KENYA

Legacy Impact

October 2021

Strengthening Stewardship and Implementation of Kenya's Health Policy and Financing Agenda

INTRODUCTION

Since the promulgation of the new constitution in 2010, Kenya has been on a path of health reform, shifting to a devolved health system in 2013 in which 47 counties budget for and deliver health services guided by national-level health policies. Since 2012, Health Policy Plus (HP+) and its predecessor projects have worked with the government to support policy creation and reform (through a combination of evidence-generation and use), provide technical assistance and training, and support targeted advocacy to inform health financing and resource mobilization. This work supports Kenya's long-term policy goal to accelerate the attainment of universal health coverage and its short-term goals to move the sector in that direction.

This brief summarizes three policy shifts related to free maternal healthcare, budgeting for health, and HIV financing that have led to measurable positive impacts for the people of Kenya. HP+'s strategies in support of these policy shifts include generating evidence for advocates and policymakers, improving public financial management, and strengthening stewardship, accountability, and transparency of health budgets. Results include a policy shift in health insurance coverage for maternal healthcare, an improved process for allocating funds for health at the county level, and increased

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HP+ HEALTH POLICY PLUS

Figure 1. Impacts from Policy Shifts with HP+ Support

FREE MATERNAL HEALTHCARE

- US$301 million secured over 7 years (2013–2020), in part through advocacy efforts
- 46.7% increase in attended deliveries in public facilities and 30.6% decrease in maternal deaths (between 2013 and 2020)
- 500,000 women provided with free maternity services from 2012–2014
- More than 1.1 million women saw expanded access to services

PROGRAM-BASED BUDGETING FOR HEALTH

- 26 counties and 764 health management team members trained
- 9 counties tracked spending and health outcomes
- County health allocations up from 23.4% of the fiscal year (FY) 2015/16 budget to 27.8% of the FY 2019/20 budget

SUSTAINABLE HIV RESPONSE

- Government share of HIV funding up from 21% in FY 2015/16 to 33% in FY 2019/20
- Government contribution for HIV commodities up from 12% in FY 2018/19 to 19% in FY 2019/20
- US$186 million, combined (FY 2015/16–2021/22), for HIV commodities included in the national budget
- US$134 million requested to fund commodities for FYs 2022/23 to 2024/25

financial sustainability for Kenya's HIV response. These results and impacts (see Figure 1), for which HP+ has worked hand-in-hand with the government to achieve, contribute to Kenya's progress toward universal health coverage.

POLICY FOR FREE MATERNAL HEALTHCARE: CREATING LINDA MAMA

Healthy mothers are essential for healthy families. Given that maternal health had not improved for a decade, the Ministry of Health urgently wanted to address the issue. Support by HP+'s predecessor project gave rise to an activity to provide data to support rollout of a program to remove fees for maternity services at all public facilities. With the ministry, the project generated estimates of the expected number of deliveries per year, disaggregated by location (health centers, dispensaries, hospitals, etc.), by cost, and by number of women the program could cover. It estimated that, if enacted, the free maternity services program would save 18 women every day from dying in childbirth and would cost US$50 million a year to reimburse providers. The team also assessed implications of two fee reimbursement mechanisms for public health facilities.

The concepts were first presented to the Inter-agency Collaboration Committee on Health Financing. After meetings with the Cabinet Secretary and the Principal Secretary, a concept note was adopted by the Ministry of Health to present to the newly appointed (2012) Cabinet for discussion and a memo drafted to request resources to implement the plan. In June 2013, the new government removed all maternity user charges at health centers through a presidential

directive and put in place the free maternity services program at all public facilities. The package of services covered through the program included antenatal care, delivery and postnatal care, conditions and complications during pregnancy, and outpatient care for the infant up to one year of age.

In 2016, HP+ supported the Ministry of Health to evaluate how the program had performed and found that deliveries in public facilities had increased by 44 percent between 2013 and 2015 and that maternal deaths had declined by 7.9 percent. Another finding was that women wanted the opportunity to choose their own provider, including private facilities and faith-based organizations. As a result of this evidence, the government decided to transition the program to the National Health Insurance Fund to expand its access, secure its long-term sustainability, and in support of the government's *Kenya Vision 2030,* which positions free primary healthcare for all Kenyans as a key strategy for achieving universal health coverage.

HP+, the Ministry of Health, and National Health Insurance Fund staff worked together on the program redesign and analyzed data on resources required to implement under the insurance fund. The analysis provided crucial information to set the reimbursement rate for faith-based and private sector facilities and informed the decision to allocate about 4.6 billion Kenyan shillings to roll out the service to an expanded list of facilities, including private for-profit and faith-based providers, to offer women more choices. It was renamed "Linda Mama" ("Protect Mama" in Swahili) and was offered to pregnant uninsured Kenyan women and their newborns for up to one year—no matter where they received services. The inclusion of all types of providers had the beneficial effect of giving women choice and improving the quality of services as providers "competed" for clients.

To support implementation of the redesigned policy, HP+ assisted with preparing policy documents: a concept note that the Cabinet approved, a Linda Mama implementation manual, and a Ministry of Health-National Health Insurance Fund memorandum of understanding into which HP+ integrated accountability mechanisms to ensure that health outcomes and finances were transparently reported to the ministry.

LESSONS FROM LINDA MAMA:

- Political vision and commitment are essential to policy adoption and implementation.
- Engaging stakeholders through appropriate evidence-based data fosters policy buy-in and funding.
- Feedback gained through program evaluation allowed the government and HP+ to adapt the program to incorporate client concerns and facilitate sustainability.

Policy Impact: The allocation for Linda Mama totaled US$301 million for 2013 to 2020. Kenya recorded a 44 percent increase in the use of maternal health services in public facilities from June 2012 to September 2014 (Macharia and Maroa, 2014). The Ministry of Health's 2016 *Health Sector Report* indicates that the program has led to an increase in facility delivery uptake from 44 percent before the policy to 69 percent in fiscal year (FY) 2013/14, and 77 percent in FY 2015/16 (HP+, 2017). In addition, the maternal mortality ratio declined from 472 to 358 deaths per 100,000 live births between 2009 and 2014 after a decade of stagnation (WHO et al., 2019). Reports suggest that many poor mothers who would have delivered at home are now delivering at health facilities. The initial provider repayment arrangement enabled more than a half million women to access maternity services, according to internal Ministry of Health data from 2017. That figure increased to 1.1 million women benefitting from the Linda Mama program, according to the National Health Insurance Fund's

2019 performance report. The government of Kenya allocates resources to Linda Mama every year and has integrated the program within its universal health coverage agenda and the Kenya Vision 2030 objective to cover 1.36 million mothers and babies by 2022.

POLICY FOR ACCOUNTABILITY: COUNTY PROGRAM-BASED BUDGETING

In the wake of Kenya's devolution policy, the Health Policy Project worked with the Ministry of Health in 2013 to facilitate preparation of county strategic plans for health and identify county budget priorities. To hold counties accountable for their health spending and to align county health budgeting processes with national strategies, the government—endorsed by the Council of Governors—adopted a policy requiring all counties to switch from line-item budgeting to program-based budgeting methods that were mandated in 2012. But for the government policy to succeed, county health departments needed: (1) capacity strengthening for skills to examine local health issues so that budgets accurately addressed health needs and (2) coaching and mentoring to successfully defend their budget rationales and to advocate for county governments to adopt and fund proposed budgets.

Significant support by HP+ and its predecessor projects enabled county staff to become proficient in program-based budgeting, which allocates resources under defined strategic goals and provides sub-program categories for priority health areas, such as HIV, family planning, maternal health, malaria, tuberculosis, and nutrition. The projects worked with the Kenya School of Government to create a program-based budgeting template, curriculum, and facilitation guide for training staff in 26 of 47 counties. The project provided further support to county departments of health on advocating to political leaders on allocation needs and setting up health sector working groups where none existed. Using the medium-term expenditure framework approach, expenses expected for the next three to five years were closely tied to government planning and priorities. Iterative programs could be funded to lay the groundwork for longer-term objectives set forth in rolling multi-year plans. The framework helped counties forecast costs, establish current and future indicators, and set up reporting and monitoring structures for health budgeting.

HP+ training; mentoring; and institution of systems, guidelines, and tools took a county-by-county approach, sensitive to different needs in each location. The first phase of training support (provided January–March 2016) focused on 12 counties while the second phase (provided October–November 2016) added 14 counties, reaching 590 health management team members overall. Additional capacity strengthening activities in a third phase (2019 to 2021) were conducted after a political transition in 2017 led to hiring of new staff, which increased the number trained to 794. These trainings

> "HP+ took a county-by-county approach instead of grouping counties. This meant that we could tailor each [budget] to address county-unique problems."
>
> **—ANDREW RORI, DEPUTY DIRECTOR, KENYA SCHOOL OF GOVERNMENT**

SHIFT IN PRACTICES

HP+'s support helped to shift attitudes and work practices among county staff so that their use of program-based budgeting was not simply rote adherence to the new format but was marked by embracing change and a desire to understand its purposes. Over time, county teams began to adopt the program-based budgeting template and customized it to align with their specific disease burden and local priorities.

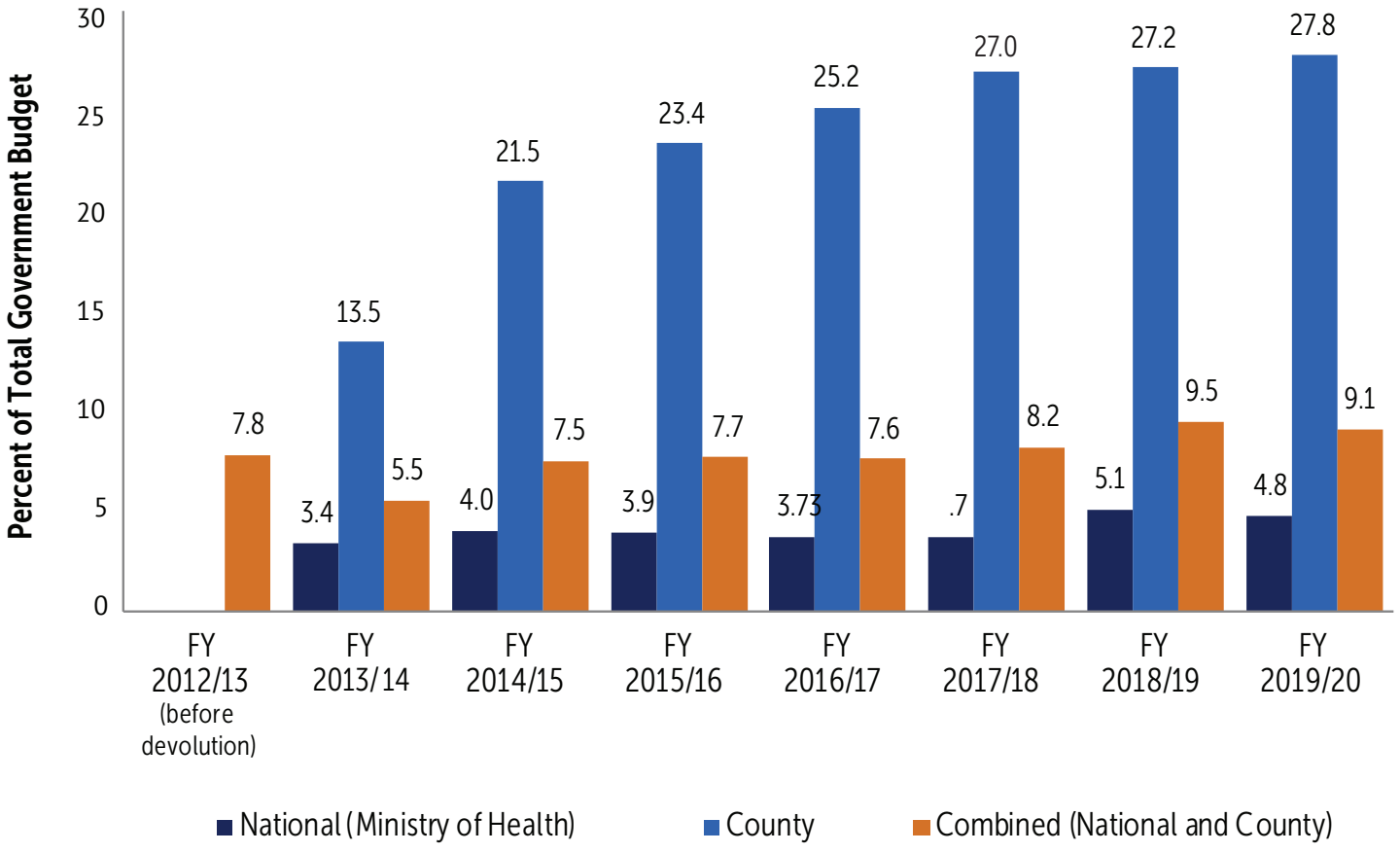
and subsequent refresher trainings were coordinated with health departments, county treasuries, and implementing partners. Support was extended through in-person mentorship, calls, and emails.

For nine select "deep-dive" counties in Kenya, HP+ went a step further, working with county teams to track how budgeted funds were spent and determine whether spending had the intended impacts on health outcomes. HP+ also worked with county health management teams to identify ways to be more efficient in spending—a process that revealed bottlenecks and gaps in supply chain, procurement, and human resources. HP+ developed roadmaps for addressing the gaps and strengthening local health systems.

The Kenya School of Government has used the program-based budgeting curriculum to sustain training of county health management teams and provide hands-on mentoring and coaching. The school, a lead partner in the budget reform effort, orients senior public officials to government policies and procedures, including program-based budgeting. This is important for institutionalizing and sustaining capacity in this area within the counties.

Capacity Strengthening Impact: The most visible result of the work to build staff capacity and provide ongoing mentoring in program-based budgeting was that county allocations for health increased from an average of 23.4 percent of county budgets in FY 2015/16 to 27.0 percent in 2017/18. Health teams were better able to track and share reliable data on resource use, which helped them establish and defend their budgets (see Figure 2).

Figure 2. National and County Allocations to Heath, FY 2012/13 to 2019/20



Source: Republic of Kenya, 2020

Many of the HP+ focus counties have been using new evidence available to them—notably the HP+-supported county health accounts—to increase efficiencies that help Kenya move toward universal health coverage. The county-focused budgeting and expenditure analysis effort generated significant evidence for national-level advocacy to improve resource allocation and efficient spending. This evidence is included in the annual HP+-supported national and county budget analysis and the *Kenya Health Financing System Assessment*, 2018.

HP+ capacity strengthening efforts have been instrumental in helping staff make strategic spending decisions, have proven successful in changing the approach to county health budgeting, and are embedded in the Kenya School of Government curriculum. The school is working on an online version for remote learners and a possible certification process, which can contribute to desirable career paths in the health sector and help stabilize turnover in county health staff.

> "I had 22 different budget categories before HP+ helped us, and we didn't know how to cost or estimate. We would just allocate 2 million here and 3 million there, without really knowing. Now I have three budget categories—health administration, curative health, and health promotion and prevention—and we can put our technical areas as sub-programs under them… The advocacy training has helped us defend our activities and we have been able to increase our health budgets each year."
>
> **—DR. SARAH ESINYEN, DIRECTOR OF MEDICAL SERVICES, TURKANA COUNTY**

POLICY SHIFTS TO EXPAND FINANCING FOR HIV

Financial support for health in Kenya derives from government spending that is heavily supplemented with resources from international donors and nongovernmental organizations. However, as Kenya progresses toward middle-income status and has made some gains in health outcomes, donor funding is likely to decrease. While Kenya is able to self-fund more government health services than in prior years, it will not be able to completely fill the resource gap, particularly given increased burden of non-communicable diseases and the economic consequences from the COVID-19 pandemic. The solution, at least in the short term, will be to make more efficient use of government funds and to seek innovative approaches for attracting new public and private investment.

An illustrative case in point is the urgency to protect the sustainability of funding to combat HIV as reliance on donors decreases. The costs to society are great if Kenya were to backslide and lose the strides it has made in HIV epidemic control—these strides include reaching an HIV prevalence rate of 4.6 percent in 2019 and increasing the number of people on antiretroviral therapy (ART) to 1.1 million as reported by the Joint United Nations Programme on HIV/AIDS.

Domestic Allocations to Safeguard HIV Funding

During the reorganization of health responsibilities and in conformity with Kenya's 2010 constitution (Schedule IV), the budget line for HIV interventions including antiretroviral (ARV) commodities was consolidated as shareable revenues and devolved to counties. As a result, there was no dedicated budget line for ARVs at national and county levels in FY 2013/14 and in the following year, which created a gap for HIV patients supported with government funding. To remedy this oversight, the Health Policy Project and the Ministry of Health mounted an advocacy campaign to reinstate the

HIV commodities line item in the national budget. As a result, about US$20 million was allocated the following year. In subsequent years, HP+ supported the ministry to successfully advocate for the allocation of $186 million over seven fiscal years (2015/16 to 2021/22) for antiretroviral drugs and related commodities (see Figure 3). For the three years beyond, a $134 million-line item has been requested for ARVs and related commodities in Kenya's medium-term expenditure framework—funding commodities through FY 2024/25, in part due to advocacy efforts.

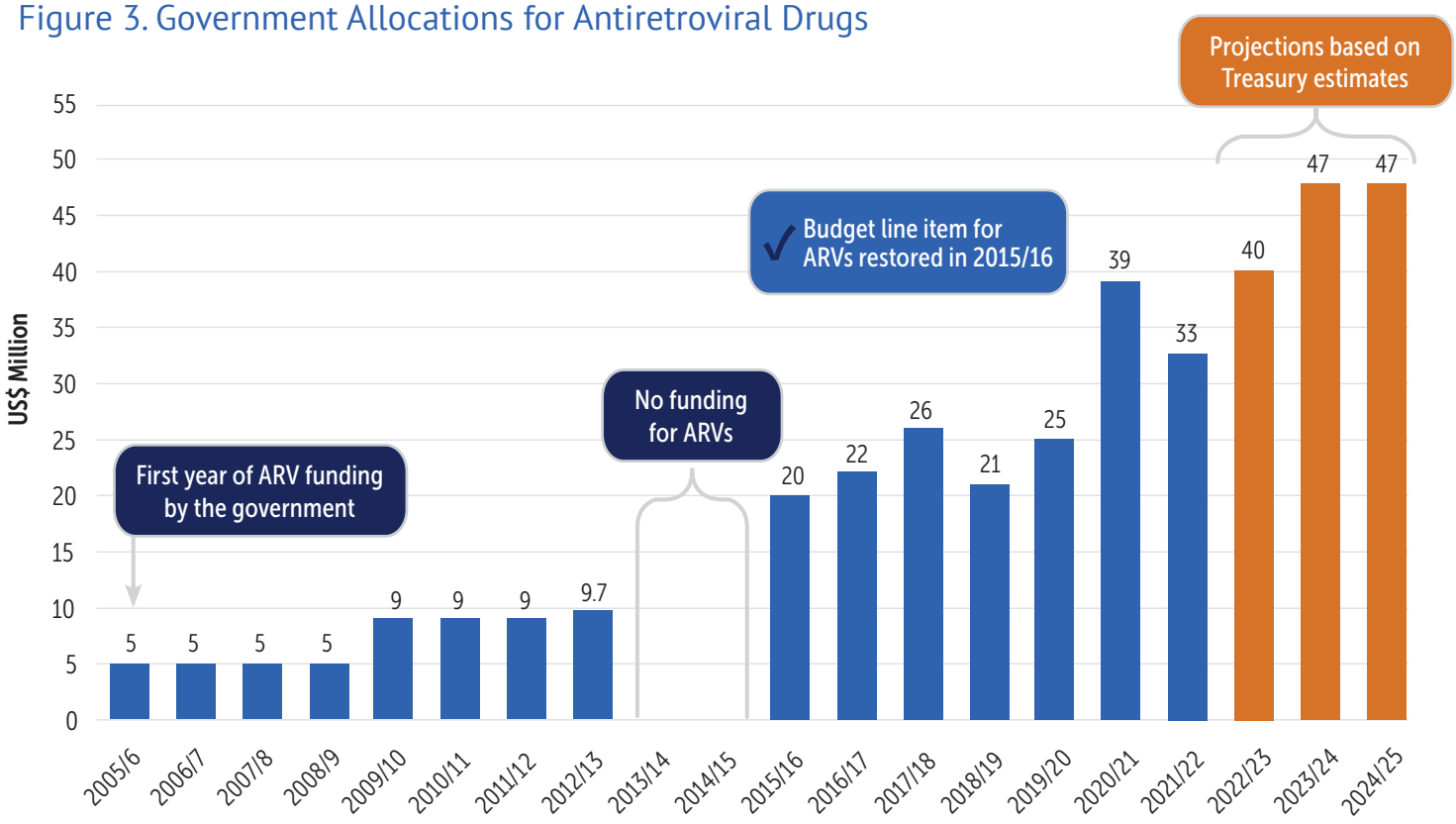
Aside from government allocations, HP+ also helped identify other sources of funding for HIV. The project provided costing expertise for Ministry of Health grant applications to the Global Fund. This work leveraged an additional $828 million in resources from the Global Fund and HP+ also helped to identify $18 million in government road-building contracts that could be allocated and made available for HIV.

Increasing Efficiencies to Safeguard HIV Funding

With the welcome downward trend in new HIV infections, Kenya now faces two interlinked challenges related to domestic funding for HIV: inadequate domestic resource mobilization to sustain gains already made in decreasing infection rates and erratic absorption (strategic use) of available resources. These challenges threaten Kenya's aspirational universal health coverage goal and achievement of its HIV treatment targets.

In the long term, to successfully transition from donor dependency and to fully sustain HIV programs with domestic funds, HP+ estimated that Kenya would need to mobilize US$534 million a year for the next five years. Since mobilization of such large sums is not feasible for any government entity at present, the HP+ analysis determined that a near-term priority would be to increase efficiency in health system governance

Figure 3. Government Allocations for Antiretroviral Drugs



and budgeting (see Box 1). HP+ has supported the government to become more efficient in the past. For example, it strengthened the capacity of government staff on procurement and budgeting to better schedule timely purchases of commodities, utilizing allocated funds more wisely and thoroughly.

The Potential of the Private Sector to Safeguard HIV Funding

Public-private partnerships offer an opportunity for the private sector to take an active role in providing HIV services; however, the enabling environment for such partnerships is not fully in place, although the Kenya National AIDS and STI Control Programme, with HP+ support, is laying the groundwork for creating a private sector engagement framework. In 2017, HP+ identified paths to increase ART uptake through private sector providers for people who are able to pay—estimated to be approximately 50,000 clients (Dutta et al., 2018); however, currently only about 10,000 people living with HIV are estimated to be accessing ART from the private sector. This path could free about US$50 million a year at scale.

BOX 1. SUPPORTING INCREASED FUNDING AND EFFICIENCY FOR HEALTH

In 2013, the Health Policy Project supported an advocacy campaign to increase health sector funding from 5.5 percent of the national government budget to 12 percent by 2017. Through sustained advocacy, the government increased its health allocation by FY 2019/20 to 9.1 percent of the national budget. However, that percentage was short of the 15 percent recommended by the Abuja Declaration. An HP+ **post-devolution analysis** of Kenya's national and county health budgets in 2020 revealed that while there had been a significant increase in resources allocated to health, gaps remained, including an insufficient expansion of the health budget to meet the funding level recommended by the Abuja Declaration, lack of allocative efficiency to increase resources for preventive health services, and a continuing reliance on donor funding for priority disease programs (Republic of Kenya, 2020). The report made several high-level recommendations to increase domestic funding and efficiency in spending for health:

- Increase coordination between the national government and county governments to allow counties to set some of their own funding priorities based on specific needs.
- Enable counties to distinguish between national government funding and funds coming from donors through the national budget.
- Shift from resources focused on curative health services to services focused on prevention, reflecting a long-term investment in efficiency, better outcomes, and a path toward universal health coverage.
- Reduce personnel spending at the county level, which consumed 70 percent of health budgets in 2019 while operations and drugs consumed only 19 percent and 12 percent, respectively.

However, due to the current lack of a private sector engagement framework and lack of access to subsidized HIV medicines, private providers have limited opportunity to expand care and treatment services.

Should the enabling environment improve for private sector participation, and should the economy rebound quickly after COVID-19 as is predicted, Kenya could see incomes rise and the price of antiretrovirals go down—a situation that would be conducive to advocating for changes. Beneficial outcomes of private sector services would be increased diversification of domestic resources for health, freeing-up government resources for other health improvements, and more capacity for Kenya to sustain its program without as much donor support.

IMPACTS ON HIV SERVICE SUSTAINABILITY

Kenya's use of domestic funds for health are increasing—positive impacts include:

- The Kenyan government's share of financing for HIV programs has increased from 21 percent in FY 2015/16 to 33 percent in FY 2019/20.
- Kenya's contribution for antiretroviral medications and related HIV commodities increased from 0 percent in FY 2014/15 to 12 percent in 2019/20 through advocacy efforts supported by health policy projects.
- The share of spending from external sources has declined from 79 percent to 67 percent in FY 2019/20 (PEPFAR, 2020).

PROSPECTS FOR ACHIEVING UNIVERSAL HEALTH COVERAGE

Kenya is already on the path to achieving its universal health coverage goals. It is experimenting with the removal of user fees for services through government spending to reimburse facilities and improve access. It is mandating strategic budgeting processes for health and increasing allocations at national and county levels. County spending on health is slowly increasing and perhaps will increase more as counties have more say—also a reflection of government priorities. HP+ has worked with the Ministry of Health to analyze, implement, and monitor these changes. HP+ work has borne important fruit:

- Mothers and their newborns have more options for treatment and care close to home and a decades-long drought in improving maternal and newborn health is on an upward trend.
- Counties have gained skills in planning to meet health needs through strategic budgeting based on evidence while county spending and national health priorities are in closer alignment.
- The national gains in reducing HIV infection rates and improving survival are on a path to sustainability through diversified funding and widely available treatment.
- Manuals and training materials are available for strategic planning and budgeting, financial management controls are more robust at national and subnational levels, and costing analyses and tools for HIV programs are now on hand.

Overall, with its willingness for policy experimentation and private sector innovation, the country can develop and accelerate future approaches for a robust health sector and improved lives for Kenyans.

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