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**The cost of providing free health care to all Kenyans: Assessing the feasibility of the contributory and non-contributory financing mechanisms, 2013 â€“ 2030**

Vincent Okungu\*: Institute of Healthcare Management, Strathmore University, Nairobi, Kenya (vokungu@strathmore.edu)

Jane Chuma: KEMRI-Wellcome Trust Research Programme, Nairobi, Kenya

Di McIntyre: Health Economics Unit, University of Cape Town, Cape Town, South Africa

Background: The need to provide quality and equitable health services and protect populations from impoverishing health care costs for the long-term has pushed universal health coverage to the top of global health policy agenda. In many developing countries where the majority of the population works in the informal sector, there are critical debates over the best financing strategy to progress towards universal coverage. In Kenya, government health policy has prioritized contributory financing strategy (social health insurance) as the main financing mechanism for universal health coverage. However, there are currently no studies that have assessed the feasibility of the contributory approach to financing UHC or an alternative financing mechanism involving non-contributory approaches to UHC in Kenya. The aim of this study was to critically assess the feasibility of both contributory and non-contributory mechanisms to financing UHC in Kenya in the context of large informal sector populations.

Methods: SimIns Basic® model, Version 2.1, 2008 (WHO/GTZ), was used to assess the financial feasibility of UHC in Kenya and provide estimates of financial resource needs for UHC over a 17-year period (2013 – 2030). Data sources for SimIns included review of national and international literature on inflation, demography, macro-economy, health insurance, health services unit costs and utilisation rates. The data were triangulated across geographic regions for accuracy and integrity of the simulation. SimIns models for 10 years only so data from the final year of the model was used to project for another 7 years. The 17-year period was necessary because the Government of Kenya aims to achieve UHC by 2030.

Results and conclusions: The results show that the social health insurance is sustainable within the first five years of implementation afterwhich it becomes less sustainable. Modelling for a non-contributory scenario, on the other hand, showed greater sustainability both in the short- and long-term. The financial resource requirements for universal access to health care through general government revenue are compared with a contributory health insurance scheme approach. Although both funding options would require considerable government subsidies, given the magnitude of the informal sector in Kenya and their limited financial means, a tax-funded system would be less costly and more sustainable in the long-term than an insurance scheme approach. However, more innovative financing for health care as well as giving the health sector higher priority in government expenditure will be required to make the non-contributory financing mechanism more sustainable.

Key words: universal health coverage, informal sector, contributory, non-contributory