Multiple funding flows to healthcare providers: the Kenyan case

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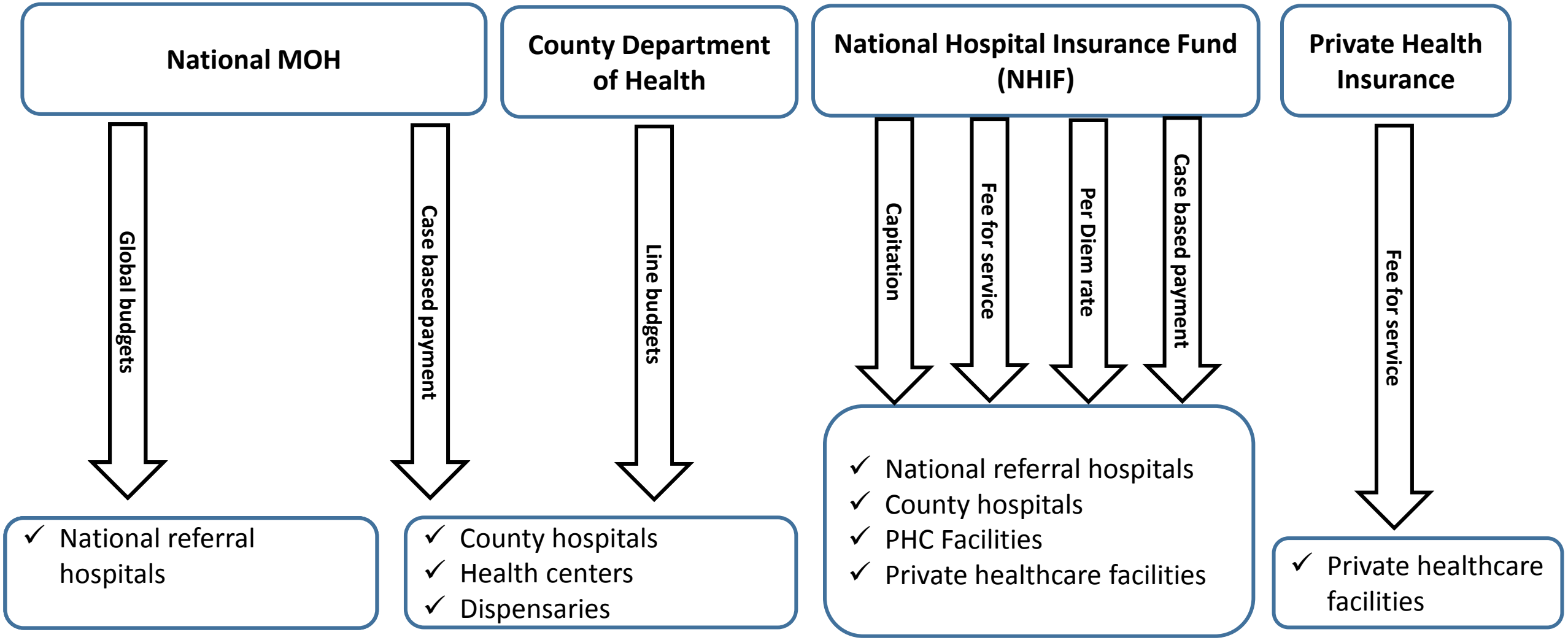
RESILIENT & RESPONSIVE HEALTH SYSTEMS

Presentation outline

- Overview of purchasing arrangements in Kenya
- Identifying the Multiple funding flow problem

Healthcare purchasing arrangements



Funding Flows to a County Hospital

OUT OF POCKET PAYMENTS

REPUBLIC OF KENYA

COUNTY GOVERNMENT

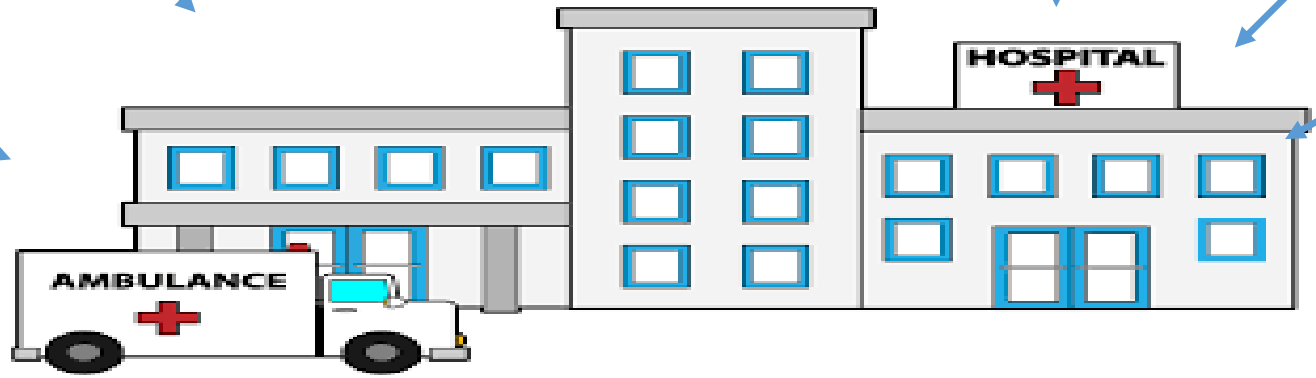
IF ACCREDITED BY NHIF

National scheme and HISP (for the elderly and OVCs)

Free Maternity Services

Managed schemes

Community-Based Health Insurance



Rates under National scheme and HISP (for the elderly and OVC)

INPATIENT COVER
Per Diem- Ksh 1,500-4,000/ day

OUTPATIENT COVER:
Capitation- Ksh 1,200/ beneficiary for basic care facilities

MATERNITY under National scheme:
Case-based payments: Ksh 10,000 for a normal delivery, Ksh 30,000 for cesarean section

Rates under Free Maternity Services

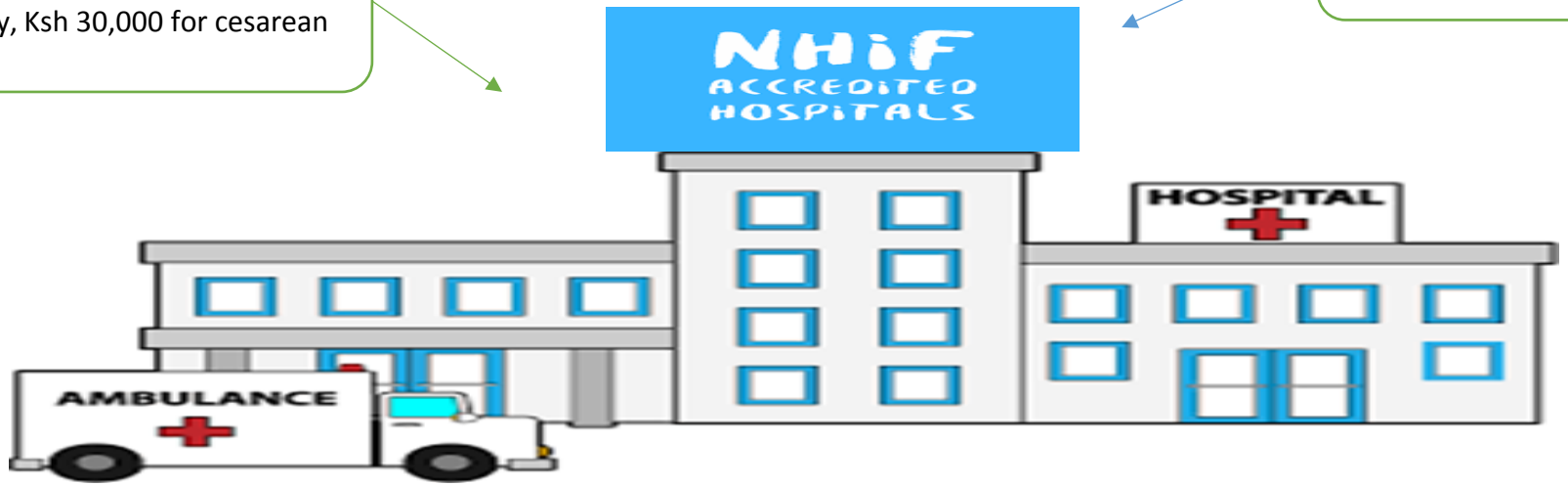
FREE MATERNITY:
Case-based payments: Ksh 5,000 per delivery (Caesarian or normal)

Rates under Managed schemes

INPATIENT COVER:
Per diem -same as general scheme (Job group A-K)
FFS -Ksh 1-2 million/year (Job group L-M)

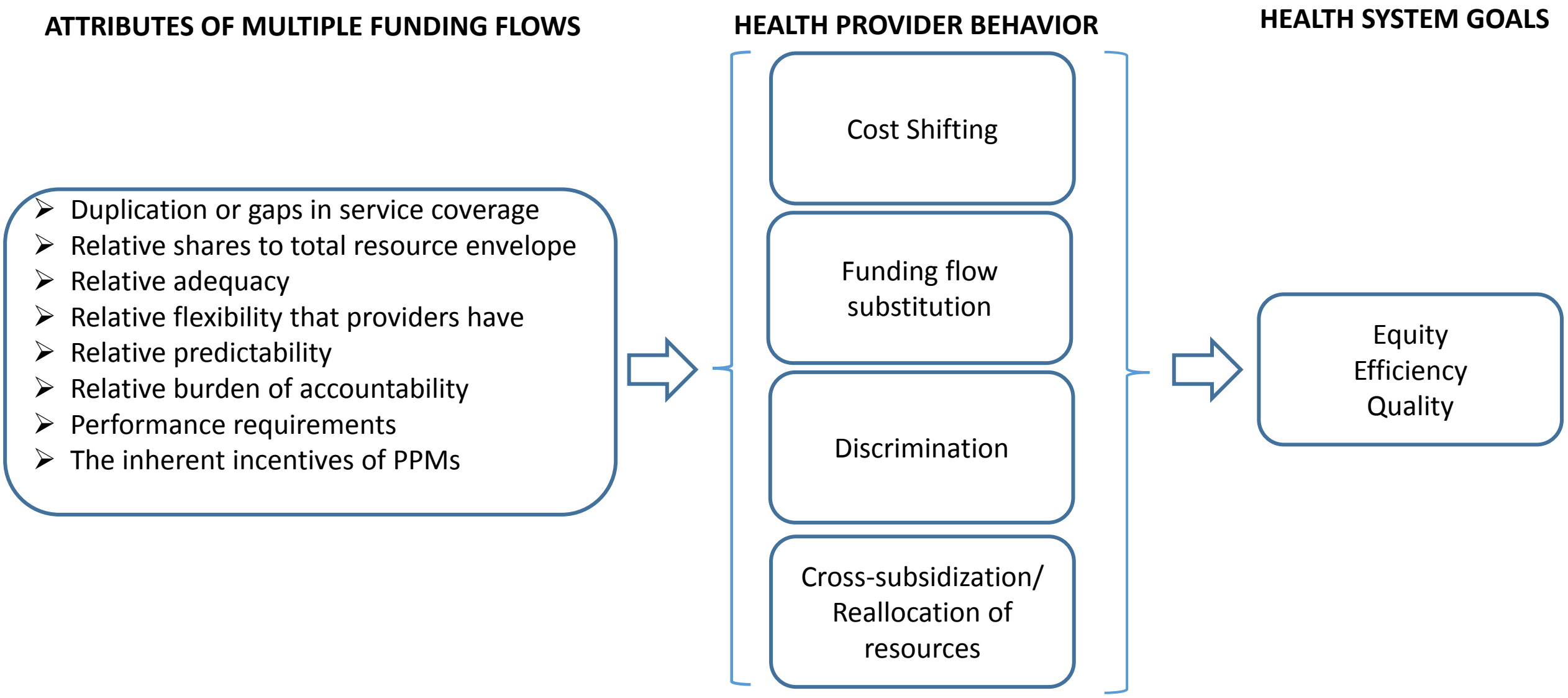
OUTPATIENT COVER:
Capitation- Ksh 1,500 Public, Ksh 2,850 private and faith based organizations (Job group A-K)
Fee for service- Ksh 100,000-350,000/year (Job group L-M)

MATERNITY:
FFS: Limit Ksh 200,000



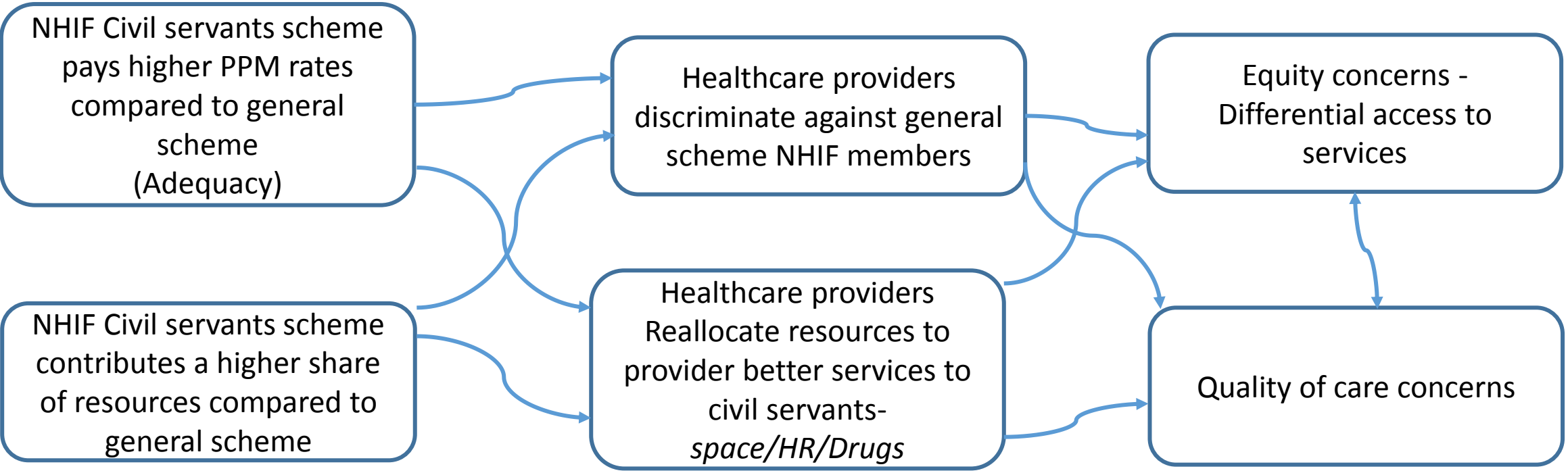
County hospitals

RESYST Consortium Multiple Funding Flow Conceptual Framework



Example 1

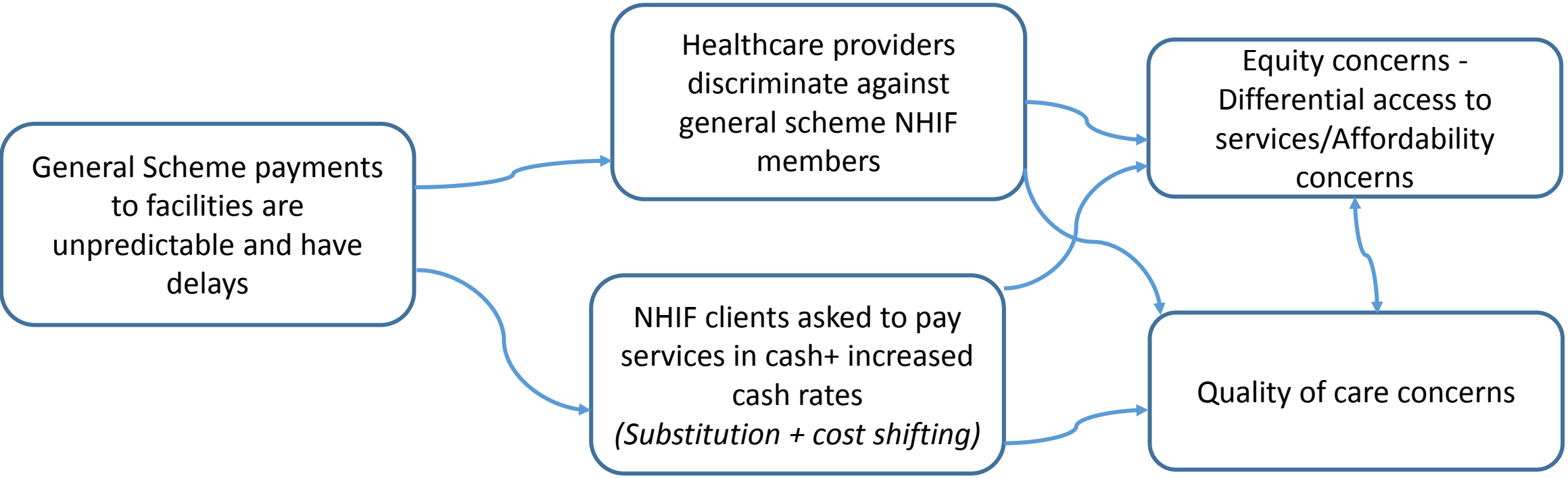
"Civil servants are favored. They get way more services. Why are they taking our money to do that? Why does NHIF favor civil servants?" – Current member



"Civil servants get special attention like doctor's visits and clean sheets. The hospital favors this special class. Civil servants get access to a doctor two times a day unlike the normal ones [members of the general scheme) who access the doctor once" – Former member

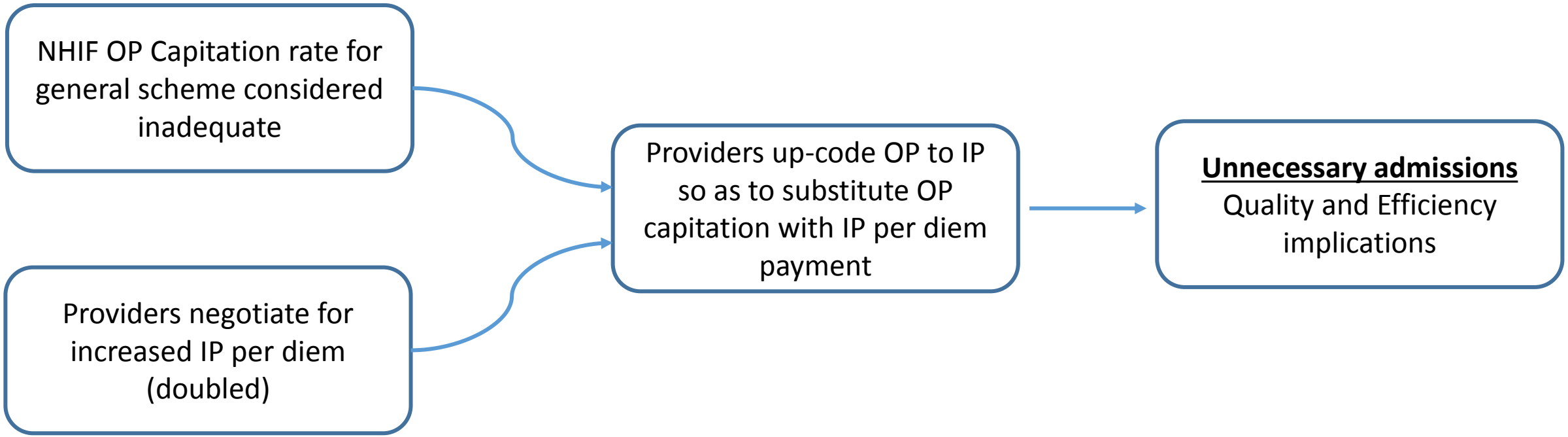
Example 2

"Discrimination of clients does happen in some facilities if you are an NHIF member…When they see you using the card, the patient is not given good care. I was abandoned there in [a public hospital] from morning to evening because we had brought an NHIF card. So when we gave them the card they neglected us" – Current member



"So when [the facility] heard about the [NHIF] card they tried to increase the charges on what we had to pay cash. So they tried to get as much money from us that was not covered by the card" – Current member

Example 3


NHIF OP Capitation rate for general scheme considered inadequate
Providers negotiate for increased IP per diem (doubled)
Providers up-code OP to IP so as to substitute OP capitation with IP per diem payment
Unnecessary admissions
Quality and Efficiency implications

Example 4

NHIF Maternity package pays higher rates

- ✓ KES 10,000 for normal delivery
- ✓ KES 30,000 for Caesarian section

Free maternity services programme pays lower rate

- ✓ KES 5000 for both normal and Caesarian section

Do providers **discriminate**?

Discrimination - Equity and quality concerns
Up-coding/Substitution –

DAILY NATION

NHIF pays out Sh1bn for C-section child deliveries

POPULAR PROCEDURE

C-section accounted for 61 per cent of the NHIF's maternity costs, and more than a third of the women covered by the fund opted for the operation, underlining how widespread its use has become in Kenya.

How to fix this?

- Consolidate risk pools and harmonize benefit packages
- Eliminate duplication and/or gaps in service coverage
- Adequacy: evidence based PPM rates; transparency; provider engagement
- Harmonize conditions associated with funding flows – flexibility, accountability requirements, performance requirements etc.
- Improve predictably of funding disbursements
- Monitor PPM incentives and put checks to minimize unwanted incentives

THANK YOU

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