Learning Brief:

Financing Primary Health Care through Primary Care Networks

Foundational Reforms for Financing and Delivery of Primary Health Care: *Joint Learning Exchange on Financing PHC through Primary Care Networks*

Primary health care (PHC) is widely recognized as a critical foundation of health systems to achieve universal health coverage (UHC). PHC is the first point of contact for households with the formal healthcare system and aims to provide equitable access to quality essential health services. Despite its importance for health and efficient use of scarce resources, PHC remains chronically underfunded with resources often channeled preferentially to curative services in hospitals. Additional limitations include low public resources, fragmentation of limited funds, delays in releasing and disbursing funds to PHC facilities, weak financial management by PHC managers, rigid budget line items that do not allow reallocation of funds across priorities, and weak accountability for resources. Many low—and middle-income countries seek to strengthen PHC and provide patient-centered, high-quality, and cost-effective care by redesigning and testing different ways of organizing PHC that reduce bottlenecks in getting resources to PHC facilities, improve governance and accountability, and ultimately enhance access to quality health care.

Primary care networks (PCN) are an emerging approach to reorganizing service delivery to improve coordination, access, quality, and efficiency of PHC resource use, particularly in limited resource settings. PCNs are networks of

collaborating primary care providers working together to provide quality primary care to patients in a coordinated approach. This learning brief synthesizes lessons from a Learning Exchange on Financing PHC through PCNs, facilitated from Dec 2023 – July 2024 through the Joint Learning Network for Universal Health Coverage (JLN) in partnership with the USAID-funded Health Systems Strengthening Accelerator (Accelerator) project.

Background

In recent years, there has been strong country demand for joint learning on reorganizing the financing and delivery of PHC. In response, the JLN has supported several PHC-focused learning collaboratives (annex 1), including the Foundational Reforms for Financing and Delivery of Primary Health Care Collaborative. Launched in 2023, this two-year Collaborative brings together key decision-makers from fourteen countries at the national and subnational levels to address common bottlenecks to financing and delivering PHC. This Collaborative applies a country-led learning agenda and aims to co-develop a "toolbox" of resources to support country-driven discussions and solutions on improving the flow and use of resources at PHC facilities.

The following five countries participating in the Collaborative are implementing PCNs- Colombia, Ghana, Indonesia, Kenya, and the Philippines. Each of these five countries is on a unique journey in implementing their PCNs, as PCNs have operated in Colombia over the past forty years, while PCNs are being piloted in Ghana, Kenya, and the Philippines and in the early pre-implementation phase in Indonesia. As members of this Collaborative, these five countries are exploring how improving the flow of PHC resources can strengthen their PCN implementation efforts.

To support targeted joint learning among these five countries' PHC leaders and implementers, the Accelerator, in collaboration with the JLN Foundational Reforms for Financing and Delivery of PHC Collaborative, launched a short-term learning exchange in late 2023. This learning exchange on "Financing Primary Health Care through Primary Care Networks" provided a timely and much-needed opportunity for the five PCN-implementing countries to learn from one another, collaboratively problem-solve, and build global knowledge to improve PHC financing through PCNs. Throughout the learning exchange, the five countries reached a consensus on the following three themes as priority learning topics to strengthen their PCN models as they work to improve the flow and management of resources for PHC:

1. **Stewardship and governance** to ensure effective management of PHC financing through PCNs
2. **Mobilization, allocation, and use of PHC resources** to improve PHC delivery through PCNs

3. **Monitoring and learning** to ensure effective use of PHC resources through PCNs[1]

What Does a Primary Care Network Model Look Like?

PCNs bring together PHC providers in a coordinated approach to financing and delivery of PHC. Evidence shows that having a well-coordinated network of primary care practices enables countries to work at scale to provide a broad range of services, connecting easily to higher levels of care and integrating with community services. In addition to enhancing the quality of health service delivery by providing access to comprehensive services, a strong PCN may provide a platform to demand and attract better payment for providers. PCNs may also use common technology to share information and facilitate better patient care, which can reduce fragmentation of care and lead to cost savings. One unique advantage of PCNs is that public and private primary care facilities can collaborate and provide increased access to more services, potentially providing more equitable, sustainable, and higher-quality PHCs.[2]

Common characteristics of PCNs:

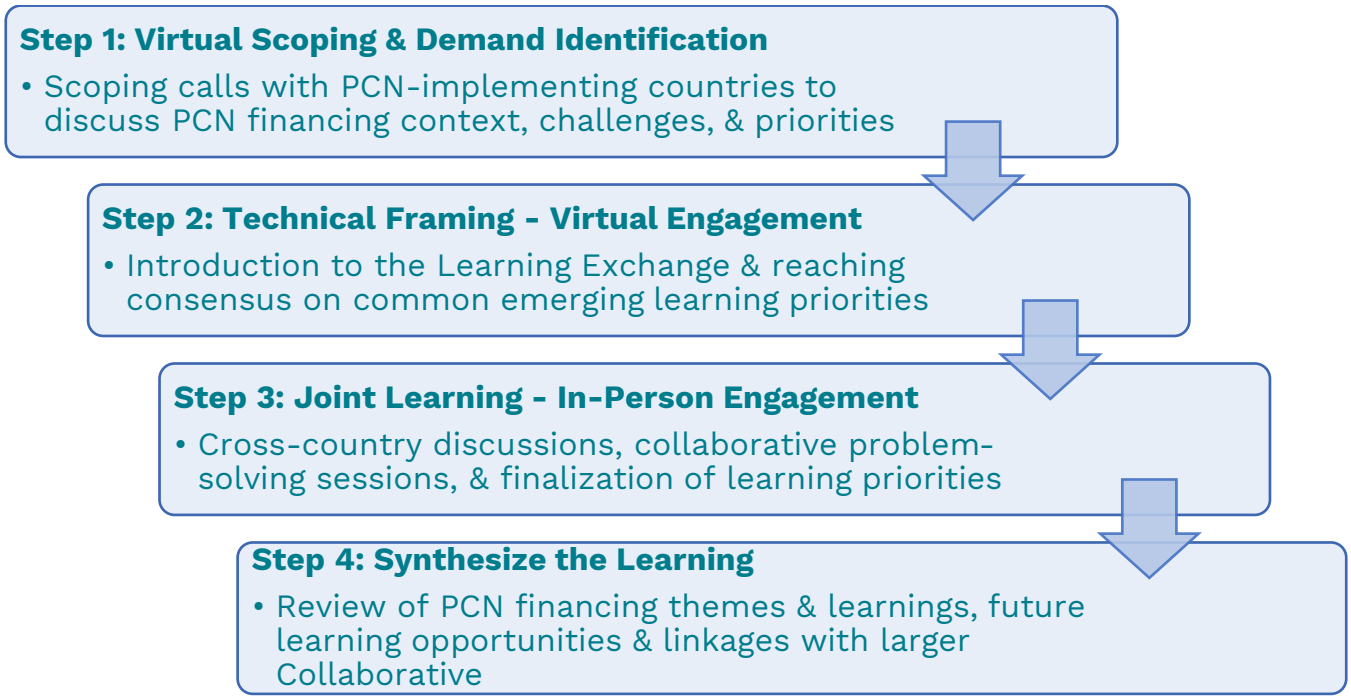
- Patient-centered "hub and spoke" model where the hub (ex: hospital) offers an array of services, complemented by spokes (ex: community health centers)
- Target patient population of ~ 30,000 to 50,000 individuals
- Focus on primary care and management of chronic conditions, including prevention and personalized care
- Monitoring performance to support clinical decision-making and continuous service improvement
- Making the best use of collective resources across health facilities to allow greater resilience, a more sustainable workload, and access to a larger range of professionals

Learning Exchange Methodology: Collaborative Learning Approach

Five countries (Colombia, Ghana, Indonesia, Kenya, and Philippines) participated in a mix of in-person and virtual collaborative learning engagements over the course of the nine-month learning exchange. The Accelerator supported a four-step process to identify the common PCN financing challenges and priorities across the five countries, frame the

[1] Primary Health Care Performance Initiative. Transforming PHC Delivery and Financing Through Primary Care Networks. PHCPI; 2023: https://www.improvingphc.org/sites/default/files/202303/phcpi_community_of_practice_learning_brief_english.pdf

technical issues, facilitate experience-sharing and collaborative problem-solving, and capture the learning:



Priority Learning Themes

The three learning themes that all five countries validated as priority learning topics to strengthen PHC financing through PCNs include: 1) Stewardship & Governance; 2) Mobilization, Allocation, & Use of Financial Resources; and 3) Monitoring & Learning. Participants highlighted several enabling factors for successful PHC financing through PCNs:

Stewardship & Governance

As all five countries look to improve the flow of resources to the PHC level; countries vocalized the importance of establishing country-specific roadmaps to articulate the vision and objectives of their PCN model. Effective stewardship and governance are crucial to creating an enabling environment for PCNs to achieve their roadmaps' objectives; clarifying decision-making roles and responsibilities within the PCN model; and ensuring limited PHC funding is well used. Indonesia and Kenya noted the challenge of addressing equity in access to resources and emphasized the need to increase financial autonomy for their PCNs in the context of their countries' highly decentralized and complex settings. Kenya's Kisumu County serves as an example of how increased financial autonomy has allowed the county's PCN model to improve its responsiveness to local needs and improve maternal health outcomes, and

Colombia's Cauca region demonstrates how their PHC providers and PCNs are supported to have full autonomy to distribute and use their financial resources according to local priorities. In Ghana, however, district directors hold significant decision authority over Ghana's networks of practice (NoPs), resulting in limited autonomy and decision-making space at the "hub" level. Establishing well-defined decision-making space and accountability mechanisms for how resources flow to and through the networks' "hubs" and to front-line providers is a critical part of the design of countries' PCN models.

Mobilization, Allocation, & Use of Financial Resources

Financing PHC *through* PCNs requires adequate mobilization, allocation, and management of resources that promote effective and equitable payment systems for PHC providers and prioritize services (including preventive and promotive) and access to technologies and medicines that meet the needs of target populations. Kenya's MoH discussed the country's efforts to improve resource allocations for PCNs through top-down and bottom-up program-based budgeting and the implementation of a needs-based resource allocation formula that aims to ensure equity in the provision of services. In Colombia, PCNs have full autonomy to allocate capitation payments for PHC facilities. However, the country faces challenges in matching funds to the population's health needs due to fragmented health information systems and delays of fund disbursements to PCNs as funds flow through third-party intermediaries that systematically delays payments.

Monitoring & Learning

Monitoring and continuous learning mechanisms, both internal and external to PCNs, are needed to ensure accountability and effective use of funds for service delivery. All five countries' network models include some form of monitoring through direct supervision, audits, and performance reviews of the networks from representatives at the local and national levels. In addition, the countries called for greater integration and interoperability of their health information systems. In Kenya, certain counties' PCNs have made advancements in digitizing their health systems, such as the SMART (digitized) PCN model, where PHC facilities use the Electronic Community Health Information System (ECHIS) that can track the flow and use of resources. As the Philippines looks to engage the private sector, country representatives expressed a need to enhance the interoperability of the country's health information systems to improve coordination and the flow of information between public and private facilities.

Country Snapshots

The following country table and profiles provide additional context on each of the five countries' PCNs and their country-specific implementation challenges and priorities:

Country	Primary Care Network Initiative	Hub Entity	Spoke Providers	Implementation
Colombia (Cauca Region)	Primary Care Networks	Main first level of care (Hospital/PHC Center located in urban areas)	Public & private providers	Implemented nationwide >40 years ago
Ghana	Networks of Practice	Sub-district, Model Health Centers	Public & private providers	Pilot -2017-2019 Scaling-up nationwide
Kenya	Primary Care Networks	Sub-county, Level 4 PHC Referral Facility	Public & private provider	Pilot-2021. Scaling-up nationwide
Indonesia	Integrated PHC	District/City Health Service	Public & private providers	Early stage, limited implementation
The Philippines	Health Care Provider Networks	Province/City Health Office	Public & private providers	Pilot

Colombia

Context: PCNs in the Colombian Province of Cauca are managed by hospitals at the provincial and municipal levels, as well as by local health centers and health posts located in villages. They are funded through multiple streams, including direct financing from the central government, provinces, and municipalities, allocations from Colombia's MoH, and the purchase of health services through contracts with health insurers based on capitation payment to the PCN.

Cauca's PCNs enjoy full decision-making and financial autonomy. The allocation of financial and in-kind resources is based on budget availability, monthly activity tracking, and the specific needs of the hub and the spokes. PCNs remain accountable through periodic execution reports and audits performed by health insurers and local health authorities and through public hearings where they present their budget execution.

Challenges: Despite the diversity of funding, the PCNs in Cauca do not receive sufficient financial resources to cover the operational costs necessary to meet the basic health needs of the population and support preventive care and health promotion activities. Health insurance payments flow through third-party intermediaries, which can cause delays in funding disbursement. Health insurers also systematically delay and withhold payments due to administrative inefficiencies and their for-profit purposes. In addition, capitation is not adjusted for the remoteness of the region.

Priorities: Reform healthcare provider payment models to ensure direct payments to health facilities and advocate for reduced flow of payments through intermediaries, reduce delays in resource allocation to PCNs, and improve the quality, use, and interoperability of data sources to strengthen resource tracking and support a greater flow of resources to address priority health needs, especially in rural and hard-to-reach areas. The Colombia Team is also interested in exploring pay-for-performance schemes and differential incentives to meet the specific health needs of the target populations served by the PCN.

Ghana

Context: PCNs, or Networks of Practice (NoP), in Ghana, aim to increase access to quality and essential health services for all by 2030. NoPs are organized at the sub-district level, where district-level hospitals, smaller health centers, and community-based health planning and services (CHPS) operate as hubs.

The District Director of Health Service (DDHS) maintains significant decision authority and is responsible for allocating financial resources to facilities. The network hub/ facility in charge has little autonomy over the management of financial resources, except for maintenance and security of the facilities, procurement of staff, some oversight of health services provided to the community, and payment for medicines purchased from pharmacies. Health Districts and Subdistricts supervise NoP and PHC facilities, and audit and annual performance reviews are conducted at the district level as forms of accountability mechanisms.

Challenges: NoPs are funded by external donors, direct government funding, reimbursements under the National Health Insurance Scheme, and direct out-

of-pocket payments. How funds are disbursed to NoPs, whether as individual providers or groups, public versus private facilities, and how funds are managed remain key ongoing challenges.

Priorities: Expand coverage for preventive and promotive services under a sustainable government-funded benefits package and expand decision-making space to allow for greater autonomy of network managers in the oversight of NoPs.

Indonesia

Context: As part of Indonesia's *Health Transformation Initiative* launched in February 2022, Indonesia aims to increase access to PHC through provider networks. The MOH is rolling out an Integrated PHC model and establishing PCNs for greater coordination and service integration with the private sector**.** PCNs in Indonesia are in a limited implementation scale-up phase.

Challenges: Indonesia's decentralized and complex setting and geographical configuration (the country is made up of more than 17,000 islands) can lead to large disparities and variability in health services across the archipelago. PHC is further strained by insufficient resource flows, fragmented information systems, and poor coordination across health facilities, which leads to an overreliance on tertiary care.

Priorities: Continue to strengthen PHC service delivery platforms at the national and sub-national levels, including *Puskesmas* (primary health centers), through an integrated PHC model in specific geographic locations, and continue to strengthen national priority programs, including malnutrition, tuberculosis, maternal, newborn, and child health, HIV/AIDs, etc.

Kenya

Context: Kenya's PCN initiative aims to optimize service delivery, emphasizing prevention and treatment while promoting resource efficiency. PCNs in Kenya follow a hub-and-spoke model, with level 4 county hospitals/PHC referral facilities serving as hubs that link to spokes at level 2 and 3 PHC facilities and community health units. PCNs are funded by counties through government allocations, health insurance, external aid, and direct out-of-pocket payments. The counties develop their County Integrated Development Plans (a 5-year plan), which inform the annual development plans and subsequently the budget. The Finance County Executive Committee provides county allocations, and the county assemblies approve financial allocations. There are top-down national government-to-county guidelines for

the budget process and bottom-up from facility to county using annual work plans that are then used to allocate resources.

Accountability occurs at the level of the PHC facility. There is a Health Facility Management Committee with community representation, and at the level 4 county hospitals, there are Health Management Teams and Health Facility Boards. PHC facilities are also supervised by county and national-level teams.

Challenges: Budget cuts and decentralized, complex settings cause setbacks in ongoing efforts to improve resource allocations through to top-down and bottom-up program-based budgeting and the implementation of a needs-based resource allocation formula, which aims to ensure equity in service provision. Political and economic fluctuations further strain how funds are managed and flow to PCNs.

Priorities: Continue to advocate for and strengthen PCNs' decision space in planning, budgeting, and procurement of health products and technologies. Leverage ongoing advancements and innovations in health and technology to strengthen PCNs' capacity to provide access to services in complex settings.

Philippines

Context: The Philippine Health Care Provider Networks (HCPNs) initiative, under the Philippines' UHC Act of 2019, seeks to launch province- and city-wide health systems to provide population-based and individual-based health services. The HCPN initiative is a joint endeavor supported and, in part, financed by the Department of Health and PhilHealth. HCPNs are encouraged to integrate the existing PHC benefit service package, financed by the Philippines's National Health Insurance Program, with higher levels of care.

The decision-making space is mostly in Local Government Units (LGUs) since they plan, authorize, execute, and monitor their health budget based on their share of national taxes, local revenues, reimbursements from the Philippine Health Insurance Corporation, among other sources. However, the Department of Health (National Government) also allocates in-kind and financial resources to the LGUs (as augmentation). Accountability mechanisms do exist both at Local and National Government decision-making entities.

Challenges: PHC providers are grouped into HCPNs, which can lead to challenging political dynamics, including uncooperative LGUs, inadequate health and human resources, and the hesitancy to pool funds into the proposed Special Health Fund to finance HCPNs.

Priorities: Digitizing health information systems to strengthen intra-network relationships will improving interoperability and coordination between HCPN facilities.

Considerations for the Future

After completing the PCN Learning Exchange, the PCN implementing countries expressed their need for continued joint learning to dive deeper into the understanding and application of best PCN financing and management practices, leveraging the experience of the five implementing countries. The facilitation team is pursuing opportunities to support the next phase of the learning exchange, with a focus on real-time implementation learning.

At the same time, as members of the larger Foundational Reforms for Financing and Delivery of PHC Collaborative that will continue through 2025, the five countries have an opportunity to adapt and apply the Collaborative's ongoing learning themes on provider autonomy, provider payment, and resource allocation into their PCN models. While the Collaborative's future learning agenda is not specific to PCNs as a service delivery model, PCN-implementing countries can still use the learning to advance their efforts to improve PHC financing through PCNs, for example:

1. **Provider autonomy:**
    - Definition of **PCN stewardship and governance functions** to include clear roles and responsibilities for funds management and decision space in a PCN. (PCN country interest: **Indonesia & Kenya)**
2. **Provider payment mechanisms:**
    - **Strategic purchasing and provider payment mechanisms** to ensure efficient and effective use of PHC resources within the PCN. (PCN country interest: **Ghana, Indonesia, & Kenya**)
    - **Assessment of the effectiveness of provider payment mechanisms** as PCN implementation advances. (PCN country interest: **Ghana, Indonesia, & Kenya**)
3. **Resource allocation approaches & formulas:**
    - **Equitable allocation of resources through PCNs** to ensure the availability of sufficient resources to meet the needs of priority populations. (PCN country interest: **Colombia & Philippines)**
    - **Accountability mechanisms and information systems are** needed to ensure the flow and use of funds through PCNs to meet population health needs. (PCN country interest: **Colombia & Philippines)**

Additional opportunities for continued learning include the co-development of a "**PCN Implementation Handbook"** (annex 2) to support countries as they consider and continue to implement the PCN model. Beginning with a module on financing PCNs, this handbook would include multiple priority sub-topics that the five PCN-implementing countries have determined are necessary in developing and implementing successful PCN models. Handbook modules would be developed and embedded as a global product within the larger Collaborative's toolkit of resources to improve the financing and delivery of PHC services.

PCN Financing Manual

- Table of Contents-

- Leadership & Governance
- Resource Allocation Framework
- Accountability, Monitoring, & Evaluation
- Private Sector Engagement
- *Tools*
  - PCN financing models with country case studies
  - Example guidelines of existing PCN implementation processes
  - Examples of resource tracking mechanisms and integrated digital platforms for monitoring PHC funding and spending

Acknowledgments

This product is the result of a collaborative effort facilitated by the Accelerator and the five PCN-implementing country delegation who are members of the JLN Foundational Reforms for Financing and Delivery of PHC Collaborative. The learning exchange's facilitators include Amanda Folsom, Linda Vanotoo, Luis Gabriel Bernal Pulido, and Isabeaux Kennedy Mitton, with support from the JLN Collaborative's facilitation team, including Cheryl Cashin, Agnes Gatome-Munyua, Adwoa Twum, Rachel Gates, and Aditia Nugroho. On behalf of the Learning Exchange on Financing PHC through PCNs, the facilitators would like to thank the JLN for their partnership in including this learning exchange as part of the greater Foundational Reforms for Financing and Delivery of PHC Collaborative and the many contributors across multiple countries, highlighted below.

The Learning Exchange on Financing PHC through PCNs would like to thank the following country delegation team members for their engagement and high commitment in this learning exchange and their contributions towards this product:

- Colombia delegation team members, which includes Carolina Camargo Restrepo, Vivian Rivera, Flor Nelly Ante, Beatriz Bohórquez, and Luis Guillermo González Rojas.
- Ghana delegation team members, which includes Alberta Biritwum-Nyarko, James Duah, Maureen Martey, John Ekow Otoo, Daniel Adin

Darko, Ruby Aileen Mensah, Mathilda Deri, Leonard Anaman, Andrew Ayim, Solomon Obiri, Vincent Eduful Tawiah, and Ageyman Badu.
- Kenya delegation team members, which includes Elizabeth Wangia, Frederick Angwenyi, Jarred Nyakiba, Robert Rapando, Jacob Kazungu, Mery Irene Kimani, Aden Hussein Ibrahim, Valeria Makory, Gregory Ganda, Hajara Busaidy, Roselyn Mungai, Salim Hussein, Jemimah Kuta, and Patrick Amoth.
- Indonesia delegation team members, which includes Febriansyah Budi Pratama, Dewi Kurniawati, Dewi Kurniawati, Rahmad Asri Ritonga, and Tedo Arya Trisnanto.
- Philippines delegation team members, which includes Kathrin Joyce Flores, Mary Antonette Remonte, Francisco Sarmiento III, Lilia Rose Say-awen, and Ambella G. Taruc.

Special thanks to all peer learners who contributed to EOI submissions, joined country scoping calls, participated in virtual learning sessions, supported the in-person learning session, and provided useful insights and contributions towards developing this product.

The Learning Exchange on Financing PHC through PCNs would like to thank all country delegation team members of the JLN Foundational Reforms for Financing and Delivery of PHC Collaborative from Burkina Faso, Mongolia, Lebanon, Liberia, Nigeria, Ethiopia, Malaysia, Botswana, and Vietnam who provided useful insights to support peer learning between the five PCN-implementing countries.

Finally, the development of this Learning Exchange for Financing PHC through PCNs was supported with funding from the United States Agency for International Development (USAID) and the Bill & Melinda Gates Foundation.

Annex

1. **Previous and on-going PHC-focused JLN collaboratives:**
   - Between 2020-2022, the Primary Health Care Performance Initiative (PHCPI) and the JLN, with facilitation by Results for Development (R4D), supported a global Community of Practice (COP) among PHC stakeholders to learn from one another and to share promising practices on how to transform the delivery, financing, and measurement of primary health care (PHC). During 2022, the COP hosted the Implementing and Measuring the Effectiveness of Primary Care Networks Learning Exchange, which brought together 125 PHC leaders and implementers from 28 countries, including three implementation teams from Colombia, Ghana, and Kenya. Participants identified PCN sub-themes for deeper joint learning, including financing and payment mechanisms for PCNs, accountability, and measuring the effectiveness of PCNs. A synthesis of lessons is available here.
   - In 2022, the JLN launched the Reimagining Primary Health Care Collaborative (RePHC**)**, a World Bank-facilitated community of policymakers learning from each other on how to build a fit-for-purpose PHC system, focusing on three core themes: digital health, health financing, and systems of care/health workforce. In June 2023, the Collaborative held a webinar on the theme of PCNs and highlighted the need for more joint learning on financing PHC through PCNs.
   - In 2023, the JLN launched the Foundational Reforms for Financing and Delivery of Primary Health Care Collaborative, facilitated by R4D, bringing together key country decision-makers from the national and subnational levels to address common bottlenecks to financing and delivering PHC. The Collaborative is implemented alongside R4D's USAID-funded Health Systems Strengthening Accelerator project's short-term learning exchange on "Financing PHC through PCNs" which looks to support ongoing joint learning among PHC leaders and implementers on how to strategically finance PHC through PCNs. In April 2024, the Collaborative and PCN learning exchange held their first in-person meetings during which the Collaborative mapped how resources flow to PHC and explored whether PHC providers receive sufficient resources to support the delivery of high-quality PHC service, and the learning exchange discussed common PCN financing challenges and opportunities across a sub-set of five PCN-implementing countries.
   - These recent PHC-focused joint learning activities complement the long-standing work of the JLN Provider Payment Mechanisms Initiative and the PHC Financing and Payment Collaborative**,** facilitated by R4D. The Collaborative brought together the expertise and experiences of JLN member countries in using provider payment improvements to encourage more efficient and responsive service delivery. In 2020, the Collaborative tested country pairings as a more in-depth joint learning modality enabling deeper probing on implementation experience. One such pairing was between Ghana and Kenya, focused on how to implement PCNs, key lessons, and pitfalls to avoid.

2. Outlining a "PCN Financing Manual":

During the Accelerator's April 2024 in-person learning exchange session, Colombia, Ghana, Kenya, Indonesia, and the Philippines brainstormed an outline for a potential learning product in the form of a PCN financing manual that could be developed to support countries while implementing PCNs. This **PCN financing manual** could be developed into a global public good and serve as a stepping stone towards building a greater "**PCN Implementation Handbook"** that other ongoing or future JLN collaboratives may contribute additional manuals toward overtime (see Figure 1 below):

Figure 1: *"PCN Implementation Handbook" and proposed sub-components/manuals*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