

Abstract

This study set out to examine the policy position in Kenyan health care financing, with regard to implementation of the proposed social health scheme (NSHIF) and its performance potential. The specific objectives were to: examine the existing social scheme (NHIF), its role and challenges in health care financing; establish whether or not Kenya has the key pre-requisites for introduction and sustainability of a social health scheme and to provide recommendations on the way forward. This was largely a desk study, supplemented with limited primary data from key informants. The analysis indicates that: i) For a universal social health plan to be sustainable, favorable economic indicators and availability of essential infrastructures are critical prerequisites. Resources must be available, government must be in a position to afford high subsidies, the population must be ready to pay high premiums and the supply of health services must be adequate to cater for the expected increase in demand; ii) Countries that have successfully embraced social health plans introduced their schemes carefully and gradually (overtime) in terms of coverage; iii) Kenya compares unfavorably with these countries in terms of prerequisites for sustainability of a social health scheme, due largely to a poor economy, high poverty levels and shortfalls in facilities and services. The study concludes that Kenya lacks the key prerequisites for introducing and sustaining a universal social health scheme. The scheme can hardly be supported by the current status of the economy and healthcare infrastructures. The study recommends: i) Expansion and development of health care infrastructural capacities through subsidies and tax concessions for those investing in health care and providing subsidized services, particularly to the poor and rehabilitation of the GoK facilities; ii) Increasing the health budget from 7 per cent of government expenditure to above 10 per cent and directing more resources and efforts towards preventive/promotive and primary health care (P&PH); and iii) Other recommendations include subjecting the proposed scheme to an actuarial evaluation and comprehensive policy plan in order to determine the attendant and corresponding premium and benefit levels and pursuing a phased approach in the implementation of the scheme.