

Social Health Insurance Scheme for All Kenyans:

Opportunities and Sustainability Potential

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Abstract

Health is a basic need for all, regardless of race, nationality, social class, age, sex, etc. In Kenya, just like in many other developing countries, the health situation has been deteriorating in spite of the government having since independence directed her efforts towards tackling the twin problems of affordability and access to health care services. Beyond this, the policy position is also clear on the need to address equity and sustainability of quality health care delivery. The health sector reforms that have hitherto taken place (including introduction of NHIF, free health services, cost-sharing, exemptions and waivers, etc.) are all largely aimed at addressing affordability and access to health care services, especially among the poor. The latter often find themselves in poverty traps that deny them access to social services, consequent upon which they benefit least from health, education, food security, knowledge and information services and other basic human rights components.

This negates the policy endeavors relating to promoting poverty reduction through economic growth, access to minimum quality health care by removing barriers arising from social differentiation and concomitant stratification on basis of gender, social class, knowledge and limited or even zero participation of the underprivileged in prioritization and provision of the national service infrastructure. Past policy priorities and measures have not been effective in addressing these concerns, which relate positively to health care access potential for all. Spending to promote access to health care is crucial, given also that Kenya is a signatory to the WHO Abuja Declaration (25th April 2000). The latter requires member countries to spend at least 15 per cent of their national incomes (GDP) on health (Kenya spends 9 per cent).

The high cost of health care limits access to the services for many Kenyans, given that 56 per cent of the population lives below the poverty line (on less than one dollar a day) among whom 30 per cent live in absolute poverty. The Second Report on Poverty in Kenya reveals that 40 per cent of the poor did not seek medical care when they fell sick, mainly due to inability to meet the cost of medical care, while 2.5 per cent were constrained by distance to a health facility. Unaffordability, therefore, remains a key challenge facing the poor against access to health care. Many Kenyans therefore continue to either have no access to or cannot afford to pay for their health care needs. It is due to the failures of the past programs, that the National Social Health Insurance Fund (NSHIF) was conceptualized for implementation, with a view to providing a

more effective health cover for all Kenyans, at both in-and out-patient service levels.

This study set out to examine the policy position in Kenyan health care financing, with regard to implementation of the proposed social health scheme (NSHIF) and its performance potential. The specific objectives were to: examine the existing social scheme (NHIF), its role and challenges in health care financing; establish whether or not Kenya has the key pre-requisites for introduction and sustainability of a social health scheme and to provide recommendations on the way forward.

This was largely a desk study, supplemented with limited primary data from key informants. As part of methodology, a workshop on the proposed NSHIS was organized. The purpose of the workshop was to spur debate and search for stakeholder consensus and policy support with regard to the proposed scheme. The study puts Kenya's health care policies since independence, the current health sector situation, the performance of NHIF, and social health plans' experiences in other countries into context. The analysis indicates that:

- i) For a universal social health plan to be sustainable, favorable economic indicators and availability of essential infrastructures are critical prerequisites. Resources must be available, government must be in a position to afford high subsidies, the population must be ready to pay high premiums and the supply of health services must be adequate to cater for the expected increase in demand;
- ii) Countries that have successfully embraced social health plans introduced their schemes carefully and gradually (overtime) in terms of coverage;
- iii) Kenya compares unfavorably with these countries in terms of prerequisites for sustainability of a social health scheme, due largely to a poor economy, high poverty levels and shortfalls in facilities and services.

The study concludes that Kenya lacks the key prerequisites for introducing and sustaining a universal social health scheme. The scheme can hardly be supported by the current status of the economy and healthcare infrastructures. The study recommends:

- i) Expansion and development of health care infrastructural capacities through subsidies and tax concessions for those investing in health

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- care and providing subsidized services, particularly to the poor and rehabilitation of the GoK facilities;
- ii) Increasing the health budget from 7 per cent of government expenditure to above 10 per cent and directing more resources and efforts towards preventive/promotive and primary health care (P&PH); and
 - iii) Other recommendations include subjecting the proposed scheme to an actuarial evaluation and comprehensive policy plan in order to determine the attendant and corresponding premium and benefit levels and pursuing a phased approach in the implementation of the scheme.