Ministry of Health

Policy Proposal on the Presidents' Initiative on Free Maternal Health Services in Kenya

1 Background

The ante and post neonatal services as well as care provided during delivery are critical for the survival and well-being of mother child. According to 2008/9 KDHS, 92 percent of women in Kenya receive antenatal care from a medical professional. During antenatal care visits women are screened for complications and advice is given on a range of issues, including place of delivery and referral. However, this does not translate to more births taking place at health facilities. The 2008/9 KDHS reported that 43 percent of births in Kenya are delivered in a health facility, while 56 percent of births take place at home.

Hence the high maternal mortality rate (MMR) at 488 per 100,000 live births respectively. This is a matter of great concern, as these deaths arise from well-known preventable causes – obstructed labour, complications of unsafe abortion, infections, hemorrhage and high blood pressure. Most of these deaths can be avoided if presented early enough to a qualified health professional.

Some of the factors hindering women from delivering at a health facility include availability of transport, negative attitudes of health workers, distance to facilities and cultural preferences and charges for services which are beyond what most women can afford. Hence the government commitment to abolish user fees in order to encourage women to deliver at health facilities.

2 The New Policy Initiative

In line with Jubilee coalition manifesto, the government has decided to provide free maternal health care services in public health facilities in an effort to remove financial barrier preventing mothers from accessing skilled birth attendance and improve MMR. The services to be provided under free maternal health package are antenatal, post-natal care up to six weeks, Deliveries (normal and CS), Referral services, complication related pregnancies and family planning. In addition, all fees charged for health care services at lower level facilities have been abolished. These policy initiatives are intended to fast track the attainment of MDGs 4 and 5.

3 Options for Financing Free Maternal Health Services

The cost of providing health care services at public health facilities are subsidized by the government which pays for staff, medical supplies and provides funds for operations and maintenance. Therefore the objective of the government is not to reimburse the true cost of providing maternity services but compensate for additional costs financed by women seeking care. Since these policies are to be implemented within three months upon the Jubilee coalition government taking office, it was felt appropriate to explore existing mechanisms in order to fast track disbursement of funds.

Based on the fore-going, the maternal health package and abolition of fees at lower level facilities can be financed through three main channels as follows:

1. Conditional grants to health facilities using existing systems – Health Sector Service Fund (HSSF) and Hospital Management Services Fund (HMSF)
2. A hybrid Mechanism- HSSF for the lower level facilities and the NHIF for levels 4,5 and 6
3. Use of the National Hospital Insurance Fund (NHIF)/payment of NHIF to cover all pregnant mothers

The estimation of the cost of financing free maternal health care is based on a number of factors that include the number of possible pregnancies and level of subsidies provided to health facilities and various health inputs. It is estimated that that 1.5 million pregnancies occur annually in Kenya. Assuming a 20 percent (or 300,000) of the pregnant mothers' deliveries are supported through pre-payment schemes (private health insurance and NHIF), the Government would ideally need to provide support for the 1.2 million pregnancies. The financing of maternal health care for the 1.2 million pregnancies is explained below:

3.1 Conditional Grants to health facilities Through Existing Mechanisms

In a bid to improve the coverage of access to health care by Kenyans, the Government in 2009 established two financing schemes that aimed at transferring funds directly to health facilities – Health Sector Service Fund (HSSF) for health centres and dispensaries and the Hospital Management Service Fund (HMSF) for hospitals. The MoH intends to use these two existing mechanisms to reimburse public health for each delivery at Kshs. 2,500 and Kshs. 5,000 for health centres/Dispensaries and hospitals respectively. It is assumed that once maternal health services are made free, utilization will increase sharply from the current level of 50 percent to 70 percent in the first year. Thereafter, utilization is expected to increase gradually and stabilize at 80 percent.

Assuming 40 percent of deliveries take place in health centres/Dispensaries and 60 percent in hospitals and a coverage rate of 70 percent in the first year, the cost of providing free maternal health services amounts to Kshs.3.36 billion. Details of the cost projections under this mechanism are presented in table 1.

Table1: Conditional Grants through HSSF and HMSF

	Year 1	Year2	Year 3	Year4	Year5
Annual pregnancies	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Coverage (%)	70	75	80	80	80
% of Deliveries through prepayment schemes	20	20	20	20	20
Total deliveries through prepayment schemes	300,000	300,000	300,000	300,000	300,000
Deliveries to be financed through Free Maternal Health Policy	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Conditional grants					
HSSF (Health centres/Disp.)	840,000,000	1,125,000,000	1,440,000,000	1,680,000,000	1,800,000,000
HMSF (Hospitals)	2,520,000,000	2,250,000,000	1,920,000,000	1,440,000,000	1,200,000,000
Total cost	**3,360,000,000**	**3,375,000,000**	**3,360,000,000**	**3,120,000,000**	**3,000,000,000**

3.2 Hybrid mechanism – HSSF and NHIF

Under the Hybrid mechanism NHIF will cover deliveries at public hospitals and use of HSSF to channel reimbursements to health centres and dispensaries. NHIF cover will guarantee women a comprehensive maternal health package for free and hospitals will be entitled for reimbursements upon presentation of invoices to NHIF, based on agreed rates.

Table 2 shows the NHIF premium cost projections assuming a baseline coverage rate of 70 percent in year 1 which will rise to 80 percent in year 5 after mounting educational and awareness programmes targeting mothers who deliver at home due to other reasons that include cultural preferences other than financial barriers. It is also assumed that the same distributional ratios for delivery of maternal health care services between hospitals and health centres/dispensaries as discussed above suffice. A premium rate of Kshs. 2,500 has been assumed.

Table 2: Hybrid mechanism – HSSF and NHIF

	Year 1	Year2	Year 3	Year4	Year5
Annual pregnancies	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Coverage	70	75	80	80	80
% of Deliveries through prepayment schemes	20	20	20	20	20
Total deliveries through prepayment schemes	300,000	300,000	300,000	300,000	300,000
Deliveries to be financed through Free Maternal Health Policy	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Hybrid mechanism					
HSSF (Health centres/Disp.)	840,000,000	1,125,000,000	1,440,000,000	1,680,000,000	1,800,000,000
NHIF	1,260,000,000	1,125,000,000	960,000,000	720,000,000	600,000,000
Total cost of premiums	**2,100,000,000**	**2,250,000,000**	**2,400,000,000**	**2,400,000,000**	**2,400,000,000**

3.3 National Hospital Insurance Fund (NHIF) option

Under this option, it is assumed that a reformed NHIF is able to provide both inpatient and outpatient package that include maternal health care. The Strategic Review of NHIF undertaken in 2010/11 proposed the restructuring of NHIF among other key reforms. Fast tracking the proposed restructuring and other ongoing reforms will position NHIF as a key health financing institution that will be used by the government to achieve universal coverage. Under this option, the Government will pay premiums on behalf of pregnant mothers to enable them access free maternal care at dispensaries, health centres, and hospitals. Table 3 expounds the premium projections by NHIF assuming the same coverage and health service delivery proportions between health centres/dispensaries and hospitals as described above.

Table 3: National Hospital Insurance Fund option

	Year 1	Year2	Year 3	Year4	Year5
Annual pregnancies	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Coverage	70	75	80	80	80
% of Deliveries through prepayment schemes	20	20	20	20	20
Total deliveries through prepayment schemes	300,000	300,000	300,000	300,000	300,000
Deliveries to be financed through Free Maternal Health Policy	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
NHIF option					
Premium rate	2,500	2,500	2,500	2,500	2,500
Total cost of premiums	**2,100,000,000**	**2,250,000,000**	**2,400,000,000**	**2,400,000,000**	**2,400,000,000**

4 Other necessary conditions to support the free maternal health policy

The above proposal only addresses financial barriers and is not sufficient enough to comprehensively address all barriers to accessing maternal health services in public health facilities. To achieve MDG 4 and 5 and therefore Vision 2030, the issues that equally require urgent attention to complement the free maternal delivery policy include the following:

- Maternal, new born and child health commodities (medical supplies and equipments)
- Human resource challenges (numbers, distribution, skills/competencies and retention of mid-wives and doctors)
- Infrastructure related challenges (geographical location of health facilities, functionality for basic and comprehensive obstetric care)
- Strengthen the Referral system (Patient referral, Ambulance system and emergency preparedness and response)
- Health information system to inform better planning and budgeting
- Health education to addresses cultural preferences

While it may be challenging to immediately strengthen all elements of the health systems for effective and efficient maternal health care, there are certain low hanging fruits that can be quickly harnessed for immediate impact on service delivery and quality of care. These include the following:

- Equitable deployment and distribution of skilled health personnel with a focus on those areas contributing most to the high maternal and newborn mortality and in all the levels of health care system.
- Fast track in-service on the job training of the standardized competency based EmONC training; and promote pre-service competency based EmONC training.
- Ensuring that KEMSA delivers essential MNH commodities and supplies to all the primary level facilities providing maternity services and use of mobile phone and other technologies to track and report consumption data and immediately respond to eliminate stock outs

4.1 Recommendations

- On the basis of the above analysis, we recommend adoption of model I of reimbursing funds to facilities that will provide free maternal health care. In the next three months – from April to June, 2013, the sector will ideally require Kshs. 840 million to start implementing the policy. Likewise, the government will continue to encourage partners to participate in the implementation of this important policy. The sector also encourages consolidation of other similar initiatives in the sector supported by partners for alignment and effectiveness
- In the long term and for sustainability, it is recommended that option III is adopted as it is more efficient, equitable and sustainable. Fast tracking restructuring of NHIF and other proposed reforms is of paramount importance.
- It is also recommended that the other necessary conditions proposed above to support the free maternal health policy, are gradually and consistently implemented to provide the back-up needed for smooth implemented of the policy