Examining multiple funding flows to public healthcare facilities in Kenya and their influence on provider behavior and service delivery

Rahab Mbau, Evelyn Kabia, Dr. Edwine Barasa - Kemri-Wellcome Trust, Kenya Nairobi

Introduction

Healthcare providers often engage with multiple purchasers resulting in multiple funding flows. Where multiple funding flows exist, they may send signals to providers that may incentivize undesired provider behavior. We examined the characteristics of multiple funding flows to public hospitals in Kenya and how they influence provider behavior and service delivery.

Methods

We conducted a cross-sectional qualitative study in two first referral and two second referral public hospitals, purposively selected from two counties in Kenya. We employed a conceptual framework that theorized that a lack of coherence of multiple funding flows could lead to three types of undesired provider behavior; resource shifting, patient shifting, and cost shifting. We collected data using in-depth interviews (n=36), focus group discussions (n=4), and documents review, and analyzed them using a framework approach.

Results

The study hospitals experienced 10 identifiable funding flows across the range of their funding sources. Multiple funding flows improved the financial resilience of healthcare facilities by improving the level of resourcing and overall predictability of facility financing. Higher NHIF payment rates for outpatient services for civil servants compared to non-civil servants and, higher NHIF payment rates for inpatient services for all its beneficiaries compared to user fees led to shifting of resources to provide preferential services to civil servants or in other cases, insured patients in general. For instance, some facilities established special civil servants’ clinics and wards while others had amenity wards for all insured patients that were better staffed and equipped than the general wards and clinics for the uninsured patients. There was also discriminatory behavior in some hospitals. For instance, civil servants were permitted to jump queues (and hence had shorter waiting times) while other patients waited to be served at the healthcare facility. In case of drug stock outs, civil servants were assured of getting medication through the hospital’s arrangements with private pharmacies while other patients had to buy the drugs themselves. The relative predictability of NHIF payments compared to user fee payments incentivized health facilities to facilitate the NHIF enrollment of patients needing expensive elective surgical procedures or long-term inpatient care.

Conclusion

Multiple funding flows can improve the financial flows of healthcare facilities. However, if not structured coherently, they could incentivize undesired behavior that could compromise health system goals. For instance, the shifting of resources and discriminatory behavior of the study hospitals is likely to result in inequity in access and compromised quality of care. There is a need to structure multiple funding flows coherently to avoid these undesired outcomes.