



HEALTH SECTOR FINANCING AND OVERSIGHT

OF HEALTH BUDGET IN COUNTY GOVERNMENT OF NANDI





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ACRONYMS

CIDP	County Integrated Development Plan
KII	Key Informant Interview
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PBB	Programme Based Budgets
PSC	Public Service Commission

Foreword

It is with great pleasure that I introduce this comprehensive report titled “Health Sector Financing and Oversight of Health Budget in the County Government of Nandi,” compiled by the National Taxpayers Association (NTA). This report provides a detailed examination of healthcare financing in Nandi County, highlighting allocations, challenges, and opportunities in managing health resources effectively.

The primary objective was to assess the current healthcare financing structures within the County Government of Nandi. Using a mixed-methods approach, combining qualitative and quantitative research, the report analyzes health expenditures and allocations, identifies challenges and opportunities, and offers recommendations. Data was sourced from the Office of the Controller of Budget, Office of the Auditor General, various county reports, and key informant interviews with county officials.

Healthcare financing is a critical global issue, influenced by economic development, government policies, and healthcare systems. This report offers valuable insights into how Nandi County navigates these complexities, particularly through tax-based financing from the national government and own-source revenue. Aligning with international standards like the Abuja Declaration, the report underscores the need for substantial investment in health to ensure universal access to quality services.

The commissioning of this report was made possible by the efforts and contributions of numerous individuals and organizations. We extend heartfelt gratitude to the county staff who participated in key informant interviews, providing critical data and perspectives.

Key findings reveal that Nandi County allocates 36 percent of its total budget to the health department, with 61 percent of this allocated to human resources. Despite this, challenges such as weaknesses in budget absorption and delays in national treasury fund disbursement persist. The report also highlights concerns from the Auditor General about the implementation of capital projects crucial for improving healthcare delivery and accessibility.

The recommendations are both practical and visionary. They call for the adoption of the national facility improvement financing law to allow the facilities to retain one hundred percent of the collected resources, exploration of innovative health funding mechanisms, and strengthening of health governance and oversight. The report also advocates for capacity building, infrastructure development, and enhanced partnerships to mobilize resources and foster innovation. Emphasizing the reduction of out-of-pocket payments by encouraging social health insurance registration is a critical step towards protecting households from catastrophic health expenditures.

This report reflects the current state of health sector financing in Nandi County and serves as a roadmap for future improvements. By implementing these recommendations, the County Government of Nandi can enhance its healthcare system, ensuring better health outcomes for its residents. I commend the NTA for their diligent work and trust that this report will be a valuable resource for policymakers, stakeholders, and all those committed to advancing healthcare in Nandi County.

Acknowledgement

The National Taxpayers Association (NTA) proudly acknowledges the invaluable contributions of the many individuals and institutions that made this publication possible. The “Health Sector Financing and Oversight of Health Budgets” report is the result of a collaborative effort, driven by the generous support of our chief donor, Christian Aid Kenya, and in close partnership with the County Government of Nandi.

This comprehensive report provides an in-depth analysis of healthcare financing within the County Government of Nandi, delivering critical insights into budget allocations, existing challenges, and untapped opportunities for effective health resource management. It emphasizes the urgent need for substantial investments in the health sector to ensure universal access to quality services.

We extend our heartfelt gratitude to the NTA National Governing Council and the NTA staff for their invaluable contributions to the development of this report, including Irene Otieno (National Coordinator), Dorcas Ng’ang’a (Admin), Jackson Kihumba (Admin and Finance Manager), and Geoffrey Juma (Project Assistant). We also express our sincere thanks to the Christian Aid Kenya team for their unwavering support and collaborative efforts in the implementation of this project.

Special recognition goes to our consultants, Ms. Winnie Mageto, Reena Atuma, and Jemimah Njai, for their immense technical expertise and dedication throughout the report’s life cycle. We also appreciate the key staff from the Nandi County Government, particularly from the Health Department and the OGP Team, whose invaluable insights and technical support have been crucial since the project’s inception in the county.

Our deepest appreciation is reserved for Christian Aid Kenya. Their generous financial, strategic, and technical support has been instrumental in the success of this report from its inception to its completion. We are profoundly grateful for your steadfast support and partnership.



County Government of Nandi

1.0 Executive Summary

Despite Kenyans' efforts to pay taxes and enroll in the National Health Insurance Fund (NHIF) which is the process of becoming the Social Health Authority (SHA) for healthcare coverage, accessing quality healthcare remains challenging. These obstacles include geographical barriers limiting access to healthcare facilities, demographic disparities within the healthcare sector, incidents of corruption, and inadequate human resources. To address these persistent issues, the National Taxpayers Association (NTA) conducted a study on health sector financing and oversight of health budgets in the County Government of Nandi.

The study was guided by four objectives: first, to assess the current healthcare financing structures in the County Government of Nandi; second, to analyze health expenditures and allocations; third, to identify challenges and opportunities; and lastly, to provide recommendations based on the findings. A mixed methods approach was adopted, incorporating both qualitative and quantitative research designs. Quantitative data were obtained from the Office of the Controller of Budget and Auditor General reports.

The findings revealed that approximately 49% of the total own source revenue is generated from the health department and retained as appropriation in aid. Notably, most payments are made out of pocket or through harambees, which can potentially impoverish community members. Regarding health expenditures and allocations, the health sector receives approximately 36% of the total county budget. Human resources for health account for 52% of the county's personnel emoluments budget and about 61% of the health department's budget. Additionally, the findings indicate weaknesses in budget absorption, with the health department having expenditures that exceed the total allocated budget, likely due to weak internal budget controls.

Based on the findings, the study recommends that the County Government of Nandi should explore innovative health funding mechanisms to ensure adequate and timely funding for health sector initiatives. This may involve leveraging public-private partnerships, exploring grant opportunities, and optimizing existing revenue streams to augment budgetary allocations for health. Additionally, the department of health should adjust their Facility Improvement Fund (FIF) legislation to align with the national law that allows 100% retention of resources at the collecting facilities for Level 4 and Level 5. For primary healthcare facilities, the national government is expected to provide conditional resources to fund services at these lower-level facilities.

1.1 About NTA

The National Taxpayers Association (NTA) is an independent and non-partisan organization dedicated to enhancing government service delivery by fostering a culture of transparency and accountability in the management of taxpayers' funds. The idea of the NTA emerged out of interest among citizens for greater government accountability regarding the use and collection of their taxes. The NTA was mooted based on consultations by and input from various institutions NTA has a Governing Council (Board) made up of 12 founding member organizations. The board has representation from the civil society, private sectors, religious and professional. NTA focuses on educating, advocating and sensitizing the citizenry about their rights and responsibilities as taxpayers.

1.2 Introduction

According to Article 43 (1) (a) of the 2010 Kenyan Constitution, every Kenyan has the right to access quality healthcare services, including reproductive health. Despite most Kenyans paying taxes and being enrolled in the National Health Insurance Fund (NHIF) for healthcare coverage, numerous challenges persist in accessing quality healthcare. These challenges include geographical barriers to healthcare facilities, demographic inequalities within the healthcare sector, corruption, and inadequate human resources. NTA conducted a study on health sector financing and oversight of health budgets in the County Government of Nandi to influence transformative policies that will contribute policy guidelines to support oversee allocation and utilization of health funds.

1.3 Objectives of the study

1.3.1 General Objective

The overall objective is to examine budgetary allocations to County Government of Nandi to discern patterns, shifts, and potential policy gaps specifically related to health financing.

1.3.2 Specific Objectives

The study was guided by the following specific objectives.

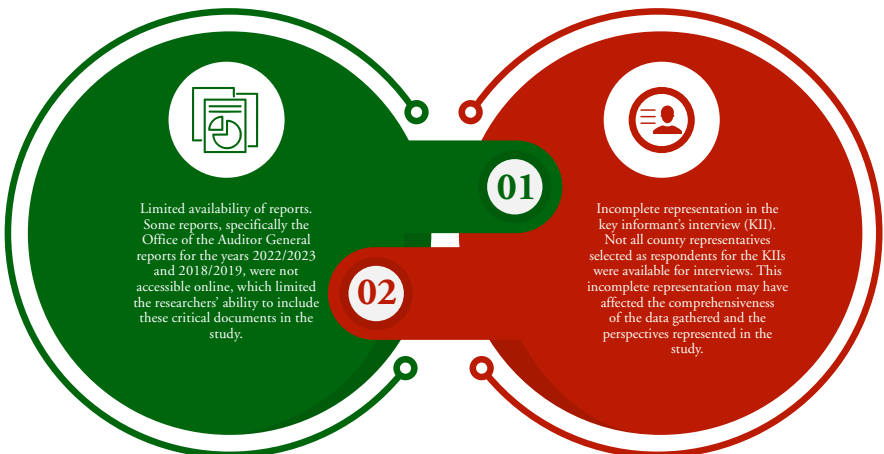
- To conduct an overview of healthcare financing structures in the County Government of Nandi.
- To analyze health expenditures and allocations.
- To identify challenges and opportunities; and
- To propose recommendations on health financing and oversight of health funds in County Government of Nandi

2.0 Methodology of the study

The research utilized a mixed methods approach that incorporated qualitative and quantitative research designs. Quantitative data was sourced from the Office of the Controller of Budget (OCOB) for the periods spanning from 2020/2021, 2021/2022, 2022/2023 to 2023/2024. A trend analysis was then conducted to identify any variations in the allocation, expenditure, and absorption of health finances in County Government of Nandi. Additionally, a thorough examination of reports and budgetary information sourced from the Office of the Auditor General (OAG), the County Integrated Development Plans (CIDPs), County Fiscal Strategy Papers, and Programme Based Budgets was carried out. These reports provided valuable insights into the health priorities that influenced budget allocations in County Government of Nandi. Moreover, qualitative data were obtained from key informants within the health and treasury departments, including the County Health Directors, Chief Officer Health, County Health Economist and County Nutritionist. The research employed a Key Informant Interview guide to facilitate data collection across four major themes: health financing legislation, health budget expenditure, accountability in healthcare budgets, health sector staffing, and access to healthcare. The interviews were conducted in County Government of Nandi offices and took an average of 30-40 minutes per interview.

3.0 Limitations of the Study

The study encountered two major limitations:



4.0 Background Information

Healthcare financing in countries varies significantly depending on factors such as economic development, government policies, and healthcare systems. In many countries, healthcare financing is a complex interplay of public and private funding sources (Kairu, et al., 2021). Historically, healthcare has often been funded primarily through government budgets, with tax revenue being the main source of funding for publicly provided healthcare services. However, in recent decades, there has been a trend towards diversifying healthcare financing mechanisms to include a mix of public and private sources.

Healthcare financing can be approached through various methods. Social health insurance schemes pool contributions from individuals and employers to fund services for all members (Fenny et al., 2021). Another method is tax-based financing, where government revenue funds healthcare directly. Additionally, out-of-pocket payments at the point of service are common, especially in low- and middle-income countries with limited access to health insurance (Masaba et al., 2020). Ensuring universal access to quality healthcare remains challenging, requiring careful consideration of equity, efficiency, and sustainability in policy design to meet population needs and provide financial protection against healthcare costs.

To enhance fair access to vital healthcare services, both the county and national governments must commit to meeting the international standard of allocating 15% of their expenditure, as outlined in the Abuja declaration on government healthcare financing (Owoye and Onafowora, 2023). Additionally, they should strive to achieve improved quality of life for all Kenyans by targeting a cross-section of human and social welfare projects and programmes with health as a key sector as outlined in the social pillar of The Kenya Vision 2030 roadmap.

Kenya faces significant challenges from both communicable and non-communicable diseases, highlighting the need for greater investment in preventive and promotive healthcare (Olago et al., 2023). Collaboration between government levels, the private sector, development partners, and non-state entities is essential to maintain health sector progress and move toward self-reliance. Health financing is a key component of Kenya Health Policy 2014-2030, aiming to secure sufficient resources to equitably and effectively deliver the Kenya Essential Package for Health (KEPH). This involves focusing on resource generation, risk pooling, and healthcare service procurement.

The provision of healthcare services in Kenya is decentralized, with county governments responsible for strategic planning and fund allocation. Since the 2010 constitution, counties have seen significant transformations, including infrastructural improvements and better service accessibility (Kimathi, 2017). The number of public health facilities at various levels within counties has increased. However, the devolution of health services faces challenges such as health workers' industrial actions over unfair compensation, the migration of health workers abroad, and the unequal distribution of the health workforce due to some counties offering better working conditions than others.

Financial support for healthcare in counties is derived from various sources, including designated allocations for county governments, as well as grants such as Managed Equipment Services (MES), Free Maternity healthcare, the National Health Insurance Fund (NHIF), compensation

for foregone user fees, grants from DANIDA, and loans from international organizations like the World Bank. These funds are directed towards bolstering county health facilities and services. With the decentralization of power, many counties have been empowered to allocate increased resources towards the improvement of healthcare delivery.

The Council of Governors (CoG) is advocating for a redefined healthcare financing strategy to address funding challenges due to reduced donor support for programs like HIV, TB, and malaria. Counties, with their treasuries, are working towards greater financial autonomy by mobilizing domestic resources, increasing healthcare allocations, and planning to absorb donor-funded staff. However, delays in national treasury fund disbursement have hindered efficient healthcare service delivery. To address this, county governments aim to share best practices in health financing, create a model law for the Facility Improvement Fund (FIF), prioritize settling healthcare bills, and prevent debt accumulation. They also seek to improve systems for generating and using real-time health data for better planning and decision-making, and to adopt cost-effective innovations and technologies for enhanced healthcare service delivery (Moses et al., 2021).



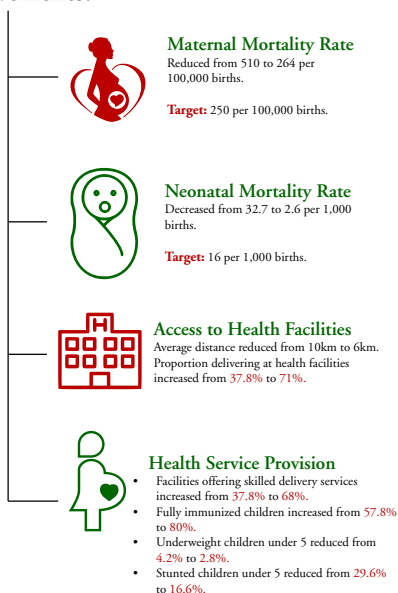
Community members conducting social accountability at Kapsean Dispensary in Nandi Hills.

Nandi County

Nandi County has made significant strides towards achieving demographic dividends by 2025, focusing on health, education, economics, and governance. The County Integrated Development Plan (CIDP) 2023/2027 emphasizes harnessing youth potential to prepare for this opportunity.

Nandi County has demonstrated significant progress in health outcomes but faces challenges in sustainable financing and resource allocation. Collaborative efforts involving government, donors, and private sector are crucial for improving health outcomes and achieving demographic dividends by 2025.

Achievements:



Challenges:



Health Financing

- Stagnating allocations affecting service delivery.
- Overreliance on national funding despite local revenue efforts.
- Dependency on unpredictable donor funding.

Recommendations:



Financial Management

- Implement prudent financial measures for optimal resource use.
- Increase local revenue generation for sustainable funding.



Healthcare Delivery

- Strengthen primary health facilities to reduce congestion.
- Promote preventive health programs to cut costs.



Stakeholder Collaboration

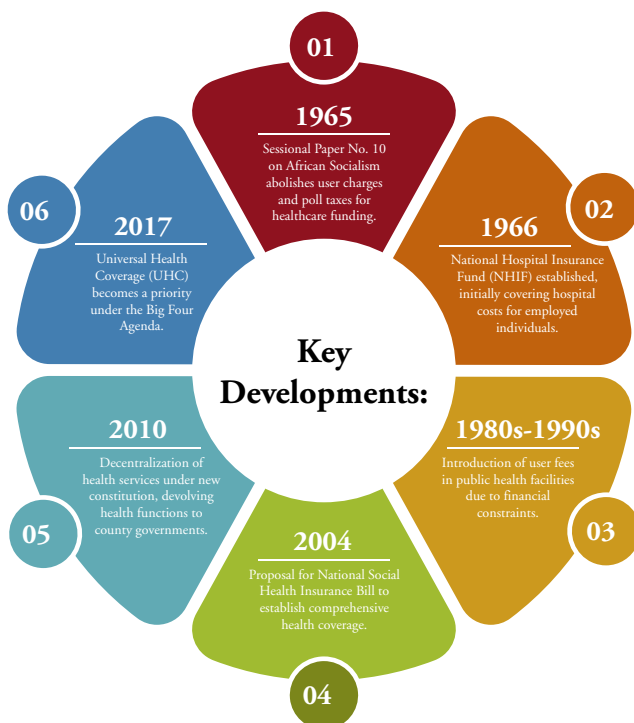
- Foster partnerships for sustainable health financing solutions.

4.1 The Current State of Health Care Financing and health reforms in Kenya

Since gaining independence in 1963, Kenya has undergone significant transformations in healthcare financing, aiming to achieve equitable and accessible healthcare for all its citizens.

Kenya's journey in healthcare financing reflects a commitment to achieving Universal Health Coverage (UHC). Despite challenges, recent reforms aim to enhance accessibility and quality of healthcare services across the country, paving the way for a healthier and more equitable future.

Key Developments:



Recent Reforms:

- 2023: Social Health Insurance Act establishes Social Health Authority, introducing new funds for primary healthcare and universal health insurance.
- 2023: Facility Improvement Financing Act addresses underfunding of public health facilities.

Current Challenges:

- Health insurance coverage remains low; only 1 in 4 Kenyans have health insurance.
- Government health spending stagnates at 2% of GDP and 8% of general government expenditure.



Community members are being sensitized by TOT on their role in overseeing health budgets.



Conducted KIIs with Kaptumo Level 4 Hospital board members and MedSup.



Focus Group Discussion with staff from Chemase Health Center and Community Health Promoters (CHPs) at Tinderet

5.0 Study Findings.

5.1 County Government of Nandi Health and Sanitation Department health budget allocations

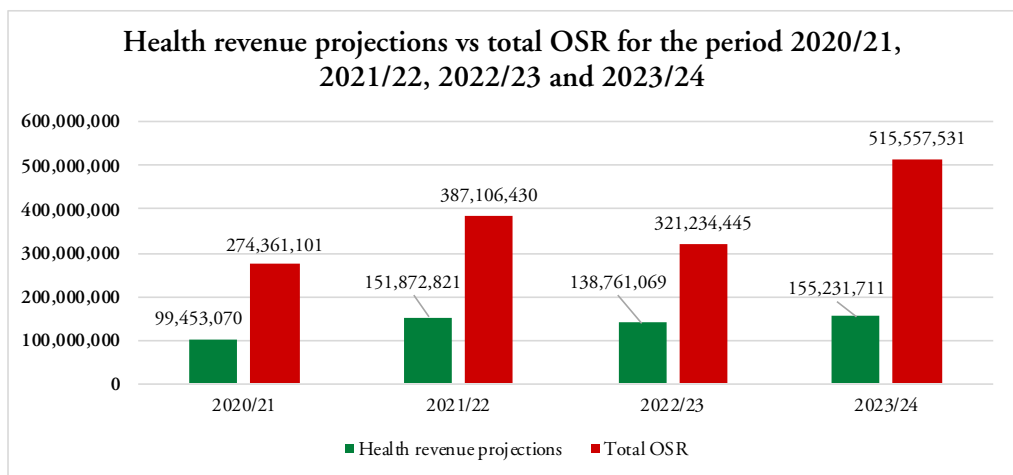
Health revenue

The county government of Nandi, department of health is allowed to retain health resources at collecting facilities. This is through a formula that allows the collecting facility to retain 70% of the collected resources and 30% is channeled at the department level out of which, 20% is to support primary health care facilities and 10% is for administrative costs. The collecting facilities which in most cases are the Level 5 and Level 4 operate through an appropriation in aid model where they are supplemented through additional from the total departmental budget through the county revenue fund to offset what they cannot collect. According to the County Budget Implementation Review report of the FY 2022/23, in FY 2020/21 the total appropriation in aid which could be the facility improvement funds was 103.5 million, in 2021/22 this was Ksh 118.97 million and in 2022/23 the collections dropped to 30.73 million. These resources represent 70% that is retained by mostly level 4 and level 5 facilities. The table below summarizes the total own source revenue receipts and appropriation in aid which represents the facility improvement fund collections.

FY	OSR receipts in Ksh Million	Appropriation in Aid	Percentage
2020/21	174.91	103.5	59%
2021/22	168.43	118.97	71%
2022/23	170	30.73	18%

The graph below shows the estimated revenue collected by the health department in comparison to the total county own source revenue. Approximately, 49% of the total own source revenue is generated from the health department. It is noted that most of the payments are out of pocket or through harambees which has the potential to impoverish the community members. This then calls for the embracing of social health insurance which protects households from catastrophic health expenditure.

Figure 1: Projected health and sanitation revenue and total Own Source Revenue for the period 2020/21, 2021/2022, 2022/23 and 2023/2024

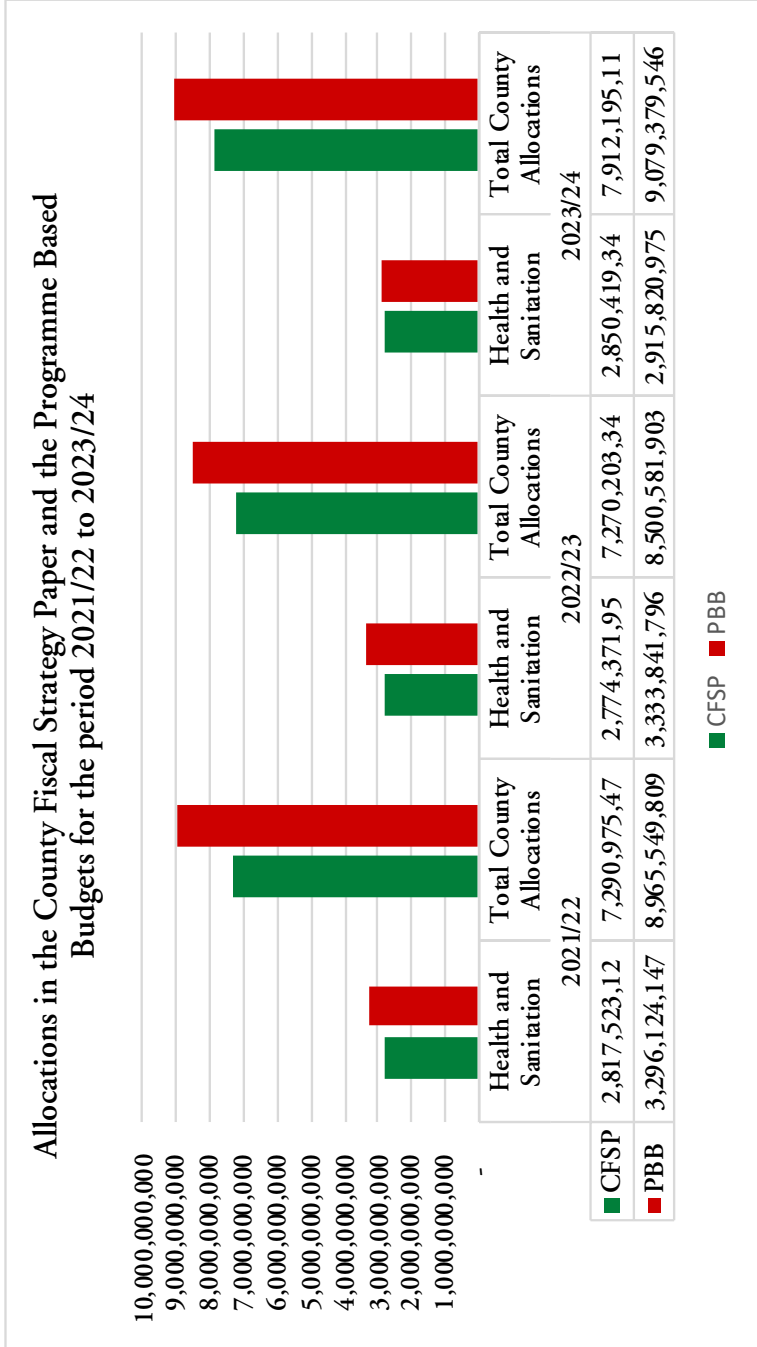


(Source: County Approved Programme Based Budgets)

5.2 Health allocations in the county fiscal strategy paper and the programme-based budgets.

The total allocation to health is approximately 36% of the total county budget. Human resource for health covers 52% of the total county budget for personnel emoluments and roughly 61% of the departments of health budget. The analysis also depicts a variance between the ceilings set at the County Fiscal Strategy Paper and the Programme Based Budget.

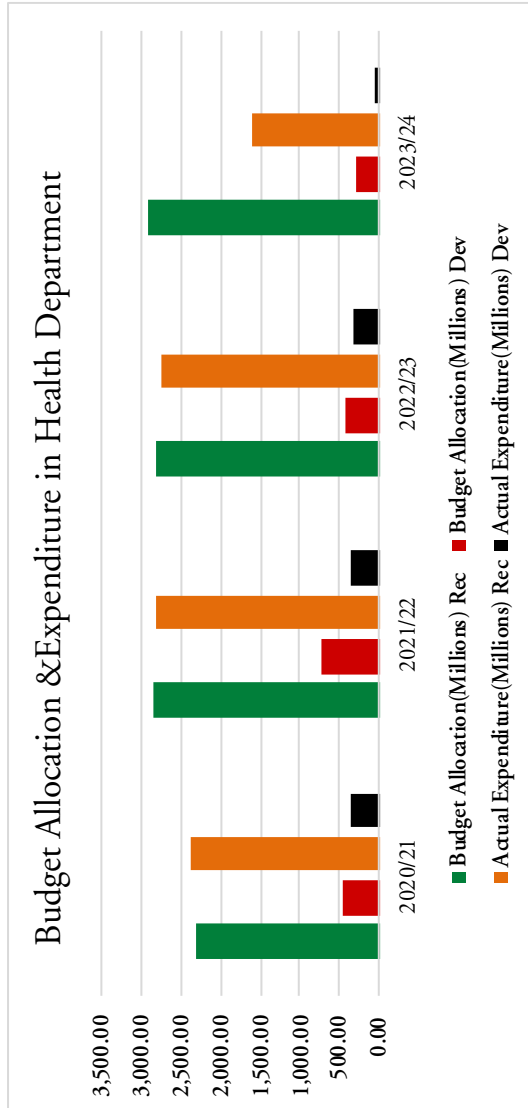
Figure 2: Health allocations in the country fiscal strategy paper and the programme-based budgets.



5.3 Health budget expenditure for County Government of Nandi

As indicated in figure 3, an examination in the allocation and expenditure of the health department of Nandi County shows that recurrent Budget has a higher allocation and expenditure as compared to the Development budget. This indicates that the Health Budget in Nandi County is highly recurrent.

Figure 3 Budget Allocation & Expenditure in Health Department



In the fiscal year 2020/21, the Department of Health and Sanitation had the highest absorption of recurrent the budget, standing at 103.3 percent. This high absorption is due to COVID-19 expenditure at the County level. In the FY 2021/22, The absorption rate was 98.3 percent and in 2022/2023 the absorption rate was 97.5 percent in the recurrent budget. This shows that the recurrent budget has minimum deviation from what was originally planned indicating credibility in the recurrent budget. On the other hand, the development budget has a lower absorption rate indicating that Health projects are not adequately funded.

5.4 Audit reports on health financing in the County Government of Nandi

The following issues were raised in the audit report for 2019/2020 with regard to the health sector:

1. Memorandum of Understanding with the National Government

The County Executive of the County government of Nandi partnered with the National Government to obtain medical equipment. However, there were issues with the process. The National Treasury deducted Kshs.131,914,894 from the county's equitable share of revenue for leasing equipment, totaling Kshs.522 million by June 30, 2020. The average OSR for the county government of Nandi from financial year 2020/21 to 2023/24 was Ksh 374,564,878. Therefore, deducting Kshs. Kshs.131,914,894 from the county's equitable share of revenue, makes the county forego approximately 35% of their OSR which the county would have probably utilized in other aspects to improve the health sector. Unfortunately, the audit reports show that the equipment meant for an Intensive Care Unit (Lot 6) was never delivered, leading to the project's failure. With reduced revenue from the national government, the county may find itself under pressure to rely more heavily on its own source revenue. Furthermore, without essential medical equipment the county may struggle to respond effectively to health emergencies, leading to a decline in healthcare quality and overall community well-being. Additionally, the county's records didn't include the value of the equipment, and it wasn't clear how lease payments were determined. These uncertainties raise questions about the validity of the lease payments (OAG, 2021).

2. Long Outstanding Debts – Ministry of Health

In the fiscal year 2013/2014, the Ministry of Health disbursed salaries amounting to Kshs.316,123,713 on behalf of the County Government of Nandi, with the understanding that these funds would be reimbursed. However, despite this obligation, the County Government failed to repay the Ministry of Health, leaving the outstanding debt unresolved. This lack of repayment raises significant concerns regarding the County Government's financial accountability and its ability to fulfill its financial obligations.

Other cross-cutting issues that could reflect on the health sector include:

1. Pending accounts payables totaling Kshs.331,085,588 with crucial movement information during the 2018/2019 financial year was missing, which raises questions about the transparency and accuracy of financial reporting processes.

2. Outstanding electricity bills amounting to Kshs.2,691,929 owed to the Kenya Power and Lighting Company Plc by June 30, 2020.
3. A review of payroll records from January to June 2020 uncovered instances where some employees received a net salary of less than one-third of their basic salary, contrary to policy requirements. Despite this discrepancy, management failed to explain the non-compliance with the PSC Human Resource Policies and the Employment Act, raising concerns about the effectiveness of payroll management and adherence to employment.

In the financial year **2020/2021**, the audit report did not identify any specific issues related to the health sector. However, a persistent challenge throughout this period was the issue of underfunding within the county. Despite the absence of specific audit findings, the ongoing problem of inadequate funding remained a concern, highlighting the need for sustained attention and investment to address healthcare financing gaps within the county.

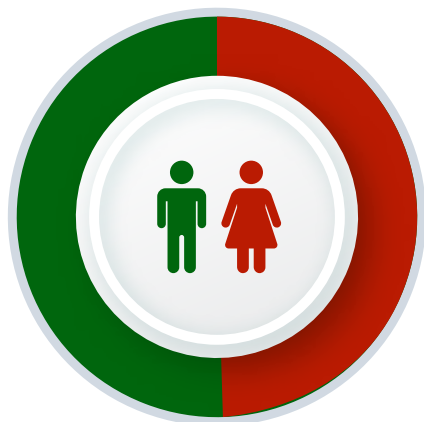
In the financial year **2021/2022**, the budget execution within County Government of Nandi exhibited discrepancies primarily in the allocation and expenditure patterns. Within the audit findings, it was noted that the health sector faced significant challenges. Specifically, the health sector faced delays and incomplete work in the construction of the new hospital with a mother and baby unit at Kapsabet County Referral Hospital. These delays hindered progress in improving healthcare accessibility and service delivery, undermining the county's efforts to address health challenges effectively. In addition, the level 4 hospital was found to have no policy documents, no property, plant, and equipment disclosure, poor store management, no reports on refunds for NHIF claims, no provision of tuberculosis management services, 60 staff members short of capacity, 100 beds short of capacity, and 5 medical machines and equipment (cots and incubators) short of the required number. As a result, the hospital was one of those that received a qualified audit opinion.

5.5 Qualitative data and report from the field

The study conducted comprehensive interviews to delve into the intricate landscape of health financing in County Government of Nandi, engaging a spectrum of stakeholders. This included members of the county assembly's budget and appropriation committee, health services committee, and representatives from various county health departments. The aim was to gather a diverse range of perspectives, validate findings, and foster ownership, thereby ensuring the relevance and successful implementation of policy recommendations.

Figure 3: Gender Distribution of respondents

Gender Distribution of respondents



50% Male **50% Female**

The demographic distribution of the respondents was balanced, with 50 percent female and 50 percent male participants. Among the key findings, all respondents acknowledged the existence of a Facility Improvement Financing (FIF) law in County Government of Nandi. According to their responses, 70% of the FIF funds are retained within the FIF fund, while 20% is allocated to support primary health facilities, and the remaining 10% covers administrative costs.

Furthermore, all the respondents said that most of the healthcare financing in the county originates from the Ministry of Health through the national budget. The FIF fund mainly served as a fallback mechanism, particularly crucial in addressing deficits and mitigating delays in releases from the national government's exchequer, thus playing a critical role in augmenting own-source revenue which also affects health financing.

Regarding budget allocation within the health sector, respondents highlighted various factors influencing decision-making. These include staffing levels, required equipment at county hospitals, infrastructure needs such as construction of new hospitals and dispensaries, as well as the prevailing disease burden. Additionally, some respondents cited the absorption rate of previous health and sanitation department budgets as a factor informing resource allocation.

While most of the respondents agreed that resource allocation aligns with people's needs and priorities, some respondents suggested occasional deviations influenced by prevailing political dynamics. Nevertheless, there is a collective desire among Nandi residents for consistent availability of drugs and healthcare services at the grassroots level.

However, respondents unanimously expressed dissatisfaction with the adequacy of the allocated budget to address health priorities within a given financial year. Delayed disbursements from the national government were cited as a major impediment, adversely affecting the consistent supply of drugs and general healthcare operations, including emergency services.

Efforts towards transparency and accountability were noted by most of the respondents, with the County Government of Nandi Assembly Health Committee regularly publishing and publicizing implementation reports for citizen scrutiny. Concerns were raised regarding the level of citizen involvement, with some citing minimal participation in public events and a tendency to expect monetary incentives(handouts).

Civil Society Organizations (CSOs) were highlighted as actively engaging in citizen participation, alongside youth and women's groups contributing to the development of various county plans. The inadequacy of staffing levels relative to population size was a recurring concern, although the FIF was credited for its role in addressing staffing shortages during emergencies.

Private-public partnerships, exemplified by initiatives like DANIDA grants, were recognized by a large proportion of the individuals interviewed as integral to health financing. The county government's commitment to continuous professional development for healthcare staff and ensuring access to healthcare for vulnerable groups through various initiatives was acknowledged positively.

Efforts to mitigate healthcare barriers, such as geographical remoteness, through the strategic placement of 16 ambulances purchased by the County Government of Nandi government were also commended by most of the respondents. Notably, the infrequency of shocks affecting the healthcare system, such as strikes in County Government of Nandi, was highlighted, contributing to the preference for public health services over private alternatives among Nandi residents.



Afya Njema, Haki ya Jamii Project Inception Meeting with the Executive of Nandi County Government

6.0 Conclusion

The study finds that County Government of Nandi allocates at least 36 percent of its total budget to the health department. A significant proportion of this budget, which is 61% is utilized to finance human resources for health, who also take up the majority 51% of the total budget for personnel emolument budget for health. The controller of the budget notices weaknesses in budget absorptions with the department having expenditures that exceed the total allocated budget; this could be a result of weak internal budget controls. County Government of Nandi is also faced with limitation in budget absorption with effects trickling from the national level allocation to the county. The counties significantly rely on the national equitable share which finances close to 98% of its budget hence proving hard to provide services in case of delays. The implementation of the facility improvement financing law has come in handy to offset some expenses in instances of delays from the national government. However, the model is still not ideal as the collecting facility only retains 70% of their collections. The auditor general raises concern about the implementation of capital projects, for example the mother and baby unit at Kapsabet County Referral Hospital. Such projects are of benefit to the citizens and if completed reduce the time taken for women to seek referral services outside the county which contributes to the high costs of seeking health care.



Afya Njema, Haki ya Jamii Project Inception Meeting with the Nandi County Assembly

7.0 Recommendations

1. Adoption of the national facility improvement financing law that allow 100% retention of resources at collecting facilities.

The department of health should adjust their FIF legislation to align with the national law that allows 100% retention of resources at the collecting facility. On primary health care facilities, the national government is expected to provide conditional resources to fund the services at low level facilities.

2. The County Government of Nandi should explore innovative Health Funding Mechanisms

The County Government of Nandi should explore innovative financing mechanisms to ensure adequate and timely funding for health sector initiatives. This may involve leveraging public-private partnerships, exploring grant opportunities, and optimizing existing revenue streams to augment budgetary allocations for health.

3. Capacity Building and Human Resource Development

Addressing the shortage of skilled healthcare workers requires proactive measures such as increased investment in training and capacity building programs, as well as strategic recruitment and retention strategies to attract and retain qualified personnel within the county's health workforce.

4. Infrastructure Development and Equipment Procurement

The County Government of Nandi should allocate spend more on its development Budget.

This will promote continued investment in health infrastructure, including the construction, renovation, and equipping of health facilities, is essential to expand service coverage and improve healthcare delivery. Additionally, prioritizing the procurement of essential medical equipment and technology will enhance diagnostic and treatment capabilities across healthcare facilities.

5. Strengthened Health Governance and Oversight

The Governor of Nandi County, Members of the County Assembly and County Executive Committee Member for Health and Treasury should ensure that there is improved governance structures and oversight mechanisms within the health sector. This is critical for ensuring transparency, accountability, and efficient resource utilization. Establishing robust monitoring and evaluation frameworks, enhancing stakeholder engagement, and promoting participatory decision-making processes will foster effective governance and enhance service delivery outcomes.

6. Partnership and Collaboration

The County Government of Nandi led by the County Executive committee Member (CECM) for Health and Finance should form collaborative partnerships with relevant stakeholders, including non-governmental organizations, and community-based organizations, are essential for mobilizing resources, sharing expertise, and fostering innovation in the health sector. By leveraging collective efforts and resources, County Government of Nandi can amplify its impact and achieve sustainable health outcomes.

7. Reduction of out-of-pocket payments by mobilizing residents to register under the social health insurance.

It is noted that most of the payments made at hospitals are out of pocket or money contributed through harambees. This points out a weakness in the system which has the potential to impoverish the community members. This then calls for the embracing of social health insurance which protects households from catastrophic health expenditure. The reforms in the Social Health Insurance Fund call for a contribution to health that is equitable in pulling of funds and risks but also aimed at reducing high out of pocket expenditure through a sustainable health financing model.

8. Establish clear lease agreements and comprehensive audits

The county government of Nandi should consider implementing stringent procurement and delivery monitoring processes to ensure that essential medical equipment, such as that for an Intensive Care Unit, is delivered on time. This can involve setting clear contractual obligations and regular progress tracking. Additionally, the county government can conduct a comprehensive audit to accurately appraise the value of the medical equipment and clarify the basis for determining lease payments. This will ensure transparency, validate the lease payments, and improve the accuracy of the county's financial records.



A two-day workshop with Nandi County CSOs to analyze the trends in the Nandi County Government Healthcare Budgets

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