

Transparency and Accountability of the National Health Insurance Fund at the Sub-National Level: A Case of Baringo County



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1. Background

The National Health Insurance Fund (NHIF) is the social health insurance provider mandated to cover all Kenyans against the risk of impoverishing or catastrophic health spending. It is the vehicle of choice for Kenya to achieve Universal Health Coverage (UHC) as envisioned in the constitution. NHIF promises improvement in health financing, a key pillar in delivering quality health services efficiently and equitably. Programmes such as Linda Mama, if well implemented, offer an opportunity to bridge the health financing gaps and progressively address inequalities in access to health care.

Baringo County is one of the counties trailing behind on critical health indicators. For instance, the national average of 83% of births occurred in a health facility, according to the 2019 Census Report, which placed Baringo County in the 36th position nationwide, with more than a quarter of the mothers not delivering in a health facility.¹ Even with such promising programmes, the challenge of health financing in Baringo County persists. The Baringo County Health Strategic Plan² 2018-2022 estimates the financing gap of Kshs. 1.5 billion for the period.

1. <https://www.knbs.or.ke/?wpdmpro=2019-kenya-population-and-housing-census-volume-iv-distribution-of-population-by-socio-economic-characteristics>

2. https://www.baringo.go.ke/index.php?option=com_jdownloads&view=summary&id=1:baringo-health-sector-strategic-plan&-catid=2

2. What we did

Upon this backdrop, the Centre for Enhanced Democracy and Good Governance (CEDGG), in partnership with International Budget Partnership Kenya (IBPK), carried out a study to provide insights on the level of information provided on NHIF at the county level. The objectives of the study were:

1. To understand the level of budget transparency within NHIF on revenue mobilization and execution, with a keen focus on the Linda Mama program.
2. A review of policy reforms that directly impact funding, spending and health provider claims from NHIF
3. Analysis of exchequer funding and cash flow processes to NHIF from national or County governments with a focus on some key programmes such as the Linda Mama
4. To identify challenges and areas of further research and policy recommendations.

Data was collected through the following methods:

- Desktop Review: A review of available literature on NHIF schemes, including the laws, regulations, and standard operating procedures
- Document Review/ Budget analysis: Analysis of Budget documents publicly available mainly: the County Budget Review and Outlook Paper, County Fiscal Strategy Paper, Program Based Budget, and County Budget Implementation Reports; And a review of financial records availed in health facilities.

- Key Informant Interviews: Interviews with County Officials from the Department of Health Services, County Treasury and County Assembly (Committee on health services). Front-line service providers, mainly the in-charges, revenue officers/ accountants and administrators in health facilities, provided a lot of insight into this research.

- Observations: This involved verification of records and any other evidence regarding the operations of Linda Mama Funds, including equipment and infrastructure procured with the funds.

The researcher also participated in a stakeholder meeting on health financing convened by the Baringo County Government- Department of Health Services on 12th May 2022, at Rift Valley Hills Resort in Baringo County. This forum was an engagement with stakeholders to provide inputs on increasing uptake of Linda Mama and Eduafya programs among facilities in the County. The meeting also served as mini validation for the preliminary findings. The following health facilities were purposively sampled:

1. Baringo County Referral Hospital
2. Kabartonjo Sub-County Hospital
3. Eldama Ravine Sub-County Hospital
4. Mugurin Health Centre
5. Igure Dispensary

3. Summary Findings

1. The findings show that not all eligible public health facilities in Baringo County claim funds under the Linda Mama Scheme. Baringo County Government is yet to put in place administrative measures for the coordinated and harmonized implementation of the Linda Mama Scheme across all eligible facilities. The scheme's performance has relied heavily on individual service providers' efforts.
2. There are gaps in financial reporting from the facility to the County. Generally, budget and facility level documents reviewed lacked details of actual revenue received broken down by revenue by source in comparison with the claims made and justifications for not achieving claim targets.
3. Disbursement delays from NHIF to the facility have negatively impacted service delivery. For levels 2 and 3, the delay occurs only from NHIF to the facility. For level 4 and level 5 health facilities, delays occur at two levels, i.e., from NHIF to the Facility Revenue Account (which has to forward the funds to the County Revenue Fund Account) and from the County Revenue Fund Account to the Facility Operations Account. These delays have led facilities into debts: depletion of drugs and critical supplies, low motivation of staff remunerated at the facility level due to delays in payment of wages and withdrawal of services by this cadre of staff.

4. Detailed Findings and Recommendations

4.1 Policy Reforms

Baringo County has Health Services Improvement Fund Act, 2021.

The Act's objective was to give health facilities financial autonomy, enhance timely access to the funds, and improve service delivery. Other objectives include establishing and providing a framework for the management of the Baringo County Health Services Improvement Fund and 'promoting transparency in the management of the Fund'. This law requires all revenue collected at the facility level to be banked in a special purpose account at Central Bank. The funds are not paid to the County Revenue Fund; instead, they are retained for the purpose of the fund. The Act establishes a County Health Service Improvement Fund Management Board, which is mandated to develop a criterion for allocating the funds.

Even then, at the time of the research, this Act was yet to be implemented, and thus all health sector revenue mobilization and expenditure management followed the broad PFM laws. Some front-line service providers confirmed that they were involved in the development of this policy, while others were not even aware of this development.

4.2 Capacity Building

Baringo County Government is making an effort to strengthen its staff's capacity in managing NHIF funds. They furnish them with the relevant regulations and guidelines and organize periodic sensitization. However, the sensitization is yet to reach all health facilities; even at the facility level, the information is vested in one or two individuals.

NHIF communicates changes in regulations to health facilities. However, this is not done regularly. Some service providers complained that there are changes that they have learnt about only when submitting their claims, e.g., digitization of the claims.

To promote learning and thus efficiency in processing NHIF claims, all health facilities visited have specific staff members dedicated to managing NHIF transactions.

The County Health Management Team is keen to learn from the good practices of other counties, as demonstrated in box 1. There are efforts to sensitize members of the public. However, this has also not been regularized. While the Community Health Volunteers could help sustain the public sensitization, those interviewed said they were not provided with resources, e.g., stipends for communication and movement.

Box 1: Best Practices on Linda Mama Provided in Baringo County

Follow-up was done on the December 2018 benchmarking visit to Keringet sub-county hospital in Nakuru County as an initiative of the Monitoring & Evaluation unit and technical working group. The team was composed of a few county and sub-county managers. It also comprised managers from 3 facilities selected to become centres of excellence as far as Linda Mama (and NHIF reimbursements) were concerned. The visit aimed to borrow best practices regarding the Linda Mama Initiative since Keringet was identified as a facility doing very well. The visit was conducted in collaboration with the Afya Uzazi program supporting both Baringo and Nakuru counties. It was felt that this would empower facilities by helping them access more health financing, increasing their ability to meet their financial obligations. This also means there will be a reduced financial burden for the County. The piloted facilities were followed up on the 22nd and 23rd of May 2019, and good progress is being made on staff in the facilities. The department is looking forward to increased reimbursements from NHIF.

Source: Baringo County Budget Implementation Report for the 4th Quarter FY 2018/19

Box 2: NHIF Advocacy Information in Baringo County Implementation Report

NHIF Advocacy: Eldama Ravine sub-county leadership with Mumberes Community partner with real Hospital and conducted NHIF sensitization and Medical Camp in Mumberes on 10th April 2019. The Chief Guest was H.E., the Governor of Baringo County, but he was represented by Sub County Administrator Mr. Aengwo and his team. The turn-up was overwhelming; 124 people were enrolled on NHIF Cover.

Source: Baringo County Budget Implementation Report for the 4th Quarter FY 2019/20

Baringo County Government has not harmonized the implementation of NHIF programmes across health facilities. In all facilities visited, implementation of the Linda Mama Scheme relies on the efforts of one or two individuals. None of these individuals interviewed had been sensitized formally to the operation of the Linda Mama scheme. Instead, they have learnt on the

job and by reaching out to the NHIF officials or colleagues doing similar work for the information. Consequently, records with the NHIF office at the county level show that only 26 out of 188 public health facilities in Baringo County are claiming refunds from NHIF. There are also discrepancies in financial reporting from one facility to another. Some facilities have revenue reports with

information disaggregated by source and by period (month/ quarter), while others refer to bank statements as the only source of information on revenue performance.

Even more, the knowledge of the programme has primarily remained with the facility in charge for level 2 and level 3 facilities and accountants/ clerks for level 4 and level 5 facilities. This portends the risk of gaps in making claims when these individuals leave the facility. In all the level 2 and 3 health facilities visited, the in-charges reported that a lot of revenue is lost when they are on leave or out of station for official duties.

4.3 Transparency of NHIF funds in budget documents

Baringo County Government publishes its' budget documents on its official website³. Even then, analysis of the relevant Budget Documents⁴ shows that NHIF revenue is lumped together in 'Hospital Revenue' in the revenue part of the budget and as 'FIF' in the expenditure part of the budget (See figure 2 and figure 4). Save the 4th County

Budget Implementation Report 2020/21. None of the budget documents reviewed had the hospital revenue data disaggregated by source.

Hospital revenue performance in the budget documents only relates to revenue raised at level 4 and level 5 health facilities, largely because the money has to go through the County Revenue Fund Account before it gets to the facility.

NHIF reimbursements to level 2 and 3 facilities are not captured in the County budget Documents. The County Budget Implementation Reports reviewed have only captured the non-financial information. Specifically, the reports have consistently cited delays in disbursement. This delay could not be established due to the lack of adequate financial information in the budget documents.

Further analysis of the Baringo County Budget Implementation Reports shows that only the 2020/21 reports contained information on the performance of NHIF in comparison with cash collections, as illustrated in figure 1.

3. https://www.baringo.go.ke/index.php?option=com_content&view=article&id=1486&Itemid=205

4. County Budget Implementation Reports, County Budget Review and Outlook Paper, County Fiscal Strategy Paper, and Programme Based Budget

Figure 1: Revenue performance in level 4 and level 5 health facilities in Baringo County

Health financing**Table 3.8: Hospitals revenue report (Kes)**

	APRIL		MAY		JUNE				
	Local Coll	NHIF	Local Coll	NHIF	Local coll	NHIF	Total Local	Total NHIF	Grand Total
Baringo District Hospital	2,427,790	701,445	2,141,523	162,690	2,085,533	3,336,650	6,654,846	4,200,785	10,855,631
E/Ravine District Hospital	997,130	75,010	1,121,080	155,480	1,484,790	1,144,910	3,603,000	1,375,400	4,978,400
Kabartonjo District Hospital	126,680	86,760	208,310	4,440	177,922	70,690	512,912	161,890	674,802
Merigat District Hospital	190,480	190,480	190,680	-	166,510	390,310	547,670	580,790	1,128,460
Chemolingot District Hospital	37,010	-	86,470	-	70,210	-	193,690	-	193,690
Mogotio District Hospital	124,390	-	160,050	-	219,022	-	503,462	-	503,462
TOTAL	3,903,480	1,053,695	3,908,113	322,610	4,203,987	4,942,560	12,015,580	6,318,865	18,334,445
Grand Total per Month	4,957,175		4,230,723		9,146,547		18,334,445		18,334,445

Source: Baringo County Budget Implementation Report - 4th Quarter FY 2020/21 (pg.44)

None of the budget documents reviewed provided information on the performance of individual programmes under NHIF, such as Linda Mama and Edu Afa.

Availability and comprehensiveness of the information on the county website.

Table 1: The Information found public on NHIF in Baringo County

	What is publicly available	What was shared through Key Informant Interviews (document, policy, or Act)	Comments
1	Approved Programme Based Budgets, 2018/19-2020/21	Relocation of hospital revenue to the Health Sector	NHIF Information in the PBBs is captured as hospital revenue and not broken down in terms of the sources i.e., NHIF, Cash collections
2	County Budget Review and Outlook Paper (CBROP)s 2019, 2020, and 2021	None	All the 3 CBROPs do not have any information on NHIF revenue performance. Just like the other budget Programme Based Budget, the CBROPs have lumped together NHIF, Cash collections and other sources as hospital revenue
3	OAG reports 2017/18, 2018/19 and 2019/20	None	OAG reports do not have any information on NHIF

	What is publicly available	What was shared through Key Informant Interviews (document, policy, or Act)	Comments
4	County Quarterly Implementation Reports	Facility-specific revenue performance	i) CBIRs provided inn-year performance of hospital revenue ii) Only the 2020-21 CBIRs provided breakdown of NHIF and Cash collections iii) Even this one captured NHIF as whole with no details of what was received from Linda Mama, EduAfya and other schemes iv) Save for the non-financial information on challenges, the CBIR do not have revenue performance for level 2 and 3 health facilities.

Figure 2: Baringo County Programme-Based Budget Revenue Breakdown

Baringo County Government				
Local Revenue Streams 2017/2018 To 2019/2010				
	Sources Of Revenue	Kshs	Kshs	Kshs
1	Game Park Fees	74,356,033	76,562,486	81,156,235
2	Animal Stock Sale Fees	15,253,617	22,595,872	23,951,625
3	Produce & Other Cess	38,561,801	53,951,137	57,188,205
4	Single Business Permit	48,577,208	45,040,773	47,743,220
5	Plot Rent/ Rates	39,203,758	55,970,625	25,940,671
6	Market Fees & Others	50,647,583	45,197,031	47,908,853
7	Koibatek ATC	2,700,000	4,489,954	4,759,351
8	Marigat AMS	2,400,000	8,087,010	8,572,230
9	Public Health	6,000,000	3,807,795	4,036,263
10	Veterinary	18,300,000	1,444,764	1,531,450
11	Hospital Revenue (FIF)	54,000,000	54,000,000	90,628,191
	TOTAL	350,000,000	371,147,448	393,416,295

Source: Baringo County Program Based Budget 2018/2019

Figure 3: Baringo County Programme-Based Budget Expenditure Breakdown

PROGRAMME BASED BUDGET FOR FINANCIAL YEAR 2018/2019					
	Vote	Programme/Sub-Programme	BUDGET ESTIMATE	RECURRENT	DEVELOPMENT
		P 6 Lake Bogoria Community Grant			7,000,000
		P5.Cash Transfer Fund	20,000,000	-	20,000,000
9	Health Services	Health Services	2,734,848,431	1,962,722,769	772,125,662
		P1 General Administration, Planning and Support Services	1,799,326,172	1,799,326,172	-
		SP1.1 General administrative services		1,799,326,172	
		P2 Curative and Rehabilitative Services	282,122,066	54,000,000	228,122,066
		SP2.1 Infrastructure development		-	28,122,066
		SP2.2 Leasing of Medical Health Equipment		-	200,000,000
		SP2.3 Support to County Hospitals (FIF)		54,000,000	-
		P3 Preventative and Promotive Health Services	203,400,193	109,396,597	94,003,596
		SP 3.1 Infrastructure development		-	91,931,525
		SP 3.2 DANIDA Grant For Universal Healthcare		16,706,250	-
		SP 3.3 world Bank Support for Universal Health care project		78,899,347	-
		SP 3.4 Compensation for User fees Forgone		13,191,000	-
		SP 3.5 Primary Health Care		600,000	2,072,071
		P4.Cash Transfer Fund	450,000,000	-	450,000,000

Source: Baringo County Program Based Budget FY 2018/19

One good practice observed during the study was Hospital Management Boards, Hospital Management Committees and Health Facility Management Committees sit quarterly to deliberate and develop a budget for the health facility. As demonstrated in figure 4, these

meetings deliberate revenues from Linda Mama, among other sources, and prioritize the expenditures. Financial records are also available to public members upon request as they were availed for scrutiny during this research. This was observed across all health facilities visited.

Figure 4: Mugur Health Centre, Facility Management Committee Minutes showing the facility's budget for the 4th quarter 2020/21 based on Linda Mama Funds

Min 3: 2021 - BUDGET FOR LINDA MAMA FUNDS.
 The secretary informed the members on the funds from NHIF Linda Mama available at the hospital accounts which amounted to slightly above Ksh. 242,000/=. The members discussed on what to budget in relation to suggestions and a pre-budget done by the health care workers. The members

TREASURY CODE	DETAILED DESCRIPTION OF ITEM	AUTHORIZED AMOUNT
2210202	CASUAL Wages	94,000
2211015	Food Ration	8,000
2211103	Sanitary and cleaning Materials	20,000
2211008	Lab Material supplies	8,000
2210101	Electricity	5,000
2210202	Board committee conference	4,000
2220205	Maintenance of build & station	30,000
2211201	Refined fuels for Transport	7,200
2210201	Telephone and mobile phones	30,000
3110502	Water and sewerage	7,000
2210502	publishing and printing services	8,000
2211002	Dressing and Non-pharmaceuticals	20,800
	TOTAL	242,000

Prepared by Judy Koech

Sign: [Signature]

Confirmed by Richard Chelal

[Signature]

Source: Financial Records available at Mugur Health Centre

4.4 Performance of NHIF as Source of Revenue for Health Services

Analysis of the County Budget Implementation Report shows that hospital revenue grew steadily until 2019/ 2020 and then declined in 2020/21. As deduced in figure 6, there was a growth of 63% in 2018/19 and 6% in 2019/20. According to members of the County Health Management Team interviewed, this growth was attributed to the operationalization of new health facilities. It also started raising revenue from services fees, NHIF

claims, e.g., Mogotio Sub-County Hospital, and expansion of services, such as renal unit, theatre, CT scan, etc., in the County Referral Hospital and sub-county hospitals. Front-line service providers attributed this growth to their efforts to enroll more women in Linda Mama Programme and file claims consistently.

In 2020/21, the county government missed the hospital revenue target by Kshs. 42 million. This was attributed to COVID-19, where patients shied away from public hospitals for fear of contracting the virus.

Figure 5: Analysis of hospital revenue performance in Baringo County between the FY 2017/18 and FY 2020/21

Sources of Revenue	Actual 2017/18 (Ksh.)	Approved Budget 2018/19 (Ksh.)	Actual 2018/19 (Ksh.)	Variance (Ksh.)	Approved Budget 2019/20 (Ksh.)	Actual 2019/2020 (Ksh.)	Variance (Ksh.)	Approved Budget 2020/21 (Ksh.)	Actual 2020/21 (Ksh.)	Variance (Ksh.)
Game Park Fees	71,917,050	89,181,762	84,704,490	- 4,477,272	94,532,668	57,843,830	- 36,688,838	80,291,077	2,341,450	- 77,949,627
Animal Stock Sale Fees	11,822,380	17,086,175	9,182,420	- 7,903,755	18,111,345	10,295,020	- 7,816,325	6,101,843	8,720,090	2,618,247
Produce and other cess	40,838,378	30,890,710	29,829,710	- 1,061,000	32,744,152	29,456,773	- 3,287,379	21,565,018	26,136,969	4,571,951
Single Business Permit	33,035,321	38,340,204	40,807,990	2,467,786	40,640,616	23,854,632	- 16,785,984	32,377,729	37,296,688	4,918,959
Plot Rent/ Rates	11,096,369	20,941,013	14,326,896	- 6,614,127	22,197,473	10,806,845	- 11,390,628	39,354,481	13,760,887	- 25,593,594
Market Fees and others	37,002,770	39,303,964	38,156,702	- 1,147,262	41,662,202	31,788,274	- 9,873,928	26,222,426	28,956,094	2,733,668
Public Health	1,784,760	5,492,791	3,270,276	- 4,219,542	5,822,358	2,376,210	- 3,446,148	4,188,017	1,942,100	- 2,245,917
Veterinary	287,582	28,721,726	17,989,295	- 28,721,726	30,445,029	6,052,430	- 24,392,599	9,534,326	1,836,360	- 7,697,966
Koi batek ATC	4,046,030	5,041,641	1,273,249	- 1,771,365	5,344,139	920,454	- 4,423,685	1,169,549	2,156,695	987,146
Marigat AIMS	23,290,990	3,873,505	544,036	3,329,469	4,105,915	698,000	- 3,407,915	1,102,042	217,000	- 885,042
Hospital Revenue	73,056,001	92,273,955	119,236,466	26,962,511	97,810,392	127,563,677	29,753,285	124,182,212	81,837,356	- 42,344,856
Total	308,177,631	371,147,446	359,321,520	- 11,825,926	393,416,289	301,656,145	- 91,760,144	346,088,720	205,201,689	- 140,887,031

Source: County Budget Implementation Reports available in the County

4.5 Impact of Linda Mama Fund on Service Delivery

NHIF accounts for over 50% of the revenue received at the health facility level. Though it was difficult to ascertain due to challenges in bookkeeping, the service providers in all the health facilities visited reported that over 60% of revenue can be attributed to the Linda Mama programme. In appreciation of

this, facilities have taken various actions to improve the performance of this stream– Igure Dispensary has recruited one of the Community Health Volunteers tasked with filing the claims. In addition, Mugurin Health Centre purchased a tablet to aid in filing and tracking the claims, while Eldama Ravine Sub-County Hospital and Baringo County Referral Hospital have set up a department dedicated to managing the operations of NHIF.

Before we initiated the Linda Mama programme in 2018, we owed our casual staff their wages in arrears running up to 8 months. Today we have cleared the arrears, and we pay them in a timely manner. In the past year, we have even been able to employ a laboratory technician and an additional nurse on a contract basis ...Linda Mama Funds have enabled us to renovate the health facility, and we are currently constructing additional toilets using the same fund'.

Nurse in charge for Mugurin Health Centre on the impact of Linda Mama Program

Figure 6: Analysis of Eldama Sub-County Hospital revenue by source

Eldama Ravine Sub-County Hospital Revenue Analysis for FY 2020/21						
Source	1st quarter (Ksh.)	2nd quarter (Ksh.)	3rd quarter (Ksh.)	4th quarter (Ksh.)	Total (Ksh.)	% Share
Cash	2,444,670	1,807,560	1,945,445	3,590,350	9,788,025	42%
NHIF	5,382,069	3,771,860	2,676,130	1,616,586	13,446,645	58%
Total	7,826,739	5,579,420	4,621,575	5,206,936	23,234,670	100%

Source: Eldama Ravine Hospital Financial Records.

Source: Financial records at the Eldama Ravine sub-county hospital, Baringo County

Figure 7: Quarterly revenue performance by source in Igure Dispensary, Baringo County

Source of Revenue	1st quarter (Ksh.)	2nd quarter (Ksh.)	3rd quarter (Ksh.)	4th quarter (Ksh.)	Total (Ksh.)	% contribution by each source
DANIDA	31,640	-	32,377	58,950	122,967	32%
NHIF (Linda Mama and Edu Afya)	28,200	43,880	-	165,459	237,539	62%
County Government of Baringo	-	-	-	61,787	61,787	16%
Total	59,489	43,880	32,375	249,512	385,256	100%

Source: Igure Dispensary Financial records for FY 2020/2021

Source: Financial records available at Igure Dispensary FY 2020/21, Baringo County

4.6 Cashflow challenges

Level 2 and 3 health facilities receive disbursements directly from NHIF. As soon as the money is available in the facility account, the Health Facility Management Committees do the budget then the health facility in charge prepares. The minutes of the HFMC, including the budget, are then forwarded to the Sub-County Health Services Coordinator for review. The coordinator then forwards them to the County Department of Health Services, where the budget is approved and formulated into an Authority to Incur Expenditure (AIE) approved by the Chief Officer. Level 4 and 5 health facilities receive NHIF funds through the County Government disbursements. All level 4 and level 5 facilities in Baringo County have a revenue account at Kenya Commercial Bank. Once any monies from NHIF and any other source hit the facility revenue accounts, they are all swiped into the County Revenue Fund Account at Central Bank.

The County Treasury communicates the resource envelope to the Hospital. The Hospital

Management Committee then develops a budget and prepares an AIE request (see sample in annex 1), which must be approved by Chief Officer for Health Administration and Planning. Through the IFMIS system steps, the Chief Officer prepares the vouchers and submits them to County Treasury.

According to County Treasury Officials, the payment process of NHIF refunds follows the conventional requisition process as it applies to all other payments made by the County Government.

These funds are ring-fenced in line with NHIF Act 2016. The research established that all health facilities experience cashflow challenges due to delays in disbursement of funds from NHIF to the County Government and from the County Government to the level 4 and 5 health facilities. For level 2 and level health facilities, the delays only occur between NHIF and the health facilities. Analysis of the County Budget Implementation Report shows a situation where NHIF owed individual primary health care facilities up to Kshs. 800,000, as depicted in figure 8.

Figure 8

Health facility claims to NHIF

- Esageri claimed -200,000/=, received nil.
- Igure claimed 80,000, received nil
- Timboroa 800,000, received nil
- Torongo claimed 160,000, received 8,900

Source: Baringo County Budget Implementation Report for the 4th Quarter FY 2020/21

There have been delays running one to three months across the years under review, but the worst situation was witnessed in 2020/21, where the delay persisted for over six months.

Financial records at Kabartonjo sub-county hospital show that they received no funds from Linda Mama in the 2nd, 3rd, and 4th Quarters for FY 2020/21, despite having made claims consistently. Further, they did not receive the funds in quarter 2 of FY 2021/22

Figure 9: Facility-led analysis of revenue performance by source in 2020/21 & 2021/22

LINDA MAMA VS REVENUE COLLECTION								
DESCRIPTION	2020/2021 FY				2021/2022 FY			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
CASH	276,050	351,735	337,070	512,912	795,550	572,185	573,675	
OTHER NHIF	167,640	23,160	341,350	161,89	122,110	386,430	139,700	
LINDA MAMA	258,340	0	0	0	2,535,072	0	483,950	
TOTALS	693,030	374,895	678,420	674,802	3,452,752	958,625	1,197,325	

Source: Kabartonjo Sub-County Hospital Financial Records, Baringo County

Figure 10: NHIF's failure to pay all Linda Mama claims is a

Challenges related to Kabartonjo Sub county hospital

1. Staff shortage – there is deficit of 2 Medical officers, 10 nurses, 5 clinicians, 3 lab techs, 3 pharm techs, 2 nutrition techs
2. Lack of basic equipment like stitching set, delivery se nebulizers, SPOs machine
3. Patient's beds need new mattresses and mackintoshes. Five mattresses needed
4. Clinicians, pharmaceutical techs and nurses need to be trained on case management of Covid-19
5. There is no capacity building for all staff on case management of Covid-19
6. There is shortage of infrastructure
7. **NHIF failure to pay all Linda mama claims**
8. Operationalization of X-Ray

Source: Baringo County Budget Implementation Report for the 4th Quarter FY 2020/21

Analysis of records at Mugurin Health Centre showed that in April, May, and June 2021 NHIF did not disburse any monies to the facility until July 2021, when the facility received Ksh.507,150.

According to county-level NHIF officials interviewed, the delays do not occur in their office as they review and approve the claims within two weeks. Service providers confirmed that the officers even call the service providers

to their offices to explain rejected claims, or the corrections needed.

For level 4 and level 5 health facilities, there are also delays from the County Revenue Fund Account to the hospital account. Facilities do

their budget at the onset of each quarter but occasionally receive funds at the end of the quarter. For example, Eldama Ravine Sub-County Hospital submitted its Budgets to the county treasury for the 3rd quarter of the FY 2021/ 2022 in January 2022 but received the funds in March 2022.

‘In January 2022, we received a resource envelope from the treasury by the 1st week. This is what was banked between November and December 2021. Within the same week, we prepared and submitted our budget to the treasury but since then we received the resources in March’

A quote from the member of the Hospital Management Committee in Eldama Ravine Sub- County Hospital

As indicated in figure 11, this level of delay is reported in the County Budget Implementation Reports, but County Treasury does not justify it. No justification was provided in the County Budget Implementation Reports, nor were the hospital officials aware of the reasons.

Beyond the disbursement delays from NHIF to the Facilities revenue account, the County Revenue unit explained that three other reasons could bring about the delays. First, there could be delays in the approval of the facility budget and the presentation of vouchers by the department of Health. Secondly, the County Treasury has to pile the health facility vouchers and others to get a substantial amount before submitting them to the Office of the Controller of Budget. Thirdly, the Office of the

Controller of Budget occasionally raises queries due to large amounts, up to Kshs. 10 million, being paid to individual health facilities at a go.

Delays in disbursement have affected service delivery as health facilities have resulted in perpetual pending bills, especially in level 4 and level 5 facilities. Several adverse effects were cited, including depletion of drugs and critical supplies, low motivation of staff remunerated at the facility level due to delays in payment of wages, withdrawal of services, pilferage of facility supplies by subordinate staff, etc.

During the ‘dry periods’, the facilities are sometimes forced to spend cash received from service users to address emergencies which

give rise to the recurrent audit query of spending revenue at the source.

In the 4th quarter County Budget Implementation Report for Fy 2020/21, the department of Health Services recommends the county leadership fast-track disbursement of NHIF funds.

4.7 Accountability Gaps

The research established gaps in expenditure reporting at the facility level. Emphasis is laid on budgeting and accounting for the funds received. None of the level 2 and level 3 health facilities visited could readily showcase revenue receipts disaggregated by source. There were also no systems for tracking NHIF claims (from first entry to payments). The health facility management relied mainly on their bank statements as the only source of information for the performance of NHIF. Analysis of records at the facility level and the County Budget Implementation Report revealed a weak linkage between facility-level reporting and country-level reporting. This is traceable to the lack of a standard format for bookkeeping and reporting.

Beyond the summary reports shared by health facilities, the County Health Management Team is not able to track the performance of NHIF programmes.

4.8 Communication and Feedback

All the health facilities are able to track their claims within the NHIF system. All the service providers interviewed are confident that most of the claims are paid despite the delays. They also communicate directly with staff within NHIF offices at the County and sub-county levels.

It was established that NHIF communicates to communicate new policies and guidelines for the fund's operations to the County Health Management Team. Observably some of this information does not always trickle down to the facilities in good time. For instance, some service providers complained that they learned of the migration to the e-payment system when they presented their claims to the NHIF office.

Good practice was observed where NHIF sits down with service providers to go through the support document during the physical submission of claims. Service providers complained that this might sometimes be too late, especially when policy changes require immediate action or tracing and submitting more support documents- especially given the distance to the County headquarter, cost of travel, and the timeline for expiry of claims.

Service providers also felt that most grey areas should be handled through comprehensive training. Even with the above linkages, there are still claims that go unpaid. A gap that emerged is that the facility level officials are not keen to follow up on the unpaid claims as they see them as 'negligible'.

4.9 Other Challenges

- Shortage of staff where most level 2 facilities in Baringo County are serviced by one medical staff. Thus, overwhelmed by medical duties and may not have adequate time to manage NHIF transactions effectively.
- Lack of equipment, mainly computer and internet connectivity, in level 2 and 3 health facilities to register patients and initiate claims.

- Outdated classification of health facilities status by NHIF- 'e.g., Eldama Sub-County Hospital is categorized as having 29 beds, yet the facility has over 120 beds.'
- Low rebates- Managers of level 4 and level 5 health facilities complained that the ceilings provided for in-patient services do not match the service cost.
- Weak NHIF programming for referral services

'We lose a lot of money for referrals where we have to assign staff and give them allowance to accompany patients being transferred to higher-level facilities. We are not refunded for ambulance services; instead, we are required to use the Red Cross ambulance, which is sometimes not available, and you know that an emergency is an emergency'- feedback from a member of the management committee of the Baringo County Referral Hospital

- Low enrolment on NHIF in Baringo County- A lot of revenue is lost due to waivers for patients who have accumulated bills beyond their ability to pay and are not registered under NHIF.
- Inconsistent visits to Health Facility by patients – Facilities cannot optimize Linda Mama as some patients miss their scheduled ANC visits while others deliver at home, despite having been enrolled in the Linda Mama Programme.
- While it has been increasing, the revenue raised in levels 4 and 5 facilities does not match the cash needed to manage health services efficiently. This is so, especially in level 4 and level 5 health facilities, where Hospital Management Committees struggle to prioritize expenditures, balance payment of staff, monies owed to suppliers, and utility bills (e.g., water and electricity).

5. Recommendations

County Government of Baringo

1. Institutionalize Linda Mama Programme for rollout and optimization in all health facilities.
2. Formulate guidelines for utilization of the NHIF funds.
3. Compliment the UHC programme by allocating more resources for NHIF for the community's most vulnerable members.
4. Put adequate systems for recording, tracking claims, and reporting NHIF cash flow at the facility and county levels.
5. Provide more information in all budget documents regarding revenue and expenditure on NHIF, including detailed disaggregation by source.
6. Increase and regularize allocations to health facilities, including supply of medical commodities
7. Strengthen the Community Health Strategy for sensitization and mobilize for NHIF enrolment and utilization of public health facilities.
8. The facility needs bailout- seed money as they sometimes receive very expensive health emergencies (e.g., an accident which depletes commodities)- The County Government considers subsidies in terms of drugs and non-pharms or electricity.

National Health Insurance Fund

1. Train front-line service providers on requirements for each programme and how to maneuver the system.
2. Develop and disseminate IEC material, i.e., flowcharts with requirements for successful claims, roles of each actor in the chain, etc.
3. Rollout the e-payment in all health facilities to reduce the time and cost incurred during physical submissions.
4. Regularize communication and feedback to health facilities-changes on policies, the progress of claims, and emerging issues.
5. Update classification of health facilities to reflect the status.
6. Review the rebates based on the actual cost of delivering services.
7. Strengthen referral services.

Health Facilities

1. Dedicate staff to the management of NHIF transactions to increase efficiency and learning.
2. Seek collaboration with learning institutions to streamline the operations of the Edu Afya programme (NIMES & UPI) .

3. Maintain accurate records, including reconciliation, of NHIF cash flow.
4. Avail financial budget information for public scrutiny. Consider displaying a summary of revenue and expenditure on the facility notice board.

Mugurin Health Centre Case Study

Mugurin Health Centre is in Kisanana Ward Baringo County and serves about 6800 people, including learning institutions, i.e., one secondary school and six primary schools. The health centre started making claims under the Linda Mama Scheme in 2018. This was the initiative of officer Y after attending training on Malnutrition, where staff from NHIF shared about the scheme. After the training, an opportunity to share with the Health Facility Management Committee members and fellow staff came in, and they supported the idea.

'I called the NHIF person in Kabarnet, who referred me to a service provider in Marigat Catholic Mission Hospital. Through a phone call, including back and forth communications, the service provider took me through over the phone- how to register, how to fill in the forms, how to manoeuvre the system, and I was able to start small" Y officer, Mugurin Health Centre

In December 2018, the health centre purchased a printer which is a key piece of equipment in processing the claims since copies of sections of the patients' ANC booklet and identify cards (ID) are needed by the NHIF office as evidence of work done. In September 2021, the Health Centre purchased a tablet to aid in filing and tracking the claims, which made it easier than using a personal phone. At least four staff members have also been trained on the process involved in Linda Mama

Claims and support filling the claim forms. This has made the process easier since all the staff is interested in ensuring all mothers are registered and the services rendered are reimbursed appropriately.

The facility has grown over time in terms of the claims of Linda Mama and service delivery. The technical support by NHIF officials, especially the feedback provided during the physical submission of the claim forms at the Kabarnet NHIF office, has helped improve the process. The Health Facility Management Committees sit quarterly to deliberate and develop a budget for the facility. In these meetings, they deliberate revenues from Linda Mama, among other sources. The expenditure proposed by the secretariat is also reviewed, prioritized, and approved.

In the FY 2020/21, the facility received a total of Ksh. 620,500 from the Linda Mama scheme, while in the FY 2021/22, the disbursements increased to Ksh. 823,940. This money has been very helpful in sustaining service delivery beyond the county government's direct funding.

The facility has initiated several projects/ services using the funds, including:

- Renovation of the maternity wing -expanding the delivery room to accommodate three delivery beds, placing floor tiles, painting, replacement of worn-out ceilings and placement of curtains
- Purchase of non-pharmaceuticals needed at the maternity
- Meal program for maternity clients and all staff to reduce time wasted in search of meals
- Construction of new outpatient toilets following a crack and risk of sinking of the old toilet

- The motivation of staff through the purchase of staff uniforms.

Provision of incentives, i.e., baby clothes and Lessons to mothers who come to deliver at the facility, significantly reducing home deliveries.

"Before we initiated the Linda Mama programme in 2018, we owed our casual staff their wages up to 8 months in arrears. Today we have cleared the arrears, and we pay them in a timely manner. From 2019 we have been able to contract a laboratory technician to offer lab services to our ANC mothers since we don't have a Labtech from the government. This has increased the number of women seeking services at our facility since they get all the necessary services. At some point, we contracted a nurse for one year to help us at the maternity before the County gave us additional nurses. We experienced an increase of women coming to deliver at our maternity because the facility was open throughout." Y officer in Mugurin Health Centre.

Uptake of service has improved steadily. For example, the number of patients seeking delivery services has grown from 88 deliveries in 2018 to 163 in 2021. The facility continues to attract more service users. At the time of this research, the facility served an average of 1200 patients per month, with patients as far as 10 kilometres passing by other dispensaries nearer to their homes. As a result of the success and the lessons learnt, officer Y has since taken up a mentor role and started training other health facilities on Linda Mama.

Examples of facilities include Olkokwe Dispensary, Molosirwe Dispensary, Kiptoim Dispensary and Emining Health Centre, among others.

Some of the challenges experienced in this period include:

- Irregular and delayed disbursement of Linda Mama claims, the worst period being in the last quarter of the FY 2020/21.
- Some mothers start their ANC visits late; hence the facility is not able to claim all the four eligible ANC visits under Linda Mama Scheme
- There are still cases of home deliveries due to the poor road network and inhibitive cultural norms in the catchment area
- There is very poor network connectivity in the area forcing the service providers to go to a specific position (outside the facility building) to upload the claims online
- There is a lack of an adequate system for tracking claims and financial reporting


In conclusion, these little gains can only be sustainable if NHIF and the County Government of Baringo sensitize all the stakeholders on the operations of NHIF, Linda Mama and Edufya with their benefits and claims processes. In addition, NHIF should also pay all the claims on time to sustain service delivery, and there should be a clear performance tracking on claims and reports by the county government of Baringo.

Annex 1: Sample AIE Request from Kabartonjo Sub-County Hospital

BARINGO COUNTY GOVERNMENT

E-mail: medsupkabartonjo@gmail.com

When replying please quote
Tel: 0721542451
REF: KBSCH.AIE MARCH QTR 21/22 FY


BARINGO COUNTY GOVERNMENT

MEDICAL SUPERINTENDENT
KABARTONJO SUB COUNTY HOSPITAL
P.O. BOX 120-30400
KABARTONJO
20TH APRIL, 2022

DEPARTMENT OF MEDICAL SERVICES

Chief Officer Medical Services,
Baringo County Government,
P.O Box 21 – 30400
KABARNET

Dear Madam,


RE: AIE REQUEST FOR MARCH 3RD QUARTER 2021/22 FY

The above subject matter refers to the revenue collections for the months of March ,2022 and the request to spend as below during the part of the quarter.

CODE	DESCRIPTION / PARTICULARS	AMOUNT (KSH)
2210202	CASUAL LABOUR WAGES - (MARCH 2022)	188,195
2210131	ELECTRICITY BILLS	20,000
2210201	TELEPHONE & MOBILE INTERNET AIRTIME	5,000
2211201	REFINED FUELS - AMBULANCE & GENERATOR	20,000
2211204	OTHER WOODFUELS - FIREWOOD	5,000
2211013	FOOD AND RATIONS	77,460
2211103	CLEANING DETERGENTS & MATERIALS	10,600
3111002	SUPPORT STAFF UNIFORM	20,000
2210904	CATERING SERVICES	10,800
2220303	MAINTENANCE OF BUILDINGS	7,000
2210101	TRAVEL AND SUBSISTENCE ALLOWANCES	10,000
	TOTALS (KSH)	372,655

The proposal was made vide MIN 3/08/04/2022 of HMT meeting as in the minutes attached herewith.

Thank you


Mr. Joel Cheruich Othman
 Health Administrative Officer
 KABARTONJO SUB COUNTY HOSPITAL

Annex 2: Sample AIE Request for Level 1 Health Facility (Igure Dispensary)

NHIF BUDGET 2ND QUARTER 2020/2021,
THE SUB COUNTY HEALTH SERVICE CO-ORDINATOR,

IGURE DISPENSARY,
P.O BOX 213,
ELDAMA RAVINE.
23/2/2021


PO BOX 102,
ELDAMA RAVINE.


Dear Sir,

REF: REQUEST TO INCUR EXPENDITURE FOR NHIF FUNDS KSH. 24880 FOR 2ND QUARTER 2020/2021.

S/NO	ITEMS CODE	ITEM DESCRIPTION	AMOUNT
1	2110102	Casual Wages	30000
2	2210802	Committee allowance	4000
3	2210801	Catering Services	880
4	2211101	General Office supplies	3000
5	2211002	Non- Pharmaceutical items	2000
6	2210301	Domestic Travel	2000
7	2211005	Chemical and industrial gases	1000
8	2210101	Electricity Bill	1000
TOTAL			43,880/-

Laban Kibet
N/Co In Charge





Annex 3: A Snip of Minutes for Eldama Ravine Sub County Hospital Management Committee

Min. EEC.2/13/4/2021- REVENUE REPORT:REVENUE COLLECTIONS:CASH3rd Quarter-2020/2021

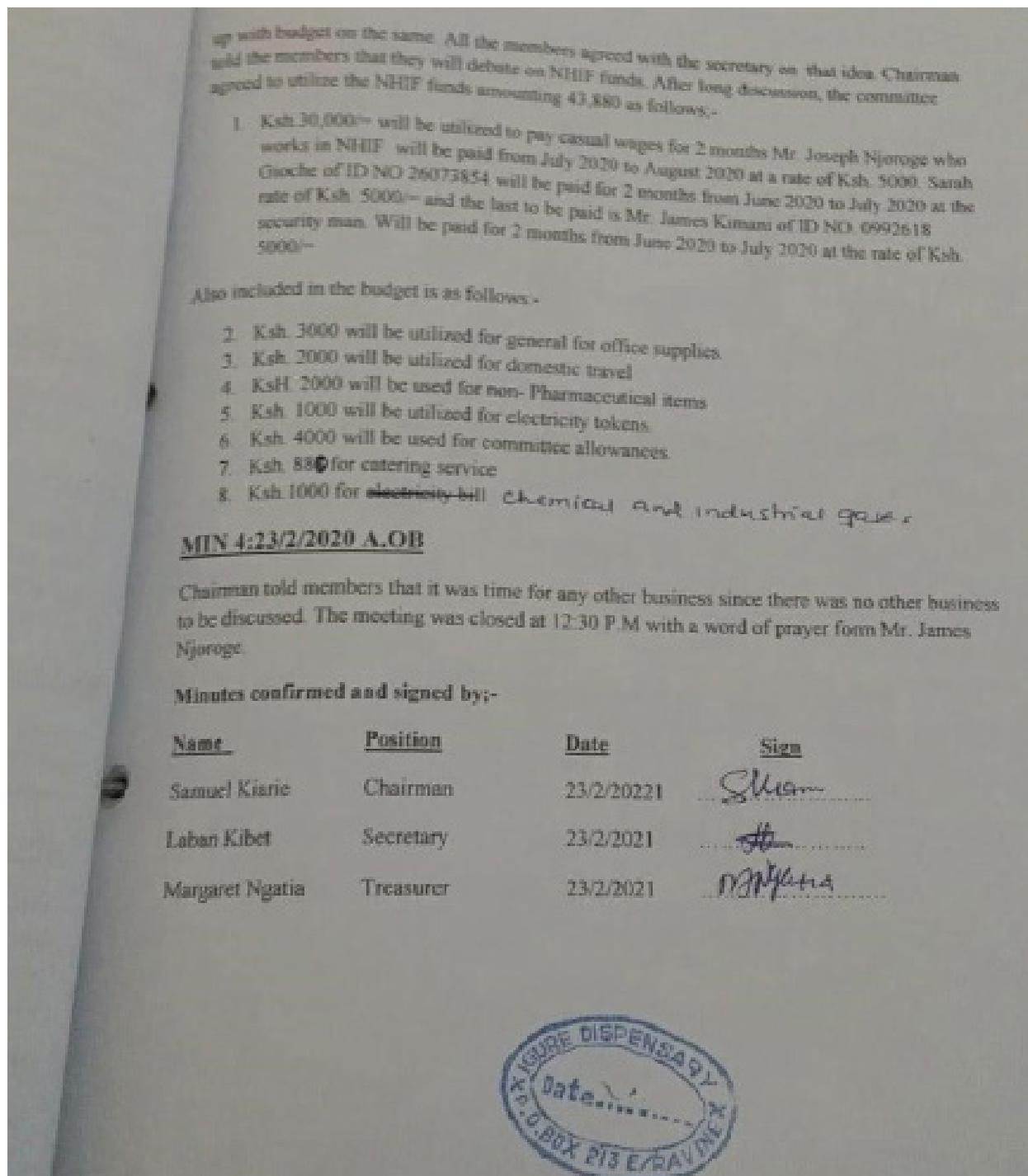
	January	February	March	TOTALS
REVENUE COLLECTION	Ksh. 52,800	Ksh. 581,200	Ksh. 1,311,435	Ksh. 1,945,445.00

N.H.I.F REIMBURSEMENTS:3rd Quarter-2020/2021

	January	February	March	TOTALS- KSH.
LINDA MAMA	0	0	0	0
EDU AFYA	0	0	0	0
FFS	81,200	29,350	11,300	121,850
CAPITATION	62,190	943,445	0	1,005,635
Inpatient claims	0	0	217,720	217,720

- The revenues dropped from Ksh. 4.6M to Ksh.3.2M due to protracted strike and the COVID19 pandemic.
- There was also high stock outs of essential drugs due to non-supply by KEMSA because of accrued debt of Ksh. 10M of which Ksh. 4M is an order made by the Health Services Department in the FY 2013/2014.
- NHIF paid the claims amounting to Ksh. 1.6M out of Ksh.10M. Linda Mama, Edu Afya claims have not been paid since the year 2020.
- Health Administrative officer to visit the NHIF office Kabarnet Branch to follow up on unpaid claims.
- The facility to explore the possibility of having Revenue Inspectors and Scouts.

Annex 4: A snip of minutes for Igure Dispensary Management Committee



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