Health Facility Spending patterns of Reproductive Health Voucher Reimbursement Revenue among accredited facilities in Kenya

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Background

- Kenya Reproductive Health Voucher program implemented by Government since 2006
  - 4 rural Counties (Kisumu, Kiambu, Kitui, Kilifi)
  - 2 urban slums in Nairobi County

- Accredited voucher service providers
  - Public facilities
  - Private-for-profit facilities
  - Faith-based facilities
  - NGO facilities
## High inequality in RH service use

<table>
<thead>
<tr>
<th>Indicator</th>
<th>National</th>
<th>Poorest 20%</th>
<th>Richest 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility delivery</td>
<td>40%</td>
<td>16%</td>
<td>74%</td>
</tr>
<tr>
<td>Skilled care</td>
<td>42%</td>
<td>17%</td>
<td>74%</td>
</tr>
<tr>
<td>CPR</td>
<td>39%</td>
<td>18%</td>
<td>51%</td>
</tr>
<tr>
<td>Unmet need</td>
<td>25%</td>
<td>33%</td>
<td>17%</td>
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</tbody>
</table>
Voucher program since 2006

- **Phase I: 2006-2008**
  - 54 health facilities: Kisumu, Kiambu, Kitui and Nairobi

- **Phase II: 2008-2011**
  - 93 health facilities: 25 new in same counties and 14 facilities in Kilifi County

- **Phase III: 2011-2014**
  - 153 facilities in Kisumu, Kiambu, Kitui, Kilifi and Nairobi

**Voucher management agency**
- After accreditation, contract public, private, and NGO/FBO facilities
- Train providers on administrative procedures
- Design & maintain claims processing
- Monitor costs, utilization, quality
- Conduct fraud control measures
- Report to the MOH Steering Committee on quarterly basis

**Client**
- Identified as poor based on locally agreed indicators
- Pays 100 KSH for FP; 200 KSH for SMH unless destitute

**Facility**
- Mix of public and private
- Must meet accreditation standards
- Reimbursed for services according to contract
Methods

• Cross sectional data from 77 accredited facilities
• Retrospective measurement of how accredited facilities allocated revenues across six standard cost categories for phase 1 (2006-2008) and phase 2 (2008-2011)
• A structured questionnaire sent to accredited facilities
• Verification of expenditures done where accurate data was not available
• 88% response rate achieved
• Responses analyzed to show percentages of revenue used in standard accounting categories
Standard Cost Categories

- Construction
- Renovation and Repairs
- Human Resources
- Medical Procurement
- Non-medical Procurement
- Other Recurrent Costs
Use of revenue by category in Phase 1

- Construction: 51%
- Renovation/Repairs: 6%
- Human Resources: 24%
- Medical Procurement: 5%
- Non Medical Procurement: 4%
- Other Recurrent Costs: 10%
Use of revenue by category in Phase 2

- Construction: 9%
- Renovation/Repairs: 7%
- Medical Procurement: 6%
- Non Medical Procurement: 11%
- Human Resources: 33%
- Other Recurrent Costs: 34%

RH Vouchers
Population Council
Sources of Revenue

Prior to the GoK Voucher program

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Public Facilities</th>
<th>Private Facilities</th>
<th>FBOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>50%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Self-generated revenue</td>
<td>31%</td>
<td>57%</td>
<td>53%</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>0</td>
<td>43%</td>
<td>0</td>
</tr>
<tr>
<td>Donors</td>
<td>19%</td>
<td>-</td>
<td>27%</td>
</tr>
</tbody>
</table>

81% of the facilities reported that following the launch of the voucher program, the voucher program has been their main revenue.
Discussion

Challenges in accessing and purchasing medical and non-medical supplies.

Voucher revenue used to:

1. Cover the financing shortfall for purchases
2. Increase capacity and provide more services
3. Improve service quality and increase patient volumes/bed capacity

Flexibility in using revenue may help overcome perennial problems of centrally managed, public sector supply and commodity constraints and private sector financing gaps to provide better healthcare services.
Implications for Health Systems

• Studies have highlighted the shortage of operating capital in health facilities (e.g. Berger et al 2012 in PLOS One)

• OBA facilities are able to invest more than 15% of their revenue in capital maintenance, construction and expansion

• As the Kenyan health system looks to expand to meet demand, providing demand-side subsidies can be an effective way to invest in capacity expansion.
# Acknowledgements

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<tr>
<th>Voucher program</th>
<th>Evaluation project</th>
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<tr>
<td>Funding</td>
<td>KfW, Government of Kenya</td>
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<td>Implementation</td>
<td>Government of Kenya, PwC</td>
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<td>Ethical and research clearance</td>
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