



SP4PHC SPOTLIGHT

Assessing the transparency of Kenya's National Health Insurance Fund

By Anne Musuva, Country Director, ThinkWell Kenya

Like many low- and middle-income countries, Kenya has chosen to pursue universal health coverage (UHC) [by scaling up social health insurance](#) with public financing to subsidize the poor. The vehicle to achieve this vision is the National Health Insurance Fund (NHIF), a government-owned state corporation that has been in operation for nearly five decades. First established as a ministerial department in 1966 by an act of parliament, the National Hospital Insurance Fund became a state corporation in 1998 and the word “hospital” in its name was replaced with “health” in 2022. As more resources—both mandatory contributions and general budget funds—are channeled through the NHIF, it is crucial that the institution be transparent regarding its finances to enhance public trust. Indeed, increased transparency and accountability is one of the intermediate UHC goals as per the World Health Organization's [framework on health financing for UHC](#).

So, is NHIF transparent to Kenyan citizens? The International Budget Partnership (IBP) in Kenya undertook an analysis [in 2012](#) that asked a simple question: Does NHIF communicate financial and policy information to the public in a clear, consistent, and accessible manner? The answer back then was no. A decade later in 2022, IBP Kenya went back to ask the same question in a study commissioned by ThinkWell. A key goal of the recent exercise was to assess current gaps and identify opportunities to strengthen NHIF's reforms to enhance transparency, in addition to exploring how county governments and health facilities interface with NHIF.

The main finding from [IBP Kenya's 2022](#) report is that NHIF provides limited financial and program information through its publicly accessible platforms, contravening the NHIF Act as well as the country's public financial management and access to information laws. For example, IBP Kenya could not find the Fund's financial reports or comprehensive information on NHIF's financial status from its website, and NHIF did not respond to requests for information made through legally prescribed procedures. Some information on NHIF's revenues and expenditure was available from other government agencies, such as the National Treasury and the Ministry of Health, but these sources were not always consistent with one another. NHIF also does not provide comprehensive programmatic information; for example, disaggregated data about NHIF membership by scheme and county.

It is disappointing that over the past decade, during which NHIF has been entrusted with more public funds to ensure financial access to health care and offer financial protection to all Kenyans, NHIF has become no more transparent to the citizens of Kenya. Transparency is important in ensuring decisions on health care priorities and expenditure are not only fair, but also seen to be fair and accountable. NHIF needs to make available both financial and program data on publicly accessible platforms. As the report notes, NHIF could borrow a leaf from Kenya's National Social Security Fund that has published financial information on its website consistently over the past 10 years. It can also learn from its peers; the report found that the Philippines' national health insurance agency PhilHealth and Tanzania's National Health

Insurance Fund are both more open about their finances on their websites.

NHIF should be the main source of information regarding its programs and the role it plays in health financing in Kenya. Nothing less is expected by Kenyans as we work towards UHC!

NEW RESOURCES

Facility Autonomy In the Age of Devolution: County-Level Arrangements for Managing Health Facility Revenue in Kenya



In Kenya, government-owned health facilities could retain and use the revenue they collected from user fees, health insurance reimbursements, and government transfers prior to devolution in 2013. After devolution, their ability to retain and use own-source revenue became dependent on how county governments interpreted the 2012 Public Finance Management Act. Most counties started requiring facilities to transfer all own-source revenue to the county treasury. Some have since put in place arrangements to grant financial autonomy to health facilities.

The SP4PHC Kenya team reviewed facility financing arrangements in Kenya's 47 counties. This recently published [brief](#) summarizes the findings and offers reflections on potential implications for service readiness.

Stakeholder perceptions and experiences from the implementation of the Gratuité user fee exemption policy in Burkina Faso: A qualitative study



Many stakeholders in Burkina Faso have a positive perception of the country's Gratuité policy, which removed user fees for maternal, newborn, and child health services. Government leadership, multi-stakeholder involvement, robust internal capacity, and external monitoring have strengthened implementation; however, collateral shortage of financial and human resources, misuse of services, delays in reimbursement, political instability and health system shocks limit it achieving universal health coverage. The SP4PHC team in

Burkina Faso just [published an article](#) in *Health Research Policy and Systems* highlighting the perceptions and experiences of implementing the Gratuité policy.

UPCOMING EVENTS



 **15th IHEA World Congress on Health Economics**
Cape Town,
South Africa

**THINK
WELL**

Pre-congress
July 8-9, 2023
Main congress
July 9-12, 2023

ThinkWell at the upcoming IHEA Congress 2023

This July, ThinkWell will co-host [several sessions](#) at the International Health Economics (IHEA) Congress in Cape Town, South Africa. This includes a pre-congress session titled “Can Direct Financing for Public Facilities Improve the Availability of Health Products?” (which will be publicly accessible virtually), and an organized session titled “Balancing Flexibility and Accountability: Institutionalizing Arrangements for Channeling Funds to Health Facilities Delivering PHC Services,” featuring papers from our Uganda and Kenya teams. SP4PHC country teams have also had eight abstracts accepted, including one on the Gratuité policy in Burkina Faso and another on the effect of district health expenditure towards Indonesia’s maternal mortality rate.

You can register for virtual attendance at IHEA [here](#), and do check our social media channels linked in the footer for info on our pre-congress events, which you can join online, for free, [here](#).

PAST EVENTS

COUNTERPOINT

Financing health facilities directly: What is all the fuss about?

A ThinkWell webinar on June 1, 2023, 9-10 AM-ET



Nirmala Ravishankar
Senior Fellow
ThinkWell



Sheila O'Dougherty
Health financing
expert, Vice
President (retired)
Abt Associates



Edwine Barasa
Director
*KEMRI Wellcome
Trust Research
Program, Kenya*

Recently held *Counterpoint* webinar on direct facility financing

We recently held our third *Counterpoint* webinar in June on direct financing for health facilities. This hour-long discussion featured **Sheila O'Dougherty**, a health financing and management expert who retired from her position as Vice President at Abt Associates in 2020, and **Edwine Barasa**, the Director of the Nairobi Program of the KEMRI Wellcome Trust Research Program in Kenya; the webinar was moderated by ThinkWell Senior Fellow, Nirmala Ravishankar. The webinar covered everything from definitions to the evolution of the idea and its relevance to the UHC agenda. Please find the recording of the entire webinar [here](#).

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