MINISTRY OF HEALTH
OFFICE OF THE CABINET SECRETARY
TAIFA CARE MEDIA UPDATE
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1. **Clarification of the 880 base premium for SHIF vs Minimum 300 contribution .**

The implementation of the **Social Health Insurance Fund (SHIF)** under the **Taifa Care** model marks a transformative step toward achieving **Universal Health Coverage (UHC)**—a key pillar of the **Kenya Kwanza** government's agenda. SHIF introduces a more equitable and sustainable healthcare financing model, ensuring that all Kenyans, regardless of socio-economic status, can access essential health services without financial hardship. This reform aligns with the **Ministry of Health's** core mandate to promote and protect the health of all Kenyans while providing financial risk protection to households.

One of the critical elements of SHIF is its **income-based contribution model**, ensuring fairness across all economic groups. Contributions for both formal and informal households are determined by their ability to pay, using **proxy means testing** to assess financial capacity. The minimum contribution for the most vulnerable households is set at **KES 300**, a reduction from the **KES 500** charged under the **National Health Insurance Fund (NHIF)**. However, contributions vary among households, just as they do in the formal sector, ensuring that those with higher incomes contribute proportionally more. This approach prevents low-income Kenyans from being locked out of the healthcare system due to financial constraints while maintaining equity in funding.

For SHIF to be financially sustainable, the revenue collected must be sufficient to cover healthcare benefits for all members. A key measure of fund stability is the **average monthly premium per person**, which should be at least **KES 880**. Currently, the average stands at **KES 1,065**, demonstrating that SHIF remains both **affordable and viable**. This progressive financing model balances contributions across different income brackets, ensuring that the healthcare system is adequately resourced while maintaining affordability for all members.

The **Taifa Care** model under **SHA (Social Health Authority)** represents a significant shift from the previous **NHIF** structure, which struggled with

inequitable contributions, inefficiencies in reimbursements, and financial instability. By adopting a **structured and transparent payment** system, SHIF enhances efficiency in fund management, guarantees timely payments to healthcare providers, and safeguards the **availability and quality** of healthcare services. This transformation addresses past challenges and ensures that healthcare financing is **sustainable, inclusive, and aligned with UHC goals**.

To achieve **UHC under Taifa Care**, nationwide participation in SHIF is essential. The government is actively engaging **employers, county governments, and private-sector partners** to encourage SHIF enrollment, ensuring **universal access to healthcare services**. The **Ministry of Health** remains committed to refining the system, addressing emerging concerns, and continuously improving healthcare financing to guarantee **accessible, affordable, and high-quality care for every Kenyan**.

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2. Response to the RUPHA Statement

The Ministry of Health acknowledges the **concerns raised by the Rural Private Hospitals Association (RUPHA)** regarding SHIF reimbursement structures and operational processes. As a key stakeholder in the healthcare sector, RUPHA plays an essential role in **extending health services to rural and underserved communities**, complementing the efforts of public hospitals. The government remains committed to fostering a **collaborative approach** with private healthcare providers to enhance service delivery under SHA.

The **government**, through its UHC agenda, recognizes the **importance of an inclusive healthcare system** that integrates public and private facilities to ensure widespread coverage. The Ministry has therefore prioritized **open and structured engagements** with healthcare providers, including RUPHA, to address concerns regarding payment timelines, facility accreditation, and service-level agreements.

The Ministry has met and engaged with RUPHA, amongst other stakeholders, to address the concerns raised. One of the key concerns raised by RUPHA relates to **delays in claims processing and reimbursement for services rendered under SHIF and the PHC Fund**. The Ministry has introduced **clear guidelines for facility accreditation, standardized claims submission processes, and an enhanced digital system for real-time claim tracking**. These measures are designed to **eliminate past inefficiencies and ensure that all service providers receive their payments on time**.

The Ministry also emphasizes the need for **accountability and transparency** in healthcare financing. While the government is committed to prompt payments, facilities must also **adhere to service quality standards and accurate documentation** to facilitate faster reimbursements.

SHA has since the inception of the program paid the claims launched by the facilities promptly. **While the law gives SHA 90 days to pay the claim, we clarify SHA has been paying for the verified claims monthly,** the payment having been made up to end of 31st January 2025. It is good to clarify that SHA payments have gone to **Private, FBOs and Government facilities** including **KES 5.1 billion** paid on Monday.. The RUPHA facilities have been paid for all the claims up to end of January 2025

SHA inherited a substantial debt from the defunct NHIF, posing a significant financial challenge to the healthcare system. The **Ministry of Health** has made considerable progress in addressing these outstanding obligations, having already paid **KES 8.6B** towards settling NHIF debts between **September and December**. This demonstrates the government's commitment to ensuring financial stability in the health sector and sustaining service delivery.

To ensure transparency and accuracy, **SHA** has been meticulously verifying NHIF claims and conducting reconciliations with each affected healthcare facility. This process involves rigorous validation to confirm legitimate claims before finalizing payments. Once verification is complete and agreements are signed with the respective facilities, a structured settlement plan will be developed in consultation with contracted providers to clear the outstanding NHIF debt.

The **Ministry of Health** remains committed to continuous engagement with healthcare facilities and other stakeholders to address any emerging challenges. By fostering collaboration and streamlining payment processes, the government seeks to ensure that healthcare providers are adequately supported.

Ultimately, these efforts are aimed at safeguarding uninterrupted service delivery and upholding the quality of care under the **Taifa Care** model. The Ministry assures all stakeholders that it will maintain open communication and transparency throughout the debt settlement process to strengthen confidence in the health financing system.

As we move forward with the **full implementation of Taifa Care**, the Ministry encourages private sector partners to **embrace the changes**, actively participate in policy discussions, and work together with the government in realizing the shared goal of **UHC for all Kenyans**. The Ministry remains available for dialogue and will continue working towards a **fair and efficient system that benefits both healthcare providers and patients**.

3. Payment for PHC Services (Oct 1 - Dec 31, 2024) and Transition to Global Budget Model for Primary Health Care Services

Between **October 1, 2024, and December 31, 2024**, the government utilized a **capitation-based model** to fund **Primary Health Care (PHC) services** under SHA. Under this model, healthcare facilities received **a fixed amount per enrolled beneficiary**, ensuring that routine outpatient and preventive services were **predictable and adequately funded**. Capitation was particularly effective in stabilizing financing for **community health initiatives, immunizations, and maternal and child health services**.

As part of the government's **Taifa Care** strategy, the Ministry of Health adopted the **Global Budget Model** as of **January 2025** to enhance healthcare financing. This model allocates a **pre-determined budget** to healthcare facilities based on **anticipated patient volumes and service demand**, ensuring equitable distribution of resources.

Unlike the previous **capitation-based model**, which provided fixed payments per patient, the **Global Budget Model** offers greater flexibility by allowing hospitals to manage resources based on real-time needs. This approach enables facilities to **optimize service delivery, improve efficiency, and enhance financial predictability** while maintaining accountability.

Under this system, healthcare providers will be reimbursed based on the **actual number of cases and services rendered**, as verified through periodic returns submitted to the Ministry. This shift ensures that funding is aligned with the **true cost of care**, reducing financial constraints that previously affected service provision.

The move to a **Global Budget Model** is in line with international best practices and is designed to **ensure sustainable healthcare financing**. This shift allows healthcare facilities to **plan more effectively**, allocate resources based on **actual service needs**, and avoid **over-reliance on per-patient payments**. This model will be particularly beneficial for **rural and county-level hospitals**, where service demands fluctuate based on population needs.

This transition was a key component of the **Kenya Kwanza Manifesto's commitment to Universal Health Coverage**, ensuring that **PHC services remain accessible, well-funded, and sustainable**. The Ministry has put in place **monitoring frameworks** to assess the impact of the **Global Budget Model**, with periodic evaluations to ensure that it meets the **healthcare needs of Kenyans**.

By strengthening **Primary Health Care**, the government is not only **reducing the burden on higher-level curative services** but also promoting **preventive and promotive health measures**, which are crucial for **long-term health system sustainability**. The Ministry urges all stakeholders,

including **county governments and development partners**, to support this transition and ensure that PHC remains a **cornerstone of Kenya's healthcare system**.

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4. SHIF Payments up to January 31, 2025: Paid, Pending, and Rejected Claims

The government is committed to **transparency and accountability** in the disbursement of **SHIF payments** to healthcare providers across the country. Since the launch of SHA on 1st October 2024 to 31st December, 2024, the Authority has collected **KES 20.9 billion** as at 31st January 2025 and subsequently processed claims from both **public and private hospitals.** The claims are categorized into **paid KES. 18,2B, out of which KES 16.97 relates to SHIF claims and Ksh.1.33B to Primary Health Care capitation**, ensuring a clear financial outlook as we implement **Taifa Care**.

The disbursement of **KES 18.2 billion** underscores the government's **strong commitment** to ensuring that healthcare providers receive **timely reimbursements** for services rendered. By facilitating payments across both **public and private health facilities**, the government is safeguarding **uninterrupted healthcare access** for all Kenyans, reinforcing its dedication to achieving **Universal Health Coverage (UHC) under Taifa Care**. To enhance efficiency, **SHA has prioritized faster claim processing** through **digital platforms** that enable real-time tracking of claims. This innovation has significantly **streamlined payment workflows**, eliminating delays and inefficiencies that previously hindered reimbursements. As a result, healthcare providers can now operate with greater financial stability, ensuring **continuous service delivery** to patients.

Despite the law prescribing a **90-day credit period** for claim settlement, SHA has consistently processed and disbursed payments **in under 30 days**. This accelerated turnaround reflects the government's **proactive approach** to strengthening healthcare financing, reducing the financial strain on facilities, and improving the overall **responsiveness of the health system**.

By maintaining a **rapid and transparent payment system**, SHA is building **trust and confidence** among healthcare providers, encouraging **greater participation** in the new health financing framework. The Ministry continues to work closely with stakeholders to further **optimize payment processes**, ensuring that **no facility faces disruptions** due to delayed reimbursements.

Some claims remain pending due to **incomplete documentation, ongoing verification processes, or preauthorization challenges**. To resolve this, the Ministry is working closely with healthcare facilities to **accelerate claim processing**, ensuring that all **valid payments** are settled promptly. Hospitals

facing delays are encouraged to **engage with SHA** for assistance in addressing submission issues and improving claim accuracy.

To enhance **transparency and accountability**, all claims are undergoing a **clinical audit** to confirm that preauthorized procedures were **properly approved and performed** before payments are processed. This rigorous verification ensures that healthcare funds are **disbursed appropriately**, preventing fraud and improving financial integrity within the sector.

In addition to pending claims, a number of submissions have been **rejected** due to documentation errors, duplicate entries, or missing authorizations. The Ministry urges healthcare providers to **adhere strictly to SHA guidelines**, ensuring that all claims are **accurately documented and correctly submitted** to avoid unnecessary delays and rejections.

To further **improve efficiency and minimize claim rejections**, SHA is rolling out **training programs for hospital administrators** on proper claim submission processes. These efforts aim to **streamline reimbursement procedures**, enhance compliance, and ensure **timely payments**, ultimately strengthening service delivery under the **Taifa Care model**.

As part of the **government's UHC agenda**, the Ministry remains committed to **enhancing financial accountability in the health sector**. By working closely with stakeholders—including county governments and private providers—the Ministry will continue to **refine payment processes**, ensuring that healthcare facilities receive timely reimbursements and that all Kenyans can access **uninterrupted, high-quality healthcare services**.

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5. Old NHIF Debts and the Verification Process Between SHA and Individual Facilities

The transition from **NHIF to SHA** has necessitated a **thorough verification process** to reconcile outstanding NHIF debts owed to healthcare providers. The Ministry of Health, through SHA, is undertaking **a meticulous audit** to ensure that all verified claims are **settled transparently and fairly**, preventing fraud and financial mismanagement.

A key aspect of this process involves **reconciling debts owed by NHIF to various facilities** with **claims that may have been submitted erroneously or require additional documentation**. The Ministry is working with healthcare providers to ensure that **only legitimate claims are honored**, thereby maintaining **fiscal responsibility** while ensuring that facilities receive their rightful dues.

Hospitals and private healthcare providers are encouraged to **collaborate with SHA in submitting verified records** of pending NHIF payments. This verification process includes **cross-checking patient records, confirming service provision dates, and ensuring that past claims meet the required financial and audit standards**. SHA is providing technical support to hospitals to facilitate the **swift resolution of outstanding claims**.

The government remains committed to **settling all legitimate NHIF debts**, ensuring that healthcare providers remain financially stable as they transition into the **SHA framework**. However, to prevent recurrence, the Ministry is instituting **stricter financial controls and enhanced oversight mechanisms** in claims processing, guaranteeing accountability in the use of public funds.

Through the **Taifa Care model**, the government aims to **restore confidence in Kenya's healthcare financing system** by eliminating past inefficiencies, preventing undue financial burdens on hospitals, and ensuring a **more robust and transparent reimbursement framework for SHIF moving forward**.

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6. Government Programme for Vulnerable Teenage Pregnant Girls in Public Health Facilities

The **Kenya Demographic and Health Survey (KDHS) 2022** highlights a significant concern regarding teenage pregnancies in the country. Nationally, **15%** of adolescent women aged 15-19 have experienced pregnancy, with **12%** having given birth, **1%** having had a pregnancy loss, and **3%** currently pregnant with their first child. This marks a decline from **18%** in 2014, indicating progress; however, the prevalence remains substantial. The survey also reveals that teenage pregnancy rates are inversely related to education levels: approximately **38%** of adolescents with no education have been pregnant, compared to only **5%** of those with more than secondary education. Similarly, economic disparities influence these rates, with **21%** of adolescents in the lowest wealth quintile having been pregnant, versus **7%** in the highest quintile.

Geographically, the burden of teenage pregnancies varies across counties. **Samburu County** reports the highest rate at **50%**, followed by **West Pokot** at **36%**, **Marsabit** at **29%**, and **Narok** at **28%**. In contrast, **Nyeri** and **Nyandarua** counties have the lowest rates, each at **5%**. These disparities underscore the need for targeted interventions addressing the unique socio-economic and cultural factors contributing to teenage pregnancies in different regions.

The government has launched a **special program** to support **vulnerable pregnant teenagers,** ensuring they receive comprehensive maternal and

reproductive health services **at public health facilities**. This initiative aligns with our **commitment to prioritizing adolescent health**, recognizing that young mothers face a higher risk of maternal complications.

To support this effort, the **government has allocated funds** to cover the **annual premiums** for these mothers. Upon seeking care at a public facility, they are encouraged to register in the program during their first visit. Additionally, all their **dependents** should be enrolled to ensure full healthcare coverage. This initiative reinforces our mission of providing accessible healthcare for all.

Under this program, pregnant teenage girls will be **automatically enrolled in SHIF**, ensuring that they receive **free prenatal care, safe delivery services, postnatal care, and psychosocial support**. The registration process is **simplified**, requiring only basic identification at public health facilities to access **immediate medical care and continuous follow-up**.

The Ministry of Health recognizes that **teenage pregnancies pose significant health and socio-economic challenges**. To address this, the program integrates **counseling services, nutritional support, and mentorship programs**, equipping young mothers with the necessary tools to ensure both their well-being and that of their newborns. **Community Health Promoters (CHPs)** will play a key role in **identifying and enrolling vulnerable girls** into the program, ensuring that no one is left behind.

Additionally, the program provides **linkages to education and economic empowerment opportunities**, ensuring that teenage mothers can resume their education or receive vocational training post-delivery. By offering **holistic support**, the initiative contributes to **breaking the cycle of poverty and poor health outcomes** associated with teenage pregnancies.

The government urges **county governments, religious leaders, and community organizations** to support this program by **sensitizing communities** on the importance of ensuring **adolescent girls access maternal healthcare without stigma or discrimination**. Through the **Taifa Care model**, Kenya is ensuring that **every young mother receives the care and dignity they deserve**.

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7. Gazettement of the Benefits Package and Tariffs Advisory Panel

The government is in the process of gazetting **the Benefits Package and Tariffs Advisory Panel**, a critical milestone in ensuring that SHIF provides **comprehensive, equitable, and cost-effective healthcare services** for all Kenyans. This independent panel is tasked with **reviewing, updating, and recommending healthcare benefits and service tariffs**, ensuring that

SHIF remains responsive to Kenya's evolving health needs. The **Panel** will be hosted at the **University of Nairobi's Centre for Epidemiological Modelling and Analysis (CEMA)**, with a joint secretariat jointly supported by the **Ministry of Health** and the **University of Nairobi**.

A major highlight of the new package is the introduction of **higher financial coverage for specialized treatments**, including **Oncology services**, which now receive **an additional Ksh 150,000**, making a **total of KES 550,000 per household per year**. ensuring cancer patients can access **lifesaving therapies** without incurring catastrophic costs. This enhancement reflects the government's commitment to **prioritizing non-communicable diseases (NCDs) as part of the Taifa Care strategy**. These new tariffs will take effect upon passing of the supplementary budget and gazettement by the Cabinet Secretary.

For the first time, **ICU and HDU services**, which were previously **not covered under NHIF**, are now included under SHIF. The coverage starts at **Ksh 4,480 per day**, with improvements bringing it to **Ksh 28,000 per day**, significantly reducing **out-of-pocket healthcare expenses for critically ill patients**. This expansion aligns with the **UHC agenda**, ensuring that Kenyans receive **quality intensive care services regardless of financial status**.

By establishing this advisory panel, the government is ensuring that **healthcare pricing remains fair, transparent, and sustainable**—**protecting patients from exploitative charges** while safeguarding the financial viability of healthcare providers. The panel will **actively engage** stakeholders in **reviewing reimbursement rates**, ensuring that healthcare services remain both accessible and of high quality. Its primary role is to ensure that the benefits package is **scientifically designed**, aligning with **population health needs** and the **available fiscal space** to sustain healthcare financing effectively.

Through this initiative, the government is ensuring that **more money translates to more benefits for all Kenyans**, reinforcing the commitment to **financial protection and improved access to quality healthcare services under Taifa Care**.

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8. Difference Between Medical Administrators Kenya Limited (MAKL) and SHA's Public Officers Medical Scheme

As part of the government's broader health sector reforms under **Universal Health Coverage (UHC)** and the **Taifa Care model**, the transition from **NHIF to SHA** has raised questions about how medical coverage for public servants is structured. A key distinction exists between **Medical Administrators Kenya Limited (MAKL)** and the **Social Health Authority**

(SHA), particularly in how they serve public officers, including teachers and police officers. It is important to clarify the role of each entity to ensure a better understanding of their mandates and how they contribute to Kenya's evolving healthcare financing landscape.

MAKL is a private medical insurance administrator that primarily manages healthcare schemes for specific public sector groups, including **teachers, police officers, and prison staff.** This means that the medical benefits for these groups are structured differently from the public officers covered under SHA. MAKL acts as an intermediary, administering health insurance services on behalf of insurers contracted by the **Teachers Service Commission (TSC)** and the **National Police Service (NPS).** These schemes cover healthcare costs based on negotiated agreements between the employer and the insurance provider, with varying benefit packages depending on the contractual terms. However, delays in remittances from TSC and NPS to MAKL have, at times, led to challenges in service provision, including delayed reimbursements to hospitals.

On the other hand, **SHA is a government-established institution** responsible for managing **national health insurance coverage** in line with the **Kenya Kwanza government's UHC agenda.** Under SHA, public officers—other than those covered by employer-managed schemes like MAKL—contribute a standard percentage of their incomes towards health coverage. This approach ensures **equitable access to medical benefits**, eliminating disparities that existed under NHIF. SHA covers **inpatient, outpatient, chronic disease management, emergency care, oncology, and specialized services like ICU and HDU,** with a focus on financial risk protection to reduce out-of-pocket healthcare spending for public servants.

The major distinction is that **MAKL functions as a private third-party administrator**, managing employer-sponsored health insurance schemes for **specific sectors** (teachers, police, prisons), whereas **SHA is a public institution offering standardized health benefits for all public officers not covered under separate employer-administered schemes, as well as the general public not in formal employment.** The SHA model pools funds to ensure that Kenyans receive **uniform, high-quality healthcare services** nationwide, reinforcing the government's commitment to **expanding access to healthcare** under Taifa Care.

In summary, while both **MAKL and SHA** serve public servants, **MAKL is an employer-specific medical scheme administrator, while SHA is the national health insurance provider under UHC.** The shift to SHA reflects a broader policy direction toward **streamlining and improving access to healthcare** for all Kenyans, in line with the **government's commitment to delivering equitable and efficient health services.** The Ministry of Health remains committed to ensuring a smooth transition and will continue to engage

stakeholders to enhance the effectiveness of SHA in supporting public servants' healthcare needs.

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