Philippine Institute
for Development Studies
*Surian sa mga Pag-aaral
Pangkaunlaran ng Pilipinas*

Policy Notes

ISSN 1656-5266

No. 2009-10 (December 2009)

Assessing LGUs' health service delivery performance: the cases of Agusan del Sur and Dumaguete City

Rouselle F. Lavado
and Ida Marie T. Pantig

With the legislation of the Local Government Code (LGC) in 1991, the responsibility of delivering health care services was transferred from the Department of Health (DOH) to the local government units (LGUs). This devolution of health service delivery has entailed the restructuring of health public sector organizations both at the national and local levels and has been accompanied by the devolution of certain powers, functions, and responsibilities at the different levels of this decentralized structure.

After almost two decades since the passing of the LGC, how have local governments kept up with these devolved functions, roles and responsibilities? In early 2009, the Philippine Institute for Development Studies (PIDS), together with the United Nations Children's Fund (UNICEF), conducted a study on local service delivery (LSD) of education, health, and water services, with the province of Agusan del Sur and the city of Dumaguete as study areas, precisely to look into this matter. For the health services delivery, in particular, the study looked at how the services were delivered at all levels of health facilities and at how the constituents utilized said facilities. Data gathering was done through the conduct of a household survey, facility survey, focus group discussion (FGD), and several key informant interviews.

PIDS Policy Notes are observations/analyses written by PIDS researchers on certain policy issues. The treatise is holistic in approach and aims to provide useful inputs for decisionmaking.

This *Note* is largely culled from the health section of PIDS Discussion Paper No. 2009-34 titled "Improving local service delivery for the MDGs in Asia: the case of the Philippines" and refers to the data that are more complete in said Discussion Paper. The authors are Research Fellow and Research Analyst II, respectively, at the Institute. The views expressed are those of the authors and do not necessarily reflect those of PIDS or any of the study's sponsors.

Figure 1. Health service delivery under a decentralized set-up

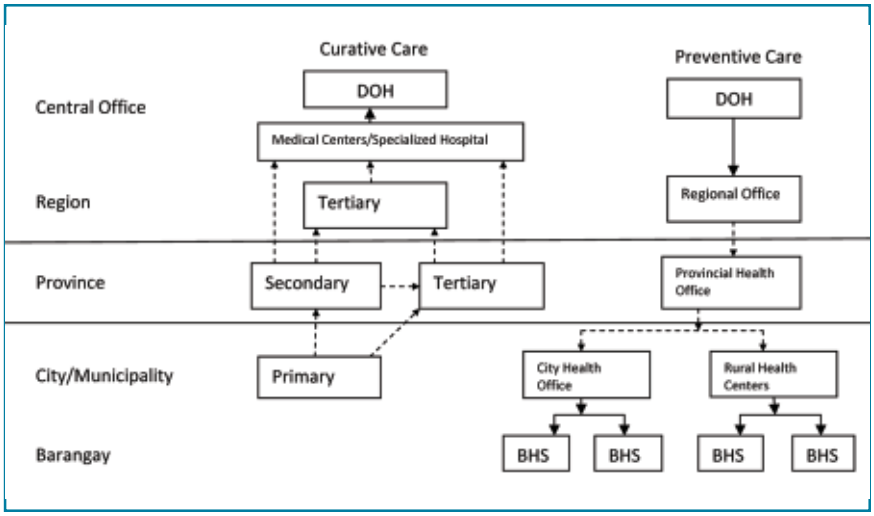

Table 1. Devolved health services to LGUs

LGU	Devolved Health Services
Barangay	Maintenance of barangay health stations under the Municipal Health Office/Rural Health Units
Municipality	Implementation of Primary Health Care and programs and projects on maternal and child care; communicable and noncommunicable disease control services; access to secondary and tertiary services; and purchase of medicines, medical supplies, and equipment needed to carry out the activities which are provided by the Municipal Health Office (MHO)
Province	Provision of primary, secondary, and tertiary services (medical, hospital, and other support services) in the following health facilities: provincial health office, provincial hospitals and hospitals of component cities, and district, medicare, and municipal hospitals
City	All services and facilities of the municipality and province which are provided by the city health office, city hospitals in highly urbanized cities, excluding the National Capital Region, rural health units, and barangay health stations

Source: Department of Health, quoted by Sia (no date, unpublished).

This *Policy Note* presents the key findings of the study as well as offers possible policy recommendations applicable not only to the study areas but also to LGU health facilities in general.

Organizational and services set-up under a decentralized system

As mentioned, the devolution of health service delivery as mandated by the 1991 LGC led to a restructuring of the set-up of organizations involved in health and to a redistribution of tasks and responsibilities related to health among the different levels of government. Figure 1 and Table 1 present such decentralized picture with the respective set of responsibilities for each political government unit.

How effective and efficient was the restructured set-up in terms of delivery? How did the local constituents respond to them? Based on the results of the various surveys, focus group discussions and interviews conducted under the joint PIDS-UNICEF study, a number of issues were raised vis-à-vis the new set-up.

Key findings of study

Finding #1: Constituents expect health facilities to deliver more than what they are supposed to.

This finding is more evident in lower level health facilities such as the Rural Health Unit (RHU) and Barangay Health Station (BHS). BHSs are supposed to be "satellites" of the RHUs and City Health Offices (CHOs) which are prescribed to provide public health care.

These would include basic health services in health and nutrition education, immunization, and basic essential medicines, but not anything beyond these such as personal health care. Constituents, however, expect these facilities to provide the latter and other medicines/drugs, and thereupon find them "useless" unless they are able to provide these. This could therefore contribute to the decreased patronage of the constituents of these basic health service facilities. Table 2 shows how LSD respondents rate the facilities, with the respondents mostly in between in terms of the satisfaction they get with the services. It should, however, be noted that the satisfaction rates for the availability and quality of medicines and supplies are low relative to other services provided by the BHS and RHU.

Meanwhile, with regard to tertiary level health facilities, the same undue expectation from constituents may also be noted in view of the inefficient health referral system in place. In many cases, for example, these tertiary facilities are also being utilized for basic health care that should have normally been dispensed at the primary level health

Table 2. Facility satisfaction ratings by service, study areas

Satisfaction Rating	Agusan del Sur				Dumaguete City			
	BHS (88)	RHU (81)	Public Hospital (88)	Private Hospital (52)	BHS (57)	CHO (34)	Public Hospital (115)	Private Hospital (76)
Consultation/Treatment received	2.07	2.05	2.14	2.13	2.02	2.12	2.43	1.89
Medical facilities (e.g., x-ray, lab equipment)	2.57	2.46	2.54	2.46	2.21	2.30	2.45	1.84
Nonmedical facilities (e.g., toilets, waiting area)	1.98	2.21	2.60	2.50	2.05	2.03	2.70	1.95
Waiting time	2.31	2.35	2.39	2.13	2.05	2.09	2.55	2.07
Paperwork requirements	2.06	2.08	2.23	2.10	2.00	2.00	2.49	2.00
Attitude of health personnel	1.90	2.08	2.13	2.12	2.07	2.09	2.65	1.92
Availability of health personnel	2.08	2.33	2.36	2.15	2.04	2.09	2.38	2.00
Competence of health personnel	2.19	2.05	2.17	2.10	2.06	2.06	2.32	1.96
Understanding of one's health beliefs and needs by the health personnel	2.13	2.17	2.15	2.24	2.02	2.06	2.38	1.95
Availability of medicines and medical supplies	2.75	2.78	2.83	2.31	2.16	2.03	2.60	2.01
Quality of medicines and medical supplies	2.44	2.52	2.34	2.25	2.11	2.03	2.44	2.04
Cost of medicines and medical supplies	2.13	2.55	2.63	2.61	2.10	2.09	2.58	2.43
Cost of consultation/treatment	2.13	2.40	2.28	2.53	2.06	1.94	2.22	2.13
Flexibility of payment scheme	2.10	2.28	2.18	2.43	2.15	2.06	2.29	2.21
Convenience of location	2.20	2.25	2.19	2.04	1.94	2.06	2.25	2.01

Note: In parenthesis – number of households (HH) which utilized the facility.
Rating scale: Very satisfied – 1; Satisfied – 2; Undecided – 3; Dissatisfied – 4; Very dissatisfied – 5.
Source: UNICEF-PIDS Local Service Delivery, Household Survey, Health Module

Due to limited resources, not all health facilities have a complete lineup of health professionals. Because health personnel are the main actors in health service delivery, it is important to maintain the prescribed number of health personnel per health facility level.

facilities such as the RHUs and BHSs as can be gleaned from Table 3. For instance, in the case of Negros Oriental Provincial Hospital, constituents complained of overcrowding, as revealed in the FGD. Because basic health services were also dispensed at the hospital, the provision of advanced medical services, which is the hospital's main mandate, may have been sacrificed with the allocation also of the facility's scarce resources to basic services (which RHUs/CHOs and BHSs are supposed to be equipped to provide).

Due to limited resources, not all health facilities have a complete lineup of health professionals. Because health personnel are the main actors in health service delivery, it is important to maintain the prescribed number of health personnel per health facility level. The Department of Health (DOH) recommends a health worker-population ratio of one doctor and one nurse per 20,000 population, and one midwife per 5,000 population.[1] According to key informant interviews, due to restrictions such as the Department of Budget and Management (DBM) limitations on the personal services expenditure, not all facilities are able to have the recommended number of health professionals, as seen in Table 4, as well as the recommended level of health care services, thereby failing their constituents on health care service provision.

Finding #2: There are inefficiencies in the procurement of important drugs and supplies at the LGU level.

For most of the facilities surveyed, most of the essential medicines and supplies are available. Drugs commonly used for common ailments such as paracetamol, amoxicillin, cotrimoxazole, oral antimalarial, zinc supplements, and oral rehydration theraphy (ORT) are normally available, but respondents say that they are

Table 3. Facility utilization at the study sites (in percent)

	Agusan del Sur				Dumaguete City			
	BHS	RHU	Public Hospital	Private Hospital	BHS	RHU	Public Hospital	Private Hospital
Health education	10	4	2	0	9	5	5	4
Nutrition education	11	1	2	0	5	1	4	2
Immunization	23	21	0	2	29	21	7	6
Family planning	10	7	1	0	7	13	5	4
Routine check-ups	12	20	28	23	20	33	21	29
Laboratory services	5	9	8	9	3	3	10	15
Prenatal delivery and postnatal services	12	19	7	6	13	12	16	6
Minor accidents	4	1	10	9	4	3	7	6
Major accidents	0	0	2	0	1	1	5	4
Minor illnesses	10	17	39	38	9	9	12	17
Major illnesses	2	1	2	13	0	0	8	9

Source: UNICEF-PIDS Local Service Delivery, Household Survey, Health Module

[1] Magna Carta for Health Workers.

unable to give the full dose to each patient because they need to maintain a buffer stock in case of emergencies. Procurement of drugs at the LGU level seems to be inefficient since none of the LGUs surveyed cooperate with their Inter-Local Health Zone (ILHZ) for bulk drug purchases. Most would buy from pharmaceutical representatives. This is normally more expensive than if they procure generic drugs.

Another issue at hand with regard to procurement of drugs and supplies involves the LGU participation in DOH programs such as the Expanded Program on Immunization (EPI) and Micronutrient Supplementation. As its counterpart, the DOH lets the LGUs purchase their own supplies such as syringes for immunization. If LGUs, however, are not able to provide, the patients are left with the option of purchasing such supplies for their own use. This practice adds impediment to the implementation of these key programs.

Finding #3: The implementation of the 4Ps brought about positive results in the utilization of health and education services in the project pilot areas.

The Pantawid Pamilyang Pilipino Program (4Ps) is a poverty reduction and social development strategy of the national government that provides conditional cash grants to extremely poor households to improve their health, nutrition, and education, particularly of children aged 0–14 years old. Some of these conditions include pregnant women's availment of pre- and postnatal care, skilled birth attendance during delivery, parents' attendance in responsible parenthood sessions and other similar classes, regular preventive health check-ups, vaccines for children 0–5 years old, and giving of deworming pills twice a year to children aged 6–14 years old. Complying with these conditionalities, beneficiaries are to receive P6,000 a year, or P500 per month per household for health and nutrition expenses.[2]

Table 4. Health workers at the LGU level

	Doctor to Population	Nurse to Population	Midwife to Population
Sibagat	30,074	30,074	4,296
Prosperidad	75,390	25,130	5,799
Bayugan	95,032	47,516	8,639
Dumaguete City	58,196	19,399	5,291

Sibagat town is one of the pilot municipalities covered by the 4Ps. It was found out during the facility interviews that there is a marked increase in the utilization of health and nutrition services with the implementation of the 4Ps, in particular, maternal and child care services. With this, the incentive aspect of this program was proven to be effective.

With the increased utilization of services, it must be noted though that supply-related problems have risen. The increase in number of prenatal visits led to a shortage of iron tablets. At the same time, the number of accredited birthing facilities is still

[2] http://pantawid.dswd.gov.ph

With the onset of devolution, much emphasis has been placed on the importance of first level health facilities such as the BHS and the RHU. However, inefficiencies that are inherent in the health system have dampened the implementation of crucial health interventions vital in local service delivery.

insufficient. While there was a lot of focus on improving the household demand for health and nutrition services, the important supply-side interventions that would enable the successful implementation of this viable program were not yet attended to.

Some policy implications and recommendations

With the onset of devolution, much emphasis has been placed on the importance of first level health facilities such as the BHS and the RHU. However, inefficiencies that are inherent in the health system have dampened the implementation of crucial health interventions vital in local service delivery.

In this regard, what are the implications of such shortcomings to programs and policy?

Policy implication #1: There is need to promote public health care among communities so that expectations of lower level facilities by constituents become more realistic.
In most cases, BHSs are not able to provide what constituents ask for. There is a need to emphasize the public health role of these lower level health facilities in order not to foster dependence on personal health care which these health facilities are not very much equipped to provide. With renewed emphasis on the importance of public health, demand for personal health care will be lessened. And if the need arises, the established mechanism of the health referral system can be utilized.

The role of barangay health workers (BHWs) will definitely come in handy in the promotion of public health in each community. Information dissemination campaigns with BHWs as main actors will be vital in emphasizing public health care in communities, as they are very much involved with households in their own communities.

With the importance of the role of BHWs now highlighted, proper incentives must be given to these crucial actors in the public health sphere. RA 7883 on benefits and incentives for BHWs has been in effect since 1995; however, fieldwork findings reveal that this law is not being fully implemented. LGUs had to come up with their own incentive schemes for the BHWs, as in the case of Dumaguete City, where BHWs are taken in as job order personnel with the prospect of being employed as regular employees of the LGU based on their performance. The full implementation of RA 7883 must be strengthened in order to encourage BHWs to perform better.

Policy implication #2: Health service provision cannot be efficient with an incomplete line-up of health professionals.
As mentioned earlier, hiring has been restricted due to certain DBM limitations. However, the critical function of the health sector cannot be

overemphasized and as such, the need for such restrictions and/or their appropriateness should be checked and reassessed.

This problem is a conundrum considering the influx of health professionals, particularly nurses, that enters the labor force every year. For instance, there were 67,220 students who passed the Nursing Board Examination in 2008. A bulk of these registered nurses become unemployed and just wait for training opportunities. Programs similar to the Department of Labor and Employment's NARS (Nurses Assigned in Rural Areas) Project,[3] a training cum development project taking in unemployed licensed nurses to be deployed in rural areas, should be explored to be able to augment health personnel shortages.

Policy implication# 3: It would be cheaper if LGUs would purchase in bulk, and it would be ideal if the ILHZs/provinces would be utilized for such purposes.
A committee solely in charge of drugs and supplies procurement for member LGUs can be created and a special set of guidelines that responds to the special requirements of the health sector in particular may be formulated.

Another option for the LGUs is to take advantage of the bulk procurement from the National Drug Program-Project Management Unit (NDP-PMU) of the DOH. Centers for Health Development (CHDs) through the Provincial Health Teams (PHTs) should orient LGUs on how they can use such facility of the central office.

Policy implication #4: Supply-side interventions need to be attended to in order to keep up with increased demands for health and nutrition services resulting from the 4Ps' implementation.
It can be gleaned from the study that with the implementation of the 4Ps, demand for health and nutrition services has definitely increased. However, the supply-side interventions have not been given due attention. If possible, the implementing agency for the 4Ps should include in their budget health, nutrition, and education assistance to supporting agencies. Since an increase in utilization of health and nutrition services has been noted due to the implementation of the 4Ps, proper monitoring and evaluation mechanisms should be put in place to work toward the improvement of this viable project. As an immediate fix, the Field Health Service Information System (FHSIS) should be streamlined to easily and reliably collect and validate data. In addition, health surveys at the provincial level should be conducted to be able to capture the decentralized setting of the sector.

[3] http://www.nars.dole.gov.ph/

For further information, please contact

The Research Information Staff
Philippine Institute for Development Studies
NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, 1229 Makati City
Telephone Nos: (63-2) 894-2584 and 893-5705
Fax Nos: (63-2) 893-9589 and 816-1091
E-mail: rlavado@mail.pids.gov.ph; jliguton@mail.pids.gov.ph

The *Policy Notes* series is available online at http://www.pids.gov.ph. Reentered as second class mail at the Business Mail Service Office under Permit No. PS-570-04 NCR. Valid until December 31, 2009.

Discussion Papers released from July–December 2009

DP 2009-15 Some statistical dimensions in the generation of Philippine poverty statistics (A. Pacificador Jr.)
DP 2009-16 Small area estimation of poverty statistics (Z. Villa Juan-Albacea)
DP 2009-17 Issues on the official poverty estimation methodology in the Philippines: comparability of estimates across space and over time (L.G. Bersales)
DP 2009-18 A documentation of the Philippines' Family Income and Expenditure Survey (C. Ericta and E. Fabian)
DP 2009-19 Price collection for the consumer price index: a documentation (C. Ericta and R. Sta. Ana)
DP 2009-20 A documentation of the Annual Poverty Indicators Survey (C. Ericta and J. Luis)
DP 2009-21 Toward a strategic urban development and housing policy for the Philippines (B. Cariño and A. Corpuz)
DP 2009-22 Reforming social protection policy: responding to the global financial crisis and beyond (R. Manasan)
DP 2009-23 Social insurance in the Philippines: responding to the global financial crisis and beyond (R. Manasan)
DP 2009-24 The impact of the global financial crisis on rural and microfinance in Asia (G. Llanto and J.A. Badiola)
DP 2009-25 Preliminary results of the survey on persons with disabilities (PWDs) conducted in selected Metro Manila cities (J. Yap, C. Reyes, J.R. Albert, and A. Tabuga)
DP 2009-26 Motives and giving norms behind remittances: the case of Filipino overseas workers and their recipient households (M. Alba and J.S. Sugui)
DP 2009-27 Global study on child poverty and disparities: the case of the Philippines (PIDS)
DP 2009-28 Incorporating regional rice production models in rice importation simulation model: a stochastic programming approach (C. Reyes, C. Mina, J. Crean, R. de Guzman, and K. Parton)
DP 2009-29 Profiling poverty with multivariate adaptive regression splines (C. Mina and E. Barrios)
DP 2009-30 Impact of the global financial and economic crisis on the Philippines (J. Yap, C. Reyes, and J. Cuenca)
DP 2009-31 Institutions serving Philippine international labor migrants (A. Orbeta Jr., M. Abrigo, and M. Cabalfin)
DP 2009-32 The social and economic impact of Philippine international labor migration and remittances (V. Zosa and A. Orbeta Jr.)
DP 2009-33 Philippine international labor migration in the past 30 years: trends and prospects (A. Orbeta Jr. and M. Abrigo)
DP 2009-34 Improving local service delivery for the MDGs in Asia: the case of the Philippines (PIDS)
DP 2009-35 On free trade agreements (FTAs): the Philippine perspective (E. Medalla and M. Mantaring)
DP 2009-36 ASEAN rules of origin: lessons and recommendations for best practice (E. Medalla and J. Balboa)
DP 2009-37 Triangulation framework for local service delivery (A. Layug)
DP 2009-38 Local service delivery of potable water in the Philippines: national review and case analysis (D. Israel)

Policy Notes released in 2009

PN 2009-01 Water service delivery on the ground: targets versus realities (The cases of Dumaguete City and Agusan del Sur) (D. Israel)
PN 2009-02 Performance and problems of water districts: selected experiences (D. Israel)
PN 2009-03 The 2008 global financial and economic crisis: impact on the Philippines and policy responses at the national and regional levels (J. Yap)
PN 2009-04 Housing policy for the poor: revisiting UDHA and CISFA (M. Ballesteros)
PN 2009-05 In pursuit of sex parity: are girls becoming more educated than boys? (C. David, J.R. Albert, and S.L. Carreon-Monterola)
PN 2009-06 Child poverty in the Philippines: more children suffer as poverty rises (C. Reyes and A. Tabuga)
PN 2009-07 What ails local service delivery of public goods and services? (A. Layug)
PN 2009-08 Who really holds the "power of the purse?" (PIDS-RIS)
PN 2009-09 Looking at conditions of persons with disability in Metro Manila (C. Reyes and A. Tabuga)

The Discussion Papers and Policy Notes can be downloaded from http://publication.pids.gov.ph/.