poverty-estimates>
33. Department of Economy, Planning, and Development Region 7. Statement on the 2023 full year official poverty statistics [Internet]. Cebu City (PH): Department of Economy, Planning, and Development Region 7; 15 Aug 2024 [cited 2026 Mar 18]. Available from: <https://dro7.depdev.gov.ph/statement-on-the-2023-full-year-official-poverty-statistics/>
34. Local Government of Batuan, Bohol. Disaster Risk Reduction and Management in Health Plan 2023–2025 for the Municipality of Batuan, Bohol. Batuan, Bohol: Municipality of Batuan; 2023.
35. PhilHealth, LGUs address low registration for Konsulta. *Daily Tribune* [Internet]. 2025 Mar 8. Available from: <https://tribune.net.ph/2025/03/08/philhealth-lgus-address-low-registration-for-konsulta>
36. Bernal-Sundiang N, De Mesa RYH, Marfori JRA, Fabian NMC, Calderon YT, Dans LF, et al. Governance in primary care systems: experiences and lessons from urban, rural, and remote settings in the Philippines. *Acta Med Philipp*. 2023;57(3).
37. Evio BD, Bonito SR. Formative evaluation of the implementation of eHealth in the Philippines: a qualitative study. *Acta Med Philipp*. 2024;58(12):35.

AI Statement

The authors declare that AI was used in line with the MJGH AI policy. Quillbot and ChatGPT were used to edit grammar and language.