

Improving Health Care for Kenyans: Increased Revenues and Better Management Systems Yield Improved Quality of Care

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Kenya: APHIA Financing and Sustainability Project
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APHIA Financing and Sustainability Project IMPROVING HEALTH CARE FOR KENYANS

Increased revenues and better management systems yield improved quality of care.

A big step toward better care

The APHIA Financing and Sustainability Project (AFS) has since 1997 helped increase revenues for public health care services in Kenya and assisted public and private health care institutions to improve their organizational and financial sustainability, with the aim being better quality of care.

Implemented by Management Sciences for Health under USAID Contract No. 623-0264-C-00-7005, the project worked with the Ministry of Health and other health care providers across the country to improve organizational performance and service quality, control costs, increase revenues, and enhance patient and staff satisfaction.

National highlights

National cost-sharing revenues for health care services are at their highest level ever. They more than doubled between 1997 and 2000, from Ksh200 million to Ksh554 million. AFS contributed to that increase in a number of ways:

Training: AFS trained almost 1,000 Ministry of Health staff responsible for cost sharing program management, representing every district, and organized the training material into curricula for in-service and pre-service training, which had never been done before. AFS trained 30 lecturers at the Kenya Medical Training College and transferred responsibility for the pre-service training curriculum to the college. The first class trained in administering the cost sharing program were trained in January 2001. This should mean more program managers are billing patients at the right time, handling waivers and exemptions properly, and billing insurance companies promptly. The college and the Ministry can use the curricula without further technical assistance.

The training program is, in principle, completely self-sustaining. Provincial Medical Offices, now responsible for training, are mandated to use 10 percent of provincial hospital revenues for training and supervision. This is more than enough to finance future training, which will increase revenues.

Cash registers: Computerized cash registers increase revenues by checking fraud. AFS installed networked cash registers at Coast Provincial General Hospital in July 1998 and subsequently installed computerized cash registers in the other seven provincial general hospitals and eight district hospitals. Staff training in the use of the cash registers and a manual on how to install and use the cash registers were part of the package.

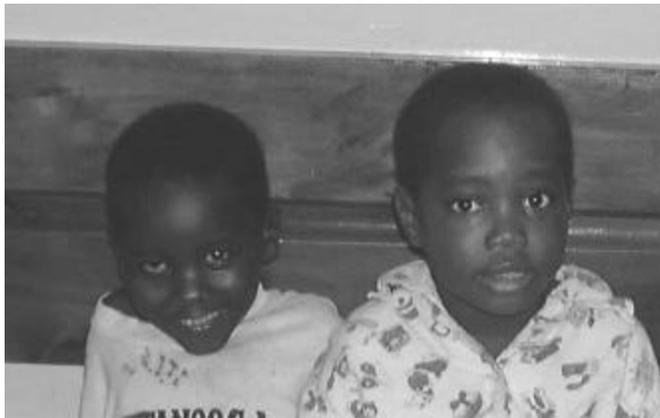
The Ministry of Health plans to eventually make some provincial hospitals autonomous. Some of these public hospitals are now more self-sufficient, thanks to the installation of cash registers by AFS, which provide valuable experience for replication elsewhere.

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Systems automation: Nationally, AFS installed a financial information system in the country's eight provincial medical offices, and at headquarters, for reporting on revenues, expenditures, banking and health utilization statistics. The system provides essential information for oversight of the cost-sharing program, and is very useful for general management.

Coast Provincial General Hospital

Coast Provincial General Hospital is Kenya's second largest hospital. To help prepare Coast for autonomy, AFS developed a reengineering action plan with a range of innovations, including a new organization structure and management and patient care systems. When cash registers were installed, revenues jumped fivefold, from Ksh1.2 million per month in 1998 to Ksh6.5 million per month in 2001. AFS also developed a hospital operations manual for Coast's management team and a hospital board members manual that received strong support from both board and administrators.

Nursing services were in the doldrums at Coast. AFS assisted the management team with organizational restructuring, changed job descriptions, reconfigured staff assignments on the basis of staff preferences and skills, and developed a cadre of nurse-managers. The result: improved morale—and better care. Part of the overall reengineering involved changing the admission routine for pediatrics. Now children are given a bed as soon as they come in, and the staff's goal is to have all emergencies seen immediately, all non-emergencies within 30 minutes.

AFS helped Coast develop clinical pathways in pediatrics for malaria, gastroenteritis and lower respiratory tract infections. The hospital is now using those pathways, and developing one for febrile convulsions.

Chogoria Hospital

AFS conducted cost analyses of Chogoria Hospital's activities that revealed where losses were occurring; as a result, the hospital divested itself of some non-care loss-makers. A hospital management information system installed by AFS paid for itself in two months, increasing revenue 20 percent and reducing workloads. And, AFS designed an incentive scheme to reward Chogoria clinic staff who improved the financial status of their clinics. The scheme had a major impact—in six months six clinics went from money-losers to money-makers.

Other hospitals and institutions

Other health care institutions also participated in the project. Two examples illustrate AFS support:

- **Aga Khan Hospital-Nairobi** developed standards of care for four diagnoses in its pediatric ward that cut costs by 30–45 percent and improved patient care. The hospital is now developing similar standards for its intensive care unit, and pre-admission pathways for a proposed pediatric day care center. AFS also helped Aga Khan develop admissions and discharge planning systems for its patients that could cut many inpatient stays by a third.
- **Family Planning Association of Kenya** conducted cost analyses and developed business plans for all its peripheral clinics. This has helped to assess the impact of different services on the organization's bottom line, as well as improving cost recovery.