UNIVERSITY OF THE PHILIPPINES
CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

POLICY BRIEF 2026-05
ISSN 2619-7278 (Print)
ISSN 2619-7286 (Online)

PROGRAM ON HEALTH SYSTEMS DEVELOPMENT

Successful Implementation of Universal Health Care in Rural Primary Care Through a Mixed Healthcare Provider Network Model

Carla Marie L. Asis, Carol Stephanie C. Tan-Lim, Iris Thiele C. Isip-Tan
Leonila F. Dans, Josephine T. Sanchez

Summary

This paper presents data-driven evidence demonstrating how public-private partnerships through mixed healthcare provider networks (HCPNs) can strengthen rural primary care delivery in the Philippines. Using the Samal, Bataan pilot site under the Philippine Primary Care Studies (PPCS) as a case study, the analysis highlights the transformative potential of integrating private sector partners into local health systems. The mixed HCPN model improved medication access, enhanced operational efficiency through a shared electronic health record (EHR) system, and reduced administrative burdens on rural health units (RHUs). The study also emphasized the model's dependence on stable financing, showing that interruptions in funding directly led to decreased service utilization and increased out-of-pocket costs for patients. These findings reaffirm that equitable access to essential health services under the Universal Health Care (UHC) Act (Republic Act No. 11223) can only be achieved through mechanisms that ensure both system integration and long-term financial sustainability.

Realizing Universal Healthcare in Rural Communities

The passage of the UHC Act in 2019 marked a strategic turning point for the Philippine healthcare system, establishing a legal framework to guarantee all Filipinos access to a comprehensive range of health services. Despite this landmark legislation, significant implementation challenges persist, hindering the full realization of its goals. Pervasive health inequities and a fragmented service delivery landscape continue to impede progress, particularly in ensuring reliable access to essential medications at the local level.

Municipal governments and their frontline RHUs bear the primary responsibility for delivering primary care, but they face immense difficulties in medication procurement. The fundamental challenge in medication procurement is risk allocation. Public health officials are burdened with forecasting demand and managing inventory, which carries risks of both oversupply, which leads to wastage of limited public funds, and undersupply that results in critical gaps in patient care. A key lever, enabled by the UHC Act and encouraged by the Department of Health, is the formation of mixed HCPNs as a mechanism for transferring this procurement risk from overburdened local governments to more agile private sector partners.

Mixed HCPNs formalize partnerships between public health facilities and private sector entities to supplement and strengthen public service delivery. The following case study provides concrete evidence on the effectiveness of this model in a real-world rural setting.

Evidence from the Field: A Case Study in Samal, Bataan

The PPCS program was established to test and evaluate the effectiveness of various interventions aimed at strengthening the country's primary care systems in preparation for national UHC implementation. This case study focuses on the program's rural pilot site in Samal, Bataan, a fourth-class municipality, where a targeted intervention was implemented to improve medication access for its population of 35,302 people.

One intervention implemented in the rural site was the establishment of a mixed HCPN that formally integrated one private laboratory and one private pharmacy into the public primary care system. An important component of this partnership was the deployment of a unified EHR system. This interoperable platform connected the public RHU and its health stations with the private partners, creating an integrated network for patient records, prescriptions, and dispensing information.

The study tracked medication dispensing over three distinct phases corresponding to changes in funding availability. The quantitative findings clearly demonstrate the impact of the partnership and the vital role of financing in medication access.

FUNDING PERIOD	KEY METRICS & OUTCOMES	DISPENSING BREAKDOWN (PERCENTAGE OF PRESCRIBED)
Year 1: Full Funding (April 2019–March 2020)	A total of **101,031** medications were prescribed, reflecting high patient demand for services under the primary care benefit package	66.7 percent dispensed by the partner private pharmacy 21.7 percent dispensed by the public RHU 11.5 percent unrendered or sourced elsewhere
Year 2: Erratic/Residual Funds (April 2020–March 2021)	Prescriptions dropped sharply to **35,408** as funding became inconsistent and the COVID-19 pandemic began	32.2 percent dispensed by the partner private pharmacy 5.6 percent dispensed by the public RHU 62.1 percent unrendered or sourced elsewhere
Year 3: Depleted Funds (April–October 2021)	Prescriptions fell further to **6,448** as residual funds were fully depleted, requiring patients to pay out-of-pocket	47.3 percent dispensed by the partner private pharmacy 2.3 percent dispensed by the public RHU 50.3 percent unrendered or sourced elsewhere

These results provide a clear picture of the mixed HCPN's performance under varying financial conditions, providing important insights into its role in strengthening rural healthcare delivery.

The Impact of a Mixed HCPN Model

An analysis of the outcomes from the Samal pilot site reveals critical insights into the responsiveness, efficiency, and sustainability of public–private partnerships in primary care. The data demonstrates that the mixed HCPN model can be a highly effective mechanism for improving service delivery, but its success is contingent on stable financial support and integrated health information systems, and the active engagement of a supportive local government.

The primary finding is that the mixed HCPN significantly augmented access to essential medications. Throughout the study period, the volume of drugs dispensed by the public RHU remained consistently low. This is likely due to the limited availability of drugs and fixed formularies at the RHU, which rendered it structurally incapable of scaling up to meet the surge in patient demand generated by the UHC benefit package. In contrast, the partner private pharmacy was responsive to the fluctuations in demand, dispensing the majority of medications and effectively alleviating supply gaps inherent in the public system.

The study data also clearly illustrate the pivotal role of economic sustainability. From the first to the second year of the study, there was a sharp decline in total prescriptions and a dramatic rise in unrendered medications (from 11.5 percent in the first year to 62 percent in the second) with the reduction of funds. This demonstrates that out-of-pocket costs discourage patients from seeking care. The lack of funding undermined the entire primary care system, leading to a decline in healthcare utilization for both consultation services and purchasing prescribed medication. A sustainable funding stream is therefore not an accessory but a prerequisite for the model's success.

The mixed HCPN model also delivered two key operational advantages for the local health system:

- **Reduced Public Sector Burden:** The model effectively transferred the risks and bureaucratic challenges associated with medication procurement (including forecasting, purchasing, and inventory management) to the private sector. This allowed the public health officials to focus on core service delivery. Importantly, this arrangement does not diminish government accountability, but rather redefines it. The public sector remains responsible for ensuring quality, equity, and compliance, while leveraging private sector capacity to manage logistical functions more efficiently, and promoting shared accountability with the community.

- **Enhanced Efficiency:** The integrated EHR system was a cornerstone of the model's success. By creating an interoperable network across public and private entities, it ensured a smooth patient flow from consultation to prescription fulfillment and harmonized the health information system for better tracking and management.

This analysis confirms that the mixed HCPN model, when properly structured, can overcome long-standing barriers in rural primary care, leading to the following policy recommendations.

Policy Recommendations for National UHC Implementation

The evidence from Samal, Bataan pilot site supports the following high-priority policy actions to strengthen primary care and accelerate the successful implementation of the UHC Act.

1. **Prioritize and Scale Mixed HCPNs.** The national UHC strategy should formally prioritize and incentivize the creation of mixed HCPNs, particularly in rural and underserved areas. A standardized memorandum of agreement framework that outlines governance, accountability, and service delivery mechanisms to facilitate public-private collaboration should be included.

2. Ensure Sustainable Financing. A dedicated, multiyear funding mechanism for primary care benefit packages must be established. This will ensure the long-term financial viability of mixed HCPNs, maintain patient trust, and achieve desired health outcomes.

3. Mandate Interoperable Health Information Systems. An integrated EHR system should be a foundational requirement for HCPN accreditation. Policies must include investment in the requisite digital and physical infrastructure (e.g., connectivity, network towers) to ensure seamless coordination between public and private providers.

References

Department of Health (Philippines). 2011. *The Philippine Medicines Policy*. https://caro.doh.gov.ph/wp-content/uploads/2015/11/Philippine-Medicines-Policy-2011.pdf.

Lat, Reyshell Marie M., Ron Joseph N. Samonte, and Frances Lois U. Ngo. 2023. "Availability and Affordability of Essential Antihypertensive Medicines in Public and Private Primary Care Drug Facilities in a 4th Class Municipality in the Philippines." *Acta Medica Philippina* 59 (16): 46–54. https://doi.org/10.47895/amp.vi0.10315.

Tan-Lim, Carol Stephanie C., Jose Rafael A. Marfori, Josephine T. Sanchez, et al. 2024. "Role of Mixed Healthcare Providers Networks in Strengthening Primary Care Systems: A Case Study of a Rural Primary Care Site." *BMJ Open Quality* 13 (e002786). https://doi.org/10.1136/bmjoq-2024-002786.

The Path Forward

The lessons from the PPCS experience in Bataan chart a clear direction for scaling the mixed HCPN model nationwide. The Department of Health, in coordination with local governments and private sector stakeholders, should establish clear policy and financial frameworks to institutionalize these partnerships. By embedding sustainability, accountability, and digital integration at its core, the mixed HCPN model can serve as a cornerstone for realizing UHC in communities across the Philippines.

THE UP CIDS POLICY BRIEF SERIES

The UP CIDS Policy Brief Series features short reports, analyses, and commentaries on issues of national significance and aims to provide research-based inputs for public policy.

Policy briefs contain findings on issues that are aligned with the core agenda of the research programs under the University of the Philippines Center for Integrative and Development Studies (UP CIDS).

Center For Integrative And Development Studies

Established in 1985 by University of the Philippines (UP) President Edgardo J. Angara, the UP Center for Integrative and Development Studies (UP CIDS) is the policy research unit of the University that connects disciplines and scholars across the several units of the UP System. It is mandated to encourage collaborative and rigorous research addressing issues of national significance by supporting scholars and securing funding, enabling them to produce outputs and recommendations for public policy.

The UP CIDS currently has twelve research programs that are clustered under the areas of education and capacity building, development, and social, political, and cultural studies. It publishes policy briefs, monographs, webinar/conference/forum proceedings, and the Philippine Journal for Public Policy, all of which can be downloaded free from the UP CIDS website.

PHSD Team Members

Dr. Iris Thiele Isip-Tan, MSc
Convenor

Dr. Leonila F. Dans, MSc
Co-convenor

Dr. John Jefferson V. Besa
Noleen Fabian
Robbi Miguel Falcon
Jeremiah Feliciano
Dr. Evelyn Salido
Dr. Angeline-Therese Santiago
Scientific Paper Writers

Dr. John Robert Medina
Dr. Carol Stephanie Tan-Lim
Dr. Mia P. Rey
Project Leaders

Dr. Antonio L. Dans, MSc
Senior Research Analyst

Dr. Michael B. Fong
Junior Research Associate

Dr. Lisa Trabaco
Discussion Paper Writer

Dr. Carla Marie L. Asis, FPPS, FPRA
Policy Brief Writer

Christine Benosa
Proceedings Writer

Queen Zabala
Field Coordinator (Samal)

Anita Nayat
Field Coordinator (Bulusan)

Angeline Viel Castillo
Senior Office Aide

Josephine T. Sanchez
Research Data Consultant

Dr. Ray U. Casile
EHR Coordination and Consultant

Mark Javelosa
Statistician

Get your policy papers published.
Download open-access articles.

The Philippine Journal of Public Policy: Interdisciplinary Development Perspectives (PJPP), the annual peer-reviewed journal of the UP Center for Integrative and Development Studies (UP CIDS), welcomes submissions in the form of full-length policy-oriented manuscripts, book reviews, essays, and commentaries. The PJPP provides a multidisciplinary forum for examining contemporary social, cultural, economic, and political issues in the Philippines and elsewhere. Submissions are welcome year-round.

For more information, visit cids.up.edu.ph. All issues/articles of the PJPP can be downloaded for free.

Get news and the latest publications.

Join our mailing list to get our publications delivered straight to your inbox! Also, you'll receive news of upcoming webinars and other updates.

bit.ly/signup_cids

We need your feedback.

Have our publications been useful? Tell us what you think.

bit.ly/dearcids

UNIVERSITY OF THE PHILIPPINES
CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

Lower Ground Floor, Ang Bahay ng Alumni, Magsaysay Avenue
University of the Philippines Diliman, Quezon City 1101

cids.up.edu.ph

Telephone (02) 8981-8500 loc. 4266 to 4268
(02) 8426-0955

Email cids@up.edu.ph
cidspublications@up.edu.ph

Website cids.up.edu.ph