



“PRIORITIES OF HEALTH ECONOMICS IN AFRICA”

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Financing Outpatient Care – Kenyan Experience

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The National Hospital Insurance Fund (NHIF) has been in existence since 1966 and has been financing only in patient care on a per diem basis. From the year 2005, the Fund has been looking into ways of enhancing the benefit package to members and is currently in the threshold of rolling out an outpatient cover to cater for its two million principal members and seven and a half million dependants.

Objectives:

- To illustrate how a national health provider can co-pay for the cost of outpatient care
- To analyse the real risks that OPC financing faces in sub Saharan Africa (the case of Kenya)
- To show the possible ways to mitigate these risks, Prevent fraud and reduce adverse effects as far as possible
- To ensure the financial sustainability of the NHIF during the implementation phase and in the long run.

Methods used:

- Desk reviews and data analysis
- Reviews of various commissioned studies on cost analysis of health care services
- Other literature review

Key Findings:

- Adoption of the flat rate is most appropriate for a national wide scheme such as NHIF; in this way the organization fixes the cost of the outpatient cover and limits the number of visits.
- Outpatient cover can be implemented alongside the well established inpatient cover
- The need to increase premiums to accommodate the outpatient cannot be overemphasized. The premiums increase will be between 20% - 300% depending on income level and in line with the solidarity principle

Technological leverage is key to curbing fraud; the use of the magnetic stripe card for identification, notification and claims processing would cushion the organization from cost escalation and moral hazard.