A Public-Private Partnership in Kenya: The Nandi Hills Doctors' Scheme

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TABLE OF CONTENTS

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BACKGROUND

Nandi Hills is a town in the highlands of Western Kenya which is one of the primary tea growing areas in the country. Kenya is now the world's largest exporter of tea, and tea is the largest export from Kenya. Thus the region has considerable economic significance to the country and is a large employer of workers. The area is covered by rolling hills of green tea bushes, criss- crossed by paths cut in parallel lines which divide the estates into sections owned and managed by different groups which are part of the Nandi Hills Tea Growers Association (NHTGA). NHTGA is composed of representatives of 17 estates which grow, harvest, process, and export tea from Nandi Hills. While many of the estates and owned and managed by large companies, such as Eastern Produce of Kenya, other are owned by local Kenyans. Processing of the tea takes place in factories located throughout the estates.

This case study discusses specific aspects of the health care delivery system in Nandi Hills, which is supported privately by the Nandi Hills Tea Growers Association and publicly by the Ministry of Health of Kenya. There are several interfaces between the "private" system of the NHTGA and the "public" system of the MOH which illustrate prior and currents efforts at collaboration between the two sectors. In the last 12 months, specific new public-private collaboration has started. While this current chapter is evolving now, in part with technical assistance from the AFS Project funded by USAID, many of the key initiatives and related issues are presented for discussion. Further analysis of results and lessons learned will be available during the remaining two years of the AFS project.

EXECUTIVE SUMMARY

The activities of the Nandi Hills Tea Growers Association to improve primary health services in the dispensaries they operate creates significant opportunities for public-private collaboration as they work with the board of the Nandi Hills Sub-District Hospital. Although many specific initiatives are under way, these activities are very much "work in progress" which will bear fruit over the next two years. The Ministry of Health has recently appointed a private hospital board, albeit with unclear lines of authority, to oversee the management of the government hospital. Since the Tea Growers Association is actively represented on the hospital board, the opportunities for close collaboration and coordination between the activities on behalf of the private dispensaries and those to improve the hospital can be closely linked, although there are many options to consider and many choices for each organization to

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make on its own. The APHIA Financing and Sustainability (AFS) Project, a bilateral USAID-funded contract with Management Sciences for Health, is offering technical assistance to the Tea Growers Association in analyzing its approaches and implementing constructive changes in the arena of public-private collaboration.

AFS PROJECT SUPPORT

The AFS Project is a USAID-funded bilateral project in Kenya started in 1996 and scheduled to run until September 2000. The project is operated through a contract with Management Sciences for Health, which has fielded a team of five resident advisors. The project provides technical assistance in four areas: (1) strengthening the Ministry of Health's (MOH) cost-sharing program in government health facilities through decentralization and improved systems, (2) working with private-sector organizations primarily to strengthen managed care schemes, (3) assisting selected family planning nongovernmental organizations (NGOs) to become more sustainable, and (4) improving the financing of essential drugs and family planning commodities. The first component of the project, strengthening the MOH cost sharing program, represents about 40% of the level of effort and provides continuity of support from the Kenya Health Care Financing (KHCF) Project which USAID funded through a contract with Management Sciences for Health from 1990 through 1995.

The AFS project strategy is to build relationships with key client organizations which have the potential and motivation to benefit from selective technical assistance from the project. The client organizations include health care providers such as Coast General Hospital in Mombasa, the second largest government hospital; PCEA Chogoria Hospital, a large mission hospital with 33 outlying clinics; the Family Planning Association of Kenya; and the Nandi Hills Tea Growers Association (and though them the Nandi Hills Sub-District Hospital). As technical assistance with each client is completed, new client organizations are taken on as clients of the AFS project. The method of working with each client is detailed in a Memorandum of Understanding negotiated between the organization and the AFS Project and a technical assistance plan prepared after a joint assessment of the organization's needs.

The work with the Nandi Hills Tea Growers Association, several of these components were addressed at the same time. The objectives of the public-private collaboration in Nandi Hills experience are to assist the principal actors to

- harness management expertise and resources from the tea estates, community, and government to improve the operation of the private dispensaries and the government hospital
- further strengthen the primary health care and family planning programs in terms of quality and financial sustainability
- improve the performance (increased revenue collections, reduced costs, improved quality of the hospital
- create an effective model of board operation of a government hospital.

BASIC DEMOGRAPHIC AND SERVICE PROFILE

Tea Estates- Dispensaries

The Nandi Hills tea growers operate 22 dispensaries on the tea estates serving the basic health and family planning needs of the employees and their dependents. The dispensaries, staffed by nurses and assistants with varying degrees of training, provide immunizations, family planning, and first level health care including essential drugs for the leading causes of morbidity: malaria, URTI, diarrhoea, intestinal worms, and skin diseases. They are generally well run and in good facilities, although the units costs, levels of skill, and staff productivity vary considerably.[3] [4] The dispensaries range in size from one room with one nursing staff to 5-6 rooms including observational area/beds, registered nurses, and field educators. Family planning services are provided at most but not all dispensaries.

Based on an analysis of the costs and utilization of four dispensaries, the average cost per visit in 1998 varies from 30 Kenya Shillings (KSh.) to 153 KSH. The clinics serve the workers in estates varying in size from 100 to 600 hectares, and workers (dependents) from 140 (175) to 1,514 (1,893). The rates of drug prescription, referrals for lab tests and outpatient and inpatient hospitalization also vary considerably, although the underlying morbidity of the population as measured by clinic records is rather uniform.

The population of workers and their dependents served by the dispensaries was 44,000 in 1997 in the following categories.[5]

Workers and Dependents on Tea Estates

Total Employees	19,314
Women (estimated)	5,577
Children (estimated)	19,018

[3] "Technical Support for Feasibility of Clinical Laboratory and Amenity Ward in Nandi Hills", by George P. Purvis, Management Sciences for Health, 1998.

[4] "Cost and Utilization Analyses of the NHTGA Dispensaries", by Dayl Donaldson, Samuel Kimani, Stephen Musau, and Silas Njeru, Management Sciences for Health, 1998.

[5] "Preliminary Feasibility Study for AFS Technical Support to the Nandi Hills Doctors Scheme", by Charles Stover, William Newbrander, Ian Sliney, Management Sciences for Health, 1998.

Total Persons (workers, managers, and dependents)	43,909

Because the tea estates provide stable employment compared to other areas in the region, many workers are settling their families there to take advantage of the job security as well as the health and educational benefits provided by the tea estates. This trend is consistent with the desire of the estate managers to retain skilled workers by reducing turnover. As a result of this trend, the population living and working on the estates is relatively stable, which provides a strong rationale for a long-term approach toward health maintenance of the working families.

Tea Estates- Nandi Hills Doctors' Scheme

The Nandi Hills Doctor's Scheme is funded by the tea estates on a per hectare levy to provide the services of a part-time doctor. The doctor operated a clinic for estate managers and their dependents, and provided medical oversight for the nurses in the dispensaries. As a part-time doctor, he could not provide rigorous supervision of the clinics, nor to offer more than periodic direct medical services. As the doctor became ill within the past two years, the level of service diminished. After the recent death of the doctor, the tea estate managers have decided to hire a full-time physician, and to broaden the new doctor's responsibilities for direct care beyond that of the managers and their families only, and to strengthen the clinic supervision. Exactly how to recruit, compensate, and specify the duties and responsibilities of the proposed physician has been the subject of considerable debate. It now seems possible that the hiring of the physician will be coordinated with improvements in clinic management and likely savings through centralized procurement of drugs and supplies for the dispensaries.

Hospital Services

Hospital services in Nandi Hills are provided locally at Nandi Hills Sub-District Hospital (NHSDA). NHSDA is a 87 (72 beds until the recent addition) bed general hospital with one part-time surgeon/doctor as director. It was constructed more than 20 years ago by the tea growers, with the Government paying for the costs on a matching basis. Sometime during the period since it was constructed, the Ministry of Health took it over as a sub-district hospital. Thus there is a long history of public-private collaboration. However, in the past ten years, the tea growers have noticed a decline in quality, and there is a growing sentiment that it is not possible for the government to run an effective hospital.

In March 1997, the Ministry of Health appointed ("gazetted") hospital boards for all government hospitals, including NHSDA. The Board for NHSDA included significant representation from the tea growers. With their representatives in key positions as Vice-Chairman and head of Finance Committee, the tea growers association began to work closely with the board and the hospital staff to make improvements. At the first meeting of the board in June 1997, it was decided to repair the hospital water system. A crew from one of the tea estates was assigned to repair the cistern, and

replace the piping to restore an adequate water supply within the hospital. Reacting to obvious overcrowding in the 15 bed women's ward, the tea growers took up an assessment to pay for the reconstruction of that ward with a doubling in capacity during the winter 1997 and spring 1998. Other steps were also instituted to improve financial controls, and to begin planning for systematic improvements.

MECHANISM FOR TECHNICAL ASSISTANCE

The technical assistance by the AFS Project to the Nandi Hills tea growers and the board of the local subdistrict government hospital began in January 1998. The first initiative was an assessment of the needs of the local health system and an initial setting of priorities by the tea growers which included:

- **hiring a full-time doctor** under the Nandi Hills Doctor's Scheme. Previously, a part-time doctor had provided clinic services to managers and their families, and provided minimal supervision of the dispensaries. With the doctor's declining health and subsequent death, a full-time doctor with a broader mandate was desired.
- **improving laboratory services**. The lab services at the Nandi Hills sub-district hospital are inadequate, and the tea growers wish to establish a clinical lab which can better support the needs of the dispensaries, which rely heavily on presumptive treatment, particularly for malaria.
- **feasibility of constructing an amenity ward** at the Nandi Hills sub-district hospital.

The AFS Project and the NHTGA negotiated a memorandum of agreement (MOA) and a technical assistance plan related to these priorities in March, 1998. The initial technical assistance provided

- assistance in **recruiting a full-time doctor**
- **base line community survey** to measure patient and community attitudes about the dispensaries and the hospital services, and their ability and willingness to pay for improved services in the hospital;
- **costs and utilization of four dispensaries and the hospital**;
- feasibility of **different options for laboratory improvements;**
- feasibility of **creating an amenity ward** at the hospital.

Many of the above tasks are in process, and their completion is scheduled for the first quarter of 1999. The community survey proved to take a long time to design, contract for, and conduct.

The memorandum of agreement between the KTGA and the AFS Project also specifies that the Nandi Hills health system can be used for training for other groups, to share the lessons learned in terms of the PHC/FP system, improved operations of the subdistrict hospital, and the evolution of a board governance structure using new management techniques.

SPECIFIC PUBLIC-PRIVATE COLLABORATION

The various activities options by the Tea Growers Association to improve services at the dispensaries, recruit a full-time doctor, develop improved clinical lab services, and perhaps support the development of an amenity ward at the hospital are intertwined with the efforts of the hospital board to improve service quality and financial sustainability at the hospital. Depending on which options are chosen the Tea Growers Association, the degree of public-private collaboration will differ. A key element in the decisions is the degree of confidence that the Tea Growers Association have in the ability of the Hospital board to carry out meaningful changes in the management of the hospital to improve quality, increase revenue, and contain costs. The earlier experience of the Ministry of Health taking over the hospital leaves some residual doubt about the MOH intentions. The unclear mandate to the hospital board, and how their potential powers might conflict with central finance and personnel policies of the Ministry of Health add other elements of doubt. So, the final decisions will be judgment calls based in part on the analysis of the options and in part on the possibilities for meaningful and sustained reform of the current hospital structure.

GENERAL PROGNOSIS

Not being able to foresee the outcome of the decisions at this point in time, the authors can only give some educated guesses as to what the outcomes might be. These can serve as benchmarks against which to measure what actually happens. These forecasts certainly reflect the optimistic, but hopefully not naive, perspective of the authors.

1. The Nandi Hills Doctor's Scheme will hire a full-time doctor, who will take a more active role in supervising the dispensaries and providing outpatient clinical care to employees and dependents of the tea estates on a referral basis. The doctor will develop a clinical linkage to the Nandi Hills Hospital, including admitting privileges.

2. The dispensaries will operate more cost-effectively as "best clinical practices" are introduced between clinics, purchasing of drugs and supplies is standardized and centralized, and staffing patterns and skills levels matched more closely with clinical workload.

3. A centralized clinical lab facility will be established, with samples from patients sent to the lab and results phoned back, rather than having the sick person transported to the hospital.

4. The tea estates will establish more standardized and reliable methods of monitoring dispensary performance, as well as underlying disease patterns. Certain additional preventive programs, such as malaria reduction interventions, will be tested and used where effective.

5. The hospital board will continue to make incremental improvements to the hospital in terms of physical improvements, establishing operating procedures for departments, and making selective changes in staff.

6. The hospital board will participate in training to permit them to organize themselves in an

effective manner and will develop a restructured management plan for the hospital. They will also prepare by-laws to govern their operations as a board. The authority of the board will be tested by central MOH authorities, particularly regarding the issues of assignment of personnel and exerting provisions of the by-laws which may not be consistent with central MOH policy. The hospital will require at least two additional physicians on staff, either through the MOH postings or through private arrangements. Depending on the extent to which the community and the Tea Growers Association back the positions taken by the Board, the hospital may be granted tacit approval (even if unwritten) by the MOH to proceed on its course of improvements.

7. The revenue side of the hospital operations will be improved through the introduction of cash registers and the increase in fees, implemented along with effective measures to protect the poor from not seeking care due to financial barriers. Financial controls will reduce theft to minimal levels.

8. An amenity ward will be constructed and operated, not only as a means of generating additional revenues through more personalized service, but also will serve as a benchmark for service improvements in other hospital departments.

9. The hospital board and management will develop tools to cost hospital services on a departmental basis, to utilize appropriate staffing patterns, and to manage utilization effectively at the points of admission, discharge, and ongoing patient care during the illness.

10. The hospital services will gradually increase in intensity as services improve, and less sick patients will be treated on an outpatient basis. Overall, the community will be satisfied with the improvements that they supported through their board.