The National Hospital Insurance Fund (NHIF) has continued to implement social health strategies with a view to achieving Universal Health Coverage (UHC) for the benefit of all Kenyans. Subsequently, the Fund has over the last three years developed and rolled out new benefit packages as a means towards expanding access to both the employed and self-employed sectors. At the same time the Fund has stepped up its member recruitment and public education drives across the country with a view of covering more Kenyans through various initiatives aimed at targeting those who are most vulnerable and are at risk of catastrophic health care expenditure.

To enhance the national coverage and meet the demand for health insurance products, NHIF has adopted a transformational agenda through:

- Continuous assessment of benefits to stay ahead of customer needs and demands
- Sustained reforms and realignment of NHIF strategy to improve efficiency
- Enhanced strategic stakeholder alliances and partnerships for collaborative advantage
- Adoption of innovative technology and process improvement to enhance the Fund’s performance and capacity.

NHIF recognizes the importance of collaborations and public engagement with all partners and stakeholders and thus has forged partnerships across the country towards increasing its worth as a member delivering on the core mandate.

HIGHLIGHTS OF NHIF MEDICAL INSURANCE

The Fund has continued to expand its offerings in terms of healthcare packages to all its members. The NHIF Supacover is a comprehensive health insurance scheme that offers the following NHIF medical insurance coverage:

- **Outpatient services**:
  - Consultation, laboratory investigations, day care procedures, drugs & dispensation, health education, wellness and counseling, physiotherapy services, immunization / vaccines as per KEPI schedule.
  - Inpatient Services - including bed, charges, nursing care, consultation, prescribed drugs, medication, laboratory services, surgery, physiotherapy, specialist consultation and treatment. Inpatient payment rates are 100% in category A & B health facilities and 50% in private hospitals, category C, the in-patient payment are up to a maximum of Ksh. 4,000 per day.

- **Maternity Services**
  - Prenatal care
  - Child delivery - normal (Ksh. 10,000) and caesarean section (Ksh. 30,000), postnatal care, Manual Vacuum Aspiration (MVA) and family planning
- **Imaging Services**
  - Basic x-rays and Ultrasound are covered under the general outpatient and inpatient care packages while MRI and CT scans are available in designated contracted facilities (see list in www.nhif.or.ke) under a referral system with a pre-authorized forms. The inpatient care also depends on policy terms and conditions.
- **Drug and Rehabilitation services** at accredited rehabilitation centers at a rate of one treatment session year up to a maximum of Ksh. 60,000.
- **Renal Dialysis**:
  - This is covered per family; applicable for inpatient and outpatient care for pre-dialysis, intra-dialysis & dialysis care. Renal dialysis offered at a maximum of KES 5,950 per session twice weekly.
- **Kidney transplant**:
  - Applicable for both local and overseas treatment: pre-transplant, Intra-transplant, immediate post-transplant inpatient care and hospital stay for the donor. In this case, the applicable amount on the donor’s card shall apply. This is limited to a package payment of NHIF members only.
- **Rehabilitation Package**:
  - Major, minor and specialised surgeries packages to a maximum of Ksh 500,000. Limits are subject to the level of hospitals and the procedure being treated.
  - Oncology/Cancer Treatment:
    - Radiotherapy is covered at a maximum of KES 18,000 per week (five sessions) up to a maximum of 20 to support per family per financial year and Complex level up to KES 150,000 per family per financial year. Also three cycles per family per financial year.
  - **Emergency rescue services** (in Kenya or NHIF Plus) is contracted to provide Road Ambulance rescue and emergency services. This benefit is available to members round the clock (24/7) and can be availed by dialing 1199 or 0700 395395.

- **Cancer Overseas treatment** for treatment not available locally up to a maximum of Ksh. 500,000 subject to approval by the Ministry of Health. 

To enjoy the above benefits, the formal sector members’ monthly contribution is between KES. 150 to Kes.1,700 based on an individual’s pay scale and degree of services.

<table>
<thead>
<tr>
<th>Experience type</th>
<th>2017/2018 Unaudited</th>
<th>2016/2017 Audited</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inpatient Services</td>
<td>14,695,395,253</td>
<td>12,048,865,574</td>
<td>22%</td>
</tr>
<tr>
<td>2. Outpatient Services</td>
<td>7,125,531,228</td>
<td>5,075,332,866</td>
<td>40%</td>
</tr>
<tr>
<td>3. Surgeries (Major and Minor)</td>
<td>3,622,114,046</td>
<td>2,091,611,616</td>
<td>73%</td>
</tr>
<tr>
<td>4. Maternity Services</td>
<td>1,763,415,726</td>
<td>1,247,214,500</td>
<td>41%</td>
</tr>
<tr>
<td>5. Dental Services</td>
<td>1,533,075,255</td>
<td>1,628,589,332</td>
<td>-6%</td>
</tr>
<tr>
<td>6. Free Maternity (Linda mama)</td>
<td>1,488,460,969</td>
<td>28,172,808</td>
<td>-</td>
</tr>
<tr>
<td>7. Cancer treatment</td>
<td>1,367,913,712</td>
<td>1,231,214,950</td>
<td>11%</td>
</tr>
<tr>
<td>8. Optical (Managed Schemes)</td>
<td>738,440,079</td>
<td>158,743,995</td>
<td>365%</td>
</tr>
<tr>
<td>9. Dental (Managed Schemes)</td>
<td>559,545,537</td>
<td>373,651,683</td>
<td>50%</td>
</tr>
<tr>
<td>10. Specialized Surgeries</td>
<td>548,095,958</td>
<td>274,106,673</td>
<td>100%</td>
</tr>
<tr>
<td>11. MRI</td>
<td>434,031,838</td>
<td>651,582,821</td>
<td>-33%</td>
</tr>
<tr>
<td>12. CT-Scan</td>
<td>285,069,617</td>
<td>311,520,617</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Table 1: Top expenditure per healthcare Benefits Packages

As an institution, we remain extremely dedicated to walk the Nation towards Universal Health Coverage. To this end, a number of initiatives were undertaken in the 2017/2018 financial year. These include accreditation of all public health facilities, putting more resources in the ongoing biometric registration as well as refocusing our energies in protecting the poor under the vulnerable and the Older Persons and Persons with Severe Disabilities Programs (OP-PWD).

In addition, NHIF continues to ensure safe delivery of mothers through Linda Mama Program and providing health insurance to the secondary school students through the Edu-afya program.

I wish to register my appreciation to all stakeholders who have played different roles, keeping us focused on our mandate. Let us all join hands and make a firm resolve to continue to play our individual and collective responsibilities towards building a healthy Kenya.

Geoffrey G. Mwangi
Chief Executive Officer

The end of the 2017/2018 financial year gives us yet another opportunity to reflect on the gains that we have been able to attain as an organization as well as to refocus on the future in line with our mandate to provide accessible, affordable, sustainable equitable and quality social health insurance to all Kenyans.
The above table highlight a comparison between FY 2016/17 (audited) and FY 2017/18 (unaudited) with free maternity having the highest growth (5183%), followed by optical benefits package offered to the managed scheme members by (365%) then kidney transplants (198%) among others.

**Customer Foot Print**
Several Strategies and initiatives have been directed at increasing member registration which has steadily risen in the last five years to 7,657,463 principal members by end of June 2018. With over the seven million principal members, NHIF health insurance a total of over 25 million Kenyans. Registration of a member wherever they are registered children are covered for their healthcare needs.

<table>
<thead>
<tr>
<th>Table 2: Principal Members Growth Pattern</th>
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<tbody>
<tr>
<td><strong>PERIOD</strong></td>
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<tr>
<td>2013/2014</td>
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<tr>
<td>2014/2015</td>
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<td>2015/2016</td>
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<td>2016/2017</td>
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<tr>
<td>2017/2018</td>
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</tbody>
</table>


**Information Technology Adoption**

Information technology remains pivotal in the Funds transformative agenda. Over the review period The Fund has focused on:

- Enhanced network in the 96 service points and 53 Huduma service centres country wide
- Enabling environment for businesses to submit contributions through the NHIF online platforms in a bid to enhance the ease of doing business in Kenya
- Digitization of registration, payments and claims processes for effective services
- Enabling members to register, make contributions, pay penalty and receive status updates via their mobile devices wherever they may be country wide.

In pursuit of the access to health care, NHIF will leverage on technology to provide swift, secure and safe services. The Fund will soon be able to guarantee this through the use of biometrics.

**Vision 2030 Flagship Projects**

NHIF plays a key role under the social pillar in the achievement of Vision 2030. Consequently, the Fund has been implementing the following programs to enhance social protection and inclusivity.

**The Health Insurance Subsidy Program (HISP)** is a program targeting vulnerable segments of the population. A total of 181,415 households are registered under the program countrywide consisting of beneficiaries under the GOK’s Cash Transfer Program for Orphans & Vulnerable Children which are accessing benefits. A 45% benefit payout ratio has been realized.

Older Persons & Persons living with Severe Disabilities (OPSD) has a total of 42,000 households registered under the program across the country consisting of beneficiaries under the GOK’s Cash Transfer Program for Orphans & Vulnerable Children who are accessing benefits. A 45% benefit payout ratio has been realized.

**Medical Camps**

NHIF supports local communities in informal settlements through free medical camps to identify common health problems and give free medical information to the community members. Community members are also advised on nutrition and checked on body mass index, hypertension, diabetes, flu and general wellness with further referral of specialized treatment.

**FINANCIAL STATEMENTS**

The above financial statements are extracted from the financial records of the Fund. The complete set of the financial statements can be accessed on the institution’s head office located at NHIF Building, Bagari Road, Upperhill, Nairobi and the Fund’s official website: www.nhif.or.ke.

**FUTURE OUTLOOK**

The Fund’s results continue to be a clear reflection of the success of its strategic thrust. We remain focused on meeting the needs of our clients, and are confident in our ability to continue to provide value for all of our stakeholders whilst prudently managing our resources. We have already had a positive start to 2018/2019 and expect to continue to realize healthy, sustainable growth through the current year and beyond.