

Question 2: *What are effective and sustainable mechanisms or processes to integrate local, community, sub-national, national, and regional voices, priorities, and contributions into health system strengthening efforts?*



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

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Context

Kenya devolves health authority to the counties to bring decisions about health resources and services closer to the communities served.

- In 2013, Kenya devolved much of the function and authority of its central government, including its health system, out to 47 newly created counties. Under the devolved system, the counties budget for and deliver health services, guided by national-level health policies. In theory, devolution “promote[s] community participation, accountability, technical efficiency and equity in the management of resources” by bringing decision-making authority closer to the communities that those decisions are meant to serve. If effectively leveraged, this system could allow the country to accelerate progress toward achieving universal health coverage—the Government of Kenya’s (GOK’s) long-term policy goal for the health sector.

- In 2012, the GOK adopted a policy to require all counties to switch from line-item budgeting to program-based budgeting (PBB) methods to hold counties accountable for their health spending and to align county health budgeting processes with national strategies. Program-based budgeting allocates resources under defined strategic goals and provides subprogram categories for priority health areas (e.g., HIV, family planning, maternal health, malaria, tuberculosis, and nutrition).

Capacity strengthening was necessary to ensure counties could implement their new authority and accelerate the national health goals of improving maternal health, accelerating universal health coverage, and sustaining gains in HIV epidemic control.

- When implementation of devolution and the PBB mandate began, county health management teams lacked the necessary capacity to implement their newly assigned authority, including program-based budgeting. At the same time, Kenya urgently needed to increase its domestic resources for health. 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 has progressed toward middle-income status and made gains in health outcomes, donor funding has begun to decrease.
- The GOK has made progress in self-funding government health services, but it has not been able to completely fill the resource gap, particularly because of the increased burden of noncommunicable diseases and the economic consequences of the COVID-19 pandemic. More efficient use of government funds and adoption of innovative approaches for attracting new public and private investment are two pathways to filling the resource gap and ensuring counties have sufficient budget to meet their communities’ needs.

As reliance on donors began to decrease, protecting the sustainability of funding to combat HIV in Kenya became urgent. The HIV program has made significant progress. In 2021, it reduced new infections, lowering the adult HIV prevalence rate to 4.0%, and maintained the number of people on antiretroviral therapy (ART) at 1.1 million. Improving maternal health was also a priority issue for the Ministry of Health (MOH); healthy mothers are essential for healthy families, but maternal health outcomes had not improved for a decade.

- In 2010, 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 the national and county level from FY 2013/14 to FY 2014/15.
- The GOK needed to mobilize an estimated US\$534 million per year to fully sustain gains by the HIV program with domestic funds. However, the interlinked challenges of inadequate domestic resource mobilization and erratic use of available resources stood in the way of the GOK’s aspirational goal of universal health coverage and achievement of its HIV treatment targets.

Activity Description

The Health Policy Plus (HP+) project’s overarching approach to strengthening health systems was to (1) support strong policy development and implementation; (2) mobilize adequate, predictable, and sustainable health financing; (3) enhance government stewardship, transparency, and accountability; and (4) produce evidence to inform strategies at the global, national, and subnational levels. HP+ worked with Kenya’s MOH, Ministry of Finance, local government authorities, development partners, civil society organizations, academia, and private sector to strengthen these interdependent and interconnected components of the health ecosystem to achieve better health outcomes and more equitable access to high-quality services. HP+ engaged with these health actors by providing technical assistance, capacity development, and advocacy to improve health system functioning, efficiency, and performance as well as response preparedness for health emergencies.

In Kenya, HP+ supported the government in implementing three key policy shifts related to (1) free maternal healthcare, (2) budgeting for health, and (3) HIV financing that helped move the health sector closer to its goal of universal health coverage. HP+’s support included generating evidence for advocates and policymakers; improving public financial management; and strengthening the stewardship, accountability, and transparency of health budgets.

- HP+ worked with the MOH to support the roll-out of a policy to remove fees for maternity services at all public facilities. HP+ modeled the expected number of deliveries per year, disaggregated by location, facility level, cost, and number of women the program could cover, and generated evidence showing that 18 women would be saved from dying from childbirth every day for the cost of US\$50 million per year to reimburse providers. Concepts were presented by the MOH to the Interagency Collaboration Committee on Health Financing, the Cabinet Secretary and Principal Secretary, and the full Cabinet. In June 2013, the GOK 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. HP+ subsequently worked with the MOH and the National Hospital Insurance Fund (NHIF) to analyze data on the resources required to implement the program under the insurance fund and to set reimbursement rates for providers. HP+ prepared policy documents (manuals, concept notes, accountability mechanisms) to support implementation of the redesigned policy.
- HP+ worked with the Kenya School of Government and the MOH to train county staff to be proficient in program-based budgeting, preparing county-level multiyear strategic plans for health, identifying county budget priorities, forecasting costs, and establishing indicators. HP+ provided capacity strengthening for the skills necessary to examine local health issues so that budgets would accurately address a county’s unique health needs. HP+ also provided coaching and mentoring on how to successfully defend budget rationales and advocate for county governments to adopt and fund proposed budgets. Program-based budgeting templates, tools, curricula, and facilitation guides for training, as well as reporting and monitoring structures for health budgeting, were developed. Further support was given to county departments of health on advocating to political leaders on allocation needs and the establishment of health sector working groups. Trainings and subsequent refresher trainings were coordinated with health departments, county treasuries, and implementing partners.
- HP+ worked with the MOH to implement an advocacy campaign to reinstate the HIV commodities line item in the national budget, a gap that existed from 2013 to 2015, resulting in US\$20 million allocated the following year. HP+ generated evidence showing that the GOK needed to mobilize US\$534 million per year to fully sustain the HIV program with domestic funds. Raising such a large amount is not feasible for any low- or middle-income government at present. Therefore, the strategy in the near term was to increase efficiency in health systems’ governance and budgeting, with a focus on strengthening the capacity of GOK staff to implement timely procurement of commodities and allocate funds more effectively for greater impact. Working with the Kenya National AIDS and STI Control Programme, HP+ also explored the potential of the private sector to support HIV funding and service provision. A framework for a public-private partnership that would enable the private sector to take a more active role in providing HIV services is being developed. An analysis suggested that increasing ART uptake through private sector providers that treat people living with HIV who can pay for ART could free up about US\$50 million per year at scale.

Activity Impact

The results from HP+ interventions 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 financial sustainability for Kenya’s HIV response. These results and impacts (see Figure 1), for which HP+ worked hand in hand with the government, contributed to Kenya’s progress toward universal health coverage.

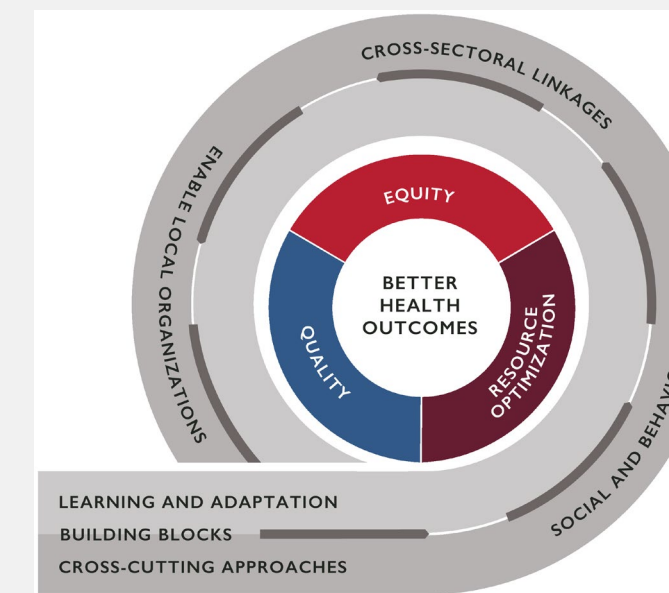
Figure 1: Impacts from Policy Shifts with HP+ Support

FREE MATERNAL HEALTHCARE	PROGRAM-BASED BUDGETING FOR HEALTH	SUSTAINABLE HIV RESPONSE
<ul style="list-style-type: none"> US\$301 million secured over 7 years (2013–2020), in part through advocacy efforts 500,000 women provided with free maternity services during 2012–2014 More than 1.1 million women provided with expanded access to services Access expanded and long-term sustainability secured by transitioning program to the NHIF 	<ul style="list-style-type: none"> 26 counties and 805 health management team members trained Spending and health outcomes tracked in 9 counties US\$258 million collectively allocated to health in the 26 counties from FY 2016/17 to FY 2021/22 US\$5.2 million allocated to maternal health 	<ul style="list-style-type: none"> US\$186 million included in the national budget for ARVs and HIV commodities (combined) from FY 2015/16 to FY 2021/22 US\$165 million requested to fund commodities from FY 2022/23 to FY 2024/25

The package of services covered under the adopted policy for free maternal healthcare included antenatal care, delivery, and postnatal care; conditions and complications during pregnancy; and outpatient care for the infant up to one year of age.

HP+ support on program-based budgeting helped to shift attitudes and work practices among county staff so that staff did not merely perform rote adherence to a new format but embraced the change and strove to understand its purpose. Before the intervention, county health management teams would allocate resources to as many as 22 different budget categories without really knowing why. Now they purposely target resources to technical sub-areas and can defend their activities, leading to increased health budgets. The national treasury has adopted the program-based budgeting curriculum.

In addition to government allocations to HIV, US\$821 million was leveraged from the Global Fund and US\$18 million in government road building contracts was made available for HIV.

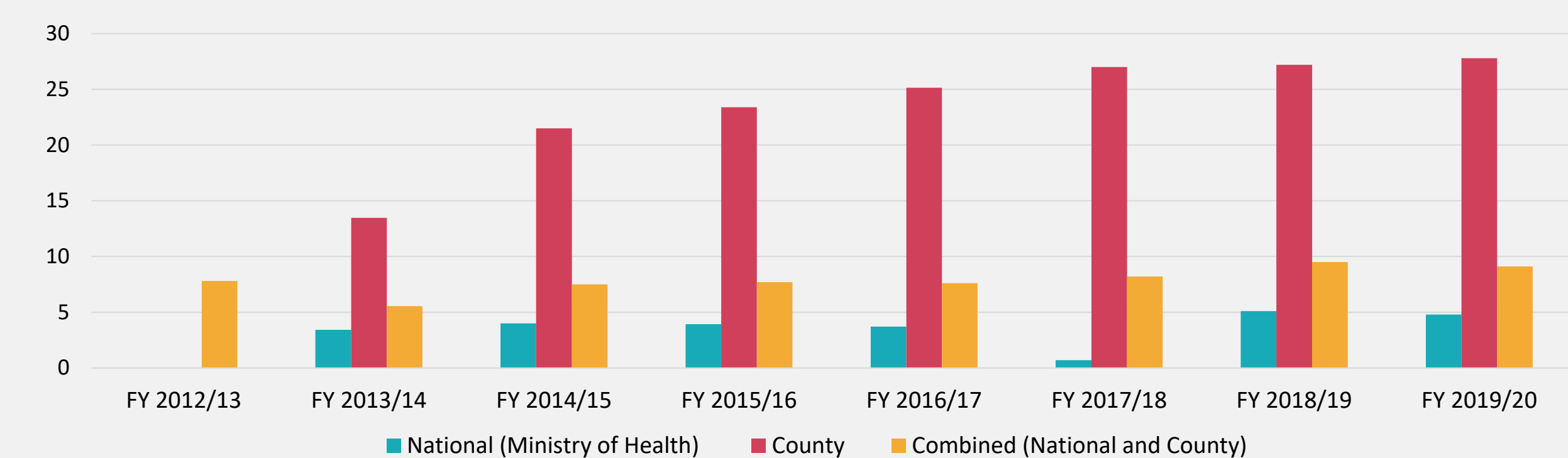


Evidence

Figure 2: Evidence That Policy Shifts Were Successful

FREE MATERNAL HEALTHCARE	PROGRAM-BASED BUDGETING FOR HEALTH	SUSTAINABLE HIV RESPONSE
<ul style="list-style-type: none"> 46.7% increase in attended deliveries in public facilities 30.6% decrease in maternal deaths (between 2013 and 2020) after a decade of stagnation 	<ul style="list-style-type: none"> County health allocations up from 23.4% of the FY 2015/16 budget to 27.8% of the FY 2019/20 budget (Figure 3) County-focused budget and expenditure analysis generated evidence used in national documents such as the Kenya Health Financing Systems Assessment (2018) 	<ul style="list-style-type: none"> 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 Share of spending from external sources declined from 79% to 67% in FY 2019/20

Figure 3: National and County Allocations to Health FY 2012/13 to FY 2019/20



Facilitators

- Political vision and commitment were essential to policy adoption and implementation. Engaging stakeholders, particularly the GOK, through appropriate evidence-based data fostered policy buy-in and funding.
- The Kenya School of Government used the program-based budgeting curriculum to sustain training of county health management teams and to provide hands-on mentoring and coaching. The school, a lead partner in the budget reform effort, oriented senior public officials to government policies and procedures. This training was important for localizing, institutionalizing, and sustaining capacity in program-based budgeting within the counties.
- Expanding access to subsidized HIV medicines could give private sector providers of HIV an opportunity to expand care and treatment services. A quick economic rebound post-COVID-19 could see incomes rise in Kenya and prices of ARVs go down, leading to a conducive enabling environment for increased private sector participation that would diversify domestic resources for health. This would free up government resources for other health investments and reduce the GOK’s reliance on donor support.
- Fostering consultative discussions with key MOH officers for high-level advocacy during the medium-term expenditure framework process created an important platform to articulate funding priorities for core health programs.

Challenges

- An advocacy campaign for increased budget allocations to health did help increase the GOK funding for health from 5.5% of the national government in 2013 to 9.1% in 2019. However, this is still short of the 15% Abuja Declaration target. The remaining resource gaps for health and continued lack of allocative efficiency have caused the GOK to stay reliant on donor funding for priority disease programs.
- Uncoordinated planning and procurement of essential medicines and other health commodities can lead to insufficient absorption of budget allocations to health. In resource-constrained settings with many competing social sector priorities, institutions with strong public financial management, including budget execution, are more likely to receive funding because they have shown themselves to be capable of managing and using their resources effectively.
- Elections and other factors created turnover among trained county teams. Regular trainings need to be institutionalized to maintain the capacity of county staff.
- After-training mentorship and follow-up are necessary to ensure that the county teams adhere to the program-based budgeting approach and tools. Continued advocacy activities in the counties are also necessary to ensure that county political leadership understands the constraints faced by the health sector and the need for increased funds.

Lessons Learned

- Feedback gained through program evaluation allowed the GOK and HP+ to adapt programs to incorporate client concerns and facilitate sustainability. The free maternal health program transitioned to the NHIF because women disclosed that they wanted the opportunity to choose their own provider, including private facilities and faith-based organizations.
- Working with county health management teams to identify ways to be more efficient in spending revealed bottlenecks and gaps in supply chains, procurement, and human resources.
- Increasing domestic funding and efficiency in spending for health requires increased coordination between the national government and county governments to allow counties to set some of their own funding priorities based on specific needs. For example, shifting resources from curative health services to services focused on prevention, reflecting a long-term investment, may result in better health outcomes and progress toward universal health coverage. In addition, reducing personnel spending at the county level, which represented 70% of the health budget in 2019, would free up funds for essential medicines and operating costs for health facilities.
- Producing manuals, training materials, and tools and making them available to health administrators at all levels of the health system for strategic planning and budgeting, financial management controls, and costing analyses is important to helping Kenya progress toward achieving universal health coverage.
- It is necessary to understand the local context and program challenges. This requires exploring the legal, regulatory, and policy environments; assessing the health financing maturity of the setting; understanding the program background and performance challenges; and identifying the capacity needs for training and implementation.
- Mapping the county budget cycle is important when helping county departments of health secure greater allocations. The budget cycle is not linear, but rather a series of overlapping processes and tasks from the previous, current, and next fiscal years. In Kenya, the budget cycle is organized in four stages: (1) prioritization and determination of resource envelopes; (2) preparation of budget estimates; (3) legislative approval; and (4) budget execution, monitoring, and review. Health budget advocates can take specific actions to influence the budget cycle at each stage.
- Conducting a political economy and stakeholder analysis can reveal insights into how to ensure active engagement to build local ownership.

