Strategic purchasing in healthcare in Kenya: Examining reforms by the National Hospital Insurance Fund

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Introduction

Kenya has prioritized the attainment of universal health coverage through the expansion of health insurance coverage by the National Hospital Insurance Fund (NHIF). In 2015, the NHIF introduced reforms in premium contribution rates, benefit package, and provider payment mechanisms.

Objective

To examine the influence of the NHIF reforms on NHIF’s purchasing practices and their implications for strategic purchasing and health system goals of equity, efficiency and quality.

Methods

We conducted an embedded case study with the NHIF as the case and the reforms as embedded units of analysis. We collected data at the national and county level through in-depth interviews with purposively selected health financing stakeholders and, public and private facility managers and frontline providers (n=41), focus group discussions (n=4), and documents review. We analyzed the data using a framework approach.

Results

Our findings show that even with the new reforms, the NHIF remains a passive purchaser with potential negative implications on equity, efficiency and quality of care. Equity was compromised by: 1) limited awareness of the new benefits and unaffordability of the new premiums for certain population groups (rural, poor, elderly, people with disabilities, unemployed and informal sector workers), 2) Differences in the benefit package between the national scheme and civil servants scheme whereby members of national scheme lacked preventive services and other curative services, 3) Pro-urban and pro-private distribution of contracted health facilities which hindered access for those in rural and marginalised areas and lastly, 4) Delayed reimbursements and lower capitation rates for the outpatient services for the national scheme which led to discrimination of national scheme members in favour of other patients (civil servants, privately insured and/ or uninsured cash-paying patients) particularly in private hospitals. Efficiency was compromised by weak accountability mechanisms that led to resource loss through unnecessary treatment procedures and fraudulent claims. Quality of care was compromised by poor monitoring of quality of services, poor infrastructural capacity of public hospitals, and rationing of services due to perceived low reimbursement rates.

Conclusion

In pursuit of universal health coverage, reforms should focus on strengthening strategic purchasing actions that are aimed at improving equity, efficiency, and quality of health service delivery.