REPUBLIC OF KENYA

Kenya Health Financing Strategy

2020-2030

Abridged Version

Ministry of Health

GOAL Ensure adequacy, efficiency and fairness in financing of health services in a manner that guarantees all Kenyans access to the essential health services that they require	
STRATEGIC AGENDA	
OBJECTIVE	TARGETS
To mobilize resources required to provide the essential health services people of Kenya need	Attain a progressive increase in the total (national and county) government allocation to health, till a level adequate for attaining UHC and SDG targets for Kenya
	Institute mandatory pre-payment revenue generation from the population replacing out of pocket payments, guided by fairness and affordability for different income levels
	Develop specific programs best suited for external funding, and focused on innovations in service delivery
	Facilitate functional non-public pre-payment (insurance) mechanisms that are linked to mandatory pre-payment mechanisms, and provide clearly defined complementary services
	Eliminate direct out of pocket payment at point of use for essential services
To maximize efficiency and value for money in the management and utilization of available health resources	Establish a national health fund for management of government and external resources provided at the national level. This shall ensure funding for residual national functions are ring fenced and strategic functions guaranteed.
	Establish a county health fund in each county, for ring fencing of government and external resources provided to counties for health management functions, plus preventive and promotive activities needed for health
	Establish a functional autonomous Kenya social health insurance fund (SHIF) for the management of mandatory pooled health revenues needed for curative and rehabilitative essential services
	Put in place an institutional mechanism for coordination, regulation and management of voluntary insurance mechanisms that ensures they are complementary to the mandatory social health insurance.
To ensure equity in mobilization and allocation of health funds to guarantee fairness in use	Ensure universal equitable access to the defined Essential Package for Health
	Put in place a fully functional national accreditation system
	Establish country-wide results based, and incentive driven provider remuneration mechanisms

Foreword

Over the past decade, the Kenya's health system has undergone tremendous reforms to guarantee equitable, sustainable and high-quality health care for all Kenyans. The inherently dynamic and complex nature of health systems requires sustainable financing mechanisms to ensure the efficient delivery of high quality, equitable health services.

The Kenya Health Financing Strategy (KHFS) provides a blueprint for steering the country towards achieving universal health coverage (UHC). The Strategy provides a road map that is geared towards strengthening health systems and attaining the highest possible standards of health, as enshrined in article 43A of the Constitution of Kenya. Kenya's Vision 2030 aspires to transform the country into a globally competitive and prosperous industrialized middle-income country by the year 2030. KHFS will facilitate these ambitions through increasing investment and public spending in health, rationalizing health expenditure to address inefficiencies, improving aid effectiveness and ensuring the provision of adequate safety-net mechanisms for the poor and vulnerable as the country walks towards achieving UHC.

Implementation of KHFS will require active involvement of health sector and multi-sectoral stakeholders to ensure strong commitment of key actors to the respective roles and responsibilities implied so that the sector can collectively achieve the targets set in this Strategy. The citizenry is called upon to play an important role in assessing whether the delivered health services are acceptable and respond to their needs. In this respect, continuous public engagement will form a central component in the implementation of this KHFS.

The Ministry of Health is committed to steward the sector towards achieving the national health goals, and will therefore create and maintain the enabling environment for successful implementation of this Strategy. The Ministry will provide technical support to capacitate respective institutions implementing various aspects and ensure that requisite legislative and regulatory environment are in place and adhered to. I prevail upon the national and county governments, other health services providers, managers and financers and importantly, the users of health care, to embrace the provisions stipulated in this Strategy so that we can all collectively achieve the goals of universal health coverage

Sen. Mutahi Kagwe,

E.G.H. CABINET SECRETARY

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Introduction

The approach to financing health services has major implications for the attainment of a country's health and development objectives. In the past, financing for health services was focused primarily on how to raise money. However, with experience in public sector reforms, additional dimensions have been recognized as critical for the attainment of health and development.

The Sustainable Development Goals (SDGs) call for countries to adopt a broader, results-oriented perspective towards health. This requires a change in approach, from a focus on disease-centred programmes to ensuring that health is attained and sustained by all individuals. The traditional approach to financing for health is therefore inadequate, as the health sector is expected to increase engagement with stakeholders so as to address challenges relating to how they live, work and socialize. In addition, the SDGs have shifted focus to the attainment of UHC, which calls for countries to ensure that all individuals and communities have access to and use the preventive, promotive, curative and rehabilitative health and related services they need, and that those services are of sufficient quality and their use does not expose the user to financial hardship.

The Kenya Health Financing Strategy (KHFS) recognizes that the current health financing situation in Kenya is inadequate. Despite the significant progress made in improving health outcomes and the gains made through health system reforms, progress remains incomplete and inconsistent. The health sector currently has multiple sources of funding, contributing to a mix of financing agents which are purchasing services in a multiple, overlapping manner. This is a result of a number of issues including i) large youth unemployment and multidimensional poverty that hinders attainment of developments goals; ii) no real increases in government health expenditures as a share of GDP, despite a gradual expansion of health sector budgets in absolute terms; iii) inefficient, inequitable, and fragmented pooling and management of health resources, with households constituting the major pool for health resources due to high out of pocket payments, and iv) passive purchasing of health services, driven by line item budgeting and overlaps between financing, purchasing and provision functions of the system, limiting efficiencies and productivity.

In response to these challenges, the health sector developed the KHFS, in consultation, involvement and engagement of county governments, the private sector and external partners. The KHFS sets clear goals, targets and interventions to address the current situation and lead to sustainable financing for health and financial protection, and an adequate, efficient and equitable health financing system.

National Development and Vision for Health

The KHFS is anchored upon two key policy instruments (Kenya Vision 2030 and Kenya Health Policy framework) and two legal instruments (the 2010 Constitution and the 2017 Health Act), which define the national development and ambitions for improving health and quality of life of Kenyans. Kenya Vision 2030 represents the long-term development blueprint for the country, aiming to transform Kenya to middle income status by 2030, providing high quality of life to all its citizens in a clean and secure environment. Vision 2030 recognizes that a healthy and skilled workforce is necessary to drive Kenya's economy. On its part, the Kenya Health Policy 2014-2030 represents the long-term aspirations for the health of the people of Kenya, and its target is to ensure the attainment of the highest possible standard of health in a responsive manner (Box 1). The 2010 Constitution provides the overarching legal instrument guiding health in Kenya. It has, as an integral part, a bill of rights that gives all persons the right to the highest attainable standard of health, which includes the right to healthcare services, including reproductive health.[1] The 2017 Health Act provides legislation to establish a unified health system to coordinate the interrelationship between the national and county government health systems, and to provide for regulation of healthcare services and providers, and health products.

Box 1: Key Kenya Health Policy Targets for 2030

- Improvement in life expectancy at birth by 16% to 72 years
- Improvement in years lived with disability by 25%
- Decrease in population mortality rate by 50%

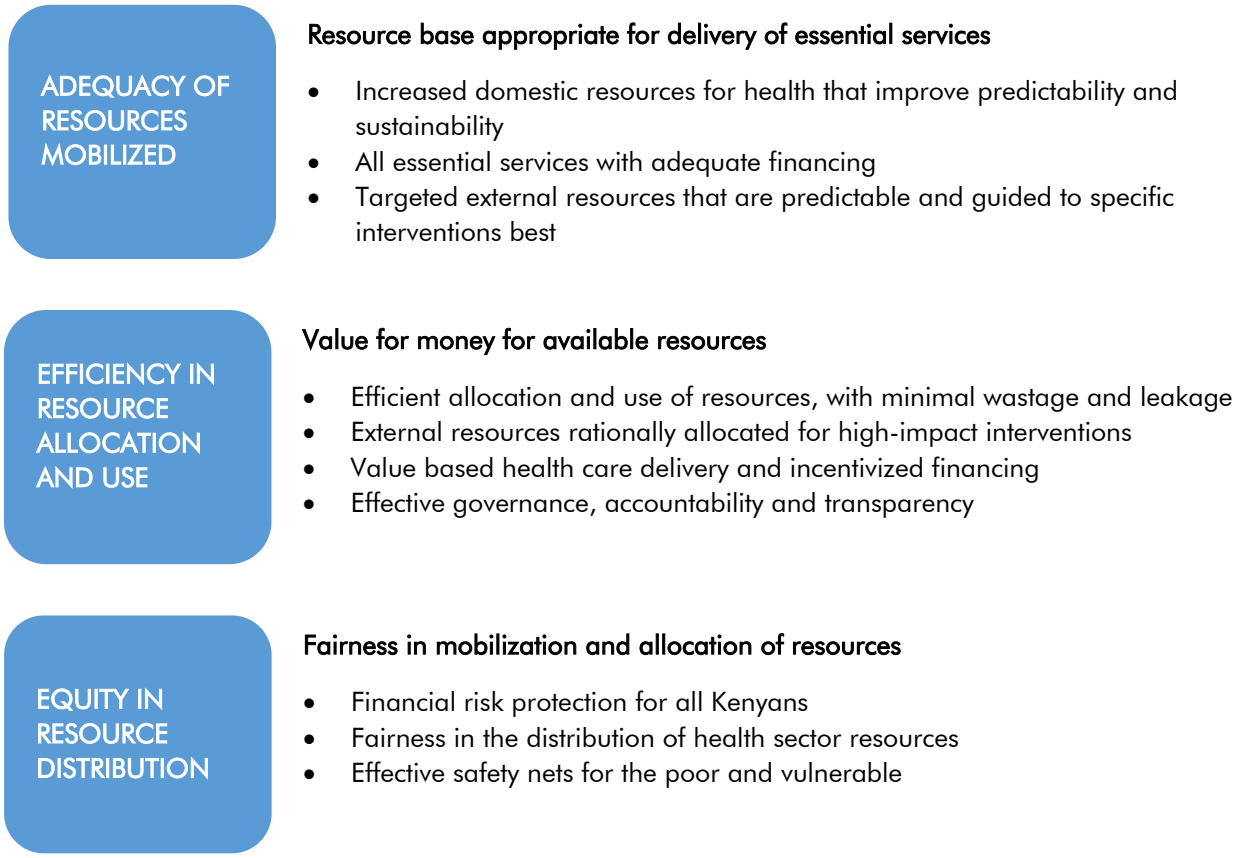
Goal and objectives of the Kenya Health Financing Strategy

Strategy goal

The goal of KHFS to **ensure adequacy, efficiency and fairness in the financing of health services in a manner that guarantees all Kenyans access to essential high quality health services they require**. Only in this way will the country be able to achieve the high-quality health services needed to attain the highest possible standard of health. The goal is built around three targets and three focus areas (see Figure 1).

[1] For a full summary of the major clauses of the bill of rights, see table 1, page 6 of the KHFS.

Figure 1: KHFS targets and focus areas

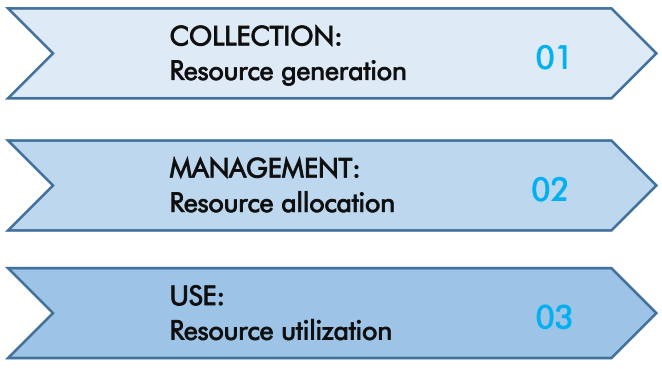


Strategy objectives

(a) To **mobilize resources** required to provide the essential high quality health services
(b) To maximize **efficiency** and value for money in the management and utilization of available and additionally mobilized health resources
(c) To ensure **equity** in the mobilization and allocation of health funds to guarantee fairness.

KHFS aims to achieve these objectives through a strategic agenda that targets interventions in three areas: mobilization, allocation and utilization (see figure 2).

Figure 2: KHFS' strategic interventions



The table below shows the key targets that will be realized over the strategy period.

Table 1: Key KHFS targets for 2030

Health financing indicator	Current	Target 2030
Percentage of total health expenditure that is pooled	23	80
Percent of government budget allocated to health	11	15
Out of pocket expenditure as percentage of total health expenditure	26	10
Percentage of population incurring catastrophic health expenditures	10	2
Annual Per capita health spending	$76	$ 357
Percentage of population enrolled in health insurance of any kind	19	85
Average annual number of outpatient visits nationally	3	5
Percentage of licensed providers that received certification	not available	80
Percentage of SHIF funds spent on reimbursing UHC-EBP	not available	80

Guiding principles in formulation of Kenya Health Financing Strategy

The right to health. The Constitution gives all Kenyans the right to the highest attainable standards of health, including reproductive health and emergency treatment. The design of a health financing system is an important step towards realization of these rights.

Equity. Health financing and delivery models should ensure that any contributions to be made are based on ability to pay, while everyone benefits depending on their need for care. Resource collection, pooling and purchasing arrangements should be designed to ensure equity in access to high quality services for all.

Social solidarity. The establishment and operationalization of financial risk protection mechanisms for the population, which ensures sufficient funding for health and risk cross subsidization between the rich and the poor and the healthy and sick.

Appropriateness and responsiveness. New and innovative health service delivery models needs to be adopted that take account of the local context and acceptability and tailored to local health needs. The health system will be responsive to the population's needs, ensuring provision of timely and continuous care and respect for the individual.

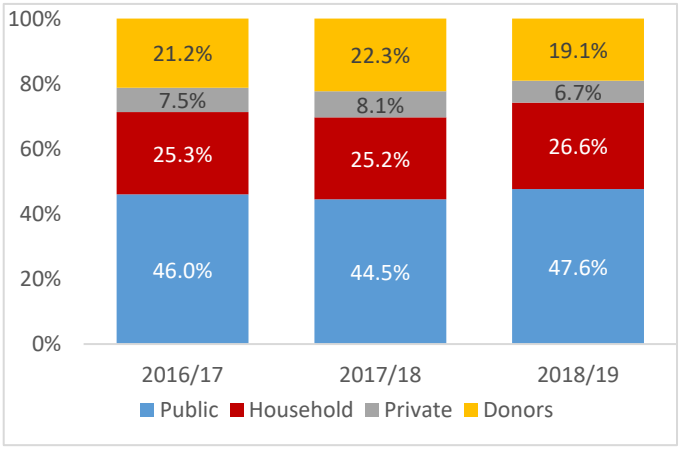
Effectiveness and efficiency. Effectiveness will be achieved through evidence-based interventions and strong health management systems, while efficiency will be achieved by reducing fragmentation and duplication across different levels, as well as promoting better performance of the healthcare systems.

Transparency and accountability. Social accountability is key to the successful implementation of KHFS. Strong governance and regulation structures need to be put in place for organizations and institutions responsible for revenue collection, pooling and purchasing. Community participation will be promoted at all levels of the health system.

Current Health Financing Situation in Kenya

Financial resources available and spent for health have been on the increase in the past 15 years but still falls short of international benchmarks to deliver basic and essential package of health for the population. Estimates from the latest Kenya National Health Accounts 2018/19[2] show a per capita spending of US$ 76 as compared with minimum recommended by WHO of US$ 86 needed to deliver an essential package of health for Kenya. Additionally, as part of Abuja Declaration, Kenya committed to allocate 15 percent of total government budget to health and which is presently 11.1 percent. Thus the entire pool of monies available for health is inadequate to meet basic population needs irrespective whether efficiencies are achieved.

Fig 3: Percentage contribution to healthcare costs in Kenya



The government share of health expenditure constitute the largest share of total expenditure on health at 47.6 percent (NHA 2018/19). However, government share of expenditure has not been sufficient to offset declining donor contributions and household out-of-pocket expenditure. While household expenditure reduced significantly between 2001/02 and 2015/16 (from 51 percent to 31 percent), it has stagnated since then at 26 percent.

Whereas its widely accepted that sharing of health risks among a large population is more equitable and efficient approach in utilization of health financial resources. A large population to purchase health services directly out of pocket, amounting to 26.6 percent of all health spending –against a WHO recommendation of 10 percent. This scenario makes a large group of the population susceptible to being impoverished by spending most of incomes in some episodes of illness. About 1 million Kenyans are

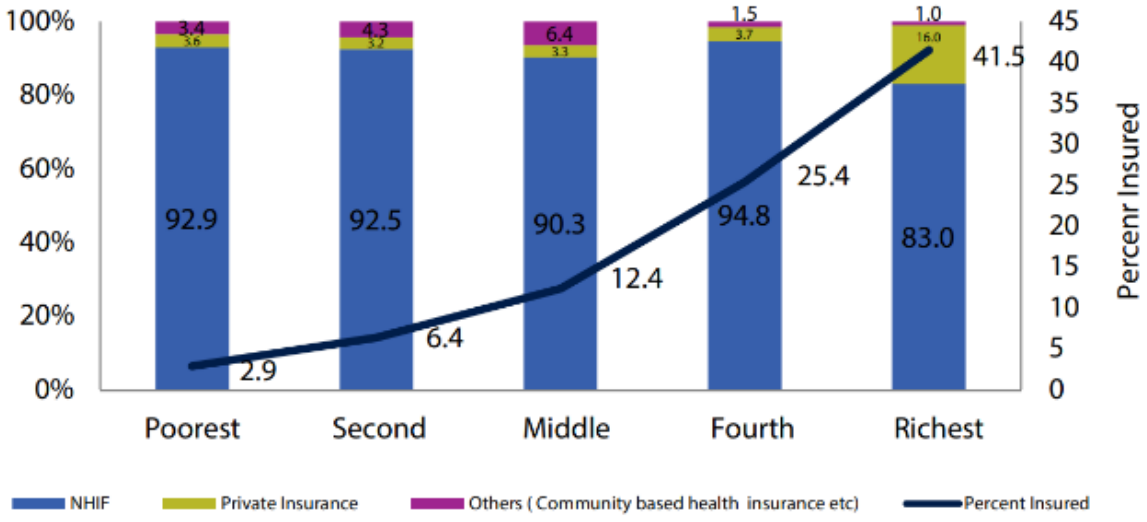
[2] The data in this section has been updated with the National Health Accounts for 2018/19 from the figures provided in the original Kenya Health Financing Strategy 2020-2030

estimated to have experienced catastrophic spending in 2018 (KHHEUS 2018[3]), and these fall in the lowest income quintile –the poor. The 2014 Demographic and Health Survey (KNBS, 2014[4]) suggest that up to 33.3 per cent of the population is classified as "poor", with an average of 28.3 per cent facing deprivation.

Another unfavourable characteristic of the current health financing environment relates to what areas that health funds are spent for, with curative care raking 56.4 percent of health funds followed by management support systems which take 19 percent, and only 15.2 percent is spent for preventive activities. Whereas curative service is a personal consumption by an individual, preventive services would be more equitable usually benefit wide population or groups as well as serve to contain the high curative spending by preventing diseases in the first instance. Other notable health financing concerns include;

- Current health insurance market is dominated by NHIF with a total share of 88 percent with an active membership of 6 million in 2015/16. Only 17.1 percent of households having any form of health insurance, with low coverage among lowest income quintile at 3 percent compared with highest quintile at 42 percent as shown in figure 4 below. Private insurance schemes are largely provide coverage for the rich. Additionally, NHIF rebates are highly skewed towards reimbursing private health facilities whose core clients are the rich.

Fig 4: Insurance coverage in Kenya by wealth quintiles



[3] Ministry of Health. 2018. 2018 Kenya Household Health Expenditure and Utilisation Survey. Nairobi, Government of Kenya

[4] Kenya National Bureau of Statistics and ICF International. 2015. 2014 Kenya Demographic and Health Survey. Rockville, Maryland, USA.

- There are numerous fragmented sub-pools targeting different populations with different benefit packages. Publicly funded health pools are the most fragmented within the system. There are sub-pools dealing with targeted population groups, including several funds at the Ministry of Health and several pools at NHIF (elderly and disabled persons' scheme, civil servants and disciplined forces. Fragmentation of the pools in the country has created many inefficiencies, which in turn increases the cost of delivering services to Kenyans

Box 2: Current public sector funding pools

- Linda Mama scheme
- OVC/HISP
- Elderly and disabled
- Civil servants scheme
- Disciplined forces Scheme

- Even for existing health insurance mechanisms, the methods for determining payments to providers does not incentivize quality services and efficiency, while frameworks for ensuring payments commensurate with quality of services provided are weak. Patients also tend to prefer high-level facilities where quality of care is better the primary facilities, oblivious to fact that non-essential care at high level facilities is much more costly.
- Kenyans make an average of 3.1 visits per capita for outpatient services, with the poorest 20 per cent making less than two visits per capita against a benchmark of five visits per capita. The low visits per capita is largely attributable to inability to pay by low-income segments of the population
- The health sector has a defined essential benefits package (KEPH) constituting an overall list of services to which people are entitled. Financing its provision, however, has largely been left to decisions by financing agents about what elements they prefer to finance. As a result of uneven investment, the capacity to provide entire KEPH services is highly constrained.

Emerging issues

The review of the health sector highlighted a number of emerging issues that have important implications for health financing reforms and need to be taken into consideration as it defines the health financing strategy. The following table summarizes these emerging issues.[5]

Emerging Issues	Context	• Demographic transition: the country is in the middle of a demographic transition with a youth bulge, implying an opportunity for relatively low traditional health expenditure in the medium-term. • High unemployment rate: large proportion of population remains unemployed, requiring innovative financing arrangements to tap into informal sector. • High multidimensional poverty levels: suggests there will be a large population that will find it hard to pay for health services.

[5] For more details, refer to section 3.3, page 24 of the KHFS.

	Resource availability	• No real increase in health expenditure: despite nominal increases over the past several years, health expenditure has not kept pace with population growth and inflation, leading to stagnation health expenditure in real terms. • Changing sources of funding: the share contributed by government is increasing while donor sources are falling, and the household contribution is fairly stagnant. While this development is key for government ownership, it places mounting pressure on the government budget.
	Resource allocation and management (pooling of funds)	• High inefficiencies in current polling and management: multiple arrangements for polling of resources, with overlaps in financing of services, and government managed pools are highly fragmented with multiple sub-pools, reducing cross-subsidization and increasing administrative costs. • High inequities in current pooling and management arrangements: those with more resources are controlling how funds are spent, leaving a large portion of households as major pool of resources. Meanwhile, insurance is still limited in coverage, with private insurance covering the rich, pulling those with ability to pay away from mandatory schemes.
	Resource utilization (purchasing services)	• Passive purchasing arrangements: the sector is primarily driven by input-based financing arrangements with no incentive to improve performance and improve quality of care. • Overlap of financing agents, purchasing and provision: creates potential for abuse and corruption, as there is limited transparency and effective split between functions in the process. • NHIF purchasing practices: undermines resource utilization and include among others, inability of service providers to decide provider payment rates; costs of service provision not informing rates, no cost containment measures being taken, weak capacity to assess claims technically, the current capitation rate is not risk-adjusted; unpredictability of reimbursement from NHIF; incoherent payment rates by different schemes. • Improperly defined benefit package:

Epidemiological transition to high cost diseases: The country is also witnessing an increase in non-communicable conditions like heart disease, cancers, diabetes, mental health conditions, violence and injuries and stroke,, including injuries, negating the gains made. The major causes of morbidity and mortality in the country are arising from both communicable and non-communicable events –thus mostly private consumption. This puts additional strain to health funding as they are more expensive to treat.

Evolving opportunities

Demographic transition: The country is currently in the middle of a demographic transition, with a youth bulge. This implies that there is an opportunity in the medium term for a large population with relatively low traditional health care needs..

Sustained improvements in the macroeconomy: The country has witnessed sustained private sector growth over the past years, which should continue moving forward. This has resulted in an improvement in tax revenue, which provides an opportunity for

mobilizing additional public financing. In addition, the macroeconomic improvement could potentially lead to higher incomes, which enhances the capacity to purchase health care either directly or through pooled mechanisms.

Increasing embracing of health insurance: Membership in NHIF has been on the rise from both the formal and informal sectors, although informal sector membership is rising faster than formal sector membership (522 per cent compared with 99 per cent respectively). This has led to a situation where the informal sector members currently constitute 40 per cent of total membership, compared with 17.3 per cent in 2008/09, thus exists a potential to harness this evolving trend.

Strategic agendas for achieving the KHFS Objectives

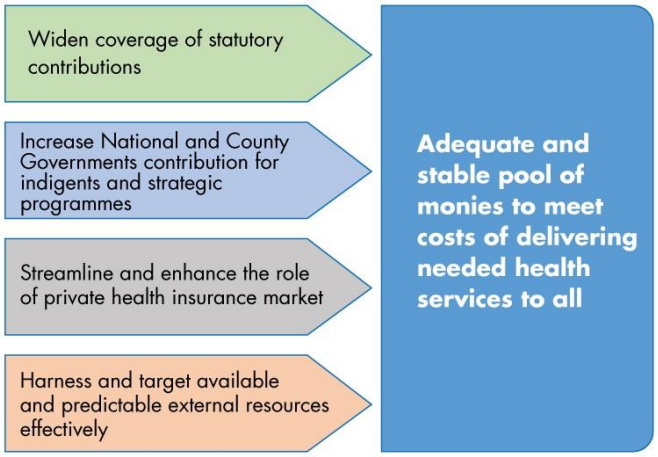
To attain UHC and a sustainable development agenda, Kenya intends to establish a fit-for-purpose health financing system that efficiently and equitably facilitates delivery of services. The KHFS will achieve this through three strategic focus areas: revenue raising, revenue pooling and management, and revenue utilization and in purchasing of essential services. The following section summarizes each focus area along with the respective policy options and indicators:

A. Revenue raising

The objective of this strategic agenda is to ensure that adequate, stable and predictable resources for health are raised in an efficient and equitable manner. Domestic resources - comprised of both tax funding and mandatory health insurance contributions - will be the major sources of funding for the health sector, complemented by private/voluntary prepayments schemes, minimal point of care payments and external resources. The overall approach is to maximize the benefits of having diverse sources while putting in place mechanisms to minimize any disadvantages. The interventions for the strategy focus on the following five targets[6]:

a) Attain progressive increase in the total (national and county) government allocation to health, until a level that is adequate for attaining UHC and the SDG targets for Kenya is reached. The target is to attain progressive increase in the total (national and county) government allocation to health, until a level that is adequate for attaining UHC and the SDG targets for Kenya is reached, or at least 15 percent of government revenue is allocated to health.

Fig 5: Strategic agenda for revenue generation resources



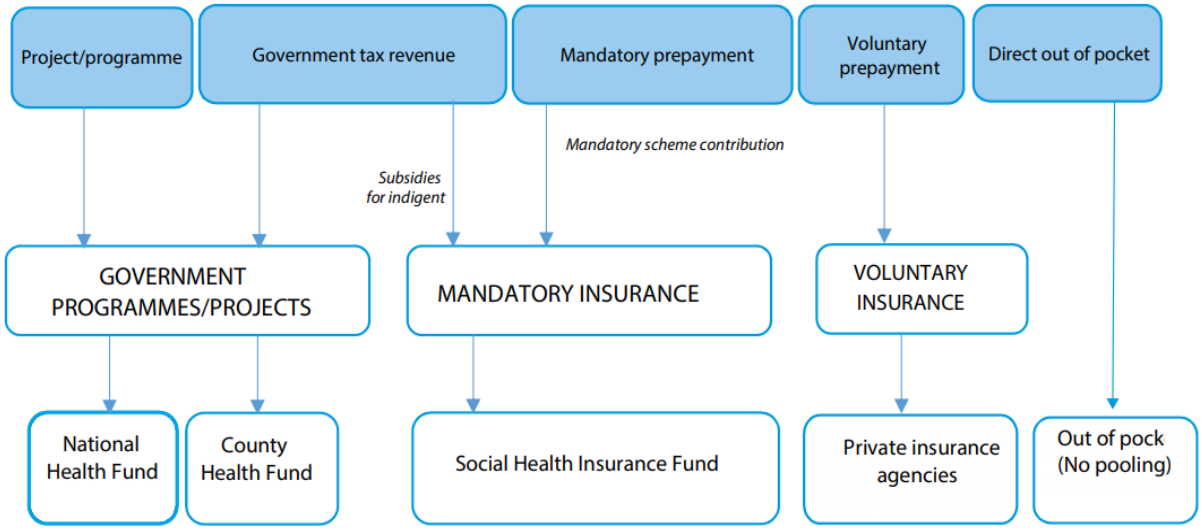
[6] See table 10, page 31 of the KHFS for detailed interventions for improving revenue for health and table 11, page 32 for details on progress indicators for revenue raising.

b) Institute mandatory prepayment for health care by the population replacing out-of-pocket payments, and guided by fairness and affordability for different income levels. Interventions will be put in place to discourage and eventually eliminate direct out-of-pocket payments at point of service for essential services, except for co-payments and not for cost recovery.
c) Facilitate functional non-public voluntary prepayment (insurance) mechanisms that are linked to mandatory prepayment mechanisms and provide clearly defined complementary services.
d) Develop specific programmes best suited for external funding and focused on innovations in service delivery and identified on a need basis.

B. Revenue pooling and management

The health sector will prioritize mechanisms to pool resources in a manner that ensures efficiency and equity. The pooling and management mechanisms will create four pools of funds to meet the costs of health services in Kenya: 1) private and voluntary schemes; 2)social health insurance fund, 3) National Health Funds; and 4) County Health Funds, with each pool receiving funding from specific sources and aimed at meeting costs of providing health services of specific types or groups respectively.

Fig 6: Proposed pools for national health



This strategic agenda aims to achieve the following four targets:[7]

a. Establish a national health fund for management of government and external resources provided at the national level. This will ensure that funding for residual national functions is ring-fenced and strategic functions are sufficiently funded to meet their respective purposes;
b. Establish a county health fund in each county, for ring-fencing government and external resources provided to counties for health management functions, together with preventive and promotive activities needed for health;
c. Establish a functional and autonomous Kenya Social Health Insurance Fund (SHIF) for the management of the mandatory-pooled health revenues needed for curative and

[7] See table 14, page 36 of the KHFS for detailed interventions and table 15 page 37 for details on progress indicators for improving revenue pooling and management.

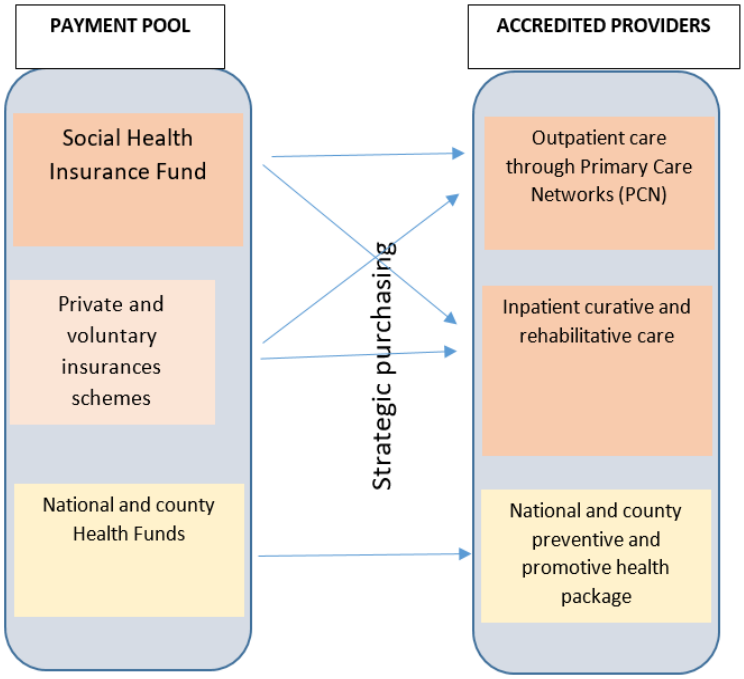
rehabilitative essential services. A single social health insurance fund is the preferred institutional mechanism for mandatory insurance, as it limits administrative expenses, which are high with multiple social health insurance funds. SHIF will be governed through an independent supervisory board supported by a competent management.

d. Put in place an institutional mechanism for coordination, regulation and management of voluntary insurance mechanisms that ensures they are complementary to the mandatory social health insurance. These mechanisms include facility insurance mechanisms, community-based health insurance and private health insurance.

C. Revenue utilization and purchasing of essential services

Under this strategic agenda, to the KHFS will ensure that funds are directed towards the essential services that people require in the most effective, efficient and equitable manner. Purchasing mechanisms that will ensure that efficiency and equity goals are prioritized

Fig 7: Strategic purchasing of essential health package



Revenue utilization covers three areas: determination of the essential package; selection and accreditation of providers; and purchasing mechanisms.

Determination of the essential benefits package

The Ministry of Health will be responsible for defining the Essential Benefits Package (EBP) in consultation with stakeholders, especially county governments, to ensure that the defined packages are in line with achieving UHC. The essential health packages (EHPs), which will be subsidiary sets of the overall Kenya Essential Package for Health (KEPH), will include[8]:

- Preventive and promotive services provided by Level 5 (national EHP)
- Preventive and promotive services provided by counties (county EHP)
- Curative and rehabilitative services provided through SHIF (social EHP)
- Curative and rehabilitative services provided through facility insurance mechanisms (facility EHP)
- Curative and rehabilitative services provided through community-based health insurance mechanisms (community-based EHP)

[8] For a full list of services provided under KEPH, see table 17, page 39 of the KHFS.

- Curative and rehabilitative services provided through private insurance mechanisms (private EHP)

Overlap will be limited, unless it is needed for complementing coverage among geographical areas or specific age groups. A specific service may therefore be reflected in different packages, provided the overlap is qualified (geographical or age group specialization). Once the EHPs have been defined, the health sector will determine the benefits members are eligible for within each of the services.

Develop and implement appropriate selection and accreditation of providers' mechanisms

The Ministry of Health will be responsible for the selection and accreditation of providers and will engage with the relevant bodies to ensure that accreditation standards are aligned with overall government accreditation standards.

A comprehensive accreditation process involving regulatory and licensing bodies will be agreed upon with the respective stakeholders. Attainment of full accreditation will involve a series of steps, and levels and implications for each level will be defined within the accreditation process. Reimbursement of providers will be dependent on the level of accreditation attained, with full reimbursement granted only to those with full accreditation. No facility will be reimbursed if it has not fulfilled all licensing requirements.

Put in place efficient purchasing mechanisms

The KHFS proposes the establishment of a Health Benefits and Tariffs Authority under the Ministry of Health, to routinely define the benefits package, tariffs to be paid to providers and appropriate provider payments mechanisms to be applied by the entities purchasing the services. An independent medical claims review mechanism will also be established to review claims and settle disputes. Purchasing entities will be independent of the institutions providing health care, to ensure an effective purchaser-provider separation.

Purchasing entities include the following:

- **National/county governments** are the purchasing entities for population-based preventive and promotive services. Funding to these entities will primarily come from national and county health funds.
- **Primary care networks** are the purchasing entities for outpatient curative and rehabilitative services provided through private clinics and outpatient department services in all levels of facilities. Each PCN will purchase services for up to 40 service-providing units. They will provide and coordinate outpatient service provision, including referrals across facilities in their network. They will be expected to ensure continuous quality improvement, including provision of continuous professional development for health workers within their network. Competition will be ensured among PCNs by comparing and reviewing contracts and ensuring regular reviews of their qualifications. Funding for PCNs will come from SHIF and community-based, private and facility insurance funds.

- **SHIF** is the purchasing entity for inpatient curative and rehabilitative services. SHIF will be responsible for recruitment of members, provider contracting, claims management and payments to service providers.

Activities will focus on putting in place the mechanisms needed to attain effective purchasing for health in a manner that ensures efficiency in resource management and on achieving the following targets[9]:

(a) Ensure universal equitable access to the defined EHP

(b) Put in place a fully functional national accreditation system;

(c) Establish country-wide, results-based and incentive-driven provider remuneration mechanisms[10].

KHFS Implementation strategy

This KHFS deviates significantly from the traditional approaches and frameworks of delivering and financing health services, thus necessitating reforms to the existing health financing governance structures and their roles and responsibilities in health care delivery and financing.

Among the critical reforms to be put in place is establishing the institutional and legal frameworks that will support implementation of the outlined strategic measures. This will include establishment of suitable governance and coordination structures for KHFS implementation, promotion of transparency and accountability, and emphasis on prioritization of UHC in the reform agenda by national and county governments, citizenry and private sector players.

Additionally, the roles and responsibilities of existing institutions and stakeholders will be redefined to align to the needs of implementing the strategic measures outlined in the KHFS.

The specific roles and responsibilities assigned to key stakeholders are outlined in the table below:

[9] See Tables 21 and 22 on pages 46-448 of the KHFS for detailed interventions and targets related to purchasing
[10] See Table 19 page 44 of the KHFS for proposed provider payment methods for different UHC-EBP services

Table 2: Key KHFS targets for 2030

Stakeholder	Roles and responsibilities
National Treasury	Budgetary allocations, including subsidies Public financial management standards and oversight Collection of taxes, including earmarked taxes through the Kenya Revenue Authority
Ministry of Health	Health sector leadership (vision, policy, norms, standards and regulations) Capacity-building Monitoring and evaluation Resource mobilization
County governments	Resource (budgetary) allocations Construction, operation and maintenance of county health facilities Provision of county health services Community health services
Health benefits expert committee	Periodical review of EHPs, preferably every two years.
Service providers (PCNs and hospitals)	Provide highquality services to registered SHIF members
National quality standards and accrediting body	Accrediting health service providers, including PCNs and hospitals
Insurance regulatory authority	Regulate the private health insurance
SHIF	Register members Universal coverage risk pool Single purchaser through agents (SHIFA)
Private health insurance, including microhealth insurance	Provide complementary health insurance coverage to those who can afford to pay
Donors	Technical support Financial support

KHFS Implementation plan

Preparatory activities for implementation of the KHFS commenced prior to finalization of the strategy, and included defining some of the legal, regulatory and institutional arrangements required for implementation of a health financing strategy. In addition, adequate attention was also given to the ongoing health financing programmes, including results-based financing for primary health care services, health insurance subsidy programmes for the poor and vulnerable, free maternal care programme and public-private partnerships which constitute the first phase of implementation. Interventions outlined in the current KHFS will be implemented over three forward phases II-IV as below;

- Phase II (2018-2022) will be the major implementation phase for all identified strategies, with a focus on increasing KEPH coverage.

- Phase III (2023-2027) will focus on the final fulfilment of universal coverage through KEPH.
- Phase IV (2028-2030) will be the consolidation phase for health financing system reforms

Four key outputs and related activities are envisaged to be realized as follows[11];

a. Legal and regulatory framework to guide the implementation of health financing reforms initially that will;
    i. Clarify the role of county and national governments in financing EHP
    ii. Develop framework for review and gazettement of EHP entitlements
    iii. Establish SHIF, SHIFAs and provider networks
    iv. Establish a national accreditation system
    v. Strengthen the regulation of health insurance

b. UHC leadership to be continuously strengthened over the KHFS period and comprised of the following activities;
    i. Mainstream the UHC agenda in the functions of the Ministry of Health
    ii. Operationalize sector partnership coordination structures
    iii. Prioritize UHC activities within the MTEF process

c. Improved capacity to implement KHFS
    i. Build capacity on planning and budgeting
    ii. Monitoring and evaluation systems strengthening, including operational research
    iii. Strengthened institutional and governance structures for UHC
    iv. Technical capacity for UHC (technical assistance, training and mentorship)
    v. Advocacy and accountability systems

d. Pubic financial management system in the health sector strengthened
    i. Align planning and budgeting
    ii. Develop capacity in performance-based budgeting
    iii. Strengthen capacity for resource tracking at all levels

Communication and advocacy

A clear communication, advocacy and stakeholder mobilization plan will be developed and implemented to build the required coalitions and buy-in from all stakeholders, including the public, mainly for;

- Ensuring that all stakeholders are fully informed and understand their roles and responsibilities in the implementation of KHFS

[11] See Table 18 page 53 of main report for detailed Outputs, activities and timelines to facilitate implementation of KHFS

- Strengthening consultation with stakeholders as the aspirations of KHFS are revealed

Risks and mitigation

The Strategy outlines necessary mitigation and contingency measures where risks of non-accomplishment are likely, as summarized below;

Risk	Probability / Impact	Mitigation	Contingency
Failure to set up required institutional structures (SHIF, SHIFA, PCNs, accreditation body)	Medium/High	Pro-active engagement at all levels of government on the rationale and benefits	Review possibility of existing institutions carrying out the stated functions, guided by review of regulations
No / inadequate revenue from government, particularly for insurance subsidies	Medium / High	Generation of evidence, and building the case for value of government subsidies	Review of coverage targets for essential package
Failure to attain required economic growth needed to afford resource increases	Low / Medium	Work closely with Ministry of planning to provide information on health priority needs	Scale back on scope of activities at the midterm of the strategy Strengthen engagement with external partners
Weak MOH stewardship of the implementation of the strategy	Low / High	Focus on identifying and building capacity of MOH that is needed for attaining the different strategy priorities	Identify additional in country capacities in other institutions, to support MOH
Ineffective coordination with counties leading to hampering of implementation of the strategy	Low / High	Strengthen direct engagement and communication with counties, at each stage of implementation to ensure collaboration	Explore use of county structures to establish and run required institutions

This abridged version of the Kenya Health Financing Strategy serves as a quick reference guide and only includes key highlights of the strategy that outlines specific strategies, policy options, frameworks, targets and interventions to meet the goal of achieving UHC and health financing in Kenya. Additional details that could not be included in this abridged version are reference where possible. Readers are encouraged to refer to the main KHFS document for additional details.

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